

China Daily, 1 December 2006

### **US exaggerates China defense - report**

WASHINGTON - The United States has been exaggerating China's nuclear clout in a process that could lock the two into a Cold War-style arms race, two arms-control advocacy groups said in a report Thursday. The Defense Department and US intelligence agencies have portrayed Chinese weapons developments as more threatening than warranted, to justify building a new generation of weapons, according to the study by the Federation of American Scientists and the Natural Resources Defense Council. "The report's main finding is that the Pentagon and others routinely highlight specific incidents out of context that inaccurately portray a looming Chinese threat," the groups said in a statement. Specifically, they said, the Defense Department and US intelligence agencies had been "embellishing China's submarine and long-range missile capabilities."...

China Daily, 1 December 2006

### **Beijing urges all sides to come back to Six-Party Talks**

Beijing will continue to work with all parties to set a date for the next round of Six-Party Talks, following two days of meetings with Washington and Pyongyang. Foreign Ministry spokeswoman Jiang Yu said through multiple rounds of trilateral and bilateral talks, the three sides exchanged views on pushing forward the talks in a frank and in-depth manner. "The meetings are conducive to enhancing mutual understanding and sharing concerns," Jiang said yesterday at a press briefing. She again urged all parties to take the opportunity to adopt active measures to achieve progress in pushing for an early resumption of the stalled talks...

The Times of India, 2 December 2006

### **China revises rules to prevent 'nuclear terrorism'**

BEIJING: China has tightened rules governing nuclear exports so as to guard against "nuclear terrorism" while allowing the international peaceful use of atomic power. The new regulations, issued by the State Council, China's Cabinet, steps-up export controls over the end use of exported nuclear technology. The goal of the regulations is to enhance control over nuclear exports, prevent proliferation, guard against nuclear terrorism, safeguard national security and promote international cooperation in using nuclear energy peacefully, the government said. The new regulations add an article that requires the government of countries importing Chinese technology to guarantee they will seek Chinese government consent before attempting to enrich uranium to a level above 20 per cent using the equipment provided by China...

People's Daily, 2 December 2006

### **China, France pledge stronger nuclear power collaboration**

The pledge came out of a meeting between Chinese Vice Premier Zeng Peiyan and French presidential special envoy and Minister for the Economy, Finance and Industry Thierry Breton. Zeng said China's power shortage made the rapid development of nuclear power plants a necessity, and France, which had the most advanced nuclear power technology and equipment, had cooperated well in this field. Breton said the French government would take practical steps to boost nuclear power cooperation with China. China first used nuclear power technology from France in its Daya Bay Nuclear Power

Plant, in southern Guangdong Province, and cooperated again with France on Ling'ao Nuclear Power Plant, in the same province. During French President Jacques Chirac's visit to China in October, the two countries agreed on closer nuclear power cooperation.

People's Daily, 2 December 2006

**Ministry tightens social security fund rules (Li Fangchao)**

The Ministry of Labour and Social Security on Friday ordered its local branches to establish a rapid reporting system to ensure the safety of social security funds. The move comes in the wake of a series of fund scandals. Labour and social security bureaus at all levels should report any misappropriation or fraud involving the funds as soon as they are detected, according to the order. Cases involving less than 500,000 yuan (US\$62,500) should be reported to provincial level supervision organizations, while those involving more than 500,000 yuan should be reported to the ministry...

People's Daily, 2 December 2006

**Chinese president stresses promotion of grassroots democracy**

Chinese President Hu Jintao has called for greater promotion of grassroots democracy and the protection of the people's direct exercise of democratic rights. At a meeting of the Political Bureau of the Central Committee of the Communist Party of China, Hu said electing deputies for the people's congresses at all levels while exercising direct democracy at grassroots level reflected advantages of the people's democratic system. Governments must ensure the direct exercise of democratic rights of the people in grassroots organizations, their administration of grassroots public affairs and their supervision of cadres, he said...

China Daily, 3 December 2006

**Vatican's criticism 'unreasonable'**

China on Sunday refuted Vatican's criticism on its ordination of an assistant bishop, saying that latter's accusation is "unreasonable". The Chinese Patriotic Catholic Association last Thursday ordained Wang Renlei as bishop coadjutor of Xuzhou diocese in Jiangsu Province, which the Vatican said was "unlawful." A spokesperson for the State Administration of Religious Affairs pointed out that China and the Vatican have no official ties; and neither have they reached any tacit understanding or agreement on the ordination of bishops. The Vatican has never recognized the Chinese Catholic Bishops College. The spokesperson said under the circumstances, Beijing following a request from the Chinese Catholic Church had informed the Vatican in advance of the selection and ordination, "which showed great sincerity."...

People's Daily, 3 December 2006

**Chinese state councilor calls for fortified momentum for China-Japan ties**

China and Japan are standing at a "new starting point" of bilateral ties, said Chinese State Councilor Tang Jiaxuan on Sunday, calling for consolidated political foundation for long-term and stable development of China-Japan relations. Tang made the remarks when meeting with Fuyushiba Tetsuzo, Japanese Minister of Land, Infrastructure and Transport, who is visiting China at the invitation of China National Tourism Administration. "The two countries have already broken the five-year-long political

stalemate and brought bilateral ties to the normal track of development," Tang said, referring to Japanese Prime Minister Shinzo Abe's "successful" China trip in October. "Standing at a new starting point, the two sides should work closely to add momentum to the long-term and stable development of their relations, which is not only a common mission for the two governments but also serves the two nations' interests and meets expectation of the two peoples, Tang said...

The Hindu, 4 December 2006

#### **China for 'mutually acceptable' solution to the Arunachal issue**

Beijing: In the backdrop of India's assertion that Arunachal Pradesh is its integral part, China on Sunday said it favoured a 'fair, reasonable and mutually acceptable' solution to the vexed border issue. "China's stand is clear and consistent on the Sino-Indian border issue. China is for seeking a fair, reasonable and mutually acceptable solution to the issue, through friendly consultations," Chinese Foreign Ministry spokeswoman Jiang Yu told PTI. She evaded a direct reply when asked to comment on External Affairs Minister Pranab Mukherjee's statement to Parliament on November 28 when he asserted that "Arunachal Pradesh is an integral part of India and its status is not debatable." Mr. Mukherjee's statement came after Chinese Ambassador Sun Yuxi said that the entire Arunachal Pradesh was Chinese territory...

People's Daily, 4 December 2006

#### **Nepal bridge between China and India: official**

A senior official of the Communist Party of Nepal (CPN) has called for efforts to develop Nepal as a bridge between China and India, The Himalayan Times reported on Monday. "Nepal needs to develop itself like a bridge between China and India, that are on course to become global economic superpowers," said CPN Second-in-command Dr Baburam Bhattarai. On Nepal's future economic course in light of its membership to the World Trade Organization (WTO) and the regional economic organizations, he said that Nepal must negotiate harder to safeguard its interests. On the role of donors in Nepal, Bhattarai said: "They must take a secondary role in the economic scheme of things, while Nepal does away with its dependency on others and takes charge of its own fortune".

People's Daily, 5 December 2006

#### **China vows to work with ROK on Korean peninsular nuclear issue**

China on Monday pledged to work with the Republic of Korea (ROK) to resolve the Korean peninsular nuclear issue. "China would like to make concerted efforts with the ROK to address the Korean peninsular nuclear issue through dialogue and consultation," Chinese State Councilor Tang Jiaxuan told Chung Dong-young, the former head of the ROK Uri Party. Tang said he hope ROK's leader will play active roles on safeguarding peace and stability of the northeast Asia. Chung said the ROK appreciates the efforts China has made in promoting a peaceful settlement of the Korean peninsular nuclear issue. Both Tang and Chung hailed China-ROK ties in terms of frequent and high-level visits, deep mutual trust and close trade cooperation between the two countries...

People's Daily, 5 December 2006

**Unknown militants attack Chinese construction camp in Afghanistan**

Unknown gunmen attacked a remote camp of a Chinese construction company Saturday in northwestern Afghanistan, causing no casualties, an official of the company told Xinhua Monday. Chinese workers in the attacked camp of China Railway Shisiju Group Corporation had safely withdrawn to a major base 40 km away, said the official, who refused to be named. According to the official, the militants launched a fierce attack against the walled camp in Duabi area of Badghis province at 9:23 p.m. local time on Saturday and Afghan policemen guarding the camp fought back. After a fire exchange lasting about one and a half hours, the two sides stopped firing, but the gunmen refused to retreat. At around 11:20 p.m., the militants were forced to flee as more policemen from a nearby police station arrived at the site. When the clash occurred, there were 30 Chinese workers, who were building a local road, stationed in the camp, which was surrounded by thorny wire netting and entrenchment. It is still unclear who were behind the attack and what was the motivation...

People's Daily, 6 December 2006

**Energy chiefs of China, Japan to meet shortly**

Energy chiefs of China and Japan will hold a dialogue soon, a Chinese Foreign Ministry spokesman said Tuesday. The first-ever dialogue was proposed by Japanese Prime Minister Shinzo Abe in November in Hanoi, where he met with Chinese President Hu Jintao on the sidelines of the the 14th Economic Leaders' Meeting of the Asia-Pacific Economic Cooperation (APEC) forum. "China and Japan share common views on energy cooperation," Chinese Foreign Ministry Qin Gang told the regular briefing. "Both countries call for further communication on energy issues." "Now China and Japan are now working on schedules of energy chiefs' meeting," the spokesman said. Abe hoped the upcoming dialogue would help step up the cooperation on energy-saving and environmental protection.

People's Daily, 6 December 2006

**Pakistan says not concerned at Sino-India ties**

Pakistan said on Tuesday it is not concerned at the growing ties between India and China. "No one should be surprised over relations between China and India as the two are big countries," Foreign Minister Khurshid Mahmood Kasuri said. Talking to a private TV channel here on Tuesday, Kasuri said India and China are undoubtedly big countries and their economies are fast growing. "Therefore one should not be surprised over their relations," he said. "However we should see that Sino-India relations do not create negative impact on our country," said Kasuri. The foreign minister expressed optimism over the last month Pakistan-India talks at foreign secretaries level in New Delhi. He admitted that stalemate was created on the bilateral talks following the deadly Mumbai blasts in August. "However the deadlock in talks has been removed, which is a welcoming sign," he said.

People's Daily, 6 December 2006

**FM spokesman urges all sides to continue work for resumption of six-party talks**

All the relevant parties should make further efforts and have further flexibility so as to create favorable conditions for the early resumption of the six-party talks on Korean nuclear issue, said Foreign Ministry spokesman Qin Gang. China always hopes to resolve the nuclear issue through peaceful negotiations and dialogues, and insists to solve relevant issues through the six-party talks, Qin said at a regular press conference here Tuesday. He said China still looks forward to an early resumption of the talks despite no settled schedule, which needs negotiations and consensus from all sides, and will continue to make efforts...

People's Daily, 7 December 2006

**Russia-China-India pipeline being discussed**

SHANGHAI: An oil pipeline running from Russia to India via China is under active consideration following an initiative put forward four years ago, an industry expert said yesterday. "The project is very likely to succeed," said Xia Yishan, a senior research fellow with the China Institute of International Studies, at the Third Sino-Russo-Kazakh Oil and Gas Forum in Shanghai. Xia, who is an expert in the National Energy Leading Group and has been actively involved in big oil and gas projects in the country, said several options are under discussion about the contours of the pipeline. One is for it to run from Russia to Altay in the Xinjiang Uygur Autonomous Region in Northwest China, climb the Tianshan Mountain, and extend south to Kunlun Mountain till it reaches India. "India is the most active party in the project," Xia said. "China, as the country through which the pipeline will pass, will also benefit" by getting a financial return as a transit country and possibly securing cheaper oil...

People's Daily, 7 December 2006

**Six-party talks to be discussed in China, Japan, ROK leaders' meeting in Philippines: FM official**

The six-party talks will be one of the issues to be discussed in the 7th annual meeting of leaders of China, Japan and the Republic of Korea (ROK), to be held in Philippines in mid-December, according to Chinese Assistant Foreign Minister Cui Tiankai. "It will be natural for Chinese, Japanese and ROK leaders to exchange views on the six-party talks, as it is a issue of common concern and the three countries are all involved in the talks," said Cui at a press conference here Wednesday on Chinese Premier Wen Jiabao's upcoming visit to Philippines for a series of meetings from Dec. 11 to 14. The meetings, to be held in Cebu City of Philippines, will include the 10th ASEAN (Association of Southeast Asian Nations) plus Three (China, Japan and the Republic of Korea) summit, the 10th China-ASEAN summit, and an east Asian regional summit, as well as the 7th China, Japan and ROK leaders' meeting...

People's Daily, 7 December 2006

**China supports ASEAN to take leading role in east Asian cooperation**

China supports the Association of Southeast Asian Nations (ASEAN) to take a leading role in the process of promoting east Asian cooperation, said Chinese Assistant Foreign

Minister Cui Tiankai. Cui made the remarks on Wednesday in a briefing on Premier Wen Jiabao's attendance to a series of summits to be held from Dec. 11 to 14 and Wen's official visit to the host country, when asked whether the United States would be involved in the upcoming summits. These summits would mainly involve the ASEAN, China, Japan and the Republic of Korea. Cui said the current reality of east Asian cooperation is driven by the common needs of all countries within the region and is in the interest of all of them...

People's Daily, 8 December 2006

**China-Australia nuclear energy cooperation serves peaceful purposes: FM spokesman**

The Chinese government on Thursday said its nuclear energy cooperation with Australia serves peaceful purposes. "China-Australia cooperation on nuclear energy serves peaceful purposes and common interests," Foreign Ministry spokesman Qin Gang said at a press briefing held in Beijing. Both China and Australia were signatories to the Nuclear Non-proliferation Treaty (NPT) and members of the International Atomic Energy Agency (IAEA), Qin said. "As a responsible country, China will honor its commitments and observe the relevant international treaties," he said.

People's Daily, 8 December 2006

**China seeks to build political trust through joint military exercises**

A Chinese defense official has said China's rising military strength is not a threat as it is seeking to improve political trust with foreign forces through exchanges and joint military exercises. "China holds a defensive policy. We'll never take part in any military bloc and never station any military force overseas," said Qian Lihua, deputy director of the ministry's Foreign Affairs Office, in an interview with China Central Television. He cited Sino-U.S. joint military exercises in November, the first in the two countries' history, as proof of the lack of evidence for U.S. accusations of a lack of transparency in China's military...

People's Daily, 8 December 2006

**ASEAN, China can build stronger partnership: official**

The Association of Southeast Asian Nations (ASEAN) and China have many potential areas to explore to further step up their existing partnership, a Malaysian official said in Kuala Lumpur on Thursday. "I believe there are many possible areas of collaboration between China and ASEAN, more specifically in the energy, water and communications sectors," Malaysian Energy, Water and Communications Minister Lim Keng Yaik said. Since the initiation of reform and opening-up policy more than 20 years ago, China's economy has been growing fast, Lim told the ASEAN-China Business Forum 2006 which opened here on Thursday. "Coupled with that, the Go Global policy of China has also push Chinese businesses to seek global markets and they are very successful too in this endeavor," he told the two-day event. With the fast growing economy, however, China's energy landscape has changed rapidly in recent years and it is becoming a major energy consumer, he said...

People's Daily, 9 December 2006

**China approves new five-year program for western development**

China has developed a new five-year program for western development aiming to realize sound and fast economic growth in the region. The 11th five-year program for 2006-2010 period was approved by the executive meeting of the State Council presided over by Premier Wen Jiabao here on Friday. According to the program, new breakthroughs are expected to be made in infrastructure construction and ecological protection in the five-year period. That includes improvements to the transportation network and water facilities. China launched the western development strategy in 2000 to boost economic growth in the impoverished region. The government adopted policies to encourage investors to invest in the west. The lack of infrastructure has become a major barrier to investment...

The Hindustan Times, 10 December 2006

**Some area of Arunachal being negotiated: Chinese ambassador**

After kicking off a row with his controversial remarks about territorial claim over Arunachal Pradesh, Beijing's envoy to India, Sun Yaxi, on Sunday night claimed "some area" of the northeastern state was being negotiated between the two countries. Talking to the media in Chandigarh, he said some area in Arunachal Pradesh was being "negotiated" between the two countries. Claiming that the border area between India and China was "not demarcated", Sun said "only a mutually acceptable solution" was the sole solution to resolve border dispute between the two neighbours. "All border issues must be resolved through friendly consultations and mutually acceptable solution," he said adding border issues should not come in the way further strengthening bilateral ties. Pointing out that eight rounds of talks had already taken place between India and China on the border issue, the envoy said "five rounds of confabulations have produced good guiding principles to settle the border issue."...

People's Daily, 11 December 2006

**China, Pakistan to launch joint anti-terror military exercise**

China and Pakistan will launch a joint anti-terror military exercise from Dec. 11 to Dec. 18 in Pakistan, military sources said in Beijing Sunday. The military exercise, code-named "Friendship-2006", is aimed to fight terrorism, strengthen the cooperation between China and Pakistan in the field of non-traditional security and safeguard the peace and stability of the region. The military exercise is carried out under an agreement between the defense ministries of China and Pakistan. It is not targeting any third party and shall not impair interests of other countries, said the Defense Ministry of China.

The Hindu, 11 December 2006

**Chinese troops arrive in Pakistan for exercises (Nirupama Subramanian)**

ISLAMABAD: A contingent of Chinese soldiers arrived in Rawalpindi on Sunday to take part in a 10-day joint military exercise with Pakistan focussing on anti-terror operations, the Pakistan military said. "The focus of exercises will be to mutually benefit from each others experience in planning and conduct of anti-terrorist operations," the military said in a statement. The exercises were aimed at strengthening the existing bonds of friendship between the armies of the two countries, according to the statement. Named Friendship

2006, this is the second time the two militaries are conducting joint exercises, but the first in Pakistan. The exercises will commence on Monday. According to some media reports, the exercises will take place in Pakistan's troubled north-west, where it has been engaged in operations against the Al-Qaeda and Taliban as a key player in the U.S.-led "war on terror"...

People's Daily, 11 December 2006

**International focus on how U.S., DPRK would alter strategic thinking: article**

As there has been a fresh flurry of diplomatic consultations aimed at resuming the six-party talks, the international focus is not on a starting date, but on how Washington and Pyongyang would change their strategic thinking, said an article recently carried by China's Outlook weekly magazine. Both the Democratic People's Republic of Korea (DPRK) and the United States are demonstrating some measures of flexibility in the run-up to the talks on the nuclear issue of the Korean Peninsula, thanks to China's active mediation and reconciliation efforts of other parties concerned, said the signed article. "But the real focus of international concerns this time round is not on a specific date for restarting the talks, but on whether the DPRK and the United States have already begun to readjust their policy thinking from the strategic perspective, how the process would evolve and to what an extent this kind of readjustment would be done," the Outlook article said...

The Indian Express, 16 December 2006

**India to overtake China in 2007: Study**

New Delhi, December 15: India is set to surpass China as the fastest-growing economy in Asia next year on the back of increasing consumer demand and public investment in infrastructure, global research firm Credit Suisse has said. In its December forecast, the firm upgraded India's economic growth rate to 9.5 per cent in 2006 from 8.5 per cent projected in September this year. The economy would grow by 10 per cent in 2007 and 10.5 per cent rate in 2008, it added. "Our most significant growth upgrade for 2007 is in India from 8.5 per cent to 10 per cent, surpassing China to become the top growth performer in the region," Credit Suisse research analyst Dong Tao said in the report...

People's Daily, 16 December 2006

**China to cooperate with other countries to safeguard int'l energy security: Premier Wen**

Chinese Premier Wen Jiabao said Saturday in Beijing that China would cooperate with other countries to safeguard international energy security. "China is willing to cooperate with other countries in developing and exploiting energy resources, especially in energy conservation, improvement of energy efficiency, development of alternative energy resources and environmental protection concerning energy utilization, and contribute to maintaining the stability and security of international energy supply," Wen said. Wen made the remark in his meeting with Indian Minister of Petroleum and Natural Gas Murli Deora, Japanese Economy, Trade and Industry Minister Amari Akira, ROK Minister of Commerce, Industry and Energy Chung Sye Kyun and U.S. Secretary of Energy Samuel w.Bodman, who were in Beijing to attend a five-country energy ministers meeting convened on Saturday together with their Chinese counterpart...

People's Daily, 16 December 2006

**DPRK delegation arrives in Beijing for six-party talks**

A delegation of the Democratic People's Republic of Korea (DPRK) arrived in the Chinese capital Saturday morning for the second phase of the fifth-round six-party talks. The DPRK delegation is headed by Kim Kye-gwan, DPRK's vice foreign minister. Kim said upon his arrival that the DPRK was not optimistic about the outlook of the upcoming round of talks, and the United States should change its hostile policy towards the DPRK to a peaceful co-existence policy...

People's Daily, 17 December 2006

**Sino-Pak anti-terrorism exercise enters into second stage**

Code-named "Friendship-2006", the eight-day China-Pakistan joint anti-terrorism exercise entered into the second stage on Sunday after four days of weapons and expertise display in a hilly area of northern Pakistan's Abbottabad. Under the subject of "anti-terror operation in mountainous terrain", Sunday's exercise includes command post exercise, and exercise with troop, which involves raids, ambushes, cordoning, searching and annihilation. The joint operation was initiated on Dec. 11 and will continue to Dec. 18, with participation of hundreds of army officers and soldiers from both sides. China and Pakistan conducted the joint exercise with an aim to enhance communication and understanding between the two armies in anti-terror operation, step up the cooperation in non-traditional security fields and maintain regional peace and stability as well...

People's Daily, 18 December 2006

**Six-party talks on Korean Peninsula nuclear issue resumed**

Chief negotiators of the six-party talks on the Korean Peninsula nuclear issue gathered at the Diaoyutai State Guesthouse Monday morning, initiating a new round of negotiation on the denuclearization of the Korean Peninsula. Chinese Vice Foreign Minister Wu Dawei, also head of the Chinese delegation presided over the talks, which was launched at 11:00 a.m. at the Diaoyutai State Guesthouse. Heads of the six delegations, namely, China, the Democratic People's Republic of Korea (DPRK), the United States, the Republic of Korea (ROK), Japan and Russia, attended the opening ceremony. Addressing the opening ceremony, Wu appreciated the "constructive" efforts the six parties and their respective government have made for the resumption of the talks...

China Daily, 18 December 2006

**US tells N.Korea to get serious about nuke talks**

Top US envoy Christopher Hill has called on North Korea to "get serious" about ending its nuclear weapons programs, as six party talks on the issue were set to resume after a year's delay. Upon arrival in Beijing, Hill said he was prepared to meet one-on-one with his North Korean counterpart Kim Kye-Gwan, who Saturday voiced pessimism over the talks and accused the United States of a "hostile policy." "What the DPRK (North Korea) needs to do is to get serious with denuclearization," Hill said Sunday. "If they get serious with denuclearization, a lot of good things can happen ... if they do not get serious about denuclearization such things will go away." A series of bilateral meetings between the six parties -- hosts China, the two Koreas, the United States, Russia and Japan -- were held

Sunday ahead of a welcoming banquet, Chinese officials said. Following the banquet, Hill said he would likely meet with Kim in a bilateral meeting on Monday, with other diplomats saying the likely topic would be US sanctions that led to North Korea walking out of the talks last year...

People's Daily, 19 December 2006

### **Pakistan, China joint anti-terror military exercise concludes**

China and Pakistan have traditional friendship ties and their armies are also friends of all weather, said a Chinese military chief Monday at the conclusion of the eight-day Pakistan-China Joint Exercise Friendship-2006. "For many years Pakistan and China have focused on economic development and regional stability. At the same time, we are confronting the three evil forces, terrorism, extremism and separatism. China is ready to conduct anti-terrorism with Pakistan to construct the area of lasting peace and mutual prosperity," said Lieutenant General Lu Dengming, Chief of Staff of the Chengdu military region of the Chinese People's Liberation Army (PLA). The Pakistani army is highly professional outfit and he and other members of his entourage and the participating troops are highly impressed with the professionalism, dedication and commitment of the Pakistani troops during conduct of joint exercise friendship 2006, Lu told a group of journalists in Rawalpindi, some 30 kms south from Islamabad. Speaking on the occasion, Lieutenant General Tariq Majid, Corps Commander Rawalpindi said that Pakistan-China Joint Exercise, Friendship-2006, "is a manifestation of our resolve that Pakistan and China stand united to fight and eliminate the menace of terrorism, which is affecting the entire fabric of human society" ...

People's Daily, 19 December 2006

### **Control over key industries 'crucial'**

What are the key sectors critical to national security and the economic lifeline of China? The answer, given yesterday, is: armaments, power generation and distribution, oil and petrochemicals, telecommunications, coal, aviation and shipping industries where the State must have "absolute control," according to a senior official. It was the first time an explicit list was released of "strategically important sectors," whose definition has been vague since the late 1990s. "State capital must play a leading role in these sectors, which are the vital arteries of the national economy and essential to national security," State Assets Supervision and Administration Commission (SASAC) Chairman Li Rongrong said yesterday. "In these sectors, State-owned assets should expand in volume and optimize in structure, and some key enterprises should grow into leading world businesses." Li is today scheduled to address a press conference arranged by the State Council Information Office to explain SASAC's progress and reform of State-owned enterprises (SOEs)...

China Daily, 20 December 2006

### **China, India expedition to find sources of two big rivers**

New Delhi - A team of Indian and Chinese scientists will embark on a joint expedition in the Himalayas to find out the exact sources of two of Asia's biggest rivers, an official said Tuesday. The scientists will set off in April 2007 to the remote Mount Kailash peak in Tibet, where the Brahmaputra and Sutlej rivers are believed to originate. "The experts

will spend one month in Tibet to study the glaciers which feed the two rivers and trace their exact source," said H.P.S Ahluwalia, president of the Indian Mountaineering Federation (IMF). The federation and the Beijing-based Chinese Academy of Sciences will sign a memorandum of understanding on the agreement in New Delhi Thursday...

People's Daily, 20 December 2006

### **China says negotiations "deepening" in nuclear talks**

Chinese Vice Foreign Minister Dai Bingguo hosted a banquet on Tuesday evening for the envoys attending the six-party talks on Korean Peninsula nuclear issue, saying the negotiations are "deepening" despite twists and turns in the talks. Dai urged the parties concerned to show sincerity and make utmost efforts to take pragmatic steps in realizing denuclearization on Korean Peninsula and normalization of bilateral relations. But Dai underlined complexity of the nuclear issue, saying "it is natural that some fluctuations and difficulties come up" in the nuclear disarmament talks. The six-party talks entered the second day of negotiations Tuesday, which resumed in Beijing on Monday after a 13-month hiatus, but with analysts predicting that negotiations will be tough...

People's Daily, 20 December 2006

### **Sino-Japanese talks to narrow differences**

China and Japan will jointly launch a history study next week in Beijing, the first of its kind. The move is to narrow differences and improve bilateral ties. The two sides have each appointed a 10-member team to take part in the two-day meeting, starting from December 26. Agencies quoted Japanese Chief Cabinet Secretary Yasuhisa Shiozaki as saying the two teams, comprising scholars in history, international politics and diplomacy, will be headed respectively by Chinese modern history scholar Bu Ping and Japanese former United Nations ambassador Shinichi Kitaoka...

China Daily, 20 December 2006

### **Report: China currency not manipulated**

Washington - The Bush administration said Tuesday that China does not meet the technical requirements of a country that is manipulating its currency to gain unfair trade advantages. The administration did say Tuesday that "more flexibility in China's exchange rate will help it achieve more balanced growth" and promote a number of other outcomes that would be economically beneficial. But in the report it is required to deliver to the US Congress every six months, the administration said that no country met the "technical requirements for designation" as a currency manipulator. Such a designation could trigger negotiations that could ultimately lead to trade sanctions. The new report was released four days after a US Cabinet delegation led by Treasury Secretary Henry Paulson concluded high-level talks in Beijing aimed at resolving the root causes of America's growing trade deficit with China...

People's Daily, 21 December 2006

### **China Focus: Six-party nuclear talks score "new consensus", to continue till Friday**

The ongoing six-party talks on the Korean Peninsular nuke issue will be extended to Friday despite "new consensus" achieved through intensive negotiations. "Six chief negotiators agreed to continue the talks on Thursday and Friday," Chinese Foreign

Ministry spokesperson Jiang Yu told reporters on Wednesday evening. "We feel it is worth continuing this discussions," Assistant U.S. Secretary of State Christopher Hill told reporters at the hotel late Wednesday. Formally known as the second phase of the fifth round since 2003, the talks resumed on Monday after a 13-month suspension and involved China, the Democratic People's Republic of Korea(DPRK), the United States, the Republic of Korea, Japan and Russia. "New consensus has been reached in the resumed talks thanks to all parties' arduous efforts," Chinese Foreign Minister Li Zhaoxing said in a meeting with six chief negotiators Wednesday afternoon...

People's Daily, 21 December 2006

### **China, Kazakhstan ink 13 cooperation deals, pledge to develop strategic partnership**

China and Kazakhstan issued their bilateral cooperation strategy for the 21st century and a blueprint for economic cooperation in Beijing on Wednesday afternoon. The two sides also signed 11 cooperation agreements covering trade, energy, science and technology, culture and education. The documents were signed after Chinese president Hu Jintao held talks with his visiting Kazakh counterpart Nursultan Nazarbayev. The two leaders agreed that China-Kazakhstan cooperation has developed to a "very high level". Bilateral relations are a priority in the respective foreign policies of the two nations, they said...

China Daily, 21 December 2006

### **N.Korea nuclear talks explore possible deal**

Beijing - Six-party talks on scrapping North Korea's nuclear weapons were set to gain momentum on Thursday after the chief US negotiator raised guarded hopes of agreement by week's end on preliminary steps toward that goal. Assistant Secretary of State Christopher Hill said US and North Korean negotiators were fleshing out plans to set in motion a joint statement from September 2005. That promised North Korea aid and security assurances in return for nuclear disarmament. "Certainly we are talking about much more than just agreeing on things on paper. We're discussing actual developments on the ground, and for that reason these discussions are not easy," Hill told reporters late on Wednesday...

People's Daily, 22 December 2006

### **New land rules system to be enforced**

The Ministry of Land and Resources (MLR) is to introduce a nationwide land regulatory system a move expected to safeguard arable land and curb overheated investments in fixed assets. A total of nine regional bureaux directly answering to the MRL central office will begin work shortly, according to sources. The bureaux will be located in Beijing, Shanghai, Shenyang, Nanjing, Jinan, Guangzhou, Wuhan, Chengdu and Xi'an. The Shanghai and Beijing bureaux have already been set up, the rest are in various stages of being organized. Each bureau will be responsible for land use within its jurisdiction. For example, the Beijing bureau covers the capital city, Tianjin, Hebei, Shanxi and the Inner Mongolia Autonomous Region. Li Yuan, deputy minister of the MLR, said yesterday inspectors will oversee land protection in the provinces or municipalities, ensuring that local policies and measures conform with national laws and regulations.

People's Daily, 22 December 2006

**S.Korean FM says China's role in six-party talks positive**

South Korean Foreign Minister Song Min-soon said on Friday that China plays a positive and efficient role in the six-party talks on the nuclear issues on the Korean Peninsula. Song made the remarks when meeting with Chinese Ambassador to South Korea Ning Fukui. The South Korean government is grateful for the Chinese government's positive role in the six-party talks and hopes that China could continue to play such a key role in the future, Song said. Ning said China and South Korea have maintained good cooperation during the on-going six-party talks and expected that the two nations could make more contributions to the denuclearization on the Korean Peninsula...

People's Daily, 23 December 2006

**China holds state-level anti-terrorist exercise**

China launched Saturday morning the country's third ever state-level anti-terrorist exercise, involving both military and civil departments. The exercise, dubbed Great Wall No. 3, began at 10 a.m. in Qingdao city in east China's Shandong Province but was coordinated from Beijing. The exercise, based on terrorist attack scenarios, focused on the city's emergency response and its capacity to mobilize anti-terrorism forces. Zhou Yongkang, State Councilor and Minister of Public Security, who commanded the drill, said that the exercise was a means of testing emergency security systems in advance of the 2008 Beijing Olympic Games. China held a state-level anti-terror drill dubbed "Great Wall 2003" in Sep. 2003 and "Great Wall No. 2" in Jan. 2006..

People's Daily, 23 December 2006

**Six-party nuclear talks recess, issuing chairman's statement**

The six-party talks on the Korean Peninsula nuclear issue recessed on Friday afternoon after issuing a chairman's statement. The recess came after five days of negotiations in Beijing by six delegations, namely, China, the Democratic People's Republic of Korea(DPRK), the United States, the Republic of Korea, Japan and Russia. The chairman's statement said the six parties agreed to implement the joint statement of September 19, 2005 as soon as possible "in a phased manner". Under the joint statement, the DPRK agreed to abandon its nuclear program in exchange for economic aid and security guarantees. The chairman's statement was announced by China's top negotiator Wu Dawei, with five other top envoys standing beside him...

People's Daily, 24 December 2006

**Japan to promote exchanges with China to boost mutually beneficial ties: Abe**

Japanese Prime Minister Shinzo Abe said in a Japan-China friendship organization paper that Japan would promote exchanges with China in 2007 to build strategic bilateral ties for mutual benefit. Next year marks the 35th anniversary of normalization of the Japan-China diplomatic relations, Abe said in a New Year address published Saturday in the organ paper of the Japan-China Friendship Association. He noted that efforts would be made to boost the bilateral relations to a new level through activities surrounding "the cultural and sports exchange year." "The destination of my first foreign visit as prime minister was China," Abe said in the paper named "Japan and China". The realization of the visit means that "both countries value the relations and acknowledge the necessity of

frank dialogue and exchanges"...

People's Daily, 25 December 2006

### **China, Japan pledge continued efforts to further bilateral ties**

China and Japan on Monday pledged continued efforts to push forward the development of relations between the two countries and agreed that there is now a good momentum for the bilateral relationship. In a telephone conversation, Chinese Foreign Minister Li Zhaoxing and his Japanese counterpart Taro Aso agreed that the overall bilateral relationship now maintains a good momentum for improvement and development. That conforms to the fundamental interests of the two countries and peoples and is also conducive to peace and development in the region and the rest of the world, they said. The two ministers agreed that China and Japan should continue to work together to promote the further development of bilateral relations...

People's Daily, 25 December 2006

### **Subsidy net to cover all rural poor**

For the first time the country's entire rural residents living in abject poverty can expect the State to cover their subsistence allowances, thanks to the government's latest move to narrow the disparities between cities and rural areas. The establishment of the wide-ranging subsistence allowance system was announced at the annual central rural work conference, which ended in Beijing on Saturday. This follows the implementation of such a system in the cities, and a pilot project in some rural areas for nearly a decade, experts said yesterday...

People's Daily, 26 December 2006

### **Power firm starts work on nuke plant**

China Huaneng Group, the nation's largest power company, officially launched the construction of its first nuclear power plant using high temperature gas-cooled reactors yesterday. It signed an agreement with China Nuclear Engineering & Construction (Group) Corporation (CNECC) and Tsinghua University to set up a new company for the operation of the plant. The Shidaowan plant, which is located in Rongcheng, East China's Shandong Province, will have a capacity of 200 MW (megawatts). The total investment is 3 billion yuan (US\$384 million). Under the agreement, China Huaneng will fund 47.5 per cent of the investment, while CNECC and Tsinghua University will contribute 32.5 per cent and 20 per cent respectively...

People's Daily, 26 December 2006

### **Rich-poor divide serious, study finds**

About 90 per cent of Chinese believe the polarization between the rich and poor is "serious" in China, according to a survey. And more than 80 per cent of the respondents surveyed said something must be done to narrow the expanding gap between the rich and poor, while 14.1 per cent said it was unnecessary. The China Youth Daily, which conducted the survey together with Sina.com, reported that more than half of the respondents said the Chinese should stick together despite the widening gap. The polarization has aroused wide concern among the public in recent years. While the white collars in Beijing are planning a New Year trip to Hong Kong or Thailand, many others

are trying to scrimp and save and worrying about increasing costs in medical care and food. The State Development and Reform Commission said the Gini Coefficient, a measure of income inequality, had reached 0.47 for China, up from 0.29 two decades ago. Usually, a country with a ratio exceeding 0.4 is warned to pay more attention to the inequality issue...

China Daily, 27 December 2006

**Strategic approach needed to mend ties (Yang Yi)**

China-Japan relations are not only important to the two countries but have regional and global significance as well. It is therefore necessary to approach the China-Japan relationship from a strategic perspective. Asia, and Northeast Asia in particular, is faced with traditional security threats more than other areas of the world, while it is also up against non-traditional security threats such as terrorism. The desperate acts of the secessionist elements in China's Taiwan Province, for example, could lead to military conflicts across the Taiwan Straits. The tension triggered by the nuclear issue of the Democratic People's Republic of Korea (DPRK) could get out of control. China and Japan, in spite of their disputes and feuds, have common interests in maintaining peace across the Taiwan Straits, and a stable and nuclear-free Korean Peninsula. Furthermore, the increasing interdependence of the Chinese and Japanese economies is vitally important to promoting growth...

The Hindu, 27 December 2006

**'Treasures of ancient India' exhibition opens in Beijing (Pallavi Aiyar)**

Beijing: The India-China Friendship year formally came to a close on Tuesday with the inauguration of an exhibition of over 100 Indian antiques here. Speaking on the occasion, the visiting Indian Minister for Culture and Tourism Ambika Soni said the message of this Friendship Year has been "that our (Sino-Indian) friendship needs to be harnessed for realising the full potential of our bilateral ties." She stressed that the momentum generated by the Friendship Year must be kept going. "While a curtain had now fallen on the Sino-Indian Friendship Year, new curtains must go up," she said. The exhibition, the largest ever of its kind being held in China, is titled the "Treasures of ancient India: exhibition of Indian civilisation" and will be on display for two months at the Capital Museum. Most of the exhibits are travelling outside India for the first time and Ms. Soni said that this fact was an indication of the importance the Indian Government gives to its ties with China...

People's Daily, 28 December 2006

**China to issue white paper on national defense**

A senior official with the Information Office of the State Council on Thursday said the Chinese government will on Friday issue a white paper reviewing China's national defense situation in 2006. Cai Wu, director of the Information Office of the State Council, said at a press conference that the white paper will provide a comprehensive picture of China's national defense and military modernization drive over the last two years. It is China's fifth white paper on national defense since 1998.

People's Daily, 28 December 2006

### **History study moves to Japan in March**

Chinese and Japanese academics, seeing glimmers of hope, agreed to meet in Tokyo in March to try to narrow differences on historical issues. The first joint study session, which did not touch upon any specific issues but laid the groundwork for future working processes and topics, concluded yesterday in Beijing. Describing the meeting as "serious, frank and friendly," Shinichi Kitaoka, the head of the Japanese 10-member team, said it was a good beginning. Three more sessions are scheduled. The second session will last three days. The third round will take place next December, with the last one in June 2008, when the outcome of the study is expected to be released. Representatives from Beijing and Tokyo will chair the meetings in turn...

Taipei Times, 28 December 2006

### **Chen's in-laws jailed for insider trading (Rich Chang)**

President Chen Shui-bian's son-in-law Chao Chien-ming was sentenced to six years in jail yesterday by the Taipei District Court, while Chao's father, Chao Yu-chu, received eight years and four months in jail. The Chaos were found guilty of insider trading in connection with the Taiwan Development Corp scandal and other illegal deals. The father and son were also fined NT\$30 million (US\$927,000) each. The Chaos and other defendants may appeal the ruling to the Taiwan High Court. In its ruling yesterday, the Taipei District Court said: "They used their political influence to intervene in big business and political affairs. Illegal lobbying and insider trading were the methods they used." They had shown no regret for their actions and heavy sentences were appropriate, the ruling said...

China Daily, 29 December 2006

### **Defense spending at US\$35B for 2006**

Both the total amount and per-serviceman share of China's defense expenditure is low compared with those of some other countries, particularly major powers, says the White Paper on China's National Defense in 2006 issued in Beijing Friday. According to the White Paper, in 2005, China's defense expenditure equaled 6.19 percent of that of the United States, 52.95 percent of that of the United Kingdom, 71.45 percent of that of France and 67.52 percent of that of Japan. China's defense expenses per serviceman averaged 107,607 yuan (around US\$13,450), amounting to 3.74 percent of that of the United States and 7.07 percent of that of Japan...

China Daily, 29 December 2006

### **Japan visit date 'still to be fixed' (Le Tian)**

The Foreign Ministry said yesterday Chinese leaders would visit Japan at a convenient time next year, but stopped short of confirming a report which said Premier Wen Jiabao would visit Tokyo in April. "China and Japan have agreed in principle Chinese leaders will visit Japan at a time convenient for both sides," the ministry spokesman Qin Gang said at a regular news briefing yesterday. "But the specific date for the visit has yet to be set through diplomatic consultations." A Japanese newspaper Nihon Keizai Shimbun reported on Wednesday that Wen is set to visit Japan in April - the first such visit in more than six years...

People's Daily, 30 December 2006

**Draft property law equally protects private, public ownership**

The country's top legislature yesterday decided to submit the draft property law and corporate income tax law for voting at the next full session of the National People's Congress (NPC) in March. The decision, made at the 25th session of the NPC's 10th Standing Committee, pushes the marathon legislative process of the controversial property law to the last lap after seven readings. No previous law has had more than five readings. The property bill had its first reading in 2002 and was withdrawn from the NPC full session in March amid worries the draft might undermine the legal foundation of the socialist system public ownership. If passed in March, it will be the country's first law to protect both public and private ownership...

People's Daily, 30 December 2006

**Document lays out China's defence policies**

China conducted a comprehensive analysis of its security environment for the first time in a key policy document on Friday, saying the country still faces challenges, such as the struggle to oppose and contain separatist forces for "Taiwan independence." The White Paper on national defence, the fifth of its kind issued by the Chinese Government since 1998, also illustrated Beijing's nuclear strategy for the first time and offered a fresh picture of the defence build-up of its coast and borders. Zhang Bangdong, chief of the foreign affairs office with the Ministry of Defence, said the most interesting part of the 10-chapter document is that China's national military policy is purely defensive in nature...

People's Daily, 30 December 2006

**Chinese embassy celebrates Eid-ul-Qurban, hailing Sino-Pakistan friendship**

The all-weather friendship between China and Pakistