

People's Daily, 1 December 2004

**Premier Wen: China willing to expand cooperation with India**

China is willing to make joint efforts with India to expand and deepen cooperation in various fields, Chinese Premier Wen Jiabao said on Tuesday. During a meeting with his Indian counterpart Manmohan Singh on the sidelines of the 10th summit of the Association of Southeast Asian Nations (ASEAN), Wen said current Sino-Indian relations are in the best period of time in history. The principle of peaceful coexistence conforms to the interests of the two countries and peoples, and their development will never pose any threat to each other, Wen said. "We are happy about the rapid growth of India's economy and its continuously enhanced influence in the world," the premier said. He added that China hopes to handle ties with India "from a strategic and overall point of view." Noting the boundary issue a major aspect in Sino-Indian relations, Wen said the talks between special representatives from China and India on this issue have yielded positive results. Singh, for his part, said the Indian government has attached great importance to the development of bilateral relations with China.

Financial Times, 1 December 2004

**Wen rebuffs invitation to visit Tokyo** (Victor Mallet and Amy Kazmin)

30 Nov: Wen Jiabao, China's premier, on Tuesday rebuffed an invitation to visit Japan from Junichiro Koizumi, the Japanese prime minister, in a sign that relations between east Asia's two biggest economies remain clouded by hostility despite a flurry of recent meetings. Mr Wen and Mr Koizumi both spoke of the importance of their trading relationship when they met for nearly an hour at the annual gathering of the Association of South East Asian Nations (Asean) in Laos. "Mutual dependence is increasing," Mr Koizumi was quoted as saying by Akira Chiba of the Japanese foreign ministry. But when Mr Koizumi invited Mr Wen to Japan, the Chinese premier replied only that he "hopes to visit Japan in a favourable condition and environment" a diplomatic way of saying no. The mutual recriminations in the meeting between Mr Wen and Mr Koizumi were in stark contrast to the apparently friendly encounter between Mr Wen and Manmohan Singh, the Indian prime minister.

People's Daily, 1 December 2004

**Japan's new defense outline names China and DPRK as major threats**

30 November: The Japanese government will decide its "New Outline of National Defense" in early December, in which China and DPRK are singled out as major threats to the country, the Japan Times reported on November 27. The government submitted on November 25 a draft of the new outline to the ruling Liberal Democratic Party (LDP), which put China and DPRK as its main threats, the newspaper revealed. The draft declared alarmingly that "military development in DPRK is a serious destabilizing factor of the region", and "Japan must watch closely the modernization of Chinese armies". This is the first time that the Japanese government names certain countries as its major threats. Analysts say the Japanese playing up of other countries' military strength and spending is purely meant to divert attention away from its own military buildup.

People's Daily, 1 December 2004

**Chinese premier stresses importance of friendly Sino-Japanese ties**

Chinese Premier Wen Jiabao said Tuesday in Vientiane that friendly relations between China and Japan are beneficial to the two neighbors, Asia and the world as a whole. In a meeting with Japanese Prime Minister Junichiro Koizumi on the sidelines of the 10th summit of the Association of Southeast Asian Nations (ASEAN), Wen said that the Sino-Japanese relations have made considerable headway since the two countries established diplomatic ties 32 years ago. He pointed out that the major obstacle to further development of the bilateral relations is in politics and the crux is Japanese leaders' visits to Yasukuni Shrine, adding that the way the Japan government handles the issue would affect the bilateral relations directly.

Xinhuanet, 1 December 2004

**FM spokeswoman: Dalai Lama's admission to Russia "incomprehensible"**

A Foreign Ministry spokeswoman Tuesday described Russia's allowing the Dalai Lama to visit the country as something "incomprehensible," and hoped Russia would strictly follow principles on the Tibet issue enshrined in the political documents between the two countries. "The Dalai Lama is a politician in exile disguised as a religious figure, and engages in separatist activities against China," said spokeswoman Zhang Qiyue at a press conference. China opposes the move of any country that has diplomatic relations with China to allow the Dalai Lama to visit it in any name or form, she added.

People's Daily, 1 December 2004

**British Deputy PM starts China visit**

British Deputy Prime Minister and First Secretary of State John Prescott arrived in Beijing Tuesday evening for a five-day official visit to China. During his stay in Beijing, China's top legislator Wu Bangguo and Vice Premier Huang Ju will meet and hold talks with him, and Chinese State Councilor Tang Jiaxuan will discuss with him on establishing a taskforce on bilateral relations, according to the Chinese Foreign Ministry. During Premier Wen's visit, the two countries issued a joint statement, deciding to forge an all-round strategic partnership and set up an annual meeting mechanism between leaders of the two countries. This is Prescott's seventh visit to China. Besides Beijing, he will also visit Shenyang and Dalian in northeast China's Liaoning Province, and Hong Kong.

People's Daily, 1 December 2004

**China backs IAEA resolution on Iran nuclear issue**

China backs the resolution made by the International Atomic Energy Agency (IAEA) on the Iran nuclear issue and believes the resolution will help solve the issue in an appropriate and timely way under the IAEA framework, Chinese Foreign Ministry spokeswoman Zhang Qiyue said Tuesday. Zhang told a regular press conference that China considers the resolution will help

strengthen international nuclear nonproliferation mechanism and safeguard the peaceful use of nuclear power under related supervision system. China is willing to join hands with concerned parties to continue playing a constructive role to realize the above objectives, the spokeswoman said. The Board of Governors of the IAEA decided Monday not to refer Iran's nuclear issue to the UN Security Council.

Xinhuanet, 1 December 2004

#### **Sinopec chases Husky**

BEIJING, Dec. 1: China Petrochemical Corp. (Sinopec Group), China's biggest oil refiner, was in talks with Hutchison Whampoa and its controlling shareholder Li Ka-shing to buy all or part of their controlling stake in Canada's Husky Energy, a Sinopec source said. An acquisition would not only give Sinopec access to Husky's millions of barrels of oil and natural gas reserves, but could provide the entry that Sinopec has been seeking into the province of Alberta's massive Athabasca oil sands. A representative of Sinopec Group, the parent of Hong Kong-listed China Petroleum & Petrochemical, was currently in Canada meeting Husky officials, the Sinopec source said.

Xinhuanet, 1 December 2004

#### **2nd Arab-Sino dialogue concludes in Amman**

BEIJING, Dec. 1: The second Sino-Arab Dialogue has concluded in Amman, after two-days of meetings on ways to enhance political and economic ties between Arab countries and China. Speaking at the closing ceremony, Jordanian representative Hassan Talal, stressed the importance of establishing a strategic relation ... He said the Arab countries should learn from China's successful experiences in its development process. President of the China Institute of International Studies, Ma Zhengang, said China was keen on developing ties with Arab countries, especially in the political and economic fields. The meeting has drawn senior politicians, economic experts and veteran diplomats from China, Egypt, Jordan, Yemen, the United Arab Emirates and Lebanon to mull the future cooperation between Arab countries and China.

People's Daily, 2 December 2004

#### **China's development affects Europe**

The vigorous development of China's economy has attracted more attention from Europe where economy remains sluggish. From December 25, nearly 400 Chinese and European political and economic representatives met in the German city of Hamburg to hold a three-day China-Europe forum, discussing major issues concerning China's economic development. European economic circles generally appreciated the stable economic transformation in China. The imports of large quantities of products by China have slowed down the sliding speed of the world's economic growth. Representatives deemed China could continue to maintain a good momentum of growth in its economy and also would face many problems. They believe the Chinese government has a pragmatic style of work with strong leading capability and determination to deepen the reforms and opening policy, which has enhanced the confidence of European business circles to invest in China.

Daily Times, 2 December 2004

#### **Joint investment firm with China proposed** (Javed Mahmood)

ISLAMABAD: Pakistan hopes to launch a joint investment company with China next year, a senior official at the finance division said on Wednesday. Pakistan floated this proposal last week with an aim to involve China in the economic development of the country on a regular and long-term basis, the official said. "We have handed over a written proposal to the concerned Chinese authorities for the establishment of a joint investment company in Pakistan," he added. The initial capital of the company could be from \$500 million to \$1 billion but the actual size of the capital will depend on the consent of the Chinese officials, he said. The official said that during the upcoming visit of Prime Minister Shaukat Aziz to China, the idea of establishing the company will be discussed. Mr Aziz will also address a Pak-China Business Forum meeting in Shanghai on December 17. About 500 Chinese and 200 Pakistani businessmen are scheduled to attend the forum, the official said.

Xinhuanet, 2 December 2004

#### **China's top legislator underlines relations with Britain**

China's top legislator Wu Bangguo said in Beijing on December 1 that China and Britain, having established an all-round strategic partnership, are witnessing a sound development of bilateral relations. The two countries have been keeping fast trade growth and active exchanges and cooperation in culture and education, said Wu, chairman of the National People's Congress (NPC) Standing Committee, when meeting with British Deputy Prime Minister and First Secretary of State John Prescott. Prescott arrived here Tuesday evening for a five-day official visit to China. Exchange between the parliaments of the two countries is an important part of bilateral relations, he said. Besides Beijing, he will also visit the cities of Shenyang, Dalian and Hong Kong.

SCMP, 2 December 2004

#### **China weighs dollars and sense of revaluation** (Mark O'Neill)

Beijing draws on Japan's mistake as it faces mounting political pressure to revalue the yuan. On September 22, 1985, finance ministers and central bank governors from the five richest countries agreed at the Plaza Hotel in New York to reduce the international value of the US dollar. Within a few years, Japan fell into a long-term recession from which it has never fully recovered. As international pressure mounts on China to revalue its currency, with millions of dollars in hot money flooding in to bet that it will, a second Plaza Accord could prove a nightmare scenario for Beijing. It could unfold as follows: the yuan is revalued by 20-30 per cent, exports slump while imports soar, the trade surplus turns into a deficit and the hot money floods out as fast as it came in. "Most of the pressure to revalue the yuan is coming from the United States, just as, 19 years ago, the

biggest pressure on Japan was coming from the US," said Mei Xinyu, an economist at with the Ministry of Commerce. "The lesson of Japan's failure must open our eyes."

China Daily, 2 December 2004

#### **Inclusive UN reform urged**

Improving the representation of developing countries should be the priority of United Nations' reform, a Chinese expert said Wednesday. Yang Chengxu, a senior research fellow of the China Institute of International Studies, made the comment after a high-level panel appointed by UN Secretary-General Kofi Annan made more than 100 proposals to reform the international body, including an expansion of the Security Council, which would be the most comprehensive UN reform since its founding in 1945. The panel's report, released on Tuesday, has recommended the Security Council be enlarged from 15 seats to 24 seats, but veto power would only be limited to the current five permanent council members. Yang said..."The priority of the reform should be to find an effective solution to the underrepresentation of developing countries in accordance with the principle of equitable geographical distribution."

People's Daily, 2 December 2004

#### **Parliamentary delegation of European Council to visit China**

A delegation of the Parliamentary Assembly of the Council of Europe led by President Peter Schieder will pay an official goodwill visit to China from Dec. 3 to 8. They are invited by Wu Bangguo, chairman of the Standing Committee of the Chinese National People's Congress.

VOA News, 2 December 2004

#### **US Penalizes Chinese and North Korean Firms for Missile Aid to Iran** (David Gollust)

1 December: The United States said Wednesday it has imposed sanctions against four Chinese business entities and a North Korean state company for selling missiles or weapons of mass destruction technology to Iran. The proliferation issue also figured in State Department talks Wednesday between senior U.S. and Chinese diplomats. The State Department decision, published in the U.S. government's official journal, the Federal Register, cites the Chinese and North Korean entities for violations of the Iran Non-Proliferation Act approved by the U.S. Congress in 2000. The announcement provides no details of the five companies' activities. The penalties will be in effect for two years, or extended for two years in the case of those firms already under sanction.

Japan Today, 2 December 2004

#### **Hu toys with Bush and Koizumi**

After a long time absence, a summit meeting between Japan and China was finally held last week. As expected, Prime Minister Junichiro Koizumi was manipulated easily by Chinese leader Hu Jintao. Prior to the summit, Koizumi succeeded in getting an apology from the Chinese government for the intrusion by a Chinese nuclear submarine into Japan's territorial waters. Encouraged by the success, Koizumi was supposed to be aggressive at the summit meeting. However, he failed. One Foreign Ministry source said, "Prime Minister Koizumi demanded President Hu Jintao not repeat the entry of Chinese nuclear submarines into Japan's territorial waters. The Bush administration prefers continuous good relations with China under Hu's leadership." It is becoming clear that Hu intends to keep friendly ties with Bush but attack Koizumi.

PTI, 3 December 2004

#### **India for forward-looking economic ties with China: Surie** (Anil K Joseph)

Beijing, Dec 1: India today said it is keen to forge a "progressive and forward-looking" economic partnership with China to sustain the booming bilateral trade which is set to register a new record at 12 billion US dollars this year. "India has adopted a progressive and forward-looking approach in constructing a mutually beneficial multi-faceted economic relationship with China," Indian Ambassador to China, Nalin Surie said here. "India and Indian business are looking for partners in China," he said while addressing the India-China Trade and Investment Seminar held as part of the second "Made In India Show" jointly organised by the Confederation of Indian Industry (CII) and the Indian Embassy here. This year, according to Chinese customs statistics, bilateral trade has already surged to 10.8 billion US dollars during January-October period, realising ahead of time the targeted 10 billion US dollars...

Daily Times, 3 December 2004

#### **Riaz Muhammad Khan likely to replace Khokhar**

ISLAMABAD: Riaz Muhammad Khan, Pakistan's ambassador to China, will return to Islamabad by the end of this month to take charge as the country's foreign secretary. Official sources told Daily Times that it had been decided in principle to replace Mr Khan with Riaz Khokhar, the outgoing foreign secretary. Mr Khan would have come to Islamabad earlier but could not because of the proposed visit by Prime Minister Shaukat Aziz to China, sources said. Sources said that Mr Khan would take charge in January but Mr Khokhar could continue as foreign secretary till the next SAARC summit from January 9 to 11. Salman Bashir, additional secretary for the Asia-Pacific region, is likely to replace Mr Khan as Pakistan's ambassador to China but Ambassador to Japan Kamran Niaz is also a candidate for the slot.

People's Daily, 3 December 2004

#### **China will stick to socialist road: President Hu**

Chinese President Hu Jintao said Thursday that China would stick to socialism with Chinese characteristics as it has proven to suit China. "Facts have proven that it is a correct road leading China to prosperity and brings happy lives to the Chinese

people," Hu ... said at a group study session of the Political Bureau of the CPC Central Committee. "... Experience should be summarized ..." "We should apply these laws creatively to guide the study and solving major problems in China's reform, opening up and modernization, make our thoughts and acts better conform with actual realities, conditions of the state, requirements of the times and the aspirations and interests of the people." He called on adhering to the scientific viewpoint of development, which emphasizes putting people first...

People's Daily, 3 December 2004

**Bush: Taiwan separatists are like mosquitoes attacking an elephant**

Over a month, US President George W. Bush talked over phone with Chinese President Hu Jintao twice to express he was looking forward to meeting Hu at the APEC leaders' summit. At 8:30 am, December 20, President Bush, only a dozen hours after his arrival in Santiago, Chile, started his first bilateral talk there -- with Chinese President Hu Jintao, which lasted 50 minutes. Bush says Taiwan separatists are "mosquitoes attacking an elephant". Bush was the first to mention Taiwan. ...when President Hu ... mentioned their wild talks of attacking certain mainland cities and facilities. He shrugged and sighed, "It's ridiculous! They are like mosquitoes who want to attack an elephant!" The historic moment of the two leaders shaking hands and smiling has been frozen in pictures, and people can expect the next -- a unique visit at a certain time next year.

People's Daily, 3 December 2004

**China expects early settlement of issue on EU weapon sales embargo: FM spokeswoman**

2 November: It is high time to thoroughly resolve the issue of the European Union's (EU) weapon sales embargo to China, said Foreign Ministry spokeswoman Zhang Qiyue Thursday. Zhang said at a routine press conference that during German Chancellor Gerhard Schroeder's visit to China from Dec. 6 to 8, Chinese leaders will confer with him on Sino-German and Sino-EU bilateral ties and other issue of mutual concern, including the issue of the weapon sales embargo. Also during the upcoming seventh China-EU Leaders' Meeting in the Hague on Dec. 8, Chinese Premier Wen Jiabao will meet with EU leaders and the Chinese side will further enunciate its stance over the embargo, noted Zhang.

People's Daily, 3 December 2004

**Improving national security strategy, safeguarding sovereignty and security**

An article by Tang Jiaxuan carried on the latest issue of Qiushi magazine points out that to keep improving the ability to deal with international situation and handle international affairs we must resolutely safeguard China's sovereignty and security. Tang Jiaxuan said in the article that since the founding of the PRC we have always been putting national sovereignty and security in the first place. We stick resolutely to independence and self-governance, refuse on any account to give in to external pressure or allow foreign interference in China's internal affairs, and in no case tolerate any encroachment on China's national sovereignty, territorial integrity and national dignity. In the light of the new situation under which traditional security threats and nontraditional threats interact ... we must further enhance our national security awareness ... response mechanism ... national political security, economic security, cultural security and information security.

The Hindustan Times, 3 December 2004

**It's in our own interest to remain in China: Dalai Lama**

Bangalore, December 2: The Dalai Lama said on Thursday that it was in the interest of Tibet to remain in China, especially from the perspective of economic development and reiterated that he was only seeking "genuine autonomy for his country and not independence". Over the years, while there has been remarkable economic development in China, the government there has "neglected" Tibet in modern education, training and technology, while only giving priority on "how to control Tibet and exploit its natural resources," the exiled Tibetan spiritual leader said. "Therefore, from our own interest... For economic development... Remaining in China, I feel, is useful, provided the Chinese government respects the ancient rich culture and spirituality of Tibet," he added. Asked by reporters later if he thought Tibet would get "genuine autonomy" during his lifetime, he said "very possible".

People's Daily, 3 December 2004

**China, US begin space cooperation**

The space agencies of China and the United States held their first official talks on space cooperation on Tuesday in Washington. The two sides explored possibilities in their cooperation with a focus on the use of space, geoscience and space science, and agreed to establish a regular exchange mechanism to promote bilateral contact and understanding, said Sun Laiyan, the head of China National Space Administration (CNSA), after talks with his US counterpart Sean O'Keefe at the US National Aeronautics and Space Administration (NASA) headquarters in Washington. Last month, China for the first time took part in a NASA cooperation conference, along with 15 other countries. The invitation was unprecedented. China has its own space development program, and it is not a member of the international space station.

Xinhuanet, 3 December 2004

**China will be responsible after quota elimination**

BEIJING, Dec. 3: China says it will adopt responsible measures to protect its trading partners' interest once global textile quotas are eliminated at the end of this month. Vice Foreign Minister Zhang Yeshui told a press conference that China will adopt a responsible attitude toward the textile issue. Zhang said China was "very understanding" of other countries' fears over the disappearance of the quotas as China's textile products enjoys advantage in the European market.

Forbes, 3 December 2004

### **Official: China to Build Oil Reserve**

China plans to build a 90-day strategic oil reserve, much larger than many analysts were anticipating, according to a Chinese official. The size is in line with guidelines set by the International Energy Agency, said Pei Jianjun, an official of the Energy Bureau of the Chinese Cabinet's National Development and Reform Commission. Pei was speaking Thursday at a conference on strategic oil reserves organized by the U.S. Energy Department. The buildup could increase pressure on global oil supplies in the coming years, but Pei said China would do its buying gradually. "We will use the IEA's 90-day guideline," Pei said.

The Dawn, 4 December 2004

### **Banking with China, India discussed: PM addresses bankers** (Mohiuddin Aazim)

KARACHI, Dec 3: Prime Minister Shaukat Aziz told top bankers on Friday that during his recently concluded visit to India, the idea of reciprocal banking between the two countries also featured. Addressing heads of local and foreign banks at the State Bank headquarters, he said he would also touch upon this subject during his upcoming visit to China later this month. Participants of the meeting said Mr Aziz, a former banker, discussed a whole range of issues relating to economy with particular emphasis on banking. Besides, he also briefed them on his recent visit to India and other countries in the South Asian Association of Regional Cooperation (Saarc) as the new chairman of the association.

People's Daily, 4 December 2004

### **China, EU to sign some cooperative agreements at leaders' meeting**

2 December: Officials at the upcoming Seventh China-EU Leaders' Meeting in the Hague will sign some important cooperative agreements, including those on China-EU science and technology cooperation and customs cooperation, said China's Vice Foreign Minister Zhang Yesui Friday. Zhang made the remark at a press conference hosted by the Foreign Ministry. Chinese Premier Wen Jiabao will visit the Netherlands from Dec. 7 to 9, and attend the Seventh China-EU Leaders' Meeting, he said. The two sides will also issue a joint statement on non-proliferation and arms control, he said. China and the European Union share common interest and responsibilities in non-proliferation.

Xinhuanet, 4 December 2004

### **Italian president starts China tour**

Italian President Carlo Azeglio Ciampi arrived in Beijing Saturday, starting his six-day state visit to China. During his stay in Beijing, Ciampi is scheduled to hold talks or meetings with Chinese President Hu Jintao, top legislator Wu Bangguo and Premier Wen Jiabao. Besides Beijing, Ciampi will also visit China's financial hub Shanghai. The visit is expected to help further strengthen relations between Italy and China, said Ciampi in Rome in an interview before his departure. Italy is Europe's third largest exporter to China. About 500 Italian businesses have invested in this country.

People's Daily, 4 December 2004

### **Senior CPC official meets French communist delegation**

A senior Communist Party of China (CPC) official said here Friday that the CPC would cooperate with the political parties in France to promote relations between the two countries. "The CPC is willing to further exchange and cooperation with all political parties in France, including the Communist Party of France (CPF) to boost the state-to-state relations between China and France," said Luo Gan, member of the Standing Committee of the Political Bureau of the CPC Central Committee of the CPC. During a meeting with a CPF delegation headed by Marie-George Buffet, its national secretary, Luo said Sino-French relations in the political, economic, scientific and technological, and cultural fields have grown quickly since the two countries established diplomatic ties 40 years ago.

Xinhuanet, 4 December 2004

### **Singapore, Chinese firms can make win-win partnership: official**

A Singapore official said Friday that joint ventures between Singapore enterprises and Chinese firms can create win-win partnership. Minister for Transport Yeo Cheow Tong made this remark at a businessmen gathering held here on Friday. Yeo said that many Singapore companies have successfully penetrated the China market by establishing partnership via investment in Chinese enterprises, supporting global customers as they expand into China, and banding together as a group to overcome shortcomings such as size or service offerings. "The favorable growth conditions in China and the entire region offer many opportunities for Singapore and Chinese enterprises to work together," Yeo said.

Xinhuanet, 4 December 2004

### **Ciampi says Italy willing to broaden cooperation with China**

Italian President Carlo Azeglio Ciampi said in Rome Friday that his country is willing to broaden cooperation with China in all fields and that his visit to China will push forward the bilateral friendly relations. Ciampi made the remarks at the airport before leaving for China for a state visit on Dec. 4-9. As a civilized country with a long history, he said China is one of the leading players in the world stage in the 21st century. In addition to government ministers, more than 200 Italian businessmen are accompanying Ciampi during his China visit.

Xinhuanet, 4 December 2004

### **British Deputy PM concludes China visit**

DALIAN, Dec. 4: British Deputy Prime Minister and First Secretary of State John Prescott left here for Hong Kong, winding up his five-day official visit to China. During his stay in Beijing, China's top legislator Wu Bangguo and Vice Premier Huang Ju held meetings and talks with him, and Chinese State Councilor Tang Jiaxuan held a discussion with him on establishing task

forces on bilateral relations. This is Prescott's seventh visit to China. Besides Beijing, he also visited Shenyang and Dalian in northeast China's Liaoning Province.

Xinhuanet, 5 December 2004

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People's Daily, 5 December 2004

#### **Dalian to build int'l shipping center**

Dalian, a port city in northeast China's Liaoning Province, has launched an ambitious plan to build itself into an international shipping center for northeast Asia. Under the plan, the Dalian port is expected to handle 80 million tons of petroleum, 20 million tons of ores and ten million TEUs each year by 2010. Vice Minister Zhang Guobao in charge of the State Development and Reform Commission (SDRC) said here recently at a conference on the city's port construction that Dalian enjoys more advantages than others to become an important shipping center in northeast Asia.

People's Daily, 6 December 2004

#### **Chinese, French presidents talk via phone on int'l issues**

Chinese President Hu Jintao said in Beijing on December 5 in a telephone conversation with French President Jacques Chirac that China and France share similar views on international issues. Hu said that China backs efforts made by the three European Union member states, France, Germany and the United Kingdoms (UK), to continue their talks with Iran on a long-term resolution to the nuclear issue. On the Middle East issues, Hu said China supports the Middle East peace process and the relevant issues should be resolved by complying with the resolutions of the United Nations and through political negotiation based on the principle of "land for peace". China is willing to join in hands with France to further promote the all-around Sino-French strategic partnership.

People's Daily, 6 December 2004

#### **China's strength be correctly evaluated**

China's economic development is the hot issue of world concerns. Ma Zhengang (director of the Institute of China International Studies): In today's world, when they handle foreign relations and international issues, almost all countries have to seriously consider the factor of China no matter from ... what attitude. In fact, from the very day of the founding of New China in 1949, the "China factor" had begun to exert its influence ... "China factor" ... in the following three aspects ... the vast territory and huge population of China ... China's good traditional relations with other developing nations ... the geo-political role brought into play by China's geographical position. But the current "China factor" is set off by its overall national strength ... economic ... politics and security. This influence is global, enduring and natural. To achieve these goals, the key lies in skillfully grasping the situation and making use of opportunities, striving for a peaceful international environment to develop China itself and defend world peace with our own development

Xinhuanet, 6 December 2004

#### **Preparation for controversial hydraulic project goes on**

Preparatory work for the controversial Shanghutiao Gorge Hydro-power Station, on a major tributary of China's Yangtze River, is going on in "strict accordance with procedure," said an official with the provincial government of southwest China's Yunnan Province. The official, who spoke anonymously, denied media reports that the project has been officially launched without government approval. The Shanghutiao Gorge power station is part of an eight-stage hydraulic power development program scheduled to build up eight power station in the middle-stream area of the Jinsha River. Critics have expressed fears that the building of large hydropower projects in the area may have catastrophic effects on the local environment.

People's Daily, 6 December 2004

#### **China to open further to outside world, central economic conference**

China is to open its door wider to the outside world by speeding up transformation of the mode of foreign trade and looking for more means of foreign trade and more overseas markets, a decision made by the central economic conference said Sunday in Beijing ... convened by the Central Committee of the Chinese Communist Party and the State Council. Foreign investment should be used wisely to upgrade technical innovation capability, the decision said. More Chinese enterprises are encouraged to go overseas and strengthen economic and technological cooperation with their foreign partners, it said.

Xinhuanet, 6 December 2004

#### **Schroeder's China tour set to expand trade ties**

Germany, China's largest trade partner in Europe for the past 30 years, is working to tap Chinese market further during Chancellor Gerhard Schroeder's present trip. It is launching another bid after German brands such as SIEMENS and Volkswagen bore testimony of quality products to Chinese customs in the past decades. During his three-day visit in China, or the sixth working visit to the country after 1999, Chancellor Schroeder is scheduled to attend a number of functions for Sino-German cooperation projects in Beijing and Changchun, capital of northeastern Jilin Province, besides his meetings with

Chinese leaders. "The chancellor's schedule on his trip was packed, which is sure to show sound Sino-German ties and spur bilateral cooperation in trade and economy," according to a diplomatic source.

People's Daily, 6 December 2004

#### **Action mulled to calm textile concerns**

China would consider adopting measures to protect its interests and those of its trading partners once global textile quotas were scrapped at the end of this month, a government spokesman said Friday. The 1994 Uruguay trade round agreed that a quota system which had governed global textile trade for decades would expire Dec. 31 this year. Most analysts expect China to dominate the post-quota world market. "We will adopt a responsible attitude toward the textile issue," Vice Foreign Minister Zhang Yesui told a news conference ahead of a Dec. 7-9 visit by Premier Wen Jiabao to the Netherlands for a China-European Union summit. A solution to differences between China and European Union members could be found through dialogue and cooperation, he said. China's exports are rising fast. The European Union has said it will set up a special monitoring system for textile imports from China after the quotas are abolished.

People's Daily, 7 December 2004

#### **Anti-terrorism robot developed in China**

Chinese scientists at prestigious Shanghai Jiaotong University have succeeded in developing an anti-terrorism robot to help dismantle explosives after more than four years of strenuous effort. The robot, code named Super-D, is expected to serve at airports and in other public places. The research, headed by Prof. Yang Ruqing, was funded by the "863 Program," China's first technology research and development funding program initiated in March 1986. The one-armed robot is controlled by an engineer via a remote controller, noted Yang. It is 120 cm tall, weighs 200 kilograms, can move 40 meters per minute and can climb ladders or slopes above 40 degrees in gradient.

Xinhuanet, 7 December 2004

#### **Next round of six-party talks not yet scheduled**

BEIJING, Dec. 7: No timetable has been made so far for the next round of the six-party talks, but all relevant parties are working hard on consultation and coordination, Chinese Foreign Ministry spokeswoman Zhang Qiyue said here Tuesday. Joseph DeTrani, US special envoy for the Korean nuclear issue, is paying a working visit to China, Zhang told the regular press conference. DeTrani exchanged views with Zhou Wenzhong, Chinese vice foreign minister, Cui Tiankai, director-general of Department of Asian Affairs of the Foreign Ministry and Ning Fukui, Chinese ambassador on the Korean Peninsula affairs, Zhang said. China reiterated that the Korean nuclear issue is very complicated and can not be solved once for all, Zhang said.

Xinhuanet, 7 December 2004

#### **China expects more int'l development assistance**

BEIJING, Dec. 7: China is expecting more international assistance to relieve poverty, to address health issues and the AIDS epidemic, a senior official said here Tuesday. Yi Xiaozhun, assistant minister of commerce, told a group of delegates from international organizations and local Chinese officials that China is still a developing country and needs assistance. There are 30 million people in rural areas in urgent need of adequate food and clothing. And the people's average income has just reached 1,000 US dollars, far from the standard set by the United Nations for medium and lower income countries, he said. China has received altogether 5.6 billion US dollars of assistance from international bodies and foreign countries since 1979.

Xinhuanet, 7 December 2004

#### **President Hu meets German chancellor**

BEIJING, Dec. 7: Chinese President Hu Jintao says China welcomes German businesses to participate more in China's development. China will work with Germany to further promote a bilateral strategic partnership, said Chinese President Hu Jintao here Tuesday afternoon at a meeting with visiting German Chancellor Gerhard Schroeder. Hu said the two sides should strengthen political mutual trust and strategic cooperation, improve dialogues at various levels and consultation mechanism. Hu pointed to the mature Sino-German strategic partnership and expressed his appreciation for German government's attention to its relations with China, the one-China policy and positive efforts. The German side will continue to make efforts to promote EU-China relations.

Xinhuanet, 7 December 2004

#### **Pakistani prime minister to visit China**

BEIJING, Dec. 7: At the invitation of Chinese Premier Wen Jiabao, Pakistani Prime Minister Shaukat Aziz will pay an official visit to China from Dec. 14 to 18. This was announced by Chinese Foreign Ministry spokeswoman Zhang Qiyue at a regular press briefing here Tuesday.

Xinhuanet, 7 December 2004

#### **Premier leaves for 7th China-EU leaders' meeting in Netherlands**

BEIJING, Dec. 7: Chinese Premier Wen Jiabao left here Tuesday afternoon for Hague, the Netherlands, to attend the Seventh China-EU Leaders' Meeting scheduled on Dec. 7-9. During the meeting, Wen will confer with Dutch Prime Minister Jan Peter Balkenende, whose country holds the rotating European Union (EU) presidency, European Commission (EC) President Jose Manuel Barroso, and Javier Solana, secretary general of the Council of the EU and representative for the EU Common Foreign and Security Policy. Wen will also pay an official visit to the Netherlands as guest of Balkenende.

People's Daily, 8 December 2004

### **Sino-European relations not directed against third party: Chinese premier**

Visiting Chinese Premier Wen Jiabao said Tuesday in The Hague that the Sino-European relations were open and not directed against any third party. Speaking at a meeting with European Union (EU) Commission President Jose Manuel Barroso, Wen said promoting Sino-European relations would help stabilize relations among major powers and was beneficial to their cooperation. "Widening and deepening Sino-European cooperation would benefit not only the two sides but also the whole world," said Wen, who arrived earlier in the day to attend the 7th China-EU summit aimed at strengthening the comprehensive and strategic China-EU partnership. Wen voiced the hope that China and the EU would grasp the opportunity to push forward bilateral ties, saying the two sides should look upon Sino-European ties from a strategic and long-term perspective. "This is our common task and responsibility," Wen stressed.

People's Daily, 8 December 2004

### **Highway linking China and Myanmar to be rebuilt**

A highway linking China's southwest border province of Yunnan with the neighboring country of Myanmar will be upgraded soon, so as to further boost exchanges between China and the southeast Asia, local government sources said. An agreement for renovating the highway which extends south from the Zhangfeng Town of Longchuan county, Yunnan, to Bhamo, a port in northern Myanmar, has been signed at Rangoon, Myanmar's capital, recently by the Longchuan government and the Ministry of Construction of Myanmar, the Longchuan government said. According to the agreement, the Longchuan government will invest 28 million yuan (3.38 million US dollars) for the rebuilding of the 79-kilometer highway, expected to open for traffic again at the end of 2006. Zhangfeng Town is the nearest port in the southwest China to Myanmar, only 94 kilometers away from Myanmar's Bhamo. It has become an important trading center with Southeast and South Asia. The current Zhangfeng-Bhamo highway has brought influences on the business activities between Yunnan and Myanmar, but it has limited transportation capacity.

People's Daily, 8 December 2004

### **Xinjiang to produce the most natural gas in China**

As the Tarim Kela 2 gas field is completed next year Xinjiang's natural gas production would reach 10 billion cubic meters. By then Xinjiang would become the region which produces the most natural gas in China. Estimated natural gas reserves in Xinjiang reach 10 trillion cubic meters accounting for almost one fourth of the total amount in China. In recent years driven by the West-to-East Natural Gas Transmission Project surveying of natural gas in Xinjiang is being intensified continuously. By now confirmed natural gas geological reserves has accumulated to 1 trillion cubic meters and Xinjiang has become one of the three natural gas regions to have more than 1 trillion cubic meters of natural gas reserves.

People's Daily, 9 December 2004

### **EU working towards lifting arms ban on China**

The European Union says it is willing to work towards lifting the arms embargo on China, president of the European Council Jan Peter Balkenende has said. Netherlands Prime Minister Balkenende, who holds the 25-nation bloc's rotating presidency, confirmed that work to strengthen the application of the EU Code of Conduct on arms exports was continuing. "China welcomes this positive signal," said Premier Wen Jiabao, adding it is beneficial to the sound development of the comprehensive strategic partnership between the two sides and would not harm the interests of any other third party. In a joint statement released after the summit, China reaffirmed that the EU arms embargo against China is a "political discrimination" and is "not acceptable" and should be "immediately removed."

People's Daily, 9 December 2004

### **"Too early to say China threat"**

Bo Xilai has faced complex antidumping problems and environment for trade since he took the position as Minister of Commerce on Feb 29. His American counterparts are his first negotiation rivals. The American government has imposed restrictions on China made socks, bras, bath robes, according to Chong Quan, spokesman of the Ministry. The American officials say these commodities are closely related to the market of apparel trade that has a worth of US\$ 76 bln a year, and the future of the American textile industry. "A couple of years ago, the so-called China threat appeared on American newspapers," Bo says, "but it maybe proper to say so after ten years." Bo says, "complementary actions outweigh competition, benefits outweigh contradictions between China and America."

People's Daily, 9 December 2004

### **China to learn from Germany on revitalization of old industrial belt**

Chinese Vice Premier Zeng Peiyan said Wednesday in Changchun that China will further cooperate with Germany to learn from Germany's experience in revitalizing old industrial belts to stimulate economic progress in northeast China. Zeng made the remarks at a seminar held here in the capital of Jilin Province on Sino-German cooperation in revitalizing northeastern China's old industrial region, which includes the provinces of Jilin, Liaoning and Heilongjiang. German companies have invested 1.2 billion US dollars in about 300 projects in China's northeast region so far. The Chinese senior official said that he hopes the northeast part of China and Germany will expand cooperation in energy and environmental protection, traffic, automobile, chemical, electronics and machinery and high-tech industry.

People's Daily, 9 December 2004

### **China outlines ten programs for energy efficiency**

According to the especial plan for medium-and-long-term energy conservation for the 11th five-year period (2006-10), China will set its focus of energy saving in the industrial sector, transportation and construction industries, as well as commercial and civil power use, said official with the National Development and Reform Commission (NDRC) recently. The plan was made according to China's potential in energy saving and its future energy demand. Ten programs have been planned for energy efficiency in the 11th five-year period. Three measures are planned: use quality coal, selecting lump coal, sulphur fixed coal; renovate medium-sized and small boilers (kilns) with advanced techniques such as circulating fluidized bed (CFB) and pulverized coal firing; establish scientific management and operation system. The country will boost the capability of the energy saving monitoring centers of provincial level or in major energy-consuming industries, through upgrading monitoring equipment, strengthening personnel training and popularizing contractual energy management.

People's Daily, 9 December 2004

#### **Next round of six-party talks not yet scheduled: FM spokeswoman**

No timetable has been made so far for the next round of the six-party talks, but all relevant parties are working hard on consultation and coordination, Chinese Foreign Ministry spokeswoman Zhang Qiyue said in Beijing Tuesday. Joseph DeTrani, US special envoy for the Korean nuclear issue, is paying a working visit to China, Zhang told the regular press conference. DeTrani exchanged views with Zhou Wenzhong, Chinese vice foreign minister, Cui Tiankai, director-general of Department of Asian Affairs of the Foreign Ministry and Ning Fukui, Chinese ambassador on the Korean Peninsula affairs, Zhang said. "Their discussion focused on the Korean nuclear issue and how to solve the issue through the process of the six-party talks." China reiterated that the Korean nuclear issue is very complicated and can not be solved once for all, Zhang said.

Xinhuanet, 9 December 2004

#### **China-ASEAN move forward**

BEIJING, Dec. 9: The eighth summit between the 10-member Association of Southeast Asian Nations, or ASEAN, and China is a substantial step toward creating the world's biggest free trade area (FTA). The fruits of solidarity at the summit, which concluded in Laos last week, were rich for both sides, evidenced by the piles of signed agreements that covered aid and exchange and partnership programmes. The most prominent was the China-ASEAN Plan of Action to Implement the Joint Declaration on the Strategic Partnership for Peace and Prosperity. Although non-binding, the document is an overall blueprint for a China-ASEAN partnership over the next five years. Particularly, "the document shows the consensus within ASEAN on how to pursue ASEAN-China into the future," said Juergen Haacke...

Japan Today, 10 December 2004

#### **New defense outline names China, N Korea as main concerns**

TOKYO: Japan adopted a new defense policy guideline Friday that names China and North Korea as concerns for the first time and introduces major policy shifts, such as a more active role for the Self-Defense Forces in international peace activities. With the cabinet's approval of the new National Defense Program Outline, Chief Cabinet Secretary Hiroyuki Hosoda issued a statement announcing a relaxation of Japan's arms exports ban to enable the sales of missile defense components to the United States. The outline, revised to reflect measures to respond to new threats such as terrorism, shows Japan's determination to further strengthen its alliance with the United States through various means, saying Japan will be "proactive in bilateral strategic dialogue on security issues. The new outline is the second revision since it was first compiled in 1976 and will replace the current 1995 outline beginning in April 2005. The five-year midterm program will be effective from April 2005.

People's Daily, 10 December 2004

#### **China calls for deepening of strategic partnership with EU**

Visiting Chinese Premier Wen Jiabao on Thursday called for a strengthening of all-round cooperation and a deepening of the comprehensive strategic partnership with the European Union (EU). "The new type of relations between us will deliver greater benefits to both sides, but they also need our common nurturing," Wen said at the China-EU business summit. This requires that both sides constantly promote an all-round, wide-ranging and multi-level cooperation, making it long-term and stable, he said. "China and the EU will stay in perpetual amity and common development with political trust, economic complementarity, cultural interactions and people-to-people exchanges," said Wen. Premier Wen expressed his satisfaction to the current China-EU relations, saying "the relations have never been as dynamic and fruitful as they are today." Today, he said, the enlarged EU has become China's largest trading partner while China is the second largest trading partner to the EU.

People's Daily, 10 December 2004

#### **New concept embedded in China's next five-year vision**

The State Development and Reform Commission vowed to broaden the vision when mapping out China's 11th Five-year Plan. By way of analogue, Mr. Ma Kai, Director of the commission, compared the national economy to a cake. The 11th Five-year Plan is China's first blue-print for the country's medium and long term development after the scientific idea of development was proposed by the central government. At the National Conference for Development and Reform on December 8 Ma unveiled that China would embed new ideas into its outlook for 2006-2010. Specifically, he said the new roadmap would give the development of human a higher priority than physical wealth ... more sophisticated plans are needed to lay a good foundation for scientific decision making. Programs for some special sectors, such as a comprehensive transportation network, water conservancy, auto industry, and informationalization process, will be drafted.

People's Daily, 10 December 2004

#### **China urges EU to lift arms embargo**

Chinese Foreign Ministry Spokesperson Zhang Qiyue told a regular press conference in Beijing on December 9 that it is time for the European Union to lift its arms embargo on China, as China's progress on human rights has been widely recognized by European Union countries. Zhang said that eighteen rounds of talks have been held so far between China and the European Union on their disparities relating to human right issues. "China is moving forward rapidly on improving its human rights. It's ridiculous to take China's human rights practices as an excuse for the prolonged EU weapon embargo on China," she said.

Xinhuanet, 10 December 2004

#### **FM: Vessel not in Japanese waters**

China has defended its scientific exploration in Okinotori waters, saying that it was conducted in international, not Japanese waters, in Beijing Thursday at a regular press conference. The Japanese government on Wednesday said a Chinese survey vessel was found carrying out research in its exclusive economic zone near Okinotori, an uninhabited reef 1,740 km south of Tokyo. In response, Chinese Foreign Ministry spokeswoman Zhang Qiyue told reporters that China and Japan have different opinions over the nature of the waters in question. "The Chinese vessel was carrying out normal scientific exploration on the high seas," she said, adding that China hopes Japan will stay coolheaded and deal with the matter in a prudent manner. China and Japan are dealing with the issue through diplomatic channels, she said.

People's Daily, 10 December 2004

#### **China supports Annan's role in maintaining UN authority in world affairs**

China supports UN Secretary-General Kofi Annan's role in maintaining world peace and security, promoting global development and securing the authority of the United Nations, a Foreign Ministry spokeswoman said in Beijing on December 9. "China, as one of the five permanent members of the UN Security Council, supports UN chief Annan and his efforts to boost the world body's development and influence," spokeswoman Zhang Qiyue told a regular press conference. When asked to comment on the recent reports of the alleged corruption involved in the "oil for food" program, Zhang said China hopes the UN inquiry team will find out truth through just, independent, objective and transparent investigation.

People's Daily, 10 December 2004

#### **US-DPRK mistrust hinders talks: Chinese FM**

Mistrust between the United States and the Democratic People's Republic of Korea (DPRK) is the sticking point of the suspended six-party talks on the Korean Peninsular nuclear issue, China's Foreign Ministry spokeswoman Zhang Qiyue said Thursday. At a regular press conference, Zhang said there is no timetable for the next round of talks or any working group meeting because participants have not reached agreement on it. "It is a complicated issue and cannot be settled immediately," she said. "But since all parties recognize the six-party talks are the only practical and effective solution, China hopes they can present utmost sincerity and flexibility." Joseph DeTrani, US State Department special envoy for the Korean Peninsula affairs, paid a working visit to China this week. He met with Zhou Wenzhong, Chinese vice foreign minister, Cui Tiankai, director-general of the Asian Affairs Department of the Foreign Ministry and Ning Fukui, Chinese ambassador on Korean Peninsula affairs.

Xinhuanet, 11 December 2004

#### **China expresses "deep concern" with Japan's new defense guidelines**

China on Friday expressed "deep concern" with Japan's overhaul of its defense policy. "We are deeply concerned with the great changes of Japan's military defense strategy and its possible impact," China's Foreign Ministry spokesperson Zhang Qiyue said. The Japanese government on Friday approved a new edition of the National Defense Program Outline which features more proactive use of force and deeper involvement of the self-defense-oriented troops in international affairs. The new outline also said Japan will continue to watch China's moves in military modernization and marine activities. When asked to make a comment, Zhang said due to historic reasons, Japan's military and security moves are sensitive issues. She also urged Japan to take prudent actions in military and security issues to maintain the peace and development of the region. She said China hopes Japan would do more things that could help promote mutual trust and maintain healthy and stable development of the bilateral ties.

People's Daily, 11 December 2004

#### **Senior party official meets US guests**

Wang Jiarui, head of the International Department of the Communist Party of China (CPC) Central Committee, met here Friday with a delegation from the Center for Strategic and International Studies of the United States (US), headed by Richard McCormack. Wang said as the largest developing country and the most developed country in the world, China and the US should push forward friendly cooperative ties. This meets the fundamental interest of the two peoples and is conducive to world peace and development, he said. Wang said he hopes the two countries will properly handle the existing problems and promote further development of Sino-US relations. McCormack ... spoke positively of China's contribution to Asian and world economic stability during the Asian financial crisis.

Xinhuanet, 12 December 2004

#### **Japan's description of "China threat" "extremely irresponsible"**

TOKYO, Dec. 11: The Japanese government unveiled a 10-year defense program Friday which groundlessly describes China as a potential threat alongside the Democratic People's Republic of Korea (DPRK). While the DPRK has no diplomatic relations with Tokyo, China is a country with which Japan has signed a peace treaty and maintained very close economic ties. Although diplomatic in wording, Japan's Defense Program Outline mentions China and the DPRK as the only neighbors that

pose a threat to it. High degree of complementariness of the two economies has made long-term Sino-Japanese peace and friendship all the more important, not only for the two countries, but also for peace and prosperity in East Asia and the world at large. In this context, it is difficult to understand why Japan should see China as a threat. The Japanese government's act to play up "China threat" goes against the two peoples' aspirations for lasting peace and friendship.

Daily Times, 12 December 2004

#### **CSC will send students to Chinese varsities**

BEIJING: The China Scholarship Council (CSC) has approved a scheme to send 300 to 500 Pakistani students to various Chinese universities every year for higher education. The CSC will soon send a team of professors to Pakistan for interview and selection of the students, said a senior CSC official. The first batch of 300 students will join about 15 Chinese universities by June. The number of students will be increased to 500 on annual basis in the next five years. The scholarships will be paid for by the Pakistani government. Prof Dr Altaf Ali Shaikh, an adviser to the Higher Education Commission, during his recent visit to China met Yang Xing Yu, the CSC deputy secretary general, and discussed the proposed scheme. Necessary arrangements have almost been finalised for admission to the leading universities in major cities including Tianjin, Hanzhou, Harbin, Nanjing, Shanghai and Beijing.

The New York Times, 12 December 2004

#### **China's Splurge on Resources May Not Be a Sign of Strength (HOWARD W. FRENCH)**

SHANGHAI: Over the last year, the Chinese government and some of its largest companies have hopscotched the globe, from Australia to Angola and Canada to Sudan, writing huge checks. The idea is to secure supplies of oil and other raw materials with which to prime China's formidable industrial sector. Last month, as President Hu Jintao jetted around South America, Argentina won deals worth \$20 billion, much of it in railways and energy exploration, and Brazil was not far behind, with China agreeing to build roads and pipelines to help get resources to market. It is tempting to see this shopping spree as a sign of strength, or even proof of China's emergence, finally, as a true economic rival to the United States. But many analysts look at China's global push for resources - and especially the hefty prices it is paying - as a sign of weakness and national insecurity.

People's Daily, 12 December 2004

#### **China to open eastern port city to foreign planes**

Weihai, a port city in east China's Shandong Province, will soon be opened to foreign planes under the approval of the State Council, China's top governing body. The move creates a new outlet at the Bohai Bay Rim and plays an important role in promoting economic and trade cooperation specifically between China and the Republic of Korea and Japan, an official with the Shandong provincial port office said. With a flight distance of 450 km between Weihai and Seoul, the Chinese port city is a hot spot of investment for ROK businessmen. Weihai has air connections with about a dozen Chinese cities.

China Daily, 13 December 2004

#### **Taiwan separatist's plan goes nowhere**

Saturday's "legislative" elections in China's Taiwan Province were crucial not only to the island's politics but also to cross-Straits relations. Taiwan leader Chen Shui-bian had intended to reap the biggest gains from the polls. His hopes, however, were shattered by the election results. Before the election ... Chen had repeatedly promised to use control of the "Legislative Yuan" to facilitate his pro-independence push. Since Chen rose to power in May 2000 and was re-elected in March, he has done nothing to improve cross-Straits ties because of his pro-independence stance. However, Chen's camp was defeated by the opposition coalition of Kuomintang (KMT), People First Party and New Party in the "legislative" elections. Li Jiaquan, a senior researcher with the Institute of Taiwan Studies under the Chinese Academy of Social Sciences, says Saturday's poll results fully demonstrated the unpopularity of Chen's policy.

People's Daily, 13 December 2004

#### **Pakistan to boost ties with China: PM**

Pakistani Prime Minister Shaukat Aziz said Sunday in Islamabad that his country will further enhance the relations with China. The prime minister, who will pay an official visit to China from Dec. 14 to 18, said in an interview that he will bring a band of cabinet members and business people to China in an effort to strengthen the bilateral cooperation in political, economic, cultural, defense and other sectors. The friendship between Pakistan and China could be dated back to the Silk Route period, said the prime minister, adding that Pakistan has long been one of the closest supporters of China since it gained independence from the British colonial reign in 1947. In a bid to boost the bilateral link to "a new height", the prime minister said during his visit he will update the Chinese leadership on the fresh development of Pakistan and discuss with them on the possibility of stronger cooperation. A number of agreements and Memorandums of Understanding are likely to be signed during his stay in China, he said.

Xinhuanet, 13 December 2004

#### **Japan to stop free capital cooperation with China**

Japan will not approve new free capital cooperation projects with China starting from 2006. Japanese newspaper Yomiuri Shimbun reported the Japanese government is also phasing out the low interest credit to China, and is preparing for the end of the credit. Last year, Japan provided 5.2 billion yen, or about 50 million U.S dollars of free capital cooperation projects, and 96.7 billion yen, or more than 920 million of low interest credit to China.

People's Daily, 13 December 2004

### **Russian defense minister starts China visit**

Russian Defense Minister Sergei Ivanov arrived in Beijing Sunday night for a four-day visit to China. During his stay in Beijing, Ivanov will meet with Chinese leaders, especially top military officers. Besides Beijing, he is also scheduled to visit Sanya, a seaside resort on the southern tip of Hainan Province, south China. Ivanov is here as guest of Chinese Defense Minister Cao Gangchuan, who is also vice-chairman of the Central Military Commission and state councilor.

People's Daily, 14 December 2004

### **China, Russia to conduct first joint military exercise next year**

China and Russia will jointly hold a first-ever military exercise next year, visiting Russian Defence Minister Sergei Ivanov said Monday. Ivanov made the announcement at a news conference after meeting with his Chinese counterpart Cao Gangchuan. Officials did not disclose the exact time and place of the manoeuvres. Chinese Defense Minister Cao Gangchuan and Ivanov agreed in their talks that the joint military exercise will be an important event, and its significance and impact will be far-reaching in the relations between the two nations and the two armies. The bilateral ties between China and Russia have entered a new phase in their relations, with the two sides establishing a strategic co-operative partnership, said President Hu Jintao, also chairman of the Central Military Commission, when meeting with Ivanov. It accords with the fundamental interest of the peoples of all the countries in this region to strengthen Sino-Russian military co-operation and bilateral co-operation within the framework of the Shanghai Co-operation Organization to fight against terrorism that threatens the safety of the two nations and of the region, Hu said.

People's Daily, 15 December 2004

### **Pakistani PM arrives in Beijing**

Pakistan Prime Minister Shaukat Aziz arrived in Beijing Tuesday night for a five-day official visit to China aimed at promoting bilateral cooperation. During his China tour, Aziz will confer with his Chinese Premier Wen Jiabao and meet with other senior Chinese leaders for an exchange of views on bilateral relations, international and regional issues, according to sources with the Chinese Foreign Ministry. Before leaving Islamabad for Beijing, Aziz told press that his China visit was aimed at "bolstering bilateral friendly cooperation and instilling new vitality to the traditional Pakistan-China friendship for its sustainable development in the new era." The Pakistan prime minister also expressed his hope that the friendly ties between the two nations would further improve through enforced economic and trade cooperation. Aziz is also expected to travel to Shanghai.

People's Daily, 15 December 2004

### **The Int'l situation, diplomatic work for the people: Interview**

The international situation as a whole remains stable, but uncertain and unstable factors are on the increase. Under the leadership of central authorities, in China's diplomatic work guided by Deng Xiaoping Theory and the important thought of "three represents", we, centered closely around the fundamental task of serving the endeavor to build a relatively prosperous society in an all-round way, have been working hard to implement the spirit of the Fourth Plenum of the 16th CPC Central Committee and the 10th Conference of Diplomatic Envoys stationed abroad, and have been striving for a peaceful and stable international environment and surrounding environment, an equality and mutually beneficial cooperation environment and an objective and friendly public opinion environment. "Exercising government power in the interests of the people", and "doing diplomatic work for the people" are the purposes of our diplomatic work.

People's Daily, 15 December 2004

### **Separatist actions prove unpopular**

The victory of Taiwan's three opposition parties in Taiwan's legislature election has proved that the recent provocative "Taiwan independence" separatist activities cannot win popular support, the spokesman said. Li made the remarks at a regular press conference to respond to the question of a journalist from Taiwan on the victory of Taiwan's three opposition parties which form the "pan-blue" alliance. "We will strive to resolve the Taiwan issue peacefully with the greatest sincerity and utmost efforts," he said. "But we absolutely cannot tolerate 'Taiwan independence,' and absolutely cannot allow anyone or any force to separate Taiwan from China by any means."

People's Daily, 16 December 2004

### **CPC: more influence through diplomacy**

Communist Party of China (CPC) is gaining influence among its Asian peers through diplomacy in 2004, said Wang Jiarui, head of the CPC international department, Wednesday in Beijing. He told Xinhua he believed that the CPC's diplomacy has been successful and helped the state to tackle some diplomatic stalemates. Wang has every reason to feel proud. His team held the first international meeting in the party's history in September. "This is an innovative way for the CPC to develop multi-party relationships, for in the past eight decades, it has never held an international conference," said Wang. He also said it was a good platform for the new Chinese leadership to explain its leading principles and foreign policy to their neighbors to clear up doubts and dissolve hostility. Wang said the inter-party diplomacy is a complementary channel to state diplomacy, which could play a pivotal role when the latter is not so successful.

Xinhuanet, 16 December 2004

### **Chinese Premier meets Japanese guests**

Chinese Premier Wen Jiabao met in Beijing Wednesday with a delegation of young members of the Diet of Japan, which was headed by Aizawa Ichiro, vice-minister for foreign affairs of Japan. The two sides exchanged views on issues concerning the Sino-Japanese relations. The delegation came to China at the invitation of the Chinese People's Institute of Foreign Affairs.

Chinese State Councilor Tang Jiaxuan also met with the delegation during its stay in China.

People's Daily, 16 December 2004

#### **Japan to issue visa for Lee Teng-hui**

Japanese government decided Thursday to issue a visa to Lee Teng-hui by the end of the year, Kyodo News reported. The move would allow Lee Teng-hui, who has always been a pioneer for "Taiwan independence", to visit Japan for the first time since 2001.

People's Daily, 16 December 2004

#### **China, Pakistan vow to further economic, anti-terrorism cooperation**

China will enhance cooperation with Pakistan in economic and anti-terrorism activities, Premier Wen Jiabao said Wednesday, adding that China welcomes the improvement of Pakistan-India ties. "China and Pakistan have established an all-weather, all-around cooperative partnership despite volatile international changes," Wen told Pakistanis Prime Minister Shaukat Aziz in the Great Hall of the People in downtown Beijing. Wen suggested the two sides to speed up the study of establishing a free trade area (FTA) and focus on energy, natural resources cooperation and agriculture. Aziz told Wen that Pakistan recognizes China's full market economy status, which helps pave the way for the forging of an FTA. However, terrorism and extremism were directly endangering the security of both China and Pakistan, as well as regional peace and stability, Wen said...

Daily Times, 16 December 2004

#### **Relations with India not at Pakistan's expense: China** (Rana Qaisar)

BEIJING: China's improving relations with India will not come at the expense of Pakistan, Chinese Premier Wen Jiabao said in his meeting with Prime Minister Shaukat Aziz here on Wednesday. "Our relations with Pakistan fall in a special category," Foreign Secretary Riaz Khokhar quoted the Chinese premier as saying during 90 minutes of official talks, which also included a 30-minute one-on-one meeting between the two leaders.

Daily Times, 16 December 2004

#### **China backs Musharraf's peace initiatives**

BEIJING: Li Shaoxian, vice president of China's Institute of Contemporary International Relations, said on Wednesday ... "We back peace proposals announced by President Musharraf to resolve the Kashmir dispute and call for a new thinking in New Delhi on the matter." He said two years ago when President Musharraf stopped over in Beijing, Chinese President Hu Jintao advised him to announce fresh initiatives on Kashmir. "Recently our foreign minister told the Indian prime minister to improve ties with Pakistan," he said. He denied that China was a silent spectator when the United States invaded Iraq and said that China was involved in the reconstruction of Iraq.

People's Daily, 17 December 2004

#### **Chinese President vows to further anti-terror cooperation with Pakistan**

Chinese President Hu Jintao told visiting Pakistani Prime Minister Shaukat Aziz that China will further enhance anti-terrorism cooperation with Pakistan and jointly fight against the "three forces" in the region. Hu made the remarks during their meeting in the Great Hall of the People in downtown Beijing Thursday afternoon. The "three forces" are terrorism, extremism and separatism. "Terrorism has posed a grave threat to regional and world peace and stability," he said, "China and Pakistan have been deeply harmed by it." Aziz arrived in Beijing Tuesday night for a five-day official visit to the country. It is his first visit to China since he became Prime Minister in August. Hu said it's China's unswerving policy to consolidate Sino-Pakistani friendship and develop their "comprehensive cooperative partnership."

People's Daily, 17 December 2004

#### **European Council reaffirms political will to lift arms embargo on China**

The European Council on Friday reaffirmed the political will to continue to work towards lifting the arms embargo on China. It also underlined that "the result of any decision should not be an increase of arms exports from EU member states to China, neither in quantitative nor qualitative terms."

People's Daily, 17 December 2004

#### **China to host int'l meeting on lunar exploration**

China is scheduled to host the Eighth International Conference on the Exploration and Utilization of the Moon in July of 2006, the Chinese Society of Astronautics said Thursday. Sources with the society noted that the location and the host city for the 2006 meeting has yet to be decided by the International Lunar Exploration Working Group (ILEWG). According to a declaration adopted at the Sixth International Conference on the Exploration and Utilization of the Moon held late Nov. in India, the next International Conference on Exploration and Utilization of the Moon (ICEU) will be held in Montreal, Canada Sept. 2005, and it will be followed by a full ICEU to be held in China in July 2006.

People's Daily, 17 December 2004

#### **China welcomes nuclear agreement between European trio and Iran**

Chinese foreign ministry spokesman said here Thursday that China appreciates the efforts Britain, France and Germany have made in addressing Iran nuclear issues and welcomes the agreement reached between the European trio and Iran. "China hopes the two sides could go ahead with the equal negotiation and agree on a long-term resolution to the Iran nuclear issues"

as early as possible," spokesman Liu Jianchao said at a regular press conference. Iran and the European trio resumed the talks in Brussels on Monday to discuss the implementation of the Paris Agreement reached between the two sides on Nov. 7.

Xinhuanet, 17 December 2004

#### **China, Pakistan call for closer army-to-army ties**

China and Pakistan officials voiced their common aspiration of furthering ties between the two armies during a meeting in Beijing on December 16. In a meeting with visiting Pakistani Prime minister Shaukat Aziz, Chinese Defense Minister Cao Gangchuan said the friendly, cooperative relations between the armed forces of the two countries have been developing in tandem with the progressing and deepening bilateral relations during the past years. In recent years, increased China-Pakistan cooperation has been marked by the two countries conducting a joint coastal search and rescue exercise and anti-terrorism exercise, noted Cao... Noting that Pakistan values the friendship between the two armed forces, Aziz said that the army-to-army cooperation in the field of non-traditional security "added new contents" to the army-to-army relations.

Washington Times, 17 December 2004

#### **China and textiles**

The United States, the European Union and China appear poised to settle amicably a dispute over textile and apparel exports. Although the deal has been criticized by both free-traders and protectionists, the agreement demonstrates an acknowledgement of market realities by all parties and a willingness to come to a quick and reasonable resolution. Beijing agreed Monday to impose its own duties on exports of textiles and apparel, but has yet to make the details public. U.S. and EU officials have responded with cautious optimism given the vagueness of the announcement. China accounted for 17 percent of the world's textile and clothing trade last year, and that percentage could reach about 50 percent in three years, according to some independent analysts. U.S. and EU officials preferred not to have to invoke those safeguards and pressed Beijing to take its own steps to slow the pace of its global dominance in textiles and apparel. Beijing's willingness to do so appears to mark a victory for the United States and Europe.

China Daily, 18 December 2004

#### **EU hints to lift China arms ban in June**

European Union leaders declared their "political will" to lift an arms embargo on China, possibly by next June. The leaders said after summit talks that they were "looking forward to further progress in all areas" of the 25-nation bloc's relationship with China. In pressing for closer ties, "the European Council (of EU leaders) reaffirmed the political will to continue to work towards lifting the arms embargo," according to written conclusions at the two-day summit. For the first time the leaders also gave a time-frame for when that might happen, calling on the Luxembourg government to proceed towards an agreement when it holds the EU presidency from January to June next year. EU countries like France and Germany - both major arms exporters - agree with China that the ban is "outdated". The EU leaders' summit text also suggested that any lifting of the arms ban would be purely symbolic.

People's Daily, 18 December 2004

#### **US, China not competitors for energy supply: US energy secretary**

17 December: The United States and China should focus on energy cooperation so as to cope with a host of similar problems in the sphere of energy faced by both nations, a US official said Friday in Beijing. While addressing faculty members and students at China's prestigious Tsinghua University in Beijing, the US Energy Secretary Spencer Abraham said the U.S. and China have an excellent track record since their energy cooperation began in 1979. This cooperation has continued in 2004. In January this year, Abraham recalled, the two countries agreed to form the US-China Energy Policy Dialogue.

Daily Times, 18 December 2004

#### **China and Pakistan vow to increase anti-terrorism cooperation**

BEIJING: China and Pakistan on Friday vowed to step up cooperation in the war on terrorism, state media reported on Friday. The People's Daily quoted President Hu Jintao as saying to Prime Minister Shaukat Aziz that terrorism posed a grave threat to regional and world peace and both China and Pakistan had been deeply harmed by it. "The Chinese government is in firm opposition to terrorism in all forms and appreciates Pakistan's preventive measures in safeguarding the security of Chinese personnel and institutions in Pakistan," the Chinese president said. "Pakistan will never allow anyone to conduct terrorist activities against foreign countries on its territory and will spare no efforts in safeguarding the security of Chinese companies and their personnel in Pakistan," said Mr Aziz. A Chinese and a Pakistani company on Friday signed a deal to manufacture plastic products in Pakistan.

Taipei Times, 18 December 2004

#### **Chinese law 'endangers status quo'**

If China insists on enacting a "national unification law," it will jeopardize the Taiwanese people's goodwill and Asian regional peace and stability, Mainland Affairs Council Chairman Joseph Wu said yesterday. Wu was responding to reports in China's state media that Beijing will introduce legislation against secession, a move analysts have said is aimed at mandating eventual "reunification" with Taiwan. The draft law will be submitted during a session of China's parliament scheduled for Dec. 25 to Dec. 29, the Xinhua news agency said. [The proposed bill] shows China's intention to unilaterally set up a law as a legal base for a future invasion of Taiwan and unilateral change of the cross-strait status quo," Wu said. Wu urged Beijing to think twice before passing the law and not to underestimate the Taiwanese people's determination to resist China's military threats. Meanwhile, Ministry of Foreign Affairs Spokesman Michel Lu said that the ministry had contacted the US regarding China's

proposed bill and messages from US officials showed signs of US opposition to Beijing's move.

People's Daily, 19 December 2004

#### **Senior CPC officials call for improving China's publicity work**

Li Changchun, a member of the Standing Committee of the Political Bureau of the CPC Central Committee, urged Party officials in charge of publicity to enhance their capacity in building advanced socialist culture in Beijing on December 18. Addressing a national conference on publicity work held from Dec. 17 to 18, Li urged the officials to improve their leadership and working style by working closely with the masses so as to enhance their capacity in building advanced socialist culture. Liu Yunshan, head of the Publicity Department of the CPC Central Committee, said that publicity work should be centered on building up a harmonious society, meeting people's growing spiritual and cultural needs and developing China's literature, arts and publication industries.

Xinhuanet, 19 December 2004

#### **EU confirms "objective" to lift China arms embargo by mid-2005**

The European Union (EU) has confirmed it has an "objective" to lift its 15-year-old arms embargo on China during the first half of next year, a spokesman for the EU's Council of Ministers said on December 18. Nicolas Kerlerous, the council's spokesman on EU external relations, security and defense policy, told Xinhua that the EU "has an objective to lift the embargo during the first half of next year" but warned that achieving this objective "can never be guaranteed." Kerlerous' comment comes in the wake of positive sentiments covering the embargo contained in a conclusions document on the EU leaders' summit which wound up on Friday. The document stated that the leaders "invited the next Presidency (Luxembourg) to finalize the well-balanced work in order to allow for a decision (on revising the EU's Code of Conduct on arms exports)." The EU enacted its arms embargo on China after the events of June 4, 1989 and its lifting was not considered until it received an airing at the December 2003 EU summit.

Xinhuanet, 19 December 2004

#### **Cargo train linking N. China, Germany to open next year**

A special container train transport between Hohhot, capital city of north China's Inner Mongolia Autonomous Region, and Frankfurt, Germany is expected to open early 2005, according to an agreement signed in Hohhot, on December 18. The agreement was reached between Hohhot railway bureau and railage enterprises from Mongolia, Russia, Belarussia and Germany. The special train will run twice a month 9,814 kilometers via Mongolia, Russia, Belarussia, and Poland, said Wang Youhui, deputy director of the bureau. The train, which is to provide an international channel between north China and western Europe, will shorten the transportation cycle from two months to 18 days.

People's Daily, 19 December 2004

#### **Pakistani PM ends China tour**

Pakistani Prime Minister Shaukat Aziz left Shanghai, China's economic hub, December 18 noon, after his five-day official visit to China as guest of Chinese Premier Wen Jiabao. During his China trip, Aziz met with Wen Jiabao and other senior Chinese leaders, like Chinese President Hu Jintao and Chairman of the National Committee of the Chinese People's Political Consultative Conference Jia Qinglin, in Beijing. It is the first visit of Aziz to China after his assumption of prime minister in August this year.

Xinhuanet, 19 December 2004

#### **China to send 2nd group of riot police to Haiti**

China will send its second group of riot police to Haiti next April, according to the public security bureau of south China's Guangdong Province. On Saturday, a team of 125 policemen and border-guard soldiers from Guangdong headed for Langfang, a city in north China's Hebei Province, for training. The 125-member force, which includes four women, will join up with a multinational force on the troubled island next year. The force is specially trained for riots and crowd control. Ninety-five Chinese riot police, including 13 women, left Beijing for Haiti in October, the first Chinese troops to be deployed to the Western Hemisphere. China has joined peacekeeping missions since 2000 in East Timor, Liberia and Kosovo, among other places, but it had never sent combat troops overseas before.

Xinhuanet, 20 December 2004

#### **CPC willing to promote development of China-Venezuela relations: senior official**

The Communist Party of China (CPC) will actively develop good party-to-party relations with the Movement Fifth Republic (MFR) of Venezuela in a bid to promote constant and stable development of the China-Venezuela relations, said a senior official Monday in Beijing. Wang Jiarui, head of the International Department of the CPC Central Committee, made the remark when met with a delegation of the MFR led by Nicolas Maduro.

People's Daily, 21 December 2004

#### **China threat vs America threat**

After the end of the Cold War, the "China threat" has a huge market in American official and academic circles, and this view is criticized by the Chinese government as the old Cold War mentality. In the White House and Pentagon, the hawks treat China as the long-term strategic adversary; at the same time, because of the worsening of the Taiwan problem and America's continuous selling of advanced weapons to Taiwan, mainland China considers these developments to encourage Taiwan's independence. In the eyes of Chinese strategists, "the America Opportunity Theory" has been replaced by "the America

Threat Theory".

People's Daily, 21 December 2004

### **China's military diplomacy in 2004: Foster an image of big power with frequent joint military exercises**

"To be much more down-to-earth, active and effective", said a responsible official from the foreign affairs office of the Ministry of National Defence in an exclusive interview with a reporter when summarizing the military diplomacy of China in 2004. As an important component of overall diplomacy of China, rich achievements have been made in widespread, in-depth and down-to-earth military exchanges and cooperation with foreign military counterparts in the past more than a year. Firstly paying attention to frequent high-level visits with big powers. China has engaged in military exchanges and cooperation with various countries across the world in a multi-faceted and multi-tiered way. Secondly attaching importance to the relations with neighboring countries and to consolidating regional security. Thirdly being more down-to-earth in joint military exercises. As a permanent member of the Security Council of the United Nations, China will fulfill its duty to maintain international security actively and devotedly.

Xinhuanet, 21 December 2004

### **3 Nepalese drug traffickers sentenced in Tibet**

LHASA, Dec. 21: A Chinese court Tuesday sentenced one Nepalese to death with reprieve and two other Nepalese to life and ten years' imprisonment respectively for involvement in trafficking 29.85 kilograms of heroin. In the second instance trial of the case, the Higher People's Court of Tibet Autonomous Region sentenced Ravi Dahal to death with reprieve, Ishori Kumar Shrestha to imprisonment for life and Rewat Kumar Dahal to 10 years' imprisonment on charges of drug trafficking, with all their personal property confiscated.

People's Daily, 21 December 2004

### **On the Sino-Japanese relation at present**

Due to Japanese leaders' visits to Yasukuni Shrine this year witnessed an unbalanced development of the Sino-Japanese relations. Whichever relation made a detour from the problem of Japanese leaders' visit to the Shrine continued to develop while that unable to get away from the problem met with big obstacles. The fact indicates on the one hand that behind the Sino-Japanese relation there exists a motive force that is unshakable by the will and belief of the people, an objective driving force. This force, fundamentally speaking, is the requirement of the advanced productive forces, a requirement of the fundamental interests between the peoples of the two countries. And on the other it has also indicated that the present Sino-Japanese relation is quite abnormal and therefore, it requires greater and timely efforts to be made by the leaders of the two countries, the two governments and the peoples of the two countries.

People's Daily, 21 December 2004

### **Don't overestimate the influence of revocation of textile quota: Long Yongtu**

According to the World Trade Organization (WTO) Agreement, the quota for textiles will be totally lifted world wide starting from 1st Jan. 2005. "The lift of the quota for textiles symbolizes the end of an era and the WTO will enter a new era without quota from then on. However, we must not overestimate the influence brought about by the lift upon the global textile market in the post quota period, and not overestimate the opportunity generated by the post quota period on China's textile market," said Long Yongtu, general secretary of Bo'ao Forum for Asia. At the summit of "How is China going to meet the challenges in post quota period", Long delivered a speech by saying that the lift of quota for textile is an evolutionary process, which will not bring about any miracles or disasters. The lift of the quota for textile products does not necessarily mean that the global textile products will consequently enter the free trade era ... For those countries that use abusively trade protectionism will definitely be counter attacked by China in other exports.

People's Daily, 22 December 2004

### **China urges US to sever military ties with Taiwan**

China urges the United States to stop developing its military relations with Taiwan, said Chinese Foreign Ministry spokesman Liu Jianchao Tuesday. Liu made the remark on a regular press conference in response to a question on a report of the US appointment of a military liaison official to Taiwan. The spokesman said the move taken by the United States to develop military ties with Taiwan, no matter with any excuse or by any means, infringes the principles set forth in three Sino-US joint communiques and encourages separatist activities in Taiwan. The Taiwan authorities are trying to clinch an US\$18 billion US weapons deal. The deal includes six Patriot PAC-3 anti-missile batteries, eight diesel-electric submarines and 12 P-3C Orion submarine-hunting aircraft.

People's Daily, 22 December 2004

### **ROK official to discuss Korean Peninsula nuclear issue with Chinese side**

Chung Dong-young, permanent chairman of the National Security Council of the Republic of Korea (ROK), will exchange views on the Korean Peninsula nuclear issue and bilateral relations with the Chinese side during his visit to China, said Liu. Chung started his three-day visit to China Tuesday at the invitation of the Chinese Ministry of Foreign Affairs. During his visit, the spokesman said, Chung will meet with Chinese leaders and leading members of the Foreign Ministry and the International Department of the Central Committee of the Communist Party of China. The two sides will "certainly" talk about the Korean Peninsula nuclear issue.

People's Daily, 22 December 2004

### **China demands Japan correct wrongdoing of allowing Lee Teng-hui's entry**

The Chinese government again requests the Japanese government to correct its wrongdoing of permitting Lee Teng-Hui's tour to Japan, a Foreign Ministry spokesman said Tuesday. Japan reportedly issued tourist visas to Lee Teng-hui, allowing him and his family to visit Nagoya and Kyoto for "sightseeing." The Japanese government said Lee would not conduct any political activity during his stay in Japan. When asked to comment on this issue at a press conference, spokesman Liu Jianchao said the Japanese government, disregarding the solemn representation and firm opposition from the Chinese government, stubbornly allowed Lee to go to Japan to carry out separatist activities. "The Chinese government expresses strong dissatisfaction and again demands the Japanese side rectify this wrong."

People's Daily, 22 December 2004

### **Chinese FM meets ROK presidential envoy**

Chinese Foreign Minister Li Zhaoxing met in Beijing Tuesday with Chung Dong-young, presidential special envoy and permanent chairman of the National Security Council of the Republic of Korea (ROK). The two conferred on issues of common concern, including Sino-ROK relations and the current situation on the Korean peninsula. Chung Dong-young, also Minister of Unification of the ROK, is on a three-day visit to China at the invitation of the Chinese Ministry of Foreign Affairs.

Xinhuanet, 22 December 2004

### **Chinese state councilor to visit Palestine, Israel**

Chinese State Councilor Tang Jiaxuan will pay official visits to Palestine and Israel from Dec.25 to 31, said Chinese Foreign Ministry spokesman Liu Jianchao in Beijing Tuesday. Tang visits the two countries at the invitation of the Palestinian National Authority and the Government of the State of Israel, Liu told a regular press conference. During the visit, Tang will meet with the leaders of the two countries and exchange views with them on the further development of bilateral relations as well as international and regional issues of common interest, including the Middle East situation, the spokesman said.

The Hindu, 22 December 2004

### **Army chief Vij begins first China visit**

Shanghai, Dec. 22.: Chief of Army Staff General N C Vij arrived here in the eastern metropolis Shanghai today, kicking off a week-long visit, the first in over a decade by the senior-most Indian defence official, leading to enhanced mutual trust and cooperation with the Chinese military. In Beijing, Gen. Vij will hold official-level talks with the PLA leadership and call on a senior Chinese government leader, official sources said. Prior to his arrival, China said it attached high importance to the visit by the Chief of Army Staff and expressed confidence that the trip will be conducive for the establishment of mutual trust and strengthening of overall bilateral ties. The visit by Gen. Vij will be the first by an Indian Army Chief in over a decade to China.

Financial Times, 22 December 2004

### **Putin hints at China alliance for Yukos oil (Arkady Ostrovsky)**

Gazprom, Russia's state-controlled gas monopoly, could team up with the China National Petroleum Corporation to develop the Yukos oil company's main production asset, sold to a mystery bidder on Sunday. Speaking in Germany, Vladimir Putin, the Russian president, said: "We don't rule out that CNPC would take part in the production of Yuganskneftegas, which was sold at an auction." He said CNPC did not participate in the auction. "However, Gazprom and CNPC have reached an agreement about co-operation in the energy sector." Immediately after Mr Putin's statement, Gazprom said a new memorandum, signed two days before the auction, covered strategic co-operation with China in the oil sector - particularly over oil projects in Russia. It already has an agreement with CNPC over gas. Gazprom said yesterday: "There is a real energy boom in Asia and particularly in China. In developing Gazprom . . . the eastern direction has been identified as a priority."

Daily Times, 23 December 2004

### **'Japan-US security statement to point to China'**

TOKYO: A Japan-US security statement to be released next year will single out China and North Korea as sources of instability and provide for closer military cooperation between Tokyo and Washington against threats in the Asia-Pacific region, a Japanese newspaper said on Wednesday. The report by the Nihon Keizai Shimbun newspaper coincides with growing concern in Japan about China's military build-up and North Korea's missile and nuclear programmes. Designating China as a potential threat would anger Beijing, already upset over a similar statement in a sweeping review of Japan's defence policy this month. Calls have emerged in Japan to revise the 1960 US-Japan Security Treaty ... Revising the treaty would be politically difficult given lingering pacifism and opposition to the tightening of US-Japan security ties since the Sept. 11, 2001 attacks. Whether and how China would be mentioned remained to be seen, but the source added: "...We should discuss each issue, such as the Korean peninsula, the Taiwan Strait, southeast Asia and the global war on terrorism."

People's Daily, 23 December 2004

### **China's top 10 public relation affairs 2004 unveiled**

The selection of "China's top 10 public relation affairs 2004" sponsored by China International Relations Association was announced on December 21 in Beijing. The promotion month of "Care for women, fighting against AIDS, AIDS prevention, the successful French Culture Year in China and the promotion of 2008 Olympic economy are the top three in this selection. Apart from those, F1's successful landing in China, the program of "China experience" launched by CCTV, Dupont's Teflon affair, Lenovo's participation in the global partner plan of International Olympic Committee, the individual fortune list by Nanfang Weekend, China Consumers' Association's challenge on "overlord terms" (forcing others to comply with the rules), Konka corporation's quick response against colour TV anti-dumping are also among the top 10 attracting the most attention with most

influential affairs in 2004.

Xinhuanet, 23 December 2004

#### **State councilor Tang meets ROK guest**

Chinese State Councilor Tang Jiaxuan met with Chung Dong-young, presidential special envoy and permanent chairman of the National Security Council of the Republic of Korea (ROK) in Beijing on December 22. The host and guest conferred on issues of common concern including the China-ROK relations. Chung Dong-young is on a three-day visit to China at the invitation of the Chinese Ministry of Foreign Affairs. Tang expressed hope that the two countries will continue to enhance coordination, devote themselves to the peace and stability in the Korean Peninsula and jointly press for regional cooperation in northeast Asia.

China Daily, 23 December 2004

#### **Armitage: US not required to defend Taiwan**

The "peaceful rising of China" will most likely be the most important event on the world scene in the first half of the 21st century, Deputy Secretary of State Richard Armitage said. In a farewell interview with PBS' Charlie Rose December 20, Armitage said China's impact will be momentous, in terms of the energy it will need, the raw materials it will require, and the power of its growing middle class. On obstacles to the China-US relations, he acknowledged Taiwan issue is the "biggest landmine." "I would say Taiwan. Taiwan is one. It's probably the biggest," Armitage said in the interview. When asked if the United States defend Taiwan if a war breaks out, Armitage said the United States is not required to do so, according to a transcript of the interview issued by the State Department. And these are questions that actually reside with the U.S. Congress, who has to declare an act of war."

Daily Times, 23 December 2004

#### **US presses Israel not to return drones to China**

JERUSALEM: The United States has demanded that Israeli authorities withhold a consignment of drones returned by China for upgrading, Haaretz newspaper reported on Wednesday. The spat involves Israeli-made Harpy assault drones sold to China in the mid-1990s and returned to Israel for upgrading. If Israeli authorities do not return the advanced weapons systems to China, they risk a diplomatic crisis with Beijing, Haaretz said. The head of Israel's parliamentary defence committee, Yuval Steinitz, acknowledged last week that arms deals with China had provoked tensions with the Jewish state's top ally, the United States. "There are tensions, which are hidden from the public, which have appeared over the last one or two years concerning Israeli weapons sales, particularly to China," he told Israeli radio. His comments followed a report on Israel's private Channel Two television last week that the Pentagon was demanding the dismissal of Israeli defence ministry director general Amos Yaron.

People's Daily, 23 December 2004

#### **China asks US to lift trade tariff**

China has requested that the United States rectify its unfair decision to levy an import tariff on shrimps from China. The China Chamber of Commerce for Import and Export of Foodstuffs, Native Products and Animal By-Products said the US decision has seriously violated World Trade Organization rules and US anti-dumping regulations. A chamber official says Chinese seafood enterprises expressed their dissatisfaction with the US Commerce Department in a written statement and asked the US government to carefully consider Chinese enterprises' requests. The official also adds China will preserve their right to file a formal complaint against the US for its unfair ruling in order to protect Chinese enterprises' legal interests.

People's Daily, 23 December 2004

#### **Iraqi foreign minister arrives in China**

Foreign Minister Hoshiar Al-Zibari of the Iraqi Interim Government arrived in Beijing Thursday for a four-day visit to China. During his stay, Al-Zibari will meet with Chinese Premier Wen Jiabao and hold talks with Chinese Foreign Minister Li Zhaoxing. They will exchange views on Sino-Iraqi relations, the situation in Iraq and other issues of common concern. Al-Zibari is here at the invitation of Li Zhaoxing.

People's Daily, 24 December 2004

#### **Look at EU's lift of arms embargo on China calmly**

On the day following the closure of the central economic work conference, Premier Wen Jiabao flew to Europe for the seventh China-EU summit held from December 7 to 9 in The Hague, The Netherlands ... Earlier in the same month, Italian President Carlo Azeglio Ciampi and German Chancellor Gerhard Schroeder visited China. As the China News Journal learned, the text of the joint declaration of the seventh Sino-European summit was not finalized until 4 am of December 8. The two sides discussed time and again about the clause 7 "Europe affirms that the European Union has political intention to lift the embargo and will continue to work on it." Sources said at the beginning the EU didn't plan to add this sentence.

China Daily, 24 December 2004

#### **Large oil reserves found in Bohai bay**

Exploration teams have found the Bohai Bay Basin of North China may contain 20.5 billion tons of offshore oil reserves, with 9 billion tons already proven, experts said. The find indicates that total oil resources in place in the basin - one of China's major oil-producing centres - could potentially sustain the country's energy needs for a considerably long time, Jin Zhijun, president of the Exploration and Production Research Institute of Sinopec (China Petroleum and Chemical Corporation), said in an

interview with China Daily. Jin added that for a long time to come, the nation can still mainly rely on its domestically produced oil and natural gas to sustain its development. His conclusion was based on reporting of newly found energy resources. Such discoveries have proven that marine facies basins, in China, such as the Bohai Bay Basin, have the conditions for hydrocarbon formation and, hence, oil or natural gas resources. The East China Sea, South China Sea and Yellow Sea may all have rich oil resources, according to Jin. He said China's western land areas also have large potential for untapped oil resources.

Xinhuanet, 24 December 2004

#### **China hopes to have effective energy cooperation with Russia**

China appreciates Russia's attitude towards energy cooperation with China, and hopes to carry out effective energy cooperation with Russia, said Chinese Foreign Ministry spokesman Liu Jianchao in Beijing Thursday. Liu made the remarks at a regular press conference when asked about a comment made by Russian President Vladimir Putin. A foreign journalist said that Putin said oil companies in Russia and China may strengthen cooperation during his recent German tour. According to Liu, President Putin has said time and again that Russia attached importance to its energy cooperation with China and Russia's decision to strengthen strategic cooperation with China in energy area remained unchanged.

People's Daily, 24 December 2004

#### **Better condition to be created for foreign investment in China: Minister**

23 December: China will continue to expand ceaselessly its opening to the outside world and create a better condition for foreign investors to come for investment, said Bo Xilai, Minister of the Ministry of Commerce at the 3rd joint meeting of the Sino-ROK investment cooperation committee held on 20 December in Beijing. China has already revised more than 2500 laws and regulations, forming a whole set of economic and trade legal system that caters to the rules of the WTO since its entry into the organization. The Chinese government paid a high attention to the protection of the intellectual property right, making it as an important content for improving the environment for investment in China, Bo Xilai pointed out.

People's Daily, 24 December 2004

#### **China opposes US irresponsible comments**

China strongly opposes the irresponsible remarks made by some US Congressmen on China's human rights situation and family planning policy. A Chinese Foreign Ministry spokesperson says the US has chosen to ignore that the family planning policy produces huge benefits for China and that the protection of human rights has improved dramatically in the country. The spokesperson notes the family planning policy caters to China's national conditions and the Chinese government is dedicated to protecting the rights and freedoms of its people. He adds China urges the US not to interfere China's internal affairs.

People's Daily, 24 December 2004

#### **President Hu: More on ruling party's governing capabilities**

Ruling party's five kinds of governance capabilities: Capability to control the socialist market economy...Capacity to develop socialist democratic politics...Ability to build advanced socialist culture...Capacity to construct a harmonious socialist society, and...Capability to cope with the world situation and handle international relations.

The New York Times, 25 December 2004

#### **In Roaring China, Sweaters Are West of Socks (David Barboza)**

DATANG: Now, China is banking on its immense size and efficient operators to grab an even larger share of the world's clothing orders. Neither Adam Smith nor Karl Marx could possibly have imagined that this kind of capitalism would evolve from a communist system in quite this way, with an obscure town in the middle of nowhere becoming the world's socks capital. The abolition of quotas is expected to accelerate this trend over the next decade or so, particularly under the guidance of China's visible hand. The niche cities reflect China's ability to form "lump" economies, where clusters or networks of businesses feed off each other, building technologies and enjoying the benefits of concentrated support centers - like the button capital nearby, which furnishes most of the buttons on the world's shirts, pants and jackets. The new era, thus, offers a glimpse into how China's fast-paced economy is developing into more than just a beehive of individual private enterprises.

Xinhuanet, 25 December 2004

#### **Top legislature deliberates draft laws on anti-secession**

BEIJING, Dec. 25: The draft of law against secession Saturday was submitted for the first deliberation to the Standing Committee of the National People's Congress (NPC), the country's top legislature. The 13th session of the 10th NPC Standing Committee, scheduled on Dec. 25-29 in Beijing, also deliberated the draft resolution on the convention of the third full session of the 10th NPC, which usually opens in the next spring. Over the past year, quite a few Chinese lawmakers and senior government advisors have proposed that "a law on national reunification be enacted as soon as possible."

People's Daily, 26 December 2004

#### **China to further boost foreign trade**

Minister of Commerce Bo Xilai says China will take measures to expand foreign trade. He says the volume of China's foreign trade has grown rapidly in the past few years and made a great contribution to the world economy. But further expansion is hindered by international trade barriers and poor technology research and development capability. Bo Xilai says the government will improve public information on export markets and support small and medium-sized companies. It will also promote exports of products copyrighted in China. Import controls will be adjusted to shield prices from changes in the

international market.

China Daily, 26 December 2004

**Koizumi should stop visiting the shrine** (Bi Lun)

According to Japan's Kyodo News agency, the Chiba District Court on Thursday rejected a damages suit disputing the constitutionality of Prime Minister Junichiro Koizumi's visit to the Yasukuni Shrine in Tokyo in August 2001. Sixty-three plaintiffs filed the lawsuit, arguing the visit was made in his capacity as prime minister, thereby endorsing the Shinto shrine with the state's authority when the Constitution requires separation of state and religion. Although the court ruled that Koizumi's shrine visit was made in his official capacity, it refrained from ruling on its constitutionality regarding the separation of the state and religion. Article 20 of the Japanese Constitution prohibits the state and its organs from conducting religious education and any form of religious activities. There is no doubt about Yasukuni's nature as a religious symbol. With Japan pursuing a higher profile on the world stage, Koizumi's shrine visits can only alienate the country from its neighbours instead of winning their hearts and support.

NDTV, 26 December 2004

**Vij to hold talks with Chinese leaders**

Army Chief, General N C Vij arrived in Beijing today for holding high-level talks with the Chinese political and defence leadership. They will discuss on ways to enhance mutual trust and cooperation between the militaries of the two Asian giants. Vij, who arrived in the eastern metropolis, Shanghai on December 22, visited the PLA garrison in Shanghai. He also went to see Chinese military facilities in the eastern port city of Qingdao and the north-western city of Xian. Tomorrow, he will hold talks with his Chinese counterpart, Gen Liang Guanglie, Chief of Staff of the Peoples Liberation Army (PLA).

The New York Times, 26 December 2004

**China Expands. Europe Rises. And the United States . . .** (FRED KAPLAN)

It's a risky business to predict the decline of the American empire. Ask Paul Kennedy, the Yale historian, who issued such a forecast in his 1987 book, "The Rise and Fall of Great Powers," only to witness an almost immediate American resurgence. Last month, China's president, Hu Jintao, embarked on a 12-day tour of Latin America, and wound up making commitments to invest \$30 billion in the region. In trade, technology, investment, education and culture, China has been displacing the United States all across Asia, and is now starting to do the same in America's backyard. There is nothing necessarily alarming about an expansive China or an emergent Europe, except perhaps that they coincide with a growing American dependence on both. A multipolar world can be a chaotic place. The danger is not so much that the United States may lose power, but that the globe's new rivals may fail to strike and manage a balance of power. End-of-the-year Cassandras traditionally predict doom, gloom and anarchy. This year they're looking less preposterous.

Xinhuanet, 27 December 2004

**Army to crush any Taiwan independence plot**

China published on Monday a white paper on national defense, reaffirming its determination to crush any "Taiwan independence" attempt at all costs and reassure the world of its pursuit of peaceful development that will pose "no obstacle or threat to any one." "The separatist activities of the 'Taiwan independence' forces have increasingly become the biggest immediate threat to China's sovereignty and territorial integrity as well as peace and stability on both sides of the Taiwan Straits and the Asia-Pacific region as a whole," the white paper says. "The situation in the relations between the two sides of the Taiwan Straits is grim," it says. The paper also criticizes the United States for its continuous arms sales to Taiwan which, it says, increases both "quantitatively and qualitatively," despite Washington's repeated commitment to adhere to the one-China policy and oppose "Taiwan independence." "It is the sacred responsibility of the Chinese armed forces to stop the 'Taiwan independence' forces from splitting the country," says the paper.

People's Daily, 27 December 2004

**China issues white paper on national defense**

China published on Monday a white paper on national defense, reaffirming its determination to crush any "Taiwan independence" attempt at all costs and reassure the world of its pursuit of peaceful development that will pose "no obstacle or threat to any one." The 85-page white paper, the fifth of its kind since 1995, was titled "China's National Defense in 2004" and released by the Information Office of the State Council, China's cabinet. The publication of the white paper was intended to "illustrate China's national defense policies and the progress made in national defense and army building over the past two years," said the information office. Observing that "peace and development remain the dominating themes of the times," the white paper says that "factors of uncertainty, instability and insecurity are on the increase" in the global security situation.

People's Daily, 27 December 2004

**Pakistan, China to set up free trade area**

China and Pakistan are poised to widen the silk road between them by building a free trade area (FTA). For Pakistanis, it is mainly a "cotton road." Currently, 70 per cent of Pakistani exports to China are cotton yarn and cotton fabric. However, the country is also keen to promote its other products ranging from mangoes to footballs. During Pakistani Prime Minister Shaukat Aziz's visit to Beijing last month, a protocol was signed for the talks on the establishment of an FTA between the two nations, currently with an annual trade volume of around US\$2.5 billion. Negotiations will start in January and could be concluded within one year. "I believe Pakistan and China will be very accommodating to each other in the FTA talks because of good relations between the two countries," Tariq Ikram, minister of state and chairman of the Export Promotion Bureau of Pakistan,

told China Business Weekly in an interview. A conference was held last week in Kunming, in Southwest China's Yunnan Province, on co-operation between Yunnan, South Asia and Southeast Asia.

People's Daily, 27 December 2004

#### **China to continue to pursue new security concept for world peace**

The new security concept, highlighted in a white paper on China's national defense, is one of China's most important theories in international security and China will continue to stick to it, said a military expert Monday. The concept inherits the spirit of the Five Principles of Peaceful Coexistence and China's defensive national defense policy, said Yuan Zhengling, one of the drafters of the white paper which was issued here Monday. "A large developing country should have its own voice on security issues," he said. The white paper, issued by the Information Office of the State Council, China's cabinet, reiterates that China pursues an independent policy of peace and adheres to the new security concept featuring mutual trust, mutual benefit, equality and coordination. The new security concept highlights a win-win thought and is in line with the historical trend of economic globalization and the people's call for cooperation and world peace. "The Shanghai Cooperation Organization is a shining example of success in implementing the concept," he said.

People's Daily, 27 December 2004

#### **Chinese military speeds up informationalization: expert**

The Chinese military will continue to speed up the process of informationalization, says a white paper issued by the Information Office of the State Council on Monday. According to the white paper on China's national defense in 2004, the Chinese military, or the People's Liberation Army (PLA), takes informationalization as its orientation and strategic focus. "Informationalized war is expected to become the main warfare for this century and our army building efforts must mainly be targeted at stepping up informationalization," said Fu Yansong, a military expert who participated in the drafting of the white paper, told Xinhua during an exclusive interview.

People's Daily, 28 December 2004

#### **China strongly protests Japan allowing Lee Teng-hui's entry**

China is "strongly dissatisfied" with Japan for its allowing Lee Teng-hui's entry into the country, and the Foreign Ministry has lodged strong protest to the Japanese government over the issue, said Chinese Foreign Ministry spokesman Liu Jianchao Monday. The Japanese government insisted on allowing Lee to enter the country despite China's repeated representations and firm protest, Liu said. He called it a "wrong decision." China has "seriously requested" the Japanese side to value the overall situation of China-Japan relations, and take effective measures to "remove the bad influence of the issue," Liu said. He said China will closely follow the development of Lee's visit, and reserve its right to make further reaction.

China Daily, 28 December 2004

#### **Russia, China to hold massive joint drill**

Russia and China will hold a massive joint military exercise on Chinese territory in late 2005 involving state-of-the-art weapons, Russia's defense minister said Monday as the two nations move to bolster burgeoning military ties. "For the first time in history, we have agreed to hold quite a large military exercise together with China on Chinese territory in the second half of the year," Defense Minister Sergei Ivanov said at a cabinet session chaired by Russian President Vladimir Putin, according to the ITAR-Tass news agency. The Associated Press quoted some Western observers in a report as saying that Russia could respond to the falling out with the West over Ukraine's presidential election farce by trying to forge a closer partnership with China and India. During his visit to India earlier this month, Putin pushed for a trilateral summit with leaders of India and China and assailed U.S. "dictatorship of international affairs," said the AP report.

China Daily, 28 December 2004

#### **Defence document warns separatists**

Beijing's latest white paper on defence includes its strongest warning yet to Taiwan separatist forces. It is a "very strong" warning to Taiwan independence forces, said leading experts from the Chinese People's Liberation Army think-tank. The Beijing-based experts said the paper has described cross-Straits relations as the grimmest since 2000. In these policy papers, China has focused on sensitive issues, such as its defence policy, budget and military exercises. The new white paper lists four factors as having a major impact on China's security. They are the rise of the "Taiwan independence" forces, the technological gap resulting from changes in military affairs, the risks and challenges brought about by the development of the globalization trends, and the prolonged existence of both unipolarity and multipolarity. "Should the Taiwan authorities go so far as to make a reckless attempt that constitutes a major incident of 'Taiwan independence,' the Chinese people and armed forces will resolutely and thoroughly crush it at any cost," says the white paper.

Xinhuanet, 28 December 2004

#### **Senior military officer meets with Indian guest**

China is willing to make concerted efforts with India to promote friendly cooperation between the two armies, said Xiong Guangkai, deputy chief of the general staff of China's People's Liberation Army (PLA) in Beijing on December 27. Xiong made the remarks during talks with Chief of the Army Staff of India N.C. Vij. The two sides exchanged views on issues concerned with international and regional situation, bilateral relations between the two countries and armies, and other issues of common concern. Xiong said Chinese and Indian armies, with constant development of the Sino-Indian ties, had further strengthened their relations, and the Chinese side would continue to enhance relations with Indian army, in line with the important consensus reached by leaders of the two countries. Vij said India attached great importance to developing relations with

China, and Indian-Chinese friendship was conducive for maintaining peace and stability in the region and in the world at large.

Taipei Times, 28 December 2004

**Mainland Affairs Council calls China's anti-secession legislation self-defeating** (Joy Su)

Taiwan's top cross-strait official yesterday responded to renewed military posturing from Beijing by calling for "more civilized" measures, indicating that the threats would only serve to put distance between the two sides. "[The defense white paper] is so explicit. It says that it will use force against Taiwan, and as we enter a new era in international relations, I think a civilized international community should resolve differences in a civilized manner through peaceful negotiations," Mainland Affairs Council Chairman Joseph Wu said yesterday. But Wu said that the threats were "nothing new." "That's why I don't link the white paper with enactment of the [anti-secession] law," Wu said. He said that in general the international community was waiting to see the text of the proposed law before taking action, but he warned that "by the time the text is released, it might be too late."

People's Daily, 29 December 2004

**Scientific progress, innovation play big role: Hu Jintao**

Hu Jintao, general secretary of the Communist Party of China (CPC) Central Committee, has highlighted the important role played by scientific progress and innovation in better promoting China's socialist modernization. He called for unwaveringly advocating and implementing a scientific view of development and the strategy of developing the nation by science and education. Hu, who is also Chinese president and chairman of the Central Military Commission of the CPC Central Committee, made the remarks at a panel discussion held by the Political Bureau of the CPC Central Committee on Monday.

China Daily, 29 December 2004

**Japan is not helping ties with China**

On Monday, former Taiwan leader Lee Teng-hui arrived in Japan with a sightseeing visa granted by the Japanese Government. The Chinese Government has made strong protests against any such visit, which is simply another separatist activity by Lee. It is yet another example of Japan's antagonism towards China. Lee is the chief representative of the radical supporters for "Taiwan independence" on the island, and nothing but a "troublemaker" in the international arena. The Japanese Government's permission for Lee's visit will easily be misread as a signal that Tokyo pampers and supports the Taiwan independence forces. The act will severely impair the Sino-Japanese relationship, and the Chinese Government will not soften its tone in making a strong protest.

People's Daily, 29 December 2004

**Taiwan to become the largest client of American arms in next four years**

28 December: Having spent US\$ 540 million on procurement of American arms, Taiwan becomes the 8th largest client of American weapons in 2004, says a report of the US congress. In 2003 Taiwan listed the 10th with a signed contract value of US\$ 390 million for weaponry procurement from the US, the Hong Kong based Wen Wei Po reports. From 2000 to 2003, the US sold weapons worth US\$ 4.5 bln to Taiwan, which made Taiwan the 3rd largest client of the US arms sales. From 1996 to 1999, Taiwan bought American arms worth US\$ 7.2 bln, hence the 2nd largest buyer of US weapons.

China Daily, 29 December 2004

**White paper maps military's future**

28 Dec: A thorough understanding and grasp of the general international situation is a prerequisite for drafting the national defence policy and defence building. As a document elaborating the Chinese Government's judgment of the security environment, the defence white paper attaches great importance to a scientific and accurate evaluation of the world security environment. The changing international and domestic situation is the base on which the tone of the defence white paper is set. The 1998 defence white paper emphasized development and co-operation, while the 2000 paper highlighted the grim security situation, which featured the Kosovo War, the bombing of Chinese Embassy in Belgrade and the development of Taiwan Straits situation. The white paper in 2002 underlined a stable security environment and co-operation, thanks to the strengthened anti-terrorist co-operation among the world's major countries after 9/11 terrorist attacks on the United States. "China's National Defense in 2004" points out that while peace and development remain the theme of the present times, the international situation continues to undergo profound and complicated changes.

People's Daily, 30 December 2004

**Expert: White Paper Taiwan part has six fresh meanings**

According to the HK Takungpao, Peng Guangqian, major general at the PLA Academy of Military Sciences and an expert on Taiwan question, made comments on the recent defense white paper saying that it applies more ink to the Taiwan part than ever before and contains fresh ideas. Peng Guangqian said that first, it gave grimmer judgment of the situation across the Taiwan Straits than before. The Paper says the "Taiwan Independence" activities "escalated markedly", "rose viciously" and the "Taiwan independence" forces have increasingly become the "biggest immediate threat". These have never been mentioned before. It indicates that the Taiwan authorities under Chen Shui-bian have gone farther and farther down the "Taiwan independence" path.

People's Daily, 30 December 2004

**China's top legislature to convene 3rd annual session on March 5 next year**

The Tenth National People's Congress (NPC), China's top legislature, decided Wednesday that it will convene its third annual

full session on March 5, 2005, in Beijing. The 13th meeting of the NPC Standing Committee, which concluded here Wednesday afternoon, passed a resolution regarding the schedule of next year's NPC annual session. The NPC Standing Committee proposed that the draft anti-secession law, which was examined during this meeting, be submitted to the 3rd annual session of the NPC for deliberation. The annual session should also discuss and decide on a request of Jiang Zemin to resign from chairman of the Central Military Commission (CMC) of the People's Republic of China, and elect a new chairman.

Xinhuanet, 30 December 2004

#### **China tries to bring its roaring economy to a sustainable level**

China's economic growth will top 9 percent this year, a figure that, while still robust, is more likely to be sustainable level than the overheated environment of the past few years, analysts say. By implementing a set of lending and land use curbs, the Chinese leadership eased investor fears that the world's fastest growing economy was on the verge of spinning out of control as it did in the mid-1990s. By the end of November, the annualized growth of broad measure of money supply M2 and renminbi-denominated loans plummeted to 14 and 13.5 percent, respectively, from nearly 30 percent early this year, signaling that industrial producers, especially in such overheated sectors as steel, cement and aluminum, obtained much less support than before.

China Daily, 30 December 2004

#### **Gas pipeline may earn a profit next year**

The US\$5.2 million west-east natural gas pipeline may earn a profit next year. The project almost broke even this year, its first year of operation, said Su Shulin, vice-president of PetroChina, at a press conference in Beijing yesterday. He attributed the good performance to better than expected demand for gas. The project carries gas from deserts in the remote Xinjiang Uygur Autonomous Region to Shanghai through a 4,000-kilometre-long pipeline. The pipeline project, a flagship project of the government's plan to boost the economy of impoverished western areas, was to commence official commercial operation today. Gas makes up 3 per cent of the total energy consumption mix in China, compared with more than 20 per cent in the world.

People's Daily, 30 December 2004

#### **Chinese official raises four-point proposal on Mideast issue**

Visiting Chinese State Councilor Tang Jiaxuan Wednesday raised a four-point proposal aimed at achieving peace in the Middle East. The proposal includes "resumption of peace talks between the Palestinians and Israel, restarting the roadmap peace plan and establishment of an independent State of Palestine, achieving a comprehensive and lasting peace in the region and more international peace-making efforts," Tang told reporters after a meeting with Israeli Foreign Minister Silvan Shalom. Tang, former Chinese foreign minister, also met separately with Israeli President Moshe Katsav and Israeli Prime Minister Ariel Sharon on Tuesday. The roadmap envisions an independent Palestinian state by 2005, and requires Israel and the Palestinians to take a series of steps in the interim. But he set a prerequisite for the resumption of peace negotiations with the Palestinians, saying the Palestinian side should stop incitement against the Jewish state.

People's Daily, 31 December 2004

#### **Military expert: The anti-secession law is warning legislation**

All the 163 members attending the meeting of the 13th session of the 10th National People's Congress (NPC) Standing Committee have unanimously passed the draft anti-secession law, which will be submitted for deliberations at the third full session of the 10th NPC slated for March 5 next year. Major General Peng Guangqian with China Academy of Military Sciences pointed out in his interview with a Hong Kong Takungpao reporter that the anti-secession law is preventive and warning and is a red line. The inhibiting magic anti-secessionist law targets the Taiwan authorities' secessionist activities for "Taiwan independence" in case they create "Taiwan independence". It is only an aspect for governing the country by legalizing the Taiwan work and policies. Professor Zhang Tongxin with the Renmin University of China said the anti-secession law will not only offer legal grounds by resorting to the use of force from the mainland in case the leaders of the Taiwan authorities dare to create the incident of "Taiwan independence", but also fully embodies the mainland's consistent stand to strive for peaceful reunification by peaceful means.

People's Daily, 31 December 2004

#### **Five catchwords in Chinese Diplomacy, 2004**

From the summit meeting of Shanghai Cooperation Organization in Tashkent to the non-official meeting of the APEC leaders, to serial summit meetings of the ASEAN; and from Russia, France to Gabon, Cuba, the busy activities of the Chinese leaders brought to the world the frank and open demeanor of a great country, a practical and highly effective style in China's diplomatic work. The following "catchwords" represent at a certain level several "spotlights" in China's diplomatic work in the year of 2004. "Taking people as basis for outset"...Free trade zone...Lift the ban on military sales to China...Cold politics and heated economy...Big country diplomacy