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ILL WIND BLOWS FOR FARMERS

Domestic agriculture suffers from imported produce



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HIGH-RISK HIV GROUPS NOW TOP CONCERN

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Cheap imported crops strangling Chinese farmers



COVER STORY China now imports more agricultural products than it exports. Subsidies paid to European and U.S. farmers are seen as the root cause, as imported crops arrive much cheaper and of better quality than domestic harvests. It's an unfair situation that has resulted in a trade deficit and body slammed Chinese farmers, millions of whom are being forced to find employment in other sectors. Their only way out is to industrialize and employ a more modern approach to farming.

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Give and Take

By TANG QINGHUA

When American farmers take delight in their recent bumper harvests of soybean and cotton, they perhaps do so without the knowledge that on the other side of the Pacific, Chinese farmers are suffering. They suffer because much of these excessive crops are finding their way into the Chinese market, driving down domestic produce prices, reducing Chinese farmers' income and creating an imbalance in China's agricultural sector.

While the U.S. Government complains that their manufacturing industry is losing jobs to China, more than 20 million Chinese farmers have been forced to leave their land to eke out a living elsewhere as a direct result of China's entry into the World Trade Organization (WTO) in 2001.

The 900 million farmers in China, the world's largest agricultural nation, have been on the losing end ever since the country cut its average tariff on agricultural products from 23.2 percent before the WTO accession to the present 15.3 percent.

Foreign agricultural products have poured into China ever since 2001. If we take the U.S., China's main import market in terms of agricultural products, as an example, we see that currently China is the largest buyer of cheap American soybean and cotton, which is backed by modern mass production and large government subsidies. The figures speak for themselves. In 2005, U.S. soybean exports to China totaled \$2.3 billion, up 80 percent from that in 2001.

Used in the main to extract oil, domestic soybeans usually sell for 5-10 percent higher than imported soybeans. It's difficult for local farmers to compete in this scenario. As for cotton, the price of imported product is 2,000 yuan (about \$250) lower per ton than domestic produce, again putting pressure on domestic prices.

The statistics continue to bear out the industry's concerns. Though China still generates a large overall trade surplus with the U.S., its agricultural trade account registers a deficit. According to Chinese Customs statistics, China's agricultural trade deficit with the U.S. totaled \$3.78 billion in 2005, and in the first half of this year, the figure stood at \$2.8 billion.

The trade issue between the U.S. and China caused by ballooning deficits is a continuing source of friction and is likely to exist for the foreseeable future. Some politicians and interest groups in the U.S. waste no opportunities in calling for sanctions on Chinese manufactured products, yet it needs to take cognizance of the fact that China has made big concessions by opening its agricultural market to the international community.

On the positive side, China's entry to the WTO, subsequent international cooperation in agriculture and the inflow of large quantity of foreign farm produce will force the local farmers to adopt new technology and strive to improve the quality of their crops so as to become more competitive.

China is fully aware that the traditional growth pattern of its agriculture no longer fits into an ever interchanging world economy and it is now speeding up efforts to modernize the farming sector and to reform rural structures, while seeking immediate solutions to alleviating its farmers' huge losses caused by agricultural imports.

Such an approach certainly has a strong reference to politicians on the other side of the Pacific. ■

Have a comment, complaint or question? *Beijing Review* welcomes your feedback.

E-mail our editorial team at contact@bjreview.com.cn or write to us at **Beijing Review**, 24 Baiwanzhuang Lu, Beijing 100037, China. Letters may be edited for length or content.



Top Banker Hints at Exchange Rate Reform

People's Bank of China Governor **Zhou Xiaochuan** has cautiously welcomed a quicker revaluation of China's yuan in the near term as he acknowledged that the country's banking sector has been preparing for further exchange rate reforms.

At a high-profile meeting of top finance officials from the world's 20 biggest economies, held in Melbourne, Australia

on November 18, Zhou told attending central bankers and finance ministers that China's financial sector was much stronger than it was three or four years ago and could cope with interest rate reform and a more flexible yuan.

Since China removed yuan's peg from the greenback in July 2005, the Chinese currency has strengthened 3 percent, with half of the gains being achieved in the latter half of this year.

However, the rising trade surplus continued imposing pressure for a stronger yuan.

Though Zhou's remarks may not indicate drastic changes in China's long-standing "gradual" stance on the renminbi exchange rate reform, some technical adjustments, such as extending the daily trading range of the renminbi, are likely to be in the pipeline.

Zhou's message was well received. Bloomberg News quoted him as saying that China's central bank hadn't been pressured about the yuan at the two-day Melbourne meeting.

Compared with his prudence on the exchange rate issue, Zhou is more optimistic when it comes to the fight against inflation.

According to him, China is registering a relatively high speed of growth and its labor cost is on the rise, increasing the risk of a higher inflation rate. Moreover, since the country is determined to resort to the pricing leverage to promote energy conservation, the move is expected to drive up energy prices and "add to inflationary pressures."

However, Zhou stressed that a well-built pricing mechanism is much more significant in the long term. He added that the increasing government investment in the agricultural sector would help stabilize grain prices, thus creating favorable conditions for effective control of inflation.

“The appreciation of the renminbi is likely to accelerate. The gains may arrive at between 4-5 percent in the next year.”

Pan Yingli, economics professor at Shanghai Jiao Tong University

“Chinese inflation is tame, but higher borrowing costs to curb investment and credit growth cannot be ruled out.”

Fan Gang, member of the Monetary Policy Committee of the People's Bank of China

PEOPLE & POINTS

“China's concept of human rights places more weight on the collective, to be specific, the state sovereignty, rights of subsistence and development of Chinese people as a whole.”

Dong Yunhu, Vice Chairman of the China Society for Human Rights Studies

“In a short quarter of a century AIDS has drastically changed our world.”

UN Secretary General Kofi Annan reacts to a UN estimation that 39.5 million people worldwide are now living with the deadly HIV virus

“Our country is the only one in the world to have suffered a nuclear attack. We have to take the lead in persuading the world to give up nuclear weapons.”

Japanese Prime Minister Shinzo Abe rules out possible debate on the country's no-nuclear-weapons policy

“Together we are going to build something extraordinary. France is going to write a new page of its history. The country wants change. I want to embody that change.”

Segolene Royal, France's socialist presidential hopeful

“The United States was the center of the automobile industry in the 20th century and in the 21st century, but now China has the attention of the world.”

Kevin Wale, President and Managing Director of GM China Group

中国人权展

EXHIBITION ON HUMAN RIGHTS IN CHINA

SHOWCASING PROGRESS IN HUMAN RIGHTS

China's first exhibition on human rights opened its doors in Beijing on November 17. The 10-day exhibition, featuring more than 700 pictures, 250 legal documents and 300 books, illustrates Chinese people's struggle for the realization of human rights and demonstrates the tremendous progress made since the founding of the People's Republic 57 years ago, especially in the past two decades.

The exhibition and a high-profile human rights symposium on November 22-24 are the most important activities in China this year to mark the 40th anniversary of the UN International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

In recent years China has become more open about its human rights status and more ready to cooperate with other countries in this area.

It is acknowledged that China's human rights situation is still faced with several challenges, which can only be solved through unremitting efforts by future generations and the ongoing determination of the Chinese Government.

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SOCIETY

Religious Freedom Disputes

China refuted a recent U.S. report that listed it as a "country of particular concern" with regard to religious freedom, saying the move constitutes blatant interference in the country's internal affairs.

Foreign Ministry Spokesperson Jiang Yu said on November 20 that China expresses "strong dissatisfaction" and "firm opposition" to being on the list.

Recently, the U.S. State Department claimed to have listed China as one of eight "countries of particular concern" with regard to international religious freedom in 2006.

The Chinese Government has always guaranteed citizens' right to religious freedom in accordance with the law, she said. People of various ethnic groups and regions in China enjoy broad and adequate freedom of religious belief according to law, Jiang added.

Leap in AIDS Figures

The number of reported AIDS cases in China has grown by nearly 30 percent so far this year, according to a Chinese Health Ministry statement on November 22. Reporting on its website (www.moh.gov.cn), the ministry said there was now evidence that the disease was spreading from high-risk groups to the general public.

The reported number of

cases at the end of October had risen to 183,733, up from 144,089.

Of the reported cases diagnosed by government test centers and whose diseases could thus be officially followed up, 40,667 had developed into full blown AIDS.

Navies Take to the Seas

A search-and-rescue exercise was jointly staged by navies of China and the United States on the South China Sea on November 19.

The exercise involved China's guided missile destroyer *Zhanjiang*, fuel tanker *Dongtinghu*, the *USS Juneau* (LPD 10) and the missile destroyer *USS Fitzgerald*.

China's Yun-7 transport plane and the U.S. P-3C patrol plane also participated in the exercise.

The drill task was for the Chinese and U.S. navies to jointly locate a ship in danger and salvage it. The two sides commanded different stages of the whole exercise.

The Chinese side took charge of the communications and searching stage, while the U.S. side commanded vessels of the two countries to conduct the rescue.

New Hope for Six-party Talks

Chinese and U.S. negotiators have agreed to work for an early resumption of the six-party talks and to make concerted efforts for progress, Foreign Ministry Spokesperson Jiang



EXPERTISE SHARED An official from the United Nations Interregional Crime and Justice Research Institute addresses a symposium on Olympic security in Beijing. Experts from 12 countries focused on international antiterror cooperation, transnational crimes and security issues for large-scale sports events during the three-day discussion, held on November 20-22

Yu told a regular news briefing November 21.

Jiang said Chinese Vice Foreign Minister Wu Dawei had met with visiting U.S. Assistant Secretary of State Christopher Hill, and exchanged views on issues related to the six-party talks.

The two sides agreed to make joint efforts for the resumption and further progress of the talks, Jiang said. He added the exact date of resumption had yet to be decided.

A spokesperson of the U.S. Embassy in Beijing said Hill believed the talks would probably be resumed in mid-December.

Local Elections Help to Streamline CPC

The local committees of the Communist Party of China

(CPC) have been downsized in the ongoing elections after responding to a call by the CPC Central Committee for optimized local Party leadership.

The number of party leadership posts in local CPC committees has been reduced, according to the Organization Department of the CPC Central Committee.

The department, together with the Central Commission for Discipline Inspection of the CPC, began inspecting local party committee elections in August.

The inspection found that the elections being held to select new committees at municipal, county and township levels are driving personnel reform, promoting democracy within the CPC, and tightening the organization disciplines.



FISHY STORY

A doctor from a hospital in Shanghai performs a stomach mirror inspection on a 100-kg *Arapaima gigas*, the largest freshwater fish on earth. The fish has refused to eat for several days



STONE SNACKS

Rocks resembling various dishes are put on display in eastern Shandong Province, a fine exhibit of nature's creativity

ECONOMICS

Limitations Lifted off Foreign Banks

China will allow foreign-funded banks to conduct yuan business for Chinese citizens before December 11 in line with its commitments to the World Trade Organization, said Song Dahan, Deputy Director of the Legislative Affairs Office of China's State Council on November 16.

The government would also remove regional restrictions and other limits on foreign-funded banks, giving them the same treatment as Chinese banks, said Song at a press conference on China's new regulations on foreign-funded banks.

According to the regulations issued the previous day, Chinese branches of foreign banks remain banned from engaging in yuan services with Chinese citizens unless an individual, with the approval of the banking regulatory body, makes a fixed deposit of a minimum 1 million yuan.

The government will encourage and guide foreign banks to transform their branches into or set up incorporated banks registered in China, which will enjoy the benefits of the country's banking sector, said Song.

Bullish Market

The benchmark Shanghai Composite Index, a major index of Chinese shares, exceeded 2,000 points on November 20,

the first time in five years.

Helped by the appreciation of the yuan, and an oil price drop, blue chips in the financial, petrochemical and other sectors maintained growth on the day, driving the stock index up 45.49 points to close at 2,017.28 points.

The Shanghai Composite Index tracks both yuan-denominated A shares and hard-currency B shares traded on the Shanghai Stock Exchange.

The hike followed previous records this month, when the index exceeded 1,900 points for the first time in five years.

The Shenzhen Component Index also performed well the same day, climbing to a nine-year closing high of 5,177.97 points, up 2.18 percent.

Pushing for Auto Branding

China will continue to expand auto exports while strengthening technology innovation and brand building, said Chinese Vice Premier Zeng Peiyan, touring the 2006 Beijing International Automotive Exhibition on November 19.

Chinese auto companies should bring in advanced technology and management expertise, enhance their research ability and build up their own brands, said Zeng.

China has grown into the world's third largest auto producer and second largest auto market. The nine-day exhibition opening on November 19 has

seen an unprecedented presence of China's homegrown brands, roughly one third of the 572 vehicles on show, according to the organizers.

Chinese brands currently account for about one quarter of China's auto sales. While consolidating their shares in low-end products, Chinese companies are moving into more lucrative markets now dominated by foreign carmakers.

Shoddy Cars Result of Price War

Price wars in the auto industry have taken a toll on the quality of domestically made cars with defects reported in 77 percent during the first six months of use, according to the

latest market survey.

The 2006 China Automobile Customer Satisfaction Index said major defects involve tires, air conditioning and braking systems, locks and steering wheels.

For every 100 new cars, there were an average of 338 defects in 2006, much higher than last year's 246.

Meanwhile, the China Consumers' Association received 1,038 complaints in the first three quarters, up 21 percent from last year.

Experts say price cuts which have averaged about 10,000 yuan annually in the past few years have forced producers to purchase lower-grade parts in an effort to lower costs.



CAR CRAZY Young and old are dazzled by the latest four wheel machines at the Ninth Beijing International Auto Exhibition that attracted auto companies from 20 countries and regions



FULL METAL JACKET Armor and weapons used in Italy from the 15th century and 19th century are shown at an exhibition in Shanghai



UNHEALTHY TIMES Thick fogs have fallen over many cities in north China including Beijing in the week starting from November 20. In some cases visibility was reduced to 50 meters



XINHUA

ASSASSINATION IN LEBANON Lebanese security forces surround the bullet-riddled car of assassinated Lebanese Industry Minister Pierre Gemayel in the northern suburb of Beirut on November 21. For fears that the death of Gemayel, a famous anti-Syrian figure, may plunge Lebanon into a civil strife again, people from across the political spectrum have called for calm among a populace divided between allies and opponents of Syria



XINHUA

BODIES ON THE LINE Palestinian human shields gather near a house in the northern Gaza Strip town of Jabalia on November 18 in a bid to force Israeli troops to call off air strikes on the house



XINHUA

PEACE AT LAST Nepalese Prime Minister Girija Prasad Koirala (left) talks to rebel leader Prachanda during the signing of a peace agreement in Kathmandu on November 21. The landmark peace accord ended a decade of violence in the impoverished Himalayan nation



XINHUA

FUELING TENSIONS A soldier is silhouetted against a burning oil well in Chechnya's capital city of Grozny on November 18. Two oil wells belonging to Russian oil giant Rosneft were blown up in the war-torn province



TREASURES RESCUED Pakistani customs officials in Karachi examine artifacts seized prior to them being smuggled to the United Arab Emirates. The 625 items, some of them thousands of years old, are worth millions of dollars in the international market



PUT IT OUT A file picture shows cigarette butts in an ash tray on a Parisian street. The French Government announced on November 16 to ban smoking in public places from February next year, but bars, restaurants and nightclubs will be given a reprieve till January 2008



VOTE SEEKER Venezuelan President Hugo Chavez gestures during an electoral rally in Maracaibo on November 19, as the country prepares for elections on December 3

YOUNG VICTIM A wounded Iraqi child weeps in his hospital bed in Sadr City east of Baghdad on November 21. A UN report said Iraq's civilian death toll reached 3,709 in October, the highest since the U.S.-led invasion, and that sectarian violence appeared to be the main cause

APEC CROSSROAD

Leaders of Asia-Pacific economies differ on the formation of a free trade area

By LU JIANREN

The 14th Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting was held in Hanoi, Viet Nam on November 18-19 under the theme of "Toward a Dynamic Community for Sustainable Development and Prosperity." The theme conveys two messages: One is to enhance trade and investment in a rapidly changing world, the other is to promote community links, economic growth and sustainable development.

Summit outcomes

This year's APEC summit revolved around the fact that economic, trade and regional cooperation has made sustained progress, the Doha round of free trade negotiations became caught in a deadlock and both global and regional non-traditional security threats have increased day by day.

From a positive aspect, the summit achieved the following:

First, the Statement on the Doha Development Agenda of the WTO was released. It expresses the firm determination of APEC members to support the global multilateral trade system. In the statement, leaders not only call for an early resumption and timely conclusion of the Doha round of WTO negotiations, but also commit themselves to reduce tariffs on agricultural and industrial products of their own countries, which is seen as a practical action to facilitate the Doha round.

Second, APEC economic leaders endorsed the Hanoi Action Plan aimed to push forward trade and investment liberalization process in the Asia-Pacific region. The plan was tailored to implementing the Busan Roadmap worked out in last year's APEC meeting. The Hanoi Action Plan is widely viewed as a foundation for APEC economic and trade cooperation in the next 15 years.

Third, the Hanoi Declaration was adopted, calling for measures and capacity building to realize the Bogor Goals, which include a further 5 percent reduction of trade transaction costs in the Asia-Pacific region by 2010

based on the current level. APEC leaders undertook to cooperate with relevant international organizations to further facilitate investment liberalization, pay attention to the importance of intellectual property rights protection to economic growth in the Asia-Pacific region, prevent infringement and simplify the complicated procedures, in order to help small and medium-sized enterprises to be more competitive and creative.

Fourth, the summit passed a package plan for APEC reform. To maintain their vigor and efficiency, APEC economies will continue to advance the reform, which will include strengthening the work of the secretariat, improving the links among all members and working out more clarified agendas.

Fifth, APEC leaders reaffirmed the importance of counter-terrorism actions to maintaining peace and security in the Asia-Pacific region and the world as a whole. The meeting also supported the new initiatives on the fight against terrorism put forward in 2006.

Sixth, APEC economic leaders agreed to expand and strengthen cooperation on

preventing the spread of epidemics, disaster management and energy security, so as to ensure security and health of the people in the region.

Seventh, the leaders proposed in the Hanoi Declaration to strengthen economic and technological cooperation and build APEC into a more dynamic and harmonious community.

No go to free trade area

At the Hanoi meeting, the United States failed to advance the initiative of establishing the Free Trade Area Asia-Pacific (FTAAP).

In fact, the formation of FTAAP was first put forward by Canada at the the APEC Business Advisory Council (ABAC) meeting in 2004. Canada proposed to form a free trade area comprising 21 APEC members by 2007, which would transform APEC into a gigantic multilateral free trade area, with restrictions. ABAC submitted the initiative to the APEC economic leaders' meeting that year, but it was not adopted at that time.

The initiative features the following aspects:

First, FTAAP will be a multilateral trade agreement with restrictions on the basis of mutual benefit, which is different in nature from the non-restriction feature and principle of open regionalism of APEC.

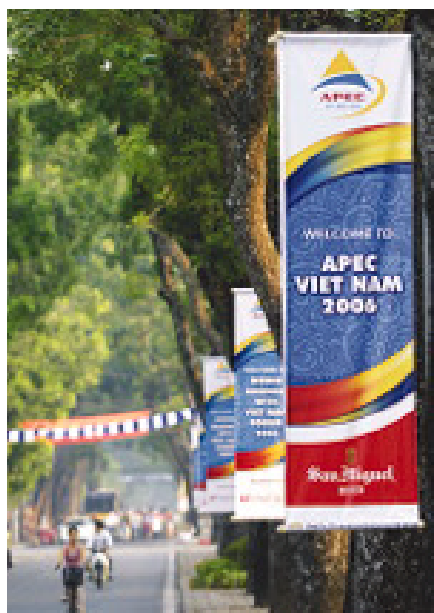
Second, if it comes into being, FTAAP will closely connect the east and west banks of the Pacific in a real sense and realize economic integration in the entire Asia-Pacific region. So, if the Doha round of negotiations fails, APEC members are able to compete with the EU.

Third, FTAAP is proposed to be set up with principles that conform to those of WTO, but using even higher criteria than WTO's. It will include trade in goods and services, investment, trade facilitation and intellectual property rights, becoming a comprehensive and new generation of free trade agreement.

Fourth, if FTAAP is set up, all free trade arrangements between APEC members will be integrated into a pan-Asia-Pacific free trade area.

Fifth, according to projections, FTAAP will bring about more economic benefits to APEC members than any current free trade agreement within APEC.

When the initiative was first put forward, it stirred up disputes among APEC members. Most developing members believed that FTAAP would totally change the current APEC mechanism, and thus it should be weighed carefully. But most developed members considered it as an effective measure to realize trade liberalization in the Asia-Pacific region. At that time, the United States attached more attention to the Doha round of negotiations, and so it suggested postponing the initiative.



APEC HOST: Hanoi, capital of Viet Nam, is decorated with welcoming banners and billboards during the APEC summit

The author is deputy director of the Center for APEC and East Asian Cooperation under the Chinese Academy of Social Sciences



FAP/REUTERS

LEADERS' GATHERING: Leaders of 21 APEC members take a group photo in traditional Vietnamese dress at the National Conference Center of Viet Nam in Hanoi

Two years later the initiative was raised again, but what is interesting is the change of the U.S. stance, shifting from a wait-and-see attitude to leading the initiative. What are the reasons behind this change?

At first, in 2005, the United States' efforts for a free trade area in America ended up as a failure, which forced it to again turn its eyes to the Asia-Pacific region. Washington tries to maintain its dominance in the economic integration in the Asia-Pacific region through supporting FTAAP.

Second, in recent years, the Doha round of negotiations did not go smoothly, and they were even suspended indefinitely in July of this year. It forced the United States to turn from a global multilateral trade system to regional integration. If FTAAP is set up, it will become the United States' trump card when dealing with the WTO or the EU.

Third, concerned that it may be excluded out of the economic integration process in East Asia, the United States tries to replace the proposed free trade area in East Asia with FTAAP. According to studies of the U.S. Institute of International Economics, if the free trade area in East Asia is set up, the United States may lose \$25 billion of exports.

If the FTAAP initiative is implemented, it will completely change the principle and model of APEC, and developed and developing members will face different paths. In this sense, it is understandable that the initiative was shelved. Although the Hanoi Declaration agrees to consider it as a long-term goal, it is almost unlikely for it to be accepted by all members in the short term.

However, even if FTAAP is set up, it cannot replace APEC, as the latter has now evolved into an irreplaceable political and economic exchange platform in the Asia-

Pacific region.

Since 2001, the APEC summit has included political and security agendas every year, which touch upon counter-terrorism, anti-corruption and containment of infectious diseases. Although these topics may water down economic agendas, they can reflect the urgency for APEC members to discuss these problems. APEC also has a loose, unrestrictive coordination mechanism, which has advantages that the UN and the World Health Organization lack. It is easier for APEC members to reach consensus on some important political agendas within such a kind of mechanism.

The second reason is that the economic interests that FTAAP may bring about to APEC members are uncertain, and there are also risks involved for members. Although in theory the economic benefits of FTAAP are better than those of any bilateral trade agreements within APEC, it is only a conclusion under assumption, a static analysis, and thus it is unreliable. Obviously, the risks of free trade agreements within a smaller sphere will be lower than those of free trade agreements within a larger sphere. Based on this consideration, most APEC members hold a prudent attitude toward the proposal of setting up FTAAP.

In addition, it is also very difficult to implement the FTAAP initiative, which will involve more than 20 bilateral and multilateral agreements. In addition, it is impossible for the United States to give up the North American Free Trade Agreement (NAFTA). The final result is very likely to be that all free trade agreements within APEC may disappear, but NAFTA will remain operational. Undoubtedly, the United States will be the final winner.

Don't abandon Bogor Goals

Despite the FTAAP initiative being out of what consideration, it has caused a certain kind of conflict to the Bogor Goals. What is urgent for APEC is to ensure the Bogor Goals are met on time. It is not only related to whether trade and investment liberalization can be realized in the Asia-Pacific region in a real sense, which would make all APEC members enjoy the benefits, but it is also related to whether APEC members can fulfill their commitments.

To realize the Bogor Goals, the APEC 2005 summit came up with the Busan Roadmap. And at this year's APEC meeting, a more detailed approach toward the Bogor Goals has been worked out. But, APEC observes an unrestrictive principle, and the implementation of the Hanoi Action Plan will depend on voluntary activities of all members. Thus, the attitudes of the member economies are very crucial.

The year 2010 is not far away. Developed countries should make efforts to lead others to implement the Bogor Goals, rather than taking an attitude of watching and buck passing.

On the other hand, APEC needs to continue to improve its unilateral and collective action plans, perfect its supervision and examination system, and strengthen the transparency of the entire examination process. In this way, all members will be able to know the progress of others in implementing trade and investment liberalization, and those lagging behind will be forced to keep up with others. Moreover, whether the Bogor Goals can be realized will also be related to the future and destiny of APEC. As for the initiative of FTAAP, it still needs time for discussion. ■

Well on Course for Cooperation

Chinese President Hu Jintao visited Viet Nam, Laos, India and Pakistan on November 15-26. Shortly before he began this diplomatic flurry, *Beijing Review* reporter Yan Wei spoke with the Indian Ambassador to China, Nirupama Rao, about recent developments in Sino-Indian relations and the similarities and differences of the two emerging economies.

***Beijing Review:* How do you characterize Sino-Indian relations at present? What do you think will be the major issues to be discussed during President Hu Jintao's visit?**

Nirupama Rao: India-China relations have achieved sustained development across a wide range of areas. Bilateral trade is increasing, while there is growing investment by Indian companies in China, and vice versa. A large number of Chinese companies are undertaking large-scale projects in India. Involvement in cultural matters, science and technology, education, water resources, agriculture, health, anti-corruption programs, banking and financial services, public security and the fight against drug-trafficking is being deepened. Defense exchanges are becoming more frequent, including high-level exchanges. Similarly, there is good cooperation in international and regional forums. Overall, the bilateral relationship is maturing with both sides increasingly appreciative of each other's interests and aspirations.

President Hu Jintao's visit is an important and significant event for a number of reasons: It is the first visit of a Chinese head of state to India in a decade and the first in the 21st century; it is the first top-level visit either way since the two sides agreed to establish their strategic and cooperative partnership in 2005; and the visit is taking place in the "Year of India-China Friendship." The visit will provide an opportunity for President Hu to witness the developments that have taken place in India since his last visit over 20 years ago. It will also be an opportunity for the Indian leadership to hold wide-ranging discussions with him. The two sides will exchange views on bilateral relations as well as on issues of mutual interest in the regional and global arena with the aim of promoting comprehensive, all-round development of relations.

When Premier Wen Jiabao visited India last year, the two countries

announced plans to build a strategic and cooperative partnership for peace and prosperity. What progress has since been made? How will President Hu's visit strengthen this partnership?

During the visit of Premier Wen Jiabao in April 2005, the two countries reached a consensus to redefine the bilateral relationship as a strategic and cooperative partnership for peace and prosperity. This was an important milestone. During that visit, a number of important agreements were signed. These include the Agreement on Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question, the first agreement between the two sides on the boundary issue that marks the conclusion of the first stage of bilateral negotiations. The two sides had also agreed to share hydrological data on the Sutlej/Langqen Zangbo River, set up a film cooperation commission, establish a finance dialogue and a joint task force to determine the feasibility of an India-China regional trading arrangement (RTA). Progress is being continuously made in all these areas. Bilateral trade will surpass \$20 billion this year; construction of an Indian-style shrine in central China's Luoyang City has commenced and is progressing very satisfactorily; meetings of the finance dialogue and the joint task force on the RTA are being held; and negotiations between special representatives of both governments to work out a framework for the settlement of the boundary issue based on the Political Parameters and Guiding Principles are continuing apace. All these developments are helpful to further enrich, expand and deepen the bilateral strategic and cooperative partnership.

Frequent and regular high-level exchanges are an important aspect of our bilateral strategic and cooperative partnership. President Hu's visit is a significant milestone in the development of this partnership. The visit will provide a further

impetus to diversification and deepening of bilateral relations.

As rapidly developing countries with surging energy demands, how can China and India cooperate in the energy field?

For two fast-growing developing economies, the need for clean, affordable and reliable sources of energy is a primary concern, more so when both countries have to depend increasingly on fuel imported at high cost to their respective economies. In January this year, India and China signed a memorandum of understanding to encourage collaboration in joint exploration and production initiatives for oil and natural gas resources in third countries through joint commercial enterprises and joint bids for specific proposals. Both sides have worked together in this sector in several countries.

Fossil fuels, though, are only a part of the larger energy mix. We need to seriously start looking at cooperating in developing alternative non-conventional and renewable sources of energy, like solar energy, hydroelectric power, wind energy and nuclear energy. As major consumers of energy, as neighbors and developing economies, India and China can maximize benefits by sharing experiences in research and development and search for viable energy sources.

As the "Year of China-India Friendship" draws to an end, can you sum up its main achievements?

The purpose of the Friendship Year is to celebrate our millennia-old friendly ties and to make our citizens cognizant of each other's rich and distinctive cultural heritages. To a large extent, we have been able to achieve these objectives. This year has witnessed a number of important visits, which brought our Lok Sabha [lower house of parliament] speaker and a parliamentary delegation, India's defense, science and technology and energy ministers and also chief ministers of several Indian states to China.

Through a series of events like the Indian Film Festival, comprehensive cultural festival, academic seminars on Indian literature, reciprocal visits of a 100-member youth delegation and the upcoming exhibition of rare specimens of ancient Indian art in four different cities in China, we have also tried, and are trying, to introduce, in a focused manner, the various facets of India's cultural traditions and heritage to Chinese audiences. Our civilization and spiritual ties are also being reinvigorated in this year of friendship



“Our economies are still evolving, and we are adopting best practices from each other in a common endeavor to benefit our respective populations.”

—Ambassador Nirupama Rao

through the building of an Indian-style Buddhist shrine in the historic White Horse Temple complex in Luoyang. This awareness of, and interest in, each other's culture and enduring bilateral links, constitute an essential element of friendship, and to the extent we have realized it, through the events and exchanges organized this year, we can call the Friendship Year a success. Of course, the gains need to be sustained and further consolidated in the years ahead.

How can China and India enhance collaboration in multilateral forums?

India and China are two important developing countries. Both nations face similar challenges and opportunities and they have similar perceptions on several regional and global issues, which offer opportunities for closer cooperation and coordination in regional and international forums. They are cooperating and coordinating their efforts in dealing with regional

and global issues in the fields of developmental economics, climate change, energy security and fight against drug trafficking and other cross-border crimes. The two countries are mindful that such cooperation not only benefits the two countries but is also in the larger interest of the whole world. As two large countries in the interconnected globalized world of today, developments within their respective borders have global implications, and vice versa. Starting from this perspective, the two countries have started a process of sharing their respective developmental experiences with each other and with other developing countries in Asia and Africa.

Western media like making comparisons between China and India. In your opinion, what are the similarities, and what are the differences?

By their sheer scale, rapid economic growth and rising international status, India

and China are of interest to the rest of the world in their own right. Media comparisons between our two countries stem from our common aspirations for growth and development, albeit along the differing trajectories pursued within our respective socioeconomic environments. The fact that India and China are today two of the fastest growing economies makes their comparison more than just an academic exercise.

As developing economies, India and China are both faced with a similar set of opportunities and challenges, and could learn from each other's experiences. Globalization and a relaxed trade and investment regime have coincided with higher growth rates for both countries. Both India and China are transitional economies in terms of occupational structure, and a majority in each country is still absorbed in farm activities. Poverty, although diminishing over the period of reforms in our respective countries, is still high in absolute terms, and inequalities of income distribution, across regions or social groups, still persist. Health and environmental challenges are also appearing in both countries in the process of economic development and industrialization.

At the same time, there are basic differences in our experiences of development. India's economic growth is primarily driven by domestic demand, while export, often fuelled by foreign investment, has been the major component of China's growth trajectory. Foundations for India's economic growth were laid by our long-standing focus on higher and technical education, while in China, world-class infrastructure and high reach of primary education have induced great changes. As a corollary, India emerged as a knowledge economy, with a reputation for financial and software services, while China became a major global supplier of manufactured goods. China has built several state-owned or joint-stock industrial leviathans, while India's private sector has thrown up a number of global players.

The important thing is not to couch comparisons between India and China in normative terms. Our economies are still evolving, and we are adopting each other's best practices in a common endeavor to benefit our respective populations. For instance, India is trying to replicate China's institutional innovation of special economic zones, while China is seeking India's expertise in IT. ■

CORRECTION: The byline for the story “Where Does U.S. Policy Go From Here?” in *Beijing Review* Issue No.46 (November 16, 2006), reading ERIC PFEIGGER, should have read ERIC PFEIFFER. The error is regretted.

Free Trading Neighbors

China is pursuing an “enlightened” policy in all domains, said Pakistan’s Ambassador to China **Salman Bashir**. In a recent interview with *Beijing Review*, he discussed the all-round cooperation between the two countries and what the growing relationship could mean to the world at large.



ENHAR ENHAR

“On all planes, bilateral, sub-regional and regional, China and Pakistan are working together for peace, security, stability and progress of all mankind.”

—Ambassador Salman Bashir

Beijing Review: How do you define the importance of President Hu Jintao’s visit to Pakistan?

Salman Bashir: President Hu Jintao’s visit to Pakistan is of great significance for Pakistan-China friendship and partnership. It forms an essential part of the ongoing

close leadership contacts between the two countries. President Pervez Musharraf twice came to China this year. Last year, Premier Wen Jiabao visited Pakistan.

President Hu’s visit is taking place at a very important time when our comprehensive cooperation and our bilateral relations

are being elevated to new heights, and so it is a big landmark in Pakistan-China friendship and partnership.

China and Pakistan have just wrapped up negotiations on a free trade agreement. What do you think are its implications?

We are very happy that our two countries have finalized their discussions and reached agreement on establishing a free trade agreement. This covers trade in both goods and investment, and Pakistan attaches great importance to it. We are very happy to be among the first countries with which China has signed a free trade agreement. The remarkable thing about this agreement is that it has been finalized in a very short period of time. Negotiations started just after the visit [of Premier Wen] last year and within a few months we reached agreement. This shows the remarkable level of trust and confidence that we have created between our two countries.

Both Pakistan and China have set themselves ambitious trade targets. Within the next four to five years, we should be able to quadruple our bilateral trade from the present \$4 billion. This will facilitate and provide comfort to our entrepreneurs and business people. Pakistan, of course, welcomes greater engagement with China across the board in terms of investment and trade. This provides a framework to promote economic cooperation. I must say that our objective is to achieve closer economic integration.

Pakistan and China have been cooperating in a number of areas for many years. I can say that, so far, the emphasis has been on the public sector, while Chinese state-owned corporations and companies have been undertaking many important projects in Pakistan. But we are happy to say that the Chinese private sector is also now very interested in partnerships with their Pakistani counterparts. We would welcome and facilitate this in all sectors.

China has pursued a “going global” strategy to increase investment in other countries in recent years. As a close neighbor, what will Pakistan do to facilitate Chinese investment?

When President Musharraf visited Beijing last February, we signed, among others, two very important framework agreements with China. There was the Framework on Deepening and Expanding Economic and Trade Cooperation and the Framework on Energy Cooperation. So these two documents provide a strong foundation for promoting greater cooperation in all sectors, i.e. agriculture, industry, manufacturing, energy, minerals and mining, infrastructure, and information tech-

nology. It is very comprehensive. We presume there is going to be very good development across the board between the two countries. We are now moving toward project cooperation. Of course, this was already there in the public sector; but now, it is also appearing in the private sector.

To name a few, we have important projects in the mining sector, such as the Saindak gold/copper project that is being expanded. We have project cooperation in the minerals sector and a lead and zinc mine project is being carried out with Chinese cooperation. We also have cooperation in the upstream energy sector, i.e. prospecting for oil and gas. These are things that are now taking place. Besides, there are some mega-projects. Joint hydropower projects have already been established. We have the most important project to be completed—Gwadar Port [in Baluchistan]. We have the Karakoram Highway, a “passage of friendship” between Pakistan and China, which is being upgraded. A lot of Chinese companies are interested in areas such as special industrial zones, hi-tech parks and special economic zones, and also in real estate, urban infrastructure development and construction of airports.

I am very pleased to say that a lot of good progress is being made in terms of economic and project cooperation.

What do you think of the energy cooperation between China and Pakistan?

I think China is pursuing a very enlightened policy in all domains, including energy, and we completely agree with them. We share the same perspective. China advocates to promote peaceful energy cooperation in the world and this is also something that we support and share with China. Pakistan itself has attached great importance to energy cooperation and especially we have taken initiatives in South Asia to promote energy cooperation within the SAARC [South Asian Association for Regional Cooperation] forum. We are very happy that China is associated with SAARC. We fully endorse the efforts of the SCO [Shanghai Cooperation Organization] to bring energy cooperation to the fore.

As for bilateral cooperation between Pakistan and China, as already mentioned, we signed the Framework Agreement on Energy Cooperation in February 2006 and this provides the principles for broad cooperation in all fields, namely fossil fuels including coal, hydropower, solar power and nuclear power.

Of course, Pakistan, because of its geographical location, is surrounded by resource-rich regions. The country happens

to be in a way conduit for future energy cooperation between Central Asia, the Middle East and the Gulf with a vast demand not only in Europe and elsewhere in the West, but also in East Asia. So I think what we are looking forward to is greater bilateral cooperation translated into concrete projects. We are already cooperating in the upstream area. We are now looking toward the downstream sector and the prospects of establishing oil refineries and a petrochemical industry through bilateral cooperation for a win-win scenario. Pakistan-China energy cooperation is proceeding in a very positive and healthy manner.

How should China and Pakistan strengthen cooperation on global issues?

We have long had very close coordination and consultation between the two governments and leadership on all major international and regional issues. These consultations are imbued with the spirit of common and shared objectives on how to promote equity, justice, peace, stability and security of the world, the immediate region and our two countries. This is, again, a very broad area for cooperation. Multilaterally, in the United Nations, we hold similar positions on every issue. We share totally China's principled stand on Taiwan, Tibet and human rights. We also share common objectives in promoting Asian stability. We are working together at the UN and in regional forums—I mean SCO, ASEAN [Association of Southeast Asian Nations] Regional Forum and Asian Cooperation Dialogue. Pakistan is also now a member of the Asia-Europe Meeting process and we look forward to cooperating there as well. China is now an observer at SAARC meetings. On all planes, bilateral, sub-regional and regional, China and Pakistan are working together for peace, security, stability and progress of the whole of mankind.

Pakistan is regarded as a major player in the global antiterror campaign. What further actions will you take?

Pakistan is playing a very responsible role and I must say that we

have, in this regard, taken strong measures not only at home but also as part of the global antiterror campaign. We have entered into cooperative agreements with many countries, including all the major powers and most Middle East countries. We have several mechanisms of cooperation with China in the struggle against terrorism. We both share the same perspective: to strengthen this campaign against terrorism so that our societies can remain peaceful and prosperous.

As Pakistan and India recently resumed their peace dialogue, can you give some comments on the development of the relations?

We are happy to say that the dialogue with India is back on track. I think the important thing is that both countries have decided to give priority to resolving disputable issues through dialogue. The confidence-building measures have resulted in a lessening of tension and creating conditions for greater contacts between the two sides and the official dialogue process between the foreign ministries is continuing. It is our sincere hope that this will yield good results. We realize that there are difficult issues involved. But Pakistan is very determined to pursue the objective of peaceful cooperation and stability in South Asia, which is essential for all peoples of the region. ■

Raising a Modern Society

Anyone who follows China affairs will know that the country has embarked on a path toward building a harmonious society. To help clarify the concept of a harmonious society, the Central Committee of the Communist Party of China (CPC) has issued the Resolutions on Major Issues Regarding the Building of a Harmonious Socialist Society after a plenary session in October, as a guide to the process. Below we have two commentaries by **Ji Li**, a commentator with *Study Times* and Professor **Gu Yumin** from the Marxism School of Fudan University, on the “Resolutions” document—one from the perspective of people’s rights and interests and the other involving narrowing the income gap. The excerpts first appeared in the *Study Times* and *Wen Hui Bao*, respectively.

People’s Rights An Intrinsic Part Of Harmony

By JI LI

The Resolutions of the CPC Central Committee on Major Issues Regarding the Building of a Harmonious Socialist Society adopted at the Sixth Plenary Session of the 16th CPC Central Committee propose the goals and major tasks for the realization of a socialist harmonious society by 2020. Its focus on tangible respects and guarantees for people’s rights and interests are a clear reflection of modern socialist politics. This is actually the essence of a modern civilization. There are three major issues in this document to take cognizance of.

First, stressed here is the concept of rights in modern civilization. While society is undergoing a transformation toward modernization, the market-oriented reform of the economy and improvement of social systems mean the promotion of people’s independence and self-determination and also an increase in mutual reliance. The modern social relationship is also based on rights.

Second, what is emphasized is the democratic spirit of a modern civilization. Rights are related to independence and people should be able to exercise the right to choose on their own, as without independent choice, rights bring no tangible benefits. Therefore, people’s rights and interests are closely related to democracy. The interests are realized when people are making

use of their extensive rights in economic, political, cultural and social areas. This is a democratic process, as by performing their own rights, people become masters of their own fate, able to plan their lives by themselves. In this sense, people’s rights actually

mean democracy for the people. Respecting people’s rights fully reflects the modern democratic spirit of socialism, which is more progressive than the awareness of “making decisions for the people,” because no matter how well-intentioned, the latter practice belongs to the past.

Third, what we must pay attention to is the spirit of the rule of law of modern civilization. When confirmed in the form of legal documents (from Constitution to a set of laws), people’s interests actually become rights that are explicit, specific and institutionalized, rather than being obscure, abstract and uncertain. Moreover, when the rights and interests are expressed in the form of citizens’ legal rights, especially constitutional rights, the boundaries and accountabilities to others and to society become explicit, specific and institutionalized too. As a result, the whole social rights system becomes orderly. Rule of law is the basic guarantee for people’s rights and also for social harmony. The CPC Central Committee has proposed a series of arrangements for the development of rule of law and for the construction of a system to ensure the implementation of rule of law, which is of far-reaching significance.

Respecting people’s rights fully reflects the modern democratic spirit of socialism, which is more progressive than the awareness of “making decisions for the people,” because no matter how well-intentioned, the latter practice belongs to the past



WIDENING INCOME GAP: Farmers, who became even more disadvantaged during China’s economic transition period, are now the government’s biggest concern when it comes to wealth redistribution

Closing the Wage Gap Will Bring Social Harmony

By GU YUMIN

Nowadays, the increasing gap in people's income has become a problem threatening social harmony. The three factors that most contribute to this situation are: system, market and policy.

In terms of the system factor, the income gap results from the present system being based on multiple economic sectors. However, in the present stage of development, the coexistence of multiple economic sectors will help to stimulate people's creativity and promote productivity and social progress, laying a solid economic foundation for the realization of a socialist harmonious society. At the same time, the public ownership still remains dominant in the country's basic economic system and the state sector plays a leading role. Against this backdrop, the buildup of a harmonious economic relationship must be based on a socialist economic system.

The rule of a market economy is another factor that leads to a widening income gap. In a market economy, the rule of survival of the fittest and equal competition is dominant, but the same equal rule will produce unequal results owing to people's different capabilities, which is shown in the form of the expanding income gap. However, the natural selection process and income gap will help to promote the efficiency of economic activities. Based on this understanding, we must try to build a harmonious economic relation on the precondition of a socialist market economy.

The phasing-in of equity-based wealth distribution policy is also partly responsible for the increasing income gap. At present, the income gap is widening between different social groups, with farmers and urban laid-off workers living with relatively low income. Due to the difference in the factors that produce wealth among various social groups, a widening income gap becomes an unavoidable result of this policy.

The above factors are different in nature, although all are responsible for the increasingly widening income gap in China. Among the

factors, some should be attributed to objective economic conditions, some to systems and some to policies. At this moment, to narrow the income gap and achieve a harmonious economic relationship, the priority is to adjust the current wealth distribution policy. The overall policy is composed of preliminary distribution and redistribution mechanisms. The policy must be adjusted so that it can effectively bring about a more balanced distribution of wealth and help reduce income gap-related conflicts. Hence, the government's distribution policy should play a major role in narrowing the increasingly widening income gap.

First, to increase the income of the low-paid group should become an important objective of the wealth redistribution mechanism. China still has a large low-income population, of different backgrounds and engaging in different trades. There is no panacea for their diversified needs. This is an important cause of the widening income gap. As the market mechanism is incapable of solving this problem, the government is expected to help this group to gain some income in a non-market-based way by offering them preferential policies and relief materials.

Second, efforts should be made to raise farmers' income. For quite a long time, the

wealth redistribution policy did not cover the farmers. The disadvantaged status of agriculture compared with various other industries has meant a setback for farmers. If we depend on market forces to improve the current situation, surely it will take time. The government's double favorable policies of tax exemption and increased financial subsidies are able to produce good results during a short period of time.

Third, the regulation of rich persons' income should be covered under the wealth redistribution policy. It's a common practice globally to narrow the social income gap by regulating high incomes, so it's necessary to adopt this policy in China. Apart from more reasonable policies on personal income tax, special taxes should be imposed on certain monopoly industries so as to pinch the pocket-books of high-income earners.

In the primary stage of socialism, owing to the low comprehensive national strength, imperfect administration and uneven development in many aspects, the efforts to coordinate people's economic interests are expected to last for some time. Most importantly, the achievement of a harmonious relationship in terms of economic interests should be based on a harmonious social environment. ■

At this moment, to narrow the income gap and achieve a harmonious economic relationship, the priority is to adjust the current wealth distribution policy



HARMONIOUS COMMUNITY: In a harmonious society, people have full freedom to choose the way they live

AIDS Prevention Dee

The Chinese Government is changing way of AIDS control by approaching groups: gays, prostitutes and drug ac

By FENG JIANHUA

Thirty-year-old Xiao Dong recently drew much public attention after the opening of a health clinic for gays—the first of its kind in the country. It provides free AIDS checkups and treatment for sexually transmitted diseases (STDs) for one year.

The clinic is funded by governmental health institutions but is run by a civil organization headed by Xiao Dong, who is also a gay.

A survey by the Ministry of Health showed that there is a population of around 5-10 million, many of whom are “hidden in the closet”.

“The number of gay HIV has been increasing among whom those aged between 20 and 30 are most at risk of infection,” said Yuhuang, an AIDS prevention and treatment expert at a hospital under the Chinese Academy of Medical Sciences South University in Fuzhou, Fujian Province.

The situation in China is that many gays with STDs (including AIDS) turn to private clinics instead of regular hospitals due to their special identity.

“Our clinic, however, has gay doctors and volunteers helping patients overcome the mental block,” noted Xiao Dong. He said the clinic guarantees an efficient, low-priced and sustainable medical service for gay group. Besides the one-year free health checks, it also provides all kinds of services such as psychological counseling and emotional support.

According to Xiao Dong, the first batch of gay clinics are planned to be established in three community hospitals and further be promoted more widely when such a mode matures. If a gay is diagnosed with HIV, he will be transferred to the free AIDS treatment project managed by the government. To protect privacy, the doctors basically will not be given details of the patient’s identity.

Xiao Dong’s participation in AIDS pre-

vention for gay people Shi Wei, Director of the National Center for Disease Control and Prevention. The two first got together through a gay chat room.

Gay chat rooms are not easily accessed by non-gays. Xiao Dong, who is straight, had gained trust by his goodwill among gay people to protect their privacy. He has long been trying to set up a civil organization but made little progress as he was not part of the gay



FENG JIANHUA

GAY CLINIC INITIATOR: Many gay people know so little about venereal diseases and the fear of AIDS most comes from ignorance, says Xiao Dong, head of a gay volunteer organization

group has seven key members, among them are two professors, doctors and two nurses, with the youngest being 25.

The same day, they also launched their website, www.hivolunt.net, the first website in China dedicated to AIDS prevention and

education. Xiao Dong also received support from the government. Fu Qingyuan, the website’s manager,

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This October, the Center for Disease Control and Prevention of Harbin, Heilongjiang Province, held a special class to educate prostitutes on AIDS prevention and condom use. As prostitution is something that needs to be cracked down on, such an activity naturally aroused some opposition. But according to Zhang Konglai, Vice Director of the China VD and HIV/AIDS Control Association, the class had great symbolic meaning as a harbinger of the “coming spring in China’s AIDS prevention work.”

Nanjing, meanwhile, has included AIDS infectors in the healthcare security system, the first time ever in China. This is in sharp contrast with the past, when AIDS was considered a “filthy” disease and its sufferers were ashamed to go to regular hospitals for treatment. Thus, social tolerance towards AIDS is increasing. ■

Want to Die Alone”

“I wish I could make friends and live my life as usual, but I can’t. The fact of being an HIV carrier keeps getting to me,” he said.

Once he accidentally cut himself on a piece of glass and bled. It would not have been a big deal in the past but at the time Xiao Qiang had a strong sense of his blood as “filth.”

In his mind, no one can live for another 10 years with the HIV virus and he’s decided he’d rather choose to die if full-blown AIDS develops needing medical treatment.

He tried to conceal his disease from the people around him. This October, he joined a conference for an AIDS foundation project and lived in hotel for several days with a lot of people just like him.

Discovering that many HIV-infected look no different from average people, and with the help of medical treatment and maintenance many stay in good health for many years, Xiao Qiang regained some faith.

“If you go down with the disease, we will help and take care of you. But if you give up on yourself, nobody can help you.” These words from friends he made at the conference warmed his heart.

From this turning point, Xiao Qiang took a more positive attitude, joining a volunteer organization to promote prevention of AIDS.

But sadness still came to visit him at times when he felt lonely in subway stations or parks with the crowds pouring past. He would be strongly aware that he was carry- ▶▶



Desperate To live

By FENG JIANHUA

Hu An (not his real name) saw his world collapsing when told he had been infected with HIV, the virus that causes AIDS. Hu had only vague knowledge about this infection that weakens the body's immune system, as something widely prevalent in Africa and some Western countries, and hardly expected it to hit home so close.

"I should have tried to know more about the disease earlier," sighed Hu An.

The 31-year-old was born into a farmer's family in central Hubei Province. After graduating from a vocational school, he joined the sales and marketing group of a telecom company in Hubei's capital city of Wuhan, drawing a more-than-modest monthly salary in the city of 3,000 yuan. Shortly after getting a job, he got married and the couple soon had a daughter. Hu An was seen as a capable and lucky young man by his townspeople.

Hu caught a terrible cold last June that he could not seem to shake off for months, accompanied by cough and rapid weight loss. On a Sunday in August, Hu An happened to see a poster on AIDS in a park, and this reminded him of his own symptoms.

The scared young man went to a local hospital for an HIV test under a fake name. Fifteen days later, the doctor gave him the terrible news—Hu was HIV positive.

The next evening, a dejected Hu An walked to the banks of the Yangtze River, which runs through the city, to end his life. But thoughts of his aged parents stopped him in his tracks. Suddenly, Hu An realized with growing fear that his wife and daughter, who lived in the countryside with his parents, may also be infected. He immediately called his wife and asked the two of them to come down to Wuhan for a test.

To his great relief, they both tested negative. Hu An advised his wife to divorce him and get remarried. However, she refused, saying she would stick to him to the very end.

Under her questioning, Hu An revealed his long-kept secret. He is gay and first had unprotected sex with a man in 2003. Since the couple lived apart, Hu had indulged in a series of one-night stands with many strangers. While he is unable to pinpoint

THEY NEED HELP: "I do hope our society can have a correct acknowledgement of AIDS patients," says HIV carrier Xiao Qiang

ing the terrible virus which made him different from other people. He almost choked with such feeling.

Xiao Qiang revealed his infection to just three of his friends. He didn't expect them to hang out with him like in the past. All he wanted now was someone to whom he could talk; even a telephone call or online chatting was ok. But unexpectedly, some days after he told them the bad news, these friends came to visit him without any discomfort.

"To tell the truth, I'm feeling really lucky," said Xiao Qiang.

He still conceals the fact of being gay from his parents, fearing a look of disappointment in their eyes.

Like many single kids in urban families, he never thought about saving money for the future. He spent all he had and sometimes asked the parents for more.

"But now I have got to think about that. I will have a considerable sum of money to spend on my future medical treatment," he said.

Xiao Qiang has not been home since he discovered he was an HIV carrier. He wanted to go home, but didn't know how to face his parents.

His health is now good. But once he enters the medical treatment phase, he might suffer from opportunistic infections such as pneumonia and encephalitis as his immune system weakens.

"When an HIV-infected person comes to the later stage of medical treatment, which is very costly, no money means no life," he said sadly.

Xiao Qiang knows that he can't handle the cost of expensive medicine all by himself. Many of his friends suggest telling his parents the truth, the sooner the better. He agrees and is thinking of how to broach the subject.

"I think they can take this," said Xiao Qiang.

He is about to leave Beijing to take a job in another place, but plans to come back for a regular health check. As for what the future will hold, Xiao Qiang doesn't have a clue.

"I do hope our society can have a correct acknowledgement of AIDS patients," he said. It will be good if one day doctors and the average people can treat a HIV patient just the same way as they treat a patient who's got a cold, he added. ■

FENG JIANHUA

which encounter may have led to the HIV infection, he suspects a business trip.

Hu An soon developed full-blown AIDS and was hospitalized for free under an arrangement with the Wuhan Center for Disease Control and Prevention.

A week after taking the free medication, Hu An developed a serious drug reaction, prompting him to contemplate suicide once again. In a last-ditch attempt, he then warded at the Beijing Ditan Hospital, one of China's leading HIV/AIDS research and treatment institutions, where he received warm-hearted treatment from the doctors and volunteers.

One of the volunteers Cao Zhijun, once invited Hu to dinner. As they sat opposite each other, Cao found Hu talking with his mouth covered for fear of transmitting the virus. Cao put Hu's hands away, a small gesture that Hu remembers with gratitude.

Repeated blows

Hu An returned to his hometown in November 2005 and took to providing taxi services in a nearby town, after purchasing a car on loan. He decided to spend the rest of his life close to his loved ones.

In January of 2006, Hu An became friendly with someone online and told him his story. The man sympathized with him and expressed a desire to help him. Hu

trusted his intentions and invited him to be his partner in the taxi business.

"It is a luxury to have a friend to talk to for a person in despair," explained Hu An.

However, after meeting this "friend" in real life and partnering with him, Hu found him to be a gambler and liar.

When Hu told his "friend" that he did not want to continue the partnership, he beat Hu and threatened to spread words about his disease. Afraid of letting others know about his condition, Hu An succumbed to the blackmail and handed over all his savings.

However, many of Hu's friends came to know of his disease anyway, leaving him with no choice but to leave his hometown.

Hu An arrived in Beijing this September, hoping to find a new life.

He landed a job in a company and lived in the company's dorms with his colleagues. He managed to keep his disease from his friends by changing the name tags on his AIDS medication. However, one day, when Hu was reading a book on AIDS treatment, one of his colleagues playfully snatched it

away from him. Hu An was forced to come out with the truth. Soon after, the company manager, who had praised Hu An many times before as a model worker, fired him.

To save money, Hu An now rents a basement for 400 yuan a month and cooks his own food. Since he cannot afford nutritional supplements, he drinks honey and eats more meat to strengthen his immune system. He also exercises regularly. "I have the desire to exercise, something unthinkable for me in the past," Hu said.

His biggest worry now is to find a job quickly. Every day, he attends free courses on AIDS and works as a volunteer.

"I am in good physical condition and able to work. A job will also lift me from despair."

Now Hu An confines his friends' circle to HIV positive people. "Discrimination against infected people poses a grave danger in society," said Hu.

All he wants, he said, was a job as a driver, a normal life, medical treatment and the ability to take care of his parents and family. ■

"I am in good physical condition and able to work. A job will also lift me from despair."

—Hu An

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DOUBLE HANDICAP: As qualified graduates scramble for jobs in China's tight labor market, the physically handicapped are facing a tougher challenge at job fairs

YEAR-ENDER

China's Jobless Elite

A new trend is emerging in the nation's unemployment situation. Many overseas graduate returnees are finding it difficult to adjust to the realities of local conditions

By **FENG JIANHUA**

On November 8, the Ministry of Labor and Social Security and the National Development and Reform Commission jointly launched a study on labor and social security development for the 11th Five-Year Plan (2006-10). This is the first long-term outline on employment and social security by the government and its focus is measures to relieve unemployment pressures in the country.

An important goal is to keep the registered unemployment rate of township and city residents below 5 percent. According to the study, by the end of 2005, the unemployment rate stood at 4.2 percent while the figure in 2000 was only 3.1 percent.

The study predicts that Chinese towns and cities will have new supply of labor of 50 million people by 2010. Meanwhile, there will only be 40 million new job vacancies, which leaves 10 million out of employment.

A report in the *China Economic Times* says the population engaged in agriculture will be reduced to 700 million by 2010, which means almost 200 million farmers have to move to towns or cities in search of a job. The employment situation looks worse when laid-off workers from state-owned enterprises and ex-servicemen are taken into account.

A recent survey by the Chinese Academy of Social Sciences shows that among the issues of top concern for city residents in 2005 were the yawning wealth gap, financial risks and unemployment.

Losing shine

Luo Feng, a 40-year-old, has been out of a job for one year now and describes his situation as desperate.

Besides an MBA degree from Napier University in Scotland in 2002, Luo has rich work experience gained in multinational companies. His resume shows he has served as assistant general manager and deputy sales manager at a large German company.

Luo's friends told him he would never have to go jobless. Only several years ago, the fact of an overseas study stint was almost guaranteed to land one with a handsome pay in a big company.

Yet Luo Feng is jobless—and he is not alone.

Recently, the Chinese Ministry of Labor and Social Security released a report that showed the number of jobhunters with a Bachelor's degree and above was growing steadily. According to a recent survey by Beijing-based World Human Resources Lab (WHRL) covering 1,500 jobhunters with overseas study experience, more than 35 percent found it difficult to find a job. Another WHRL survey at the end of 2004 showed that only 58 percent of jobhunters who had studied abroad found employment within six months after their return to China.

Luo Feng has been counting on friends and posting his resume online in his job hunt. He believes that for a person with his

qualifications and experience, headhunters should be knocking on his doors rather than him crowding into job fairs.

"Maybe my resume is too shiny and the companies I worked for are big names, which scares people away," he said. He is now trying to "dumb down" his resume.

But Luo has also been restricting his choices by leaving out Chinese private companies as prospective employers. His argument is that his Western education has shaped him perfectly for positions in a multinational company. He thinks he will be a misfit in a homegrown Chinese company.

Management graduates from foreign universities returned to China in droves between 2001 and 2004. A large majority of them had no work experience or knowledge of local markets. They tried to plant borrowed models on local companies and their failures dealt a severe blow to the reputation of overseas MBA graduates in China.

"This stereotyping has also greatly inhibited my job-hunting," Luo Feng told *Beijing Review*.

Shao Wei is deputy director of the China Scholarship Council and Chinese Service Center for Scholarly Exchange directly under the Ministry of Education. He identified a new trend in Chinese graduates returning home from abroad: the total number is climbing steadily and a rising proportion of them are Master's degree holders in management and economics.

Lucrative positions for these majors are relatively limited as Chinese universities are also producing a large number of graduates in these majors. In the fierce competition between overseas-trained talents and home-trained talents, the latter group usually has the upper hand as it is prepared to accept a lower salary owing to relatively lower educational expenses.

"Even if finding a job is difficult, I will not become a salesman," said Luo Feng. "I am too old for that."

Prolonged internships

Yu Xiaoli graduated from the advertising department of the Inner Mongolia Agricultural University in July 2005. She has been working as an intern in an advertising company for nearly a year but is yet to receive 1 yuan in pay. But she is still reluctant to quit the job.

"It is the company's regulation that every recruit has to work on a two-month internship without salary. But the company always tries to prolong the internship on some excuse or the other. We all feel we are doing a good job and will soon be absorbed as a full-time employee," said Yu Xiaoli. She said if she quit now, she would have to start all over again in another company, which could well do the same thing.

In China's highly competitive labor market, many college graduates are in the same situation as Yu. A report on job-hunting by fresh university graduates for 2006 shows that about 100 of the 12,600 surveyed were working without any pay.

"I have worked for almost a year and still rely on my parents for my expenses. I am beginning to wonder whether I should have gone to college," said a dejected Yu.

Since the 1990s, the focus of China's employment work has been on creating job opportunities for laid-off workers and migrant workers. However, Zeng Xiangquan, Dean of the School of Labor Relations and Human Resources of Renmin University of China, thinks the focus of employment strategies is gradually shifting to the absorption of college graduates into the labor market.

The harsh reality for college graduates is that those with a job still cannot make ends meet. Fresh graduate from the Beijing Forestry University Li Heng said one needs at least 1,600 yuan per month in Beijing, including 800 yuan for rent, 500 yuan for food and 300 yuan for transportation and telephone bills. But many fresh graduates in Beijing work for less than 1,600 for the first year. They are forced to rent basement areas and eat for cheap off the street.

For a long time, sending children to university has been the only hope for poverty-stricken rural families in China. But with more

and more graduates finding it difficult to get a job or in jobs with low salaries, the financial burden on these families could become unbearable.

An editorial in the Guangzhou-based *Nanfang Daily City News* says a series of social problems could result from jobless college graduates and could further widen the wealth divide.

Wrong focus

One reason for the rising numbers of unemployed graduates is demand-supply imbalances in China's labor market. There is an oversupply of low-level general talents and a shortage of high-end talents. In terms of geographical location, talents are crowded in cosmopolitan cities and

coastal cities and they are unwilling to move to the smaller cities.

This has led to the situation where many graduates and post-graduates are jobless but many companies cannot recruit enough technicians.


According to the Ministry of Labor and Social Security, China now has 87 million technical workers, of which technicians and senior technicians are 3.6 million, accounting for only 4 percent of the total. Meanwhile, companies' demand for technicians is 14 percent of the technical pool, presenting a staggering gap of 10 percent.

China's renowned economist Liang Xiaomin attributes this imbalance to the imbalance in the deployment of educational resources.

Liang believes as one type of social resources, the distribution of educational resources should be guided by efficiency, which means training should be directed toward those talents that are most needed by society. He pointed to the explosive expansion of higher education and the shrinkage of middle-level vocational education and training as a case in point.

"China is still a developing country with limited educational resources. It is transcending its development stage by putting its resources into developing and popularizing higher education," said Liang Xiaomin. ■

(This is the first of the year-end series.)



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京典口腔

A Drop Goes a Long Way

Farmers in drought-hit, poverty-stricken regions of China's west look to digging ponds to irrigate their crops

By LAN XINZHEN

Tongren in China's southwestern Guizhou Province is an 18,000 square-km area largely shaped by the dissolving action of water on carbonate bedrock, and is home to 3.9 million people. Located in the humid subtropical climate zone, this region has an annual rainfall of 1,300 mm. The landscape of rolling mountains cannot hold or store any rainwater, which makes the region one of the most water-scarce areas of China.

The acute water scarcity makes for very harsh living for the local people. The farmers' houses, located on the hills or at the foot of hills, are built of rock and usually roofed by grass and tiles. The inside is humid and dark. Sometimes, one finds two-story wooden buildings supported by columns, a traditional architectural style. The only electric appliance in most homes is often an old TV set.

The more modern two-story concrete buildings all belong to families whose members work as migrant laborers in the country's eastern regions.

"The lives of the people here lag at least 10 to 20 years behind that of the eastern regions," said a local civil servant Liu Jian.

At a small village in Tongren, a barefooted middle-aged woman carries on her shoulder freshly threshed rice from the farm next to her house. She said many villagers worked in the field barefoot to save on buying shoes.

Unlike many poverty-stricken areas in China whose backwardness can be attributed to poor transport infrastructure, Tongren has express highways and a small airport with daily flights to big, cosmopolitan cities such as Guangzhou and Shenzhen. However, this has not brought wealth to the local people. A senior government official, Chen Yiqin, said Tongren's poverty was mainly caused by low efficiency of water usage.

The farmlands, scattered over the hills, lack basic facilities to hold or store ground water. During rains, water runs down the hills, leaving less than 10 percent for irrigation.

The Ministry of Water Resources defines such shortage as a "technical water shortage," to differentiate it from a natural shortage of water. In Tongren, 1.3 million people and

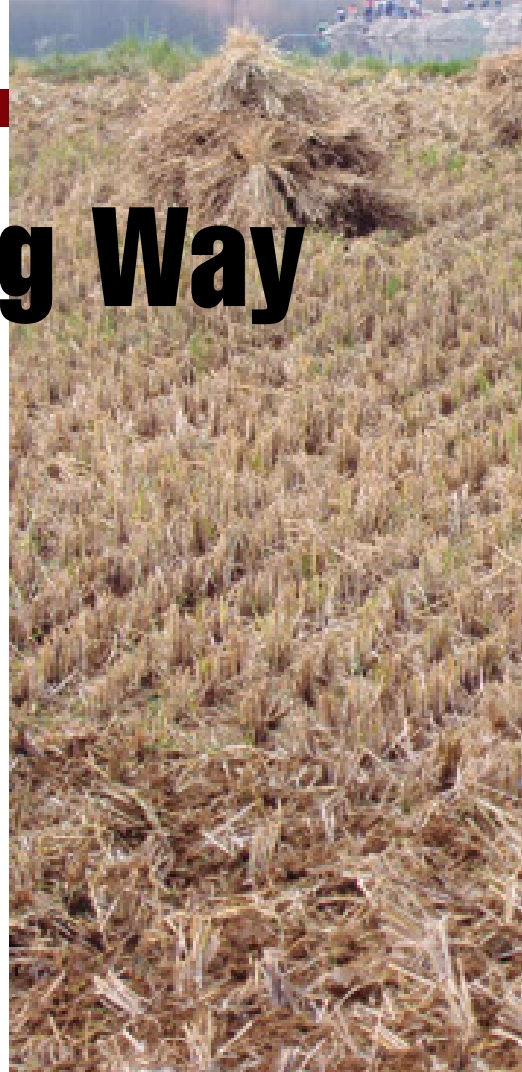
540,000 cattle heads have no access to adequate supplies of drinking water owing to this "technical water shortage." Many locals have to climb mountains and walk several miles for drinking water. In some places, firefighting vehicles have to be mobilized to transport water. In this mainly agrarian region, agricultural output has been hit by water shortage every nine out of 10 years. A local ballad captures the situation well when it says, "Please drink my wine but not my water; please borrow my oil but not my water."

"Technical" but real

Tongren's "technical water shortage" has emerged as a big problem for the local government. In the winter of 2005, it embarked on a campaign of mobilizing farmers to build simple water storage facilities, including ponds close to farmlands, pools at the bottom of the valleys and water cellars in courtyards to collect and store rainwater.

"My small pond has helped me so much this year," said farmer Yang Shengguang. He built the 50-cubic-meter pond next to his field in about one month last December. It was filled full by two spring rains this year. When the seasonal summer drought struck this region, Yang irrigated his lands with the water in the pond and managed to save his vegetables, tobacco and his 0.1-hectare rice crop. "In my 67 years, this was the first time I did not have to worry about watering my farmlands," said Yang with a smile, after reaping a good harvest this year.

Yang said the idea of building ponds to conserve water was nothing new to this region. But the cost of constructing a pond with no seepage or evaporation, or a water cellar, could run anywhere between 3,000 yuan and 5,000 yuan, while the per-capita income of local farmers is less than 1,000 yuan. Even the local government finds this too expensive as it sometimes has to put off paying its own employees. Meanwhile, the region was hit by the most serious summer drought in 20 years last year. The drought, which lasted more than 40 days, affected 70 percent of the population and 61 percent of farmlands, whose output was reduced to almost nothing. The disaster prompted the local authorities to organize farmers to build simple water storage facilities.





CROP SHIFT: Farmer Long Fangguo from Tongren is plowing his former rice paddies so that he can plant vegetables because of insufficient irrigation

SIMPLE SOLUTIONS: Farmers get together to construct a pond to collect and store rainwater



The expenses were borne by borrowing from richer neighboring regions and squeezing the local budget.

Through last winter and this spring, 67 pools and 5,230 ponds and water cellars were built, involving an investment of more than 35 million yuan.

Local farmer Ran Guanghong said he planted vegetables in a 0.3-hectare plot with its water needs met by ponds, bringing him a revenue of more than 20,000 yuan. Ran said this would have been unthinkable before.

Yang Yuxue, the Party head of Tongren, said output was higher in areas serviced by these simple irrigation facilities.

However, not all farmers have access to pools, ponds or water cellars as farmers still have to pay for half the expenses. This summer's drought cost farms without man-made ponds a dramatic drop in output.

Yang Yuxue said, "Farmers without their own water facilities are now eager to build them during the off-season in winter."

Since only less than one quarter of the locals' water shortage problems has been solved by the campaign so far, the local government is committed to expanding the

program with support from the Ministry of Water Resources. Besides offering financial support to farmers, it has also embarked on enlarging ponds into reservoirs.

September 26 witnessed the official inauguration of the reconstruction of irrigation facilities in eastern part of Tongren, with a total investment of 255 million yuan. These facilities will be able to cover 22,000 hectares of farmland and provide water for more than 600,000 people.

Yang said the plan is to enable all farmers to have their own simple irrigation facilities in the next few years.

Less poverty

China has been trying to alleviate poverty in water-scarce areas by building simple irrigation facilities since the 1980s. Such facilities in the driest middle and western provinces of Gansu, Shaanxi and Shanxi, have yielded satisfactory effects. The population suffering from drinking water shortage in water-scarce regions nationwide has dropped from more than 80 million to 24 million.

Jiao Yong, Vice Minister of Water Resources, said the Central Government plans to eradicate rural poverty caused by water shortage by 2010. He said the top priorities in this respect are adequate water for people and cattle, reconstruction of irrigation facilities to raise efficiency and ecological projects aimed at preserving water.

Guizhou Province, Xinjiang Uygur Autonomous Region and Ningxia Hui Autonomous Region should be the key target areas for future programs. Of the population living in poverty in these regions, more than half do not have access to clean drinking water.

The Ministry of Water Resources mapped out a five-year plan of poverty relief in 2001, which identifies the village and family as basic units of focus. One goal set in the plan was to guarantee that per-capita ownership of basic farmland that has stable yields despite droughts or excessive rain reaches 0.07 hectare in poverty-stricken regions. Another was to ensure that irrigated areas that have adopted water-saving technologies account for 20 percent of total effective irrigation areas. These goals are yet to be realized.

According to the Ministry of Water Resources, the reasons for this include low investment in the irrigation infrastructure—despite substantial growth since 1993—and the ageing and poor condition of those facilities that are there.

The ministry estimates that hundreds of billion yuan are required to rid these regions of water shortage. "No matter how difficult it may be, eliminating poverty caused by lack of water is our responsibility," said Jiao Yong. ■

Wushu Wows Laowais

More foreigners take to a very Chinese martial art and a wushu competition during the 2008 Games is set to take this interest further

By TANG YUANKAI

Wushu should have been included in the Olympic Games much earlier," says 22-year-old Englishman Richard Johnson in Chinese.

Johnson, whose Chinese name is Sha Le, had been practicing martial arts for five years before he came to China two years ago. He used to be the gym champion in middle school and later a football player in college; now he is a local kungfu master.

Johnson said he was aware that *wushu* appears for the first time in the Olympic Games as a special sport: neither for competition nor for demonstration performance. "But it is still a big step for the martial art," he noted.

According to Johnson, *wushu* can help build stamina health and promote self-defense. It is suitable for all ages and is a competitive sport.

The Olympic Games have 26 sports from the West and only two from Asia: kickboxing and karate. It was a pity that China did not have any sport indigenous to it included in the Games, said Johnson. "*Wushu*, in fact, is the root of both kickboxing and karate," he added.

But he agreed with the principle that for a sport to be included in the Olympics, it had to be universal. "To make *wushu* a regular and formal item of the Olympic Games, China needs to do more to promote and popularize it worldwide," he said.

Wushu has, in fact, been undergoing standardization to meet the requirements of competition. But Johnson said he personally preferred the various distinctive *wushu* forms. "Of course I can't learn all of them ... I may never get to the core of this art," he said.

"Currently *wushu* is more about performing than competing, and this is something to be worried about," said Nick Barton, a kungfu artist from the U.S. Nick has been learning kungfu in China for six years and is considered an old hand at the martial art. Quoting Ou Muhua, a Chinese

columnist that "it is a failure and even a profanity to the spirit of *wushu* if it makes its way to the Olympic Games as an ornamental event," Nick said based on the successful experience of kickboxing and karate, *wushu* must be included in the



Games as a competitive sport. But this need not mean dumping its ornamental feature, he said. "*Wushu*'s ornamental beauty can be showcased during the competition. It is this beauty that makes it better than kickboxing and karate," he said.

Nick mainly practices *taijiquan*, a kind of traditional Chinese shadowboxing. "I think it's so beautiful," he said. After trying his hand at all kinds of sports, he found that the *taijiquan* suited him the best. "You have to have a competitive rival so that the tennis can be fun; you need to have a pool to swim, but you need nothing to play *taijiquan*, any time and any place. *Taijiquan* is a kind of an exercise that is not just about burning calories. There is also some philosophy to it," he enthused.

Long journey

"I found *wushu* approachable," said Luc Bendza from Gabon, who has a Master's degree in *wushu* from the Beijing University of Physical Education. He came to China when he was 14 and has lived here for more than 20 years. He has won several *wushu* competitions and is now president of the Gabon Wushu Association, a member of International Wushu Federation and is

MASTER IN ACTION: Luc Bendza from Gabon, who has a Master's degree in *wushu* from the Beijing University of Physical Education, during a demonstration

expected to referee *wushu* events during the 2008 Games.

Bendza first saw *wushu* on screen and made his mind to study real kungfu in China. His first teacher was a Chinese translator in Gabon. "When I was 14, I couldn't wait to go to China to pursue the martial art,"

he said. The young man's resolution

a philosophy than a technique. It teaches people to see the world in a harmonious way. "*Wushu* helps you understand yourself better, and it also develops your potential to deal with the difficulties you may

Special status

In the history of the Olympic Games, there have been cases where host countries' main



OFFSHORE CHARM: Martial arts aficionados practice *wushu* in Belgium

did surprise his mother but she finally relented as one of Bendza's uncles worked in China.

In 1984, Bendza learnt *wushu* for a year at the Shaolin Temple. It was a tough time, he recalled. Every morning, he had to exercise by carrying two buckets of water with his arms stretched straight out. "But it was worth all the pain," he said.

Since *wushu* is characterized by Chinese thinking, philosophy, and cultural connotations, it is not easy for a foreigner to grasp to it. But Bendza did not encounter any difficulties. To him, *wushu* is more like

an encounter in life," he explained.

A couple of years ago he began his career as a coach and referee. He has had students in Africa and Europe. "Once I was invited to Germany to teach *wushu* and the guy who was supposed to pick me up didn't believe his eyes when he saw me. He was murmuring, 'I was expecting a Chinese *wushu* master,'" he recalled.

Bendza sees teaching and promoting *wushu* as his mission in life. He hopes more people can share the benefits and fun of the martial art. "*Wushu* is an international language, through which deeper communication and mutual understanding can be reached," he said.

sports were listed in the formal events, such as Japan's karate and Korea's kick-boxing. But after Jacques Rogge took over as president of the International Olympic Committee (IOC), he began to streamline Olympic events, making it difficult to apply for new ones.

"There will be a *wushu* competition during the Olympic Games. It's not going to be one of the official 28 sports but we will organize with the BOCOG (the Beijing Organizing Committee for the Games of the 29th Olympic Games)," said Rogge during the opening of the 10th Chinese National Games in Nanjing last year.

Though not an official sport, the International Wushu Federation is still working on *wushu* competitors enjoying the same treatment as the other competitors of formal sports. "Equal treatment means the medals for the *wushu* competition should be the same as for other formal sports, and should be awarded by the IOC. It also means the same kind of TV broadcasts," said Chen Guorong, Vice Chairman of the Chinese Wushu Association.

But the IOC has said *wushu* medals cannot be exactly the same as for other formal sports. So the International Wushu Federation has submitted a plan: one side of the medal will carry the IOC sign and the other will have the International Wushu Federation symbol. The detailed design is yet to be approved by the IOC. Besides, the broadcasting of the *wushu* competition is also difficult as the IOC has already signed contracts with TV stations around the world. ■



RIGHT CONNECTIONS: Luc Bendza with Hong Kong action star Jackie Chan

Making Oil Painting More Chinese

A painter's lifelong devotion to localizing this exquisite Western art

By LI XIA

Every painter develops a style in conformity with the times and Jin Zhilin is no exception. Over the past half-century, this eminent Chinese painter has always seen great value in drawing experiences from and gaining greater understanding of life, and then representing it in a realistic manner and expressing personal feelings and thoughts through his art. While inheriting the best traditions of Western oil painting, he has developed a distinctive style by incorporating traditional Chinese freehand painting techniques and time-honored Chinese culture into his paintings.

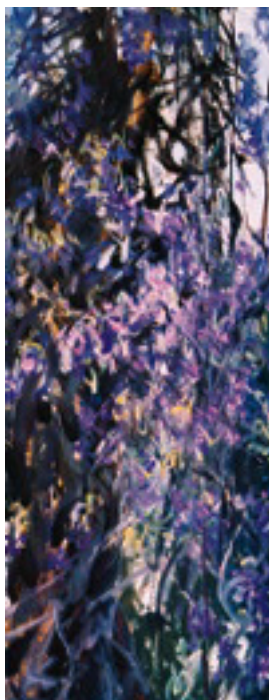
In his early years, Jin, 78, learned Chinese painting with Wu Jingting and Li Zhichao, helping him to acquire excellent skills in traditional landscape painting. In 1947, he was admitted to the National Beijing Art School, predecessor of the Central Academy of Fine Arts, where he learned oil painting with Xu Beihong and Wu Zuoren, while continuing study of Chinese painting under the instruction of Qi Baishi, Li Kuchan and Li Keran.

When he graduated in 1951, he stayed on as a teacher, meanwhile also exploring ways of introducing the Chinese national character into oil painting under the influence of Dong Xiwen.

Most of Jin's paintings feature the landscape of the Loess Plateau in the north of Shaanxi Province, partly because of his vast experience in the region. Jin lived on the plateau for over 10 years in the 1970s and 1980s. He grew to deeply love the region and its sincere and kind residents, so that he continued to make a sketching tour there every year after returning to Beijing. The Loess Plateau is not only his beloved second hometown, but also the inspiration and motivation for his painting career. The historical painting *Nanniwan* and the portrait *The Commune Party Secretary* are indicative of his painting style during the period.

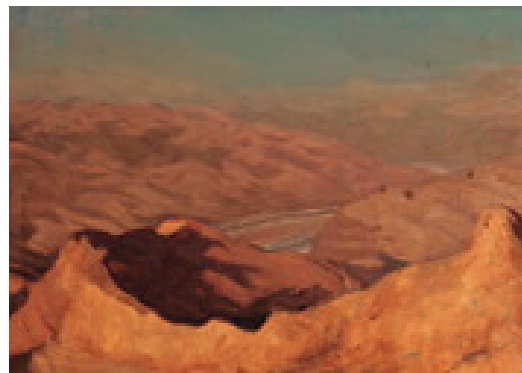
His unique approach to landscape painting first took

shape during the days in Shaanxi. By adopting the traditional freehand brushwork, he gave his paintings a vigorous and uninhibited style. Meanwhile, he adjusted his focus from colors to reflections on life and expression of the inner spirit. He no longer placed emphasis on formal likeness and verisimilitude of color. Instead, he sought the spirit of the paintings, which he thought should reflect something of the national psyche. He used the brush vigorously and liberally to create a unique cultural atmosphere. His colors were bright and serene, precisely capturing the essence of the scenery. *Ode to the Yellow River* and *Qingshuiguan Ferry of the Yellow River* are both true-to-life depictions of the great river. Looking at these paintings, you



Ivy (136X55 cm), 2000

▼ *Qingshuiguan Ferry of the Yellow River* (386X60 cm), 2004





Jin Zhilin

Born in Luannan County, Hebei Province in 1928
 Specializing in oil painting, traditional Chinese painting,
 Chinese folk art and Chinese cultural studies
 Graduated from the Beijing City Normal School in 1947
 Graduated from the Central Academy of Fine Arts in 1951
 Professor and tutor of PhD students in oil painting at the
 Central Academy of Fine Arts
 Recipient of the State Council's special allowance
 Winner of the Golden Cross of Mérite et Dévouement
 Français
 Essay: *The Creational Pattern of Chinese Folk Art*
 Monograph: *Chinese Folk Art, Customs and Archaeology*
 (five volumes)

feel as if you are right there by the surging waters, listening to their thunder and feasting your eyes on the breathtaking scene. The splendor depicted in the paintings testifies to the power and unrivaled charm of nature.

Jin traveled extensively on the Loess Plateau. While searching for the “soul” of the mysterious plateau and the root of the millennium-old Chinese culture, he also sought an approach to reshaping oil painting, a Western art, into a Chinese form. With thorough study, he discovered the artistic values of the Chinese folk art. According to him, the essential thinking underlying this is “the interplay of *yin* and *yang* that governs every movement in the universe” and that “liv-

ing beings multiply endlessly,” ideas that echo ancient Chinese philosophy and are the foundations of Chinese culture. Inspired by them, he set about incorporating Chinese philosophy into the creation of oil paintings.

Jin believes that while the Chinese fundamental philosophy celebrates the unity between heaven and humanity and between matter and consciousness, Western philosophy underlines a scientific attitude toward art by drawing a clear line between them. Concerned with the senses of structure, space, perspective and color, Western painters tend to reproduce natural scenery in a detached manner, as if they were doing still life paintings. In contrast, Chinese painters will

put themselves into the scenery, thereby conveying personal feelings and aspirations through their paintings. Their works are vivid, sensitive and full of life, imbuing the viewers with a noble, unsophisticated and innocent aesthetic concept.

Jin Shangyi, Chairman of the China Artists Association, commented that, with his commitment to realism, strong background in traditional Chinese culture and rich experience, Jin Zhilin had raised his artistic skills to a new height. In his landscape paintings, there is a visible unity between representation and expression.

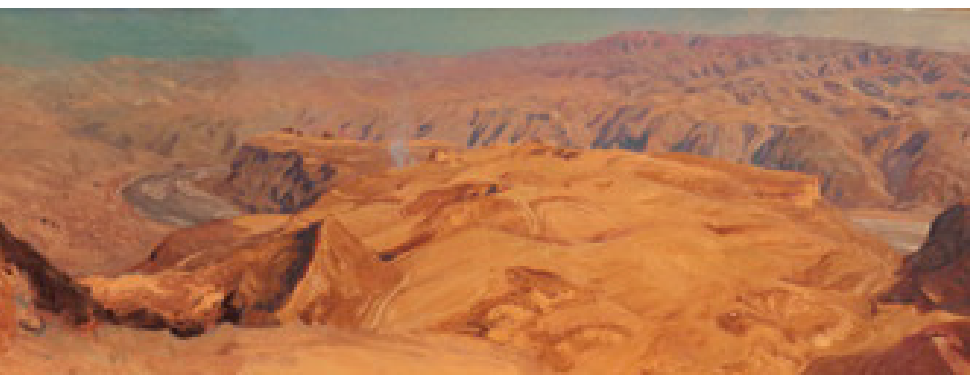
Only with a deep understanding of life can painters make their paintings expressive, without which objects represented in the paintings will appear fragile and obscure. Great painters mostly can balance representation (objective description) and expression (abstract representation), though their emphasis may differ. Most of the works of nearly all great painters such as Rembrandt are representations, but are highly expressive. Abstract beauty dominated Claude Monet's later works. However, expressive paintings risk being hollow and drab if they have no relevance to real life. A unity between representation and expression is therefore crucial to remarkable paintings. Huang Binhong succeeded in achieving this unity, and so did Jin Zhilin.

Jin Shangyi also pointed out that preserving tradition and introducing modern concepts were not contradictory goals. Only traditional culture-based modern art can engage the contemporary audience and have significant cultural implications.

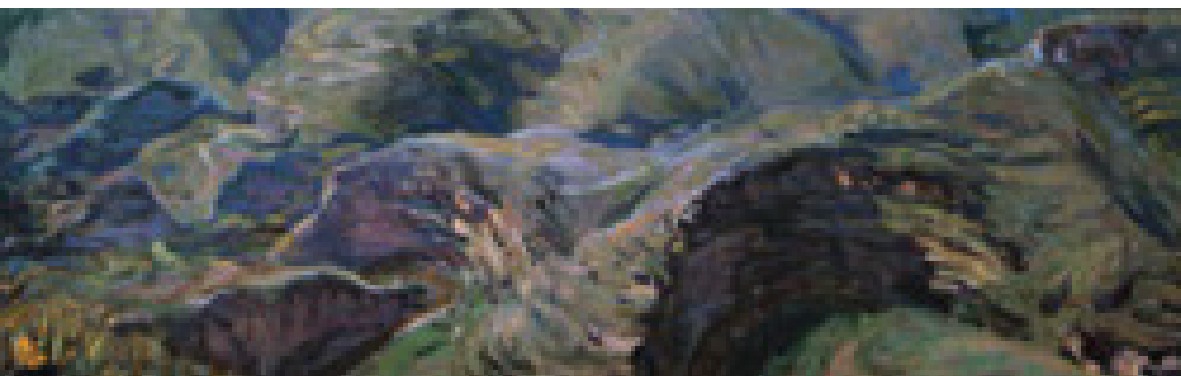
Jin Shangyi said Jin Zhilin had blazed a path of localizing oil painting in China, showing other painters the way forward and setting a good example for young artists. However, what Jin has pioneered is a long-term endeavor that calls for unremitting efforts. While adapting

Western painting styles, Chinese painters are expected to attach great importance to Chinese culture. They need to familiarize themselves with traditional Chinese painting and culture before Chinese-style oil painting prospers. ■

The author can be contacted at Artmediachina@163.com



Mountains by the Meandering Yellow River (399X101cm), 2001



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FAQ:**Do I have to know Chinese?**

This is a constant question, which bothers many people. The answer is, "Why not?" Many research studies have shown that the teacher who can use the student's language in the classroom is much more effective than those who do not know the local language. School administrators sometimes insist that you use only English in the classroom, but that is a bit misleading. Knowing some Chinese will win you a lot of respect, not only from your students, but also from the community at large. Besides, Chinese is a great language and is becoming ever more important in the modern business and academic world.

What do I need to know about Chinese holidays?

You should know a little about the Chinese culture when staying in China. The very minimum cultural information is a good understanding of China's traditional holidays so that you can draw comparisons with traditional holidays and celebrations in other parts of the world. For instance, Thanksgiving and Christmas together equal the Chinese Spring Festival.

Should I buy a car in China?

No. Absolutely not. There are already too many cars on the streets of China's major cities. Because over 80 percent of the Chinese people do not own cars, the public transportation systems have been upgrading and sometimes it is even more convenient to travel by bus than by car. Additionally, you will meet a lot of Chinese people on the bus, and they are friendly and love to talk to foreigners.

What is the public transportation system really like?

Cheap, efficient and fast. Buses and subways are comfortable unless you are trying to go somewhere during rush hours (7-9 a.m., and 4:30-6:30 p.m.). Most urban bus fleets are being rapidly updated—especially in Beijing as the 2008 Olympic Games approach. About 50 percent of the fleet is now air-conditioned in summer and heated in winter. Many buses have soft cushioned seats. Most people can tolerate the discomfort for a few minutes of a city bus ride. One to three yuan will take you anywhere around the city. Outside the large cities the buses may be a little old and drafty, but fares are also cheaper. Tolerance is the key to enjoying life in any major metropolitan area in the world. Keep smiling.



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"Jingle bells, jingle bells jingle all the way...." Christmas will be here again! It is a time for happiness, tranquility and love. It is also a time for sharing, exchanging gifts and reunification. Minzu Hotel chefs have prepared a special Christmas food menu for Christmas Eve on December 24, 2006. Among the dishes are mouth-watering mini-Christmas Log Cake and various Italian desserts like Tiramisu. We also will offer you a classic dish called Imperial Buddha's Favorite (or Stewed Soup "Marine Foodstuffs Supreme") at the Tianxiayipin Restaurant if you purchase the ticket for dinner at Jinxiu Palace—the hotel's banquet hall. Additionally, we will offer an enjoyable bottle of French wine for every guest attending the Christmas banquet.

The lavish Christmas banquet, fashionable cocktail party, special band, breathtaking acrobatics, mysterious magician performance, hot dances, exciting games, desirable gifts and lucky prize will make your 2006 Century Phantom—Passionate Christmas Eve a night to remember with clowns and Father Christmas.

With the approaching Christmas, restaurants in Minzu Hotel provide a variety of dining packages ranging from 888 yuan to 2,280 yuan net per adult. Each restaurant will have a separate theme.

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China World Hotel

Shangri-La's China World Hotel continues to be the preferred address of visiting political dignitaries and royalty, most recently rolling out the red carpet and extending a warm welcome to two African heads of state who were in town to attend the Sino-Africa Beijing Summit. On hand to greet South African President Thabo Mbeki upon his arrival at the hotel was China World Hotel's General Manager Stefan Bollhalder.



Kerry Center Hotel Beijing

Three nights of celebration for three years of distinction—that was the theme for CENTRO's recent elegantly seductive festivities.

From November 9 to 11 the award winning signature bar and lounge of Shangri-La's Kerry Center Hotel celebrated its third year anniversary. The unique collaboration with Moët & Chandon Champagne, Italian fashion brand Fornarina and the internationally famous Steiff Bear stimulated the senses during the three tantalizing evenings of entertainment and enticing cocktails.

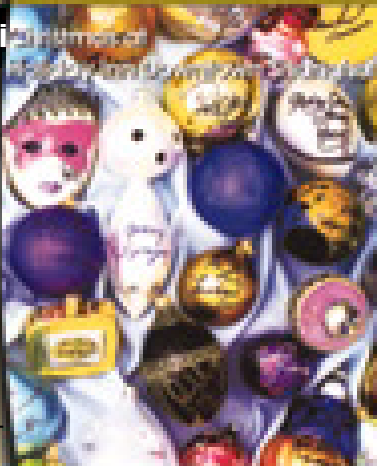


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Accor Group

More than 50 Accor staff in Beijing including senior hotel managers recently kicked off a big cleaning campaign in Yanqing County in the suburb of Beijing. After one-day cleaning, hotel staff removed more than 100 bags of garbage from hills, the riverside, yards and gardens.

"Yanqing Eco-tourism is a long-term development program," said Thierry Brinté, General Manager of Novotel Xinqiao Beijing. "We will collaborate all the efforts from Accor hotels in China and make further progress in 2007."



A HARVEST OR NOT?
Though farmers in Anhui Province harvested mountains of cotton this autumn, they are not sure whether the cotton would bring them a good income



INFERTILE FARMERS

Whether farmers have a good or bad harvest, makes no difference anymore as imports wipe out the domestic agriculture market post-WTO

By LAN XINZHEN

Yu Dazhuang has gone back home with an empty wallet. Yu, from northeast China's Heilongjiang Province, had ventured for nothing during his one-month stay in Beijing.

"I came to Beijing in the hope of finding a way to sell my soybeans," Yu said. "But not only did I fail, I have also spent all my money."

Yu lives by selling agricultural products. And Heilongjiang is one of the major soybean and rice production areas in China. Normally, Yu purchased the soybeans and rice from local farmers and sold them to other regions, buying low and selling high for a profit.

However, this is obviously not Yu's year.

Although he wore a fake smile when negotiating with clients, Yu was sad for the rest of his trip.

"I lost a lot this year," Yu said.

In China, the price of soybean dropped drastically in 2004 and 2005, and about 20 percent of the soybean output was stocked with Heilongjiang farmers in 2005. In the 2006 growing year, the planting area of soybeans in Heilongjiang was cut by 25 percent compared to 2005.

Yu assumed that after two years' price fall and the shrinking planting area, the soybean price this year would have been increased.

Guided by this judgment, Yu collected 120 tons of soybean at the price of 2.5 yuan per kg. When he tried to sell them some 10 days later, the price fell to 2.22 yuan, while the per-kg purchasing price was 3 yuan and sometimes even hiked to 3.72 yuan where it stood four years ago.

Being in the same position as Yu, many soybean growers now get almost nothing from the plant.

Due to recent price hikes of seed, fertilizer, pesticide and land rent, soybean should have been sold at 2.4 yuan per kg to strike a balance for growers. Currently, there are still large quantities of soybean for sale.

If you think the situation is unique to soybean, think again.

A very similar situation also applies to cotton.

And—let's face it—there's one big culprit: imported agricultural products.

Enormous pressure

While Yu Dazhuang and others were worried about the price fluctuation of soybean, so was international trade Professor Liu Fuxiang of the University of International Business and Economics.

Liu's conclusion is that since China's accession to the WTO in December 2001, the Chinese agricultural market, just like

auto and electronic industries, has become a globalized market full of competition. As such, domestic market forces like production area and output have had much less influence on soybean prices.

“Currently, imported soybeans have absolute control over the Chinese soybean market,” Liu said. “This kind of influence was formed two years after China’s entry into the WTO.”

Liu noted that in 1996, China was already a net soybean import country. At that time, China adopted an absolute quota system for the product and the influence of imported soybeans was not that distinctive. At the end of 2001, China entered the WTO and adopted the tariff quota system, which had no boundaries regarding how many soybeans China could import. From then on, the influence of imported agricultural products has been on the rise.

In 2002, the first year after China’s WTO accession, the country imported 11.34 million tons of soy-

bean, not much difference from the previous few years. However, beginning in 2003, the import volume exceeded 20 million tons for three consecutive years.

In 2005, China imported 26.59 million tons of soybean while the total domestic output was 16.35 million tons. That meant China had become the largest soybean importing country, with the import volume accounting for one third of the world’s total soybean trade.

In China, where soybeans mainly are used to extract oil, the price of imported soybeans is usually 5-10 percent lower than the domestic product. Hence many oil factories choose to buy imported soybeans, forcing the price of domestic soybeans to plummet.

Currently, while the price of domestic soybeans is still near the level of imports, due to high operational and preservation fees, the cost of oil factories using domestic

China’s Agricultural Trade (2001-06)

Year	Trade Volume (\$100m)	Growth (y.o.y.)	Export Volume (\$100m)	Growth (y.o.y.)	Import Volume (\$100m)	Growth (y.o.y.)	Balance Volume	Growth (y.o.y.)
2001	279		161		118		Surplus	43
2002	304.4	9.5%	180.2	12.8%	124.2	5%	Surplus	56
2003	401.3	31.8%	212.4	17.9%	188.9	52%	Surplus	23.5
2004	510.1	27.1%	233.9	8.7%	280.3	48%	Deficit	46.4
2005	562.9	9.5%	275.8	17.9%	287.1	2.4%	Deficit	11.4
Jan.-May 2006	250.4	18%	118	12%	133	25%	Deficit	15

(Source: National Bureau of Statistics)

Income of Chinese Farmers

Index	2001	2002	2003	2004	2005
Average net income (yuan)	2,366	2,476	2,622	2,936	3,255
Engel’s coefficient of farming households (%)	47.7	46.2	45.6	47.2	45.5

(Source: National Bureau of Statistics)

China’s Six Major Commitments To WTO in Respect of Agriculture

1. Cut the average agriculture tariff from 17.9 percent in 2001 to 15.6 percent by 2004, and to 15 percent in 2010. After 2010, the tariffs of more than 80 of the over 1,000 agricultural products should be cut to within 17 percent. For instance, the tariffs of beef, pork and poultry would be cut from 40, 20 and 16 percent respectively to 12 percent. Fruit tariffs would be cut from 40 percent to 10 percent. Additionally, soybean will subject to a “tariff-only” system and the import tariff will be 3 percent.

2. Establish a WTO-consistent tariff-rate quota system for agricultural products, especially for bulk commodities. The original absolute quota system should be replaced by a tariff-only system regarding wheat, corn, rice, soybean oil and sugar. China will adopt a low, within-quota tariff of 1 percent. From the day China entered the WTO till 2004, China was committed to tariff-only quotas of 9.4 million tons of wheat (up from 8.452 million tons), 5.3 million tons of rice (up from 3.76 million tons), 7.2 million tons of corn (up from 5.6 million tons), 890,000 tons of cotton (up from 814,000 tons), and 3.3 million tons of soybean oil (up from 2.51 million tons).

3. According to WTO rules, the government shouldn’t monopolize the price when exercising a tariff-rate quota mechanism.

4. The WTO stipulates that the actionable subsidy for agriculture in developing countries should be 10 percent of the total agricultural gross domestic product, while it should be 5 percent in developed countries, and China is committed to 8.5 percent.

5. Eliminate export subsidies for any agricultural products.

6. In the field of agricultural service, after China’s WTO accession, foreign companies should be allowed to establish joint ventures in China to operate in agriculture, forestry, poultry and fishery industries. Within three years of China’s accession to the WTO, foreign service enterprises are allowed to distribute and market agricultural related commodities and within five years of accession into the WTO, foreign enterprises are allowed to distribute fertilizer, refined oil and crude oil.

OEI/AFR



soybeans is 170 yuan more than that of those using imported soybeans for the production of each ton of oil. Therefore, oil factories still prefer to use imported soybeans.

“In Heilongjiang, nearly every soybean grower is overstocked,” Yu said. “Dealers dare not to purchase their soybeans, as once they do it, they might be in the same boat as I am.”

In 2002, the State Council drafted a “soybean rejuvenation” plan. But apart from subsidizing farmers for fertilizer, the government had in effect done nothing more. The farmers had to buy quality soybean seeds from seed breeding institutions, which added to the cost of production. It was the soybean growers who shouldered all the cost of production, and the unsold portions took a toll on their income.

“The majority of imported soybeans are from the American continent, especially the United States,” said Liu.

The same situation also applies to cotton.

Wang Huaigui, President of the China National Cotton Exchange, noted that since 2004, imported cotton has dominated the domestic cotton market.

The import vol

shot up to 1.9 million tons in 2004, and to 2.57 million tons in 2005. The price of imported cotton is 2,000 yuan lower per ton than domestic product, putting downward pressure on domestic prices. So again, the majority of cotton companies are losing money.

The Chinese Government does apply a protective price policy to cotton.

Every year, the government will set up a protective price for cotton. When the market price is lower than the protective price, farmers can sell cotton to the government at the protective price. When the market price is higher than the protective price, farmers can either sell the product in the market or to the government.

However, as domestically produced cotton is unmarketable, the purchasing capability of the government drops considerably.

And just as with imported soybeans, the majority of imported cotton is from the United States.

Certainly, when the average Dick and Jane American farmer has a good cotton or soybean harvest, they’re not morally responsible for the plight of Chinese farmers.

But, practically speaking, their gain is

That makes domestic agricultural products uncompetitive.

Tang Renwu, professor of management with the School of Management of Beijing Normal University, noted that agricultural production is based on occupying land, water, air and sunshine resources.

On average, Chinese farmers occupy much fewer resources than their counterparts in developed countries, and also in terms of science and technology.

China’s Agricultural Research Intensity (ARI) ratio is only 0.25 percent, much lower than that of most developed countries whose ARI ratio hovers between 2-3 percent. ARI is the ratio of agricultural research expenditures to agricultural gross domestic product. And while the advancement of technology is the major reason for modern agricultural growth, in China, technology only contributes about 45 percent to agricultural production, while that of developed countries reaches 60-80 percent.

But even with their technology advantages, developed countries still resist cutting or eliminating agriculture subsidies.

Tang stated that the United States subsi



of farmers is generally below \$400, and their subsidies from the government are only 7 percent of that of farmers of developed countries. What's more, developing countries have to cut the subsidy by half in order to conform to trade demands raised by developed countries.

Liu Lifeng, associate professor with the College of Economics & Management of China Agricultural University, pointed out that over the past five years, Chinese agricultural subsidy expenditure only accounted for 1.23 percent of the total gross agricultural product, while that of the United States and the European Union reached 50 percent and 60 percent respectively. Japan recorded the highest rate of 76.7 percent.

"Developed countries carry out a high subsidy and high protective policy for their agriculture, forming an unfavorable trade environment for Chinese agricultural development," Tang said. "Because of this, China imports more agricultural products than it exports, resulting in a trade deficit in 2004 for the first time."

The cost of foreign agricultural products, on the whole, is lower than that of Chinese products due to the production scale, industrialization degree, government subsidies, geography and weather. Statistics show that the production cost of Chinese soybeans was 1,592 yuan per ton in 2003, while that was 1,395 yuan for the United States and 984.4 yuan for Brazil. The situa-

tion doesn't change much even at present.

But even while China's agricultural products are not competitive, the Chinese agricultural market has opened considerably after its accession to the WTO to fierce competition.

Following its commitment to the WTO, China dropped its average agricultural tariff from 23.2 percent in 2001 to 15.35 percent in 2005, much lower than that of developed countries like the United States, Japan and European Union countries. The rate is also lower than the global average 62 percent tariff of agricultural products. Thus, China is now one of the countries with the lowest agricultural tariff.

Indeed, barriers in the Chinese agriculture market are generally eliminated, Liu Lifeng said.

What should we grow?

Corn might be the next agricultural product to be hit hard.

On August 1, a U.S. cargo ship with 52,000 tons of corn dropped anchor at Qingdao port. With the arrival of this ship, the quantity of corn imported by China this year rose by at least 14 times over that last year.

Since the Chinese Ministry of Agriculture approved the import of U.S. genetically modified corn in July 2005, enterprises from Shenzhen, Shandong and Sichuan have ordered about 60,000 tons of American corn.

Industry insiders contended that the Chinese corn sector is now under attack and estimated that soon China will become a net import country of corn.

Corn has traditionally been used as feedstuff in China, but is now being used more widely to make ethanol gasoline. Currently, many cities in China allow the usage of ethanol gasoline, which leads to a substantial demand for corn. Once the ethanol industry takes off, no one could hold off the import of corn. It is actually not good news for Chinese farmers, as the huge surge of corn will further cut the price of their product.

The list of endangered agricultural products goes on.

Labor-intensive agricultural products, such as flowers, vegetables, fruit and meat, were once considered to have a competitive edge compared with foreign products. People expected to see an export boom of those products. However, restricted by non-tariff barriers like environmental standards, those products are having a hard time to make headway abroad.

In recent years, some Chinese agricultural products like tea, vegetables, fruit and poultry have been confronted with anti-dumping accusations, giving rise to a substantial increase in cost, which in turn makes these Chinese exports uncompetitive.

So while products such as corn and soybean don't have a competitive edge domestically, those with a competitive edge cannot be sold overseas.

Under such circumstances, China has become a dismal land for farming.

"What should we grow?" Yu questioned.



TECHNOLOGICALLY IMPAIRED: In some rural villages of Gansu Province, farmers are still using out-dated production methods to grow and collect corn

GO HI-TECH OR GO BUST

With traditional growing in jeopardy, farmers may need to become more technologically urbane

By LAN XINZHEN

To Li Zhonghai, a manager of a wholesale market for agricultural products in a southern Beijing suburb, the biggest industry change in recent years is price.

"Most of the agricultural products' prices have dropped," said Li, who is a seven-year industry veteran.

After entering into the World Trade Organization (WTO), more and more foreign agricultural products have been exerting enormous influence on China, now only formerly a big agricultural power. Ten years ago, China was the largest soybean producer. However, confronted with low-priced imported soybeans, many farmers cut the planting area of soybeans, making China only the fourth largest soybean producer in the world.

But what really is the future for Chinese agriculture? Will Chinese agriculture, which has endured for several thousand years, gradually be devoured by imported products?

Tariff too low

Tang Renwu, a professor with the School of Management of Beijing Normal University, believes that the constant falling price of agricultural products is due to the opening up of the agricultural product market.

From December 11, 2001, China adopted a tariff quota to agricultural products. A tariff quota refers to a certain quota on imports, above which a higher tariff is applied. The lower tariff rate applies to

imports within the tariff quota.

From the December date, China was obliged to import 9.4 million tons of wheat, 5.3 million tons of rice, 7.2 million tons of corn, 894,000 tons of cotton and 3.3 million tons of soybeans every year with a 1 percent tariff (all part of the new tariff quota). This



ALL THE HELP THEY CAN GET: Hit by the huge inflow of foreign agricultural products, Chinese farmers are beginning to learn more from advanced foreign planting technologies

amounts to much lower tariffs on imports, and leads to a price fall of domestic grain products as well as vegetables.

Professor Tang Renwu pointed out that in 2002, the second year after China's entry into WTO, the vegetable price hit a record low and dropped 36 percent compared to the prices in the previous six years. In 2002, the wheat price was only about 0.9 yuan per kg. Pushed by the government, the price of major agricultural products climbed in 2004, but declined afterwards.

As for city dwellers, the price decline is

without doubt good news, as they can buy foods at a cheaper price. However, for farmers whose income is much lower than that of the city dwellers, this adds fuel to their frustration.

"China's accession to the WTO, directly or indirectly, has led to the price decline of agricultural products, which takes a toll on farmers' income," said Tang.

Tang pointed out that another disadvantage brought about by China's accession to the WTO is that many farmers have lost their jobs.

China has a vast population but with limited land, leading to small-scale farming. Farmers are confined to their land. They labor on their farms in busy seasons and do other small businesses in town in the off seasons. Meanwhile, they do sideline businesses like breeding. After China's accession to the WTO, hit by imported products that are highly subsidized by developed countries, the price of sideline products also dropped, forcing farmers to give up the side businesses. Therefore, many farmers have virtually nothing to do in a less demanding season.

But some other experts still believe that accession to the WTO also has a good impact on Chinese agriculture. Lu Liangshu, an academician from Chinese Academy of Engineering, stated that in the long run, the accession is good for farmers, although in the short term, the negative impact is more profound.

Lu suggested that because of accession, advanced agriculture technology and management experience will improve the level of the Chinese agriculture industry.

"It is an advantage brought about by WTO," said Lu.

Ma Xiaohu, a researcher with the Academy of Macroeconomic Research under the National Development and Reform Commission, pointed out that enhancing agricultural cooperation in the agriculture field will bring in capital and technology, thus help change the traditional agricultural production pattern.

Ma pointed out that the majority of Chinese agricultural products are produced in large quantities, but their quality is much lower than that of developed countries. Therefore, they are not competitive in the international market. After China's entry to the WTO, the international cooperation and the inflow of foreign agricultural products will force domestic farmers to adopt new technology and strive to improve product quality so as to boost competitiveness.

Think concrete jungle

PHOTO BY



FARM OF THE FUTURE: Farmers in Shandong Province are using combine harvesters for reaping instead of the traditional manual way

The Chinese Government has done a lot to ease the negative impact on agriculture brought about by WTO accession. For instance, the government purchases the surplus grains from farmers at a protective price, speeds up the countryside infrastructure construction and has abolished the agriculture tax since this year. Although those efforts have provided limited help on improving the competitiveness of Chinese agricultural products, they have, after all, relieved the pressure on farmers and guaranteed the grain output.

Above all, people are more concerned about the future development of Chinese agriculture. "Chinese agriculture must be modernized," said Professor Tang Renwu.

Nearly everyone recognizes the importance of agriculture modernization, which has in effect become a slogan in the past several decades. The current situation is that most of the arable land is cut into small pieces and distributed to each farm household and large-scale mechanized farming is still something beyond Chinese farmers' reach.

Tang believes that narrowing the urban-rural gap is a better way. The agricultural population in most developed countries has fallen below 10 percent of the total population. The UK's agricultural population was 2.6 percent in 2005. It was also 3.9 percent in the United States, and 6.7 percent in Canada. In addition, in those countries, farms have been changed into enterprises and the differences between agricultural enterprises and other companies have been virtually eliminated.

Hence, the first thing to be resolved is the agricultural population, which makes up 70 percent of the overall Chinese population. It is imperative to industrialize and urbanize the rural area, Tang said.

According to statistics from Ministry of Construction, the urbanization level has increased to 41.8 percent in 2005 from 17.9 percent in 1978. The urban population also increased to 540 million from a mere 170 million in 1978, which means that many farmers became city dwellers.

In spite of the huge progress, the Chinese agriculture population is still enormous and the agricultural production pattern and structure need upgrading.

China has launched a "new countryside" campaign, which is believed to be an effective method for solving problems relating to agriculture. The government wants to speed up the effort to transform the urban and rural structures and bridge the gap between the two.

But it won't be easy for Chinese agriculture to be modernized overnight, as there are many conflicts and problems to be resolved.

"If the current slash on domestic agricultural products can really stimulate our agricultural modernization, it is after all worthwhile," Li said. ■

Is Traveling Lighter Better?

For some industries—yes—but for agents, the new e-ticket is a one-way trip to extinction

By TAN WEI

No wonder Pan Shan is nervous. When he and his wife travel to Hainan for vacation soon, they will fly for the first time. But even more stressful for Pan, 60, they will have to use e-tickets.

“With e-tickets now, we can get only the ticket number but cannot see the real ticket, so I feel insecure,” said Pan, who repeated their names and identity card numbers again and again when telephoning to book the tickets in case of any mistake.

But whether China’s passengers like it or not, the e-ticket is finally becoming a reality across the mainland like in more developed nations.

The China Air Transport Association and the International Air Transport Association (IATA) have been hard at work advancing the cause of paperless air tickets, aiming at electronic air ticket usage only in China by 2007. Indeed, beginning October 16, all ticket agents in China can only sell e-tickets to passengers, except for some international air routes and a few transfer flights.

But beyond its impacts on passengers, the e-ticket has major ramifications on Chinese industries. For the airline industry and e-commerce players, it’s a boon. But for others like ticket agents, there are dire consequences.

Airlines’ saving grace

Chinese airlines are doing their best to promote e-tickets, and for good reason.

“They will certainly be active since it is airlines that benefit the most from using e-tickets among the whole indus-

trial chain,” said Wang Yili, Marketing Director of Yoe.com, the largest electronic air ticket booking website in China.

For airlines, it’s all about savings.

The paper ticket, costing over 20 yuan, has been cast away in favor of a printed itinerary that costs less than 0.1 yuan. Actually, the itinerary itself isn’t even necessary to print.

Since air tickets are viewed as a type of bill, paper ticket stubs are necessary for airlines to keep for inquiries, which requires expenditures.

But according to IATA’s estimation, operational costs of e-tickets are only 10

percent of those of traditional paper tickets. In 2005, at least 80 million air tickets were sold, so a total of 1.6 billion yuan could have been saved—even more than the total profits of all domestic airlines.

“I cannot allege that e-tickets must help domestic airlines make up for the losses and gain profits, but at least the airlines can reduce much of their costs,” said Zhang Baojian, IATA’s Vice President for North Asia Regional and Chief Representative to China. “Profits of all domestic airlines add up to no more than 1.6 billion yuan. If e-tickets can save 1.6 billion yuan, aren’t they making money?”

Although all the saved 1.6 billion yuan would not actually go to airlines, as they need to be shared by all links of the industrial chain, airlines’ financial needs should be much better satisfied, Zhang said.

Taking e-tickets to the bank

Meanwhile, during the China International E-Commerce Conference held in Beijing in September, Zhang Shaofeng, General Manager of the Electronic Channel Department of Shanghai Pudong Development Bank (SPDB), was smiling a lot, showing plenty of teeth.

“As e-commerce develops in China, it is our banks that benefit the most!” said Zhang, who was discussing electronic air tickets in particular.

Since SPDB launched online payment



DO-IT-YOURSELF: E-tickets are taking China by storm. Here, working staff of Chongqing Jiangbei International Airport introduce how to check in with e-tickets

of e-tickets last year, monthly growth has been more than 20 percent, Zhang said.

Banks that offer this service stand to profit because they impose a service charge for online payment, typically 1 percent, Wang said.

Sources from China Southern Airlines show that the daily transaction volume of e-tickets stands at 200 million yuan. With increasing popularity of e-tickets, what this enormous market will bring to banks is unimaginable profits.

Ticket agents doomed

On the other hand, the e-ticket revolution could seriously bruise air ticket agents.

"Ticket agents are standing at the crossroads," said Tan Zhiguo, President of 96115.com. In his opinion, although capable of making a living at present, the once profitable air ticket agents cannot keep up with the demand of the time.

"Agents should earn stable profits," Tan said. "With 3-5 percent commissions on average, they can easily feed dozens and even hundreds of employees. But in fact, this industry is full of crisis now."

While agents are still in demand to help promote and expand e-ticket sales, soon they won't be, he said.

"E-tickets make passengers more likely to have direct contact with airlines and airlines may reduce their contact with ticket agents," Tan said. "After airlines become the leading agent themselves, they may launch attacks on the agents, reducing or even abolishing commissions."

Regional ticket agents should prepare to come under the heaviest fire.

It is undoubtedly a death warrant for those small agents who are used to doing business in their nearby areas.

Now, e-commerce companies can expand their businesses quickly via Internet, while small and medium-sized agents will die rapidly under converging attacks from airlines and large agents.

Tan supposes that ticket agents may survive for five or 10 more years, but that's it. The only way out is to change themselves. According to him, more than 30 percent of air ticket agents in Shanghai have begun to



CLICK IT FOR TICKET: A passenger checks in at the Beijing Capital International Airport via self-service system with his ID card

set up their own websites, inputting 600,000 yuan to every website on average, and 96115.com is one of them.

However, Wang is not optimistic about the transformation of ticket agents.

"The key point is capital," Wang said. "Profits of agents are meager and it is too risky to input so much in network construction."

According to him, the largest advantage of ticket agents is their customer resources.

"Agents used to serve airlines, but now, they are required to serve the customers, improving their services and enlarging customer resources through face-to-face service," Wang said. "The sooner that small and medium-sized agents can finish this transformation, the sooner they will secure better opportunities."

Online collectors smell victory

There's one more likely winner from the popularization of e-tickets: online payment collecting service providers.

These providers charge a certain proportion of commission on every online order and are finding e-tickets to be a potentially very profitable sector.

"We must find a key industry fitting into online payment to develop our business and the air ticket sector is the best choice," said Yu Chen, Vice President of YeePay.com.

But this "best choice" has not brought collecting service providers as many profits as imagined.

"It is generally accepted by the industry that we must continue despite that fact that it is a losing business [so far], because everyone wants to occupy a position in the field of e-tickets," said Luo Peng, Manager of Public Relations at Cncard.com. According to Luo, since the market is under rapid construction, one must secure a portion or be squeezed out of the industry.

But these collecting service providers cannot survive by just drinking water.

"We need to pay commission to banks—about 1 percent," said Qiao Yang, Sales Director of the Payment Business Department at Cncard.com. "There might be some discount if we have a

large volume of customers, but the discount will not be too much. Therefore air ticket agents should pay us more than 1 percent. But at present, most of the collecting service providers charge less than 0.5 percent, absolutely unable to make ends meet."

Qiao also points out that many collecting service providers say their business models are much broader than just involving this sector alone.

"Some companies are operating other businesses," Qiao said. "The whole company can be profitable even if the e-ticket payment business is losing some money. Other companies come to the e-ticket market just for getting listed in the securities market. To those companies, it is of top priority to occupy the market and increase clicks of their websites," he said. ■

Nasdaq Comes to China

And its chief representative in China is scouting for suitable companies to list

As more Chinese companies begin looking for opportunities abroad, the world's largest electronic stock market, Nasdaq—which has often partnered with small start-up companies—may be within easier reach than ever before.

Today, there are 29 Chinese mainland-based companies listed on the Nasdaq, most of which are dotcoms. Granted, that's still a small share of the 3,200 companies listed on Nasdaq, but the market is certainly reaching out to China.

Nasdaq is planning on opening an office in Beijing to serve as a liaison for start-ups needing support from capital markets. This would also allow Nasdaq to keep an eye on the corporate and economic landscape, watching out for high potential companies for listing.

Lawrence Pan, China Chief Representative of Nasdaq, is himself a magnet for Chinese companies looking to raising money on the public market.

In this interview, Pan discusses the role of Nasdaq and why it is increasingly attractive for Chinese companies looking to going to market.

What is the status of Nasdaq's plans in China?

Pan: Preparations for the China representative office are still in progress. The key, however, before Nasdaq can become widely recognized in China, is to make sure that its services are not subject to a time difference. Synchronous processing is essential as stock exchange trades must be carried out immediately, with no delay. But localized service is also a big plus.

What are your main responsibilities as Nasdaq's chief representative in China?

I have three main responsibilities. First of all, I spend most of my time ensuring the provision of good service to the 29 Chinese listed companies. This responsibility is set to expand as the number of China-listed companies will only increase in the future. These Nasdaq-listed companies are our customers and they deserve the best service possible. Nasdaq is a stock

exchange with many operating rules, and these companies are often in need of guidance, assistance and supervision.

My second responsibility is the development of new companies [for listing]. At present, the Chinese mainland companies listed on the Nasdaq include not only dotcoms, but also mass consumer-oriented companies such as Ctrip.com and Shanda Interactive Entertainment Ltd., value-added service providers, media operators, software vendors, biotech equipment providers and manufacturers. The board should list the best-performing companies. The listing of unhealthy businesses may have an adverse impact on their strongly performing peers, so it remains a demanding task to select the right ones.

Thirdly, I am responsible for the maintenance of broad-based communications with many parties in financial, securities, industrial and commercial sectors, as well as the central and local governments.

Do you foresee any adjustment to your China strategy?

In total there are 340 non-American companies now listed on Nasdaq, of which 29 are from China's mainland. If those originating in Hong Kong and Taiwan are included, the number of Chinese companies rises to 50. This is not a bad proportion.

The Nasdaq seems to specialize in IT companies. Is that an accurate view?

As a matter of fact, Nasdaq is where the entire American economy, particularly the creative proportion of it, converges. Intel, a computer hardware manufacturer, came into being in the 1970s, and in the 1980s, software producer Microsoft arrived on the scene. These two giants, both of which are listed on Nasdaq, formed the cornerstone of the entire IT industry. In addition, the rapidly growing network-based era also saw the rise of hardware mainstays like Cisco, and their software counterparts such as Oracle. Both of these are also listed on Nasdaq.

Is Nasdaq primarily a hi-tech exchange?

It is true that Nasdaq started up as a primarily hi-tech and IT-based exchange. As a result, we are proud to have become the biggest breeding ground for IT companies and other hi-tech start-ups. But now, Nasdaq has expanded its business coverage across eight industries, including finance, bio-pharm, healthcare and consumer goods.

So Nasdaq is a composite exchange with broad coverage of various industries?

Yes. Those who enter the market as small start-ups often intend to partner with Nasdaq and share in its growth. At present, the market value of Microsoft is more than \$270 billion, and Cisco, Dell and Google are all valued at over

PAN THE MAN: Lawrence Pan, Nasdaq's man in China, is trying to find more Chinese companies to partner with

\$100 billion. These are prime examples of big blue-chips.

What is Nasdaq's single most important feature?

From the very beginning, Nasdaq has employed a trading competition method both electronically based and transparent in its entirety. Efficiency and customer service are considered to be the highest priority.

What is the minimum requirement in terms of tangible net assets?

There is no specific requirement on tangible net assets. However, to qualify, a company should have three years of healthy business income that is expected to

reach \$11 million.

This is,

in effect, a higher standard than that of the New York Stock Exchange (NYSE).

What kinds of businesses interest you the most?

The financial sector definitely has our attention. But all sectors within our business range are given due attention. While there are no specific selection criteria, rapid and sustained growth is of key importance.

Nasdaq tends to go easy on a candidate company's performances given the condition of sustained development. Is the future its primary focus?

Yes. If a company has a history of only two years, it's still okay. If a firm foundation is laid during those two years, the company may still make the cut if it sees fast-tracked and sustained development in its future. We rigorously scrutinize every company's financial analysis, financial model and business model.

How can a company develop using Nasdaq?

Being listed on Nasdaq is just the first step in a marathon. If we take a look at some American listed companies, many of them have a history of over 100 years.

And even then, they still have a long path ahead. So after taking that first step, you must be mentally prepared for the long and

often arduous journey that lies ahead (after the listing). You have to partner and interact with the capital market. In its growth period, a company usually has to be self-reliant. As it grows bigger, other forms of "extended" development begin to weigh in, such as merger and acquisition activity. Be it Microsoft or GE, many companies expand their business scope as a result of successful acquisitions. But acquisition plans cannot proceed without assistance from the capital market, where monetary support and professional counseling are plentiful. [It is important] to treat the capital market as a true partner. A company must communicate fully with the capital market if its sights are set on development, innovation and overall progress. The capital market has to be well advised of where the company is weak or strong and what difficulties and opportunities it faces. Open communication is critical after the company is listed. Some companies, in the face of setbacks or during hard times, may not experience fluctuations in their valuation. The market in response may remain calm, or even drive the company's value higher. Whatever the outcome, it will be a direct result of the public learning of the company's vision.

What advice can you offer to companies with their sights set on a Nasdaq listing?

Nasdaq now includes 29 China-based companies, a number that rises to 50 with the inclusion of Taiwan- and Hong Kong-based firms. It is fair to say that Chinese mainland companies have listed on the Nasdaq in phenomenal numbers. The two factors that drive a company forward are the company itself and the capital market. It requires great study and efficient use of the Nasdaq, one of the world's best capital markets, to boost your company's business and core competitiveness, particularly in the area of IPR, to become a leader in the new economy. ■

(Xinhua Finance)

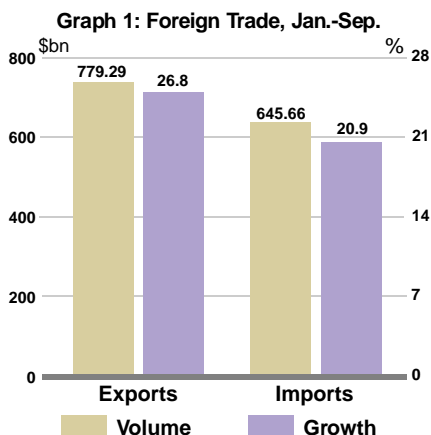
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State of the Market

Foreign Trade

In the first 10 months, China's foreign trade volume reached \$1.42 trillion, up 24.1 percent compared with the same period last year, according to statistics released by the General Administration of Customs (GAC) (see graph 1). The trade surplus stood at \$133.63 billion at the end of October. The



trade volume in the first 10 months has surpassed that in the whole year of 2005.

In October alone, the foreign trade volume rose 22.9 percent to \$152.43 billion. Of the total, exports stood at \$88.13 billion and imports \$64.3 billion, increasing 29.6 percent and 14.7 percent, respectively, year on year.

From January to October, the total volume of general trade and processing trade amounted to \$609.15 billion and \$671.33 billion, up 25.4 percent and 21.5 percent, respectively, over the year-earlier period.

The EU, the United States, Japan, Hong Kong and the Association of Southeast Asian Nations remained China's five largest trading partners (see graph 2).

Guangdong, Jiangsu and Shanghai registered the largest foreign trade volumes in the country, with their combined amount accounting for 58.8 percent of the national total (see graph 3).

Machinery and electrical products contributed 56.4 percent to China's total exports. In the first 10 months, their exports were valued at \$439.71 billion, shooting up 29.7 per-

cent compared with the same period last year. Of the total, those of electrical appliances and electronic products, machinery products and equipment as well as hi-tech products reached \$181.21 billion, \$148.75 billion and \$222.67 billion, edging up 34.1 percent, 23.9 percent and 30 percent, respectively, year on year.

At the same time, exports of clothes and shoes picked up 27.3 percent and 15.7 percent to \$77.78 billion and \$18.11 billion, respectively.

However, from January to October, exports of crude oil and refined oil decreased 12.5 percent and 17.6 percent to 5.09 million tons and 9.99 million tons, respectively.

During the January-October period, China imported \$155.21 billion worth of primary products, surging 29.1 percent from the same period last year. Of the total, soybean imports jumped 9.7 percent to 23.5 million tons.

In the first 10 months, the country also bought \$490.45 billion worth of manufactured goods, up 18.6 percent over the year-earlier period, with the amount accounting for 76 percent of the country's total volume of imports. Of this total, imports of machinery and electrical products were valued at \$34.71 billion, increasing 24.3 percent from a year ago. During the first 10 months, China imported 180,000 automobiles, up 40 percent compared with the same period last year.

Industrial Growth

In October, all state-owned enterprises as well as non-state enterprises with annual sales revenue exceeding 5 million yuan (enterprises above the designated size) completed added value of 760.1 billion yuan, edging up 14.7 percent year on year, said the National Bureau of Statistics (NBS) (see graphs 4 and 5).

The sales ratio of industrial products arrived at 98.44 percent, 0.61 percentage points higher than the rate a year ago. Their export delivery value amounted to 539.7 billion yuan, up 22.2 percent compared with the same period last year.

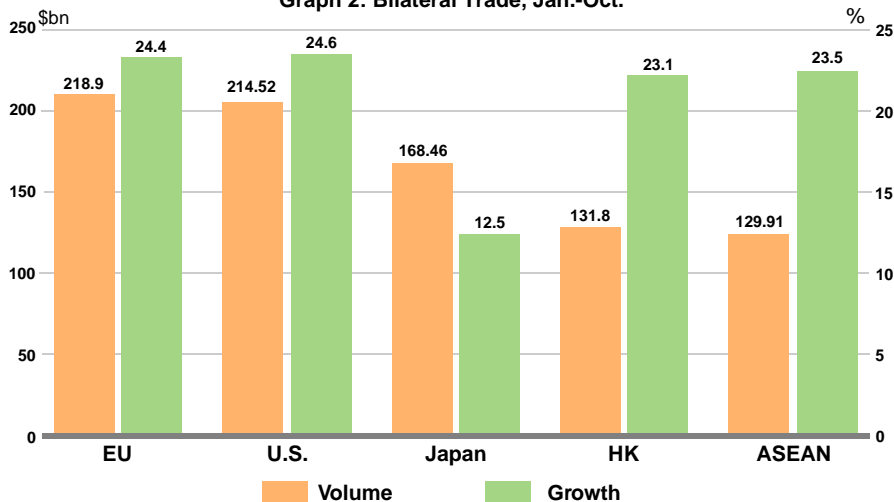
From January to October, the added value of enterprises above the designated size totaled 6.99 trillion yuan, a year-on-year increase of 16.9 percent.

Fixed Assets Investment

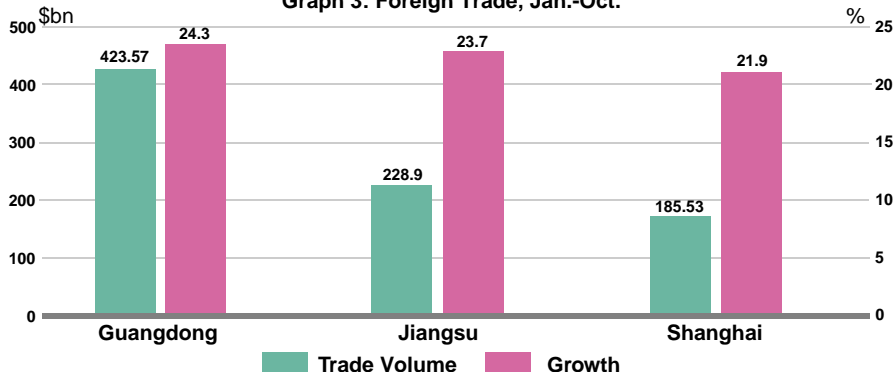
From January to October, the aggregate fixed assets investment in urban areas was 7.01 trillion yuan, up 26.8 percent compared with the same period last year, said the NBS. Among the total, state-owned and state-holding enterprises and the real estate development sector completed investment of 3.33 trillion yuan and 1.46 trillion yuan, increasing 17.7 percent and 24.1 percent, respectively, year on year.

The investment in projects funded by the

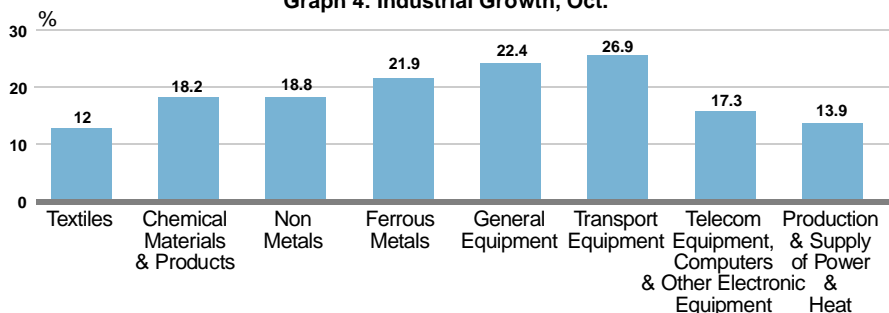
Graph 2: Bilateral Trade, Jan.-Oct.



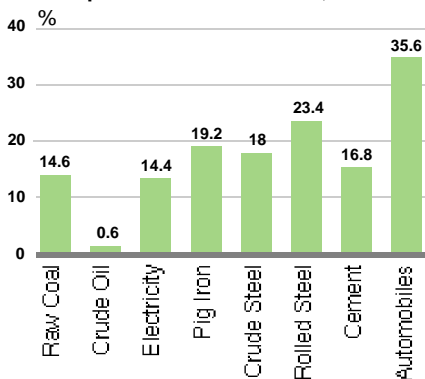
Graph 3: Foreign Trade, Jan.-Oct.



Graph 4: Industrial Growth, Oct.



Graph 5: Industrial Growth, Oct.



state budget was 775.7 billion yuan, a rise of 29.6 percent over the year-earlier period, and that in local projects stood at 6.23 trillion yuan, up 26.5 percent year on year.

By industry, the investment in primary, secondary and tertiary industries reached 76.5 billion yuan, 3.01 trillion yuan and 3.92 trillion yuan, up 34.9 percent, 27.6 percent and 26 percent, respectively, year on year.

During the January-October period, the investment made by domestic enterprises grew 27.6 percent compared with the same period last year. The investment made by enterprises with capital from Hong Kong, Macao and Taiwan and by foreign-funded enterprises stood at 322.1 billion yuan and 441 billion yuan, up 14.3 percent and 20.2 percent, respectively, year on year.

At the end of October, 248,869 projects each valued at 500,000 yuan or above were under construction, 33,251 more than the number in the same period last year. The

planned investment totaled 19.44 trillion yuan, up 22.6 percent year on year. Of the total, the number of newly started projects was 168,568, which was 21,344 more than a year ago, with the total planned investment of 5.28 trillion yuan, growing 4.4 percent from a year ago.

In the first 10 months, the paid-in capital totaled 7.77 trillion yuan, a rise of 28.8 percent over the year-earlier period. Of this, domestic loans, foreign investment and self-collected funds registered growth of 27.7 percent, 12.9 percent and 30.8 percent, respectively, year on year.

Retail Sales

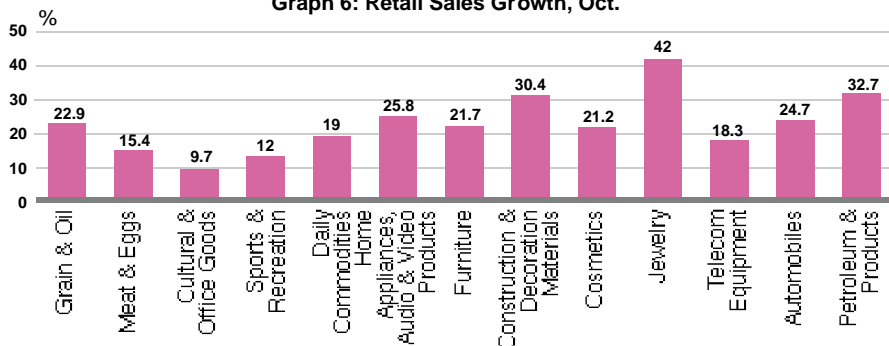
In October, retail sales of consumer goods stood at 699.8 billion yuan, up 14.3 percent over the year-earlier period, according to the NBS. In the first 10 months, the total sales volume amounted to 6.21 trillion yuan, a year-on-year increase of 13.6 percent.

By region, retail sales of consumer goods in urban areas peaked at 472.1 billion yuan in October, rising 14.8 percent over a year ago, and those in rural areas registered a growth rate of 13.5 percent to 227.7 billion yuan.

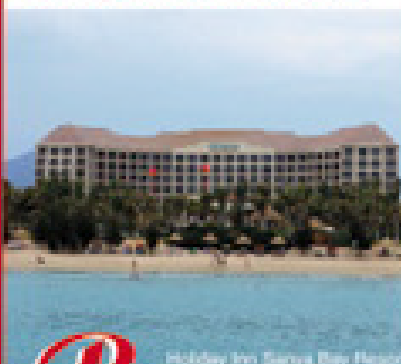
By sector, the sales volume of the wholesale and retail sector went up 14.1 percent to 584.9 billion yuan. That of the accommodation and catering sector gained 18.5 percent to 96.5 billion yuan, and that of other sectors totaled 18.4 billion yuan, climbing 4 percent compared with the same period last year.

Retail sales of food, clothing and commodities for daily use rose 23.1 percent, 16.6 percent and 22.9 percent, respectively, year on year (see graph 6).

Graph 6: Retail Sales Growth, Oct.



BEIJING REVIEW



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- Palm Beach Resort & Spa Sanya
- Sofitel Boao
- Golden Coast Hot Spring Hotel
- Crowme Plaza Sanya

Tourism Information

Ancient City Wall in Xi'an

The ancient city wall in the center of Xi'an was built from 1374 to 1378 during the Ming Dynasty based on the previous walls built in the Sui and Tang dynasties. It is the most complete city wall that has survived in China and one of the largest ancient military defensive systems in the world.

The rectangular-shaped wall has a circumference of 13.7 km. It stands 12 meters high, 15 meters wide at the top and 18 meters thick at the bottom.

The wall was built with layers of clay covered with bricks.

Complicated gate structures were designed to fend off enemies. Each of the four gates in the east, west, south and north respectively has three gate towers: Zhenglou, Jianlou and Zhalou.

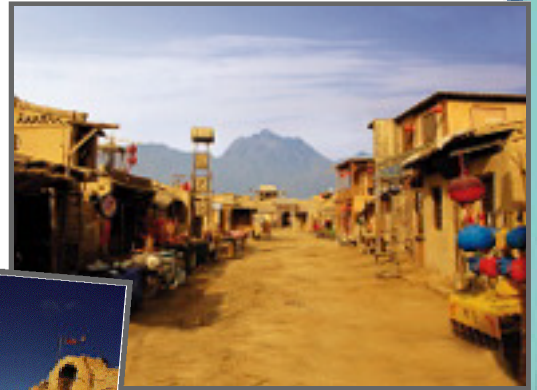


Zhalou, the external one, was used to raise and lower a bridge over the moat. Jianlou, with small windows in the front and on the flanks, served as a defensive outpost. Zhenglou, the innermost gate, was the main entrance to the city. Also, 98 ramparts were

built on the wall so the defenders could repel any enemy seeking to climb the wall. Since 1983, the governments of Shaanxi Province and Xi'an City have sponsored massive city wall renovation projects. In addition, a park was built along the wall, attracting legions of tourists.

West China Movie and TV Center, Zhenbeipu, Ningxia Hui Autonomous Region

West China Movie and TV Center is located in Zhenbeipu near Yinchuan, capital of Ningxia. To date, over 60 movies and TV plays shot there such as A Horseman's Story, Red Sorghum, Ballad of the Yellow River, Lovers' Grief Over the Yellow River and A Chinese Odyssey have won domestic and international awards. Among China's numerous movie and TV centers, Zhenbeipu is distinguished for its quaint, primitive and bleak outlook. The center, which has provided the setting for more award-winning works than any other in China, is hailed as the place from which Chinese movies march toward the world.



Guan'egou Scenic Area in Gansu Province

Guan'egou is located on the outskirts of Tanchang County, Gansu Province some 340 km from the province's capital city of Lanzhou. The picturesque valley covers an area of 17,637 hectares, 75.1 percent of which is forested.

Lakes of various sizes dot the valley like dazzling green pearls. The reflections of the ancient trees in the lakes resemble colorful dragons. In the scenic area, you can see waterfalls almost everywhere. Rushing down from dozens of meters high, they hit the rocks below with a deafening splash, causing mists that add to the charm of the mysterious valley. Every winter, the waterfalls freeze into ice columns. When it snows, the columns will be covered with snowflakes to create a stunning effect.

Apart from pristine natural beauty, Guan'egou is full of cultural appeal. There, you can glimpse the lives of the ancient Qiang people. Tibetans living in the region are believed to be descendants of the Qiang, and they have retained the lifestyle of their ancestors. You can closely examine their exquisitely designed houses and watermills. You may also come across Tibetan women in ethnic costumes, making music with their traditional instruments and chanting folk tunes.





Rutgers International Executive MBA Program

The unique design of the Rutgers International Executive MBA China program allows busy executives to work full time and go to school full time.

The program's 18 courses are taught in English by Rutgers faculty from the United States, and can be taken exclusively in either Beijing or Shanghai, but may also be taken between the two cities if necessary.

Class sizes are kept small to allow maximum interaction between instructors and students. Typically, there are more than 10 nationalities represented, making Rutgers the only program in China to offer this kind of diversity and background.

(www.rutgers.cn)



Beijing International MBA at Peking University

The Beijing International MBA at Peking University (BiMBA) is the first foreign MBA Program in Beijing formally approved by the State Council Degree Committee of China in 1997.

"The Most Valuable Business School in China" — *Fortune* (Chinese Version) in 2005 & 2006

"The Most Valuable Part-time MBA Program in China" — *Forbes* (Chinese Version) in 2005 & 2006

Benefits for BiMBA students:

- Typical U.S. MBA curriculum
- Courses exposing to Chinese business environment

- U.S. MBA degree accredited by AACSB

- World-class faculty from over 20 U.S. business schools and Peking University

- Diversified student profile and cross-cultural communication

- Life-long network and friendship in China

- All in English (www.bimba.org)



China Europe International Business School

China Europe International Business School (CEIBS) is once again ranked highly in the global EMBA program survey released by the London-based *Financial Times* on October 23. Its EMBA program ranked 17th among all such programs across the world, a position that makes it one of the world's most prestigious business schools and gives it a competitive edge over many familiar schools.

This is the sixth consecutive year that CEIBS has been ranked among the global top 50. It is a clear indication that CEIBS EMBA has become a truly international brand in China's EMBA education. (www.ceibs.edu)



Beijing City International School

Beijing City International School (BCIS) is located in the heart of Beijing. The independent coeducational day school offers an international curriculum for pre-kindergarten to Grade 12 students.

With its modern facilities and high-quality education, BCIS has been widely accepted by the community.

Outside classroom, BCIS students can participate in a wide range of activities such as drama, rock climbing, swimming, soccer, arts, crafts and even scuba diving!

The BCIS community has an active Parent-Teacher-Community Association (PTCA) that helps support the school by organizing community events, fundraising and other activities.

BCIS is an Olympic Education Model School and will help promote the Olympic spirit in its community. (www.bcis.cn)



3e International Kindergarten

Families From Around the World has been the most enjoyable 3e International Kindergarten event so far. This was the consensus from families as they made their way home on November 4 after a fun-packed morning "touring the world."

The outcome of the program was overwhelming. The gym room and family center bustled with children creating things from the different continents—crowns from Europe, outfits from Asia, coffee bean cards from South America and even native aboriginal art from Australia. Parents were also busy comparing national costumes and discussing each other's cultures. (www.3eik.com)



Yew Chung International School

The senior secondary students at Yew Chung International School (YCIS) of Beijing have excelled both in the number of entries and the results in the Cambridge External Examinations, with all of our Year 11 students entering

the IGCSE (International General Certificate of Secondary Education) exams, and 74 percent of our students in Years 12 and 13 with GCE A/S Level entries.

In addition, 12 students in Year 11 qualified to enrol in the International Certificate of Education (ICE). All of them have achieved the prestigious ICE Award.

(www.ycis-bj.com)



Zhou Chenggang, President of Beijing New Oriental School addresses on the press conference

Beijing New Oriental School

Recently, Beijing New Oriental School, which has cooperative ties with *Beijing Review*, has launched a new intensive course called Express Train to Studying in Japan, in cooperation with Kansai Gogen Gakuin, a well-known language college in Japan. After finishing related courses in New Oriental School, Chinese students can get access to studying in Kansai Gogen Gakuin. Moreover, they are entitled to personalized guidance on university applications, scholarships, internships and employment.

Students who participate in the express courses can gain access to Japanese universities even without previous knowledge of Japan if they meet the requirements by Kansai Gogen Gakuin and after one year and a half studying at New Oriental School.

For more information, please visit www.neworiental.org or call 86-10-62605000.



Matsuo Hidetaka, Director of Kansai Gogen Gakuin

Should Golf Lessons Be Compulsory in Higher Education?

The most talked about part of Xiamen University right now is the golf driving range. Striking the little white ball has brought a storm of controversy after golf lessons became part of the "elite education" curriculum.

In mid-October, Zhu Chongshi, the university president, revealed that in order to enhance the education of freshmen studying business administration, law, economics and software engineering, a golf course would become compulsory.

Zhu said, this would not only help the students master a sporting skill, but also assist in their development to become "socially elite graduates."

A few weeks previously, an optional golf course opened in Shanghai University of Finance and Economics proved a big success with a full enrollment at its launch. Earlier in August, China's well-known Peking University announced a plan to build a driving range for students, but soon cancelled after much criticism.

In fact, other low-key universities that had already introduced golf lessons have not attracted anywhere near the backlash shown at Xiamen University.

Some agree that the golf course will contribute to raising the all-round skills of students and with good conditions students may even go on to play golf at the international level.

Louder voices in opposition ask whether it is only the social elites who have opportunities to learn golf? While the poverty-stricken students wait for their tuition relief, is the compulsory golf course in universities really necessary for the education of these so-called elites, they ask?

In response, President Zhu said the development of elite education is a social progress that represents a facet of higher education. Golf skills will benefit the students in their future careers, and the public should be well aware of this, he added.

According to Xiamen University, the golf training option for students has been available since September 2005. No additional fees have been charged except for the transportation costs of 50-100 yuan per semester. The new three-hole driving range, on which the university has spent 2 million yuan, has a budget far below that of the 10-million-yuan swimming pool.

However, these explanations did little to douse the flames of dissent. The appearance of a golf course in some universities has been regarded as improper and even labeled a new scheme to make profits.

Golf for all

Zhu Chongshi (President of Xiamen University): To receive higher education in universities is to be cultivated and thus to enlarge people's minds. Golf is a good sporting skill and also promotes social communication. Why not let students learn it? I notice that our students have become more gracious and more open-minded after taking the course.

Admittedly, the obligation of higher education is to develop talent to meet the requirements of market demands, which also includes the need for elite education.

I believe that the elite education requires a suitable study environment with strong academic atmosphere and complete supporting facilities to develop students' interest, hobbies and potential to the utmost. This means that colleges and universities should make the most of various social opportunities and modern school resources to meet that demand.

Zhu Jianhua (hlj.rednet.cn): Millions of graduates leave their universities and step into the job market each year. Without much experience and social skills they are not easily accepted at first. Employers are not short of graduates with certificates majoring in business administration, law, economics and software engineering, but they are short of capable managerial staff. To be honest, the mandatory golf course at Xiamen University cannot guarantee all students a decent job, but at least the leadership of the university is innovative and creative in their approach to education. Why not let them have a try?

China's colleges and universities can use their own discretion in educating the youth, as long as it adheres to the national education principals and requirements. We should show more tolerance and understanding toward Xiamen University's initiative. If China's various universities all follow the same teaching programs, how can they be expected to make a difference to the whole country?

Yang Gengshen (Jiangxi Daily): Nowadays, golf is no longer viewed as an

exclusive sport, let alone a symbol of luxurious life. In fact in its long history it has been associated with self-discipline, dignity, prudence and generosity. Most importantly, it is essentially a good form of exercise.

Golf has long been a social economic phenomenon that shares the development of related industries. Statistics indicate that, in 2000 alone, the United States' golf industry generated \$62 billion, accounting for 6 per thousand of its gross domestic product. In China, golf is also growing in popularity among the affluent middle class.

One of the criticisms leveled at Xiamen University is that golf is elitist, but in fact golf skills could be of great help in business deals once the students begin their working life.

Our society is changing, so are the university programs. There is no denying that China's universities are sharing the costs of such rapid changes. The newly opened golf course reflects social development trends. We should be more alarmed at the negative social reactions, which might hurt the innovative education and result in the program's suspension.

Xu Haoran (Guangzhou Daily): Some who are opposed to the golf course say they have never seen such activities take place in foreign universities, so why is it happening in China? This is absurd, as it is illogical to think that Chinese universities could not be



more innovative than their foreign counterparts. Even impoverished students, short of funds, are still keen to argue in favor of the costly golf ranges. To reduce the gap between the rich and the poor, we should adjust our wealth distribution system and encourage charity programs, educating people to make donations by slightly lowering their consumption levels. We could, however, never expect the rich to abandon their present lifestyle. It would harm social progress. In other words, either the individuals or the universities are entitled to implement whatever programs they like within the legal framework of education. We cannot change their minds through media pressure or public judgments.

Golf has no place in education

Guo Zhichun (*China Economic Times*): I cannot see any necessary connection between elite education and golf skills. President Zhu and his university astonished me by its understanding of elite education. Golf is a high cost sport program that belongs to the rich. However, will the mastery of such skills help the students become successful in their future careers?

Elite education should be aimed at instilling in the students' strong academic competence, professionalism and a sense of social responsibility, rather than a single

aristocrat sporting skill.

China is not at all a rich nation where most students are family-supported or living on loans and social relief. Also students are encouraged to return to their poor and remote hometowns to help with revival after graduation. This is more in line with a thrifty society instead of one that over consumes.

As an aristocratic sport, masquerading as "elite education," golf will easily mislead our students and draw them into a world of materialism and consumerism. In essence, it is the disaster for China's higher education.

Zheng Genling (*People's Daily Online*):

Golf is not a must for higher education. To date, it is not necessary for other universities to follow suit and imitate Xiamen University's initiative. Higher learning institutions should be dedicated to educating the people, instead of earn-

ing fame by releasing such outlandish news.

It is harmful for students to be addicted to such an aristocratic sport, not to mention that Xiamen University is not a specialized college for physical education. Perhaps it would be better to give students more time on much worthier study and research work.

Universities are institutions where knowledge should be worshipped. President Zhu, as the head of a comprehensive university, should think more about how to create a favorable environment for research and study instead of such a controversial physical program.

Shu Shengxiang (*Chengdu Business*):

The mandated golf course in Xiamen University, in my view, is much more disputable

than the sport itself. While the golf curriculum could be "sheltered" by the discretionary rights of the university, the compulsory golf class should be seen as an example of abnormal elite education.

If a higher education institution has a golf driving range, it could open the golf class as an optional course. But if the course is mandated, to some extent, the university acknowledges that golf skills are a must for social elites.

Even worse, this method of training elites will restrain the nature of students who are talented in different industries. Golf is a hobby for its sport lovers that should not be made compulsory.

Xue Yong (*The Beijing News*): Xiamen University is funded by collection from taxpayers. China is not rich enough to afford a luxurious education program when its average budget for education is comparatively low in its overall gross domestic product. Given the reality of scarce education investment, the higher education strategy is mainly targeted at training students to be more creative. Only when the programs could help the students make big contributions to society and thus benefit more people, will the education investment be appropriate.

The students should be well aware of how lucky they are to have such an opportunity to be educated. They are free to find a golf club to learn the sport instead of being listed on a compulsory course that is paid for by public funds. ■

Dear Readers,

"Forum" is a column that provides a space for varying perspectives on contemporary Chinese society. In each issue, "Forum" will announce the topic for an upcoming issue. We invite you to submit personal viewpoints (in either English or Chinese).

Upcoming Topic: Should officials with filial faults be promoted to higher posts?

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Please provide your name, telephone number, zip code and address along with your comments.

Editor: Liu Yu



By FRANCISCO LITTLE

A while ago a lady I met on a plane told me I was very lucky and must have been a really good person in a past life. I took the bait, and asked her why?

"Some Chinese believe that if you are tall in this life it means you are being rewarded for many acts of kindness you have done in the past and your life will be blessed," she said.

As a tall foreigner living in China, I generally tower over most people and often overhear or am given comments about my height. The comments are always complimentary. I guess I take my 1.9 meters for granted. Having been the same height since high school and with the people around me growing up usually as tall as I was, the world always seemed "elevated."

In China there is an increasing desire to be tall, despite people's genetic make-up and it's being taken to new heights. It's a desire driven by the sheer volume of people competing for partners, promotions and prime job openings, where any advantage is sought in order to get a foot in the door. And the recruiters behind those doors can afford to be picky. If you're short and you got through the door anyway, the word on the street is height means rapid advancement through the ranks. A Xinhua report recently said young professionals who hold the common belief that taller people have more opportunity for promotion are "desperate to climb up the ladder in the country's height-conscious society."

In the wake of voice operations to improve voice quality and cosmetic surgery to improve every facet of physical appearance, the height seekers are turning to an operation that extends the bones of patients using a practice first invented by Russia in the 19th century, and used initially to assist people with birth defects.

The surgery procedure is not for the faint hearted. The patient has their legs broken and then pinned together internally, while the legs are held in place by metal frames externally.



RACK 'EM UP: People who want to be taller go to any lengths for a few extra centimeters

become taller is serious business.

A Chinese friend of mine who spends his life scanning the jobs vacant columns and having interviews told me that height is often one of the criteria for the better positions. He said there are an increasing number of employers calling for women to be over 1.65 meters and men over 1.7 meters as part of the job requirements. The height nearly always has nothing to do with the type of work involved. It's all about image. In a country where the average height for both men and women is far lower than this, it's making the going tougher for job seekers.

Even in the marriage stakes Chinese women prefer their men taller, if online forums are to be believed, and men in turn seek taller women to avoid the risk of having short children.

For those who favor the rack there was bad news on November 4. Xinhua reported that the leg-stretching surgery for the image conscious had been banned by China's Health Ministry. The report said this method of height attainment has led to several cases of disfigurement following the surgery, which was being carried out by unauthorized clinics.

A Health Ministry circular said only hospitals that perform at least 400 orthopedic operations annually and offer post-surgery rehabilitation are now permitted to carry out this operation in future, and this on strictly medical grounds. Leg lengthening can no longer be used as cosmetic surgery. State media reported that profit-obsessed small clinics had been touting the rack-surgery to the mushrooming number of wealthy Chinese middle class in the bigger cities.

That pretty much puts paid to all those who had dreams of instant height. There are a few consolations for the vertically challenged however. In a country where public transport and travel is an essential part of life, try contorting a big frame into the kindergarten seats and spaces available on buses, trains, aircraft and taxis. It's excruciating and I often give jealous glances over at the Chinese comfortably reclining beside me. I guess no one is ever satisfied with what they've got, but I shouldn't complain. I have a good job, I'm healthy and I'm living in China. As the lady said, I must have done something right in a past life to be this lucky. ■

That's Stretching It a Bit Too Far

Trussed up in a rack, the leg bones are then stretched daily to encourage new bone to grow between the breaks, which in turn leads to an increase in height. A doctor who performs the surgery said it could increase bone length by more than 15 percent. This seems like a drastic measure, not to mention the six-month recovery period.

There have even been adverts on Chinese TV for stretching machines, another rack like machine that you strap yourself into, and then crank hard to extend cartilage, which supposedly makes you taller. It's true and I'm not pulling your leg.

All this conjures up images of medieval days where racks were used as instruments of torture, and the thought of someone willingly going through all this pain for a few alleged centimeters is an indicator that wanting to

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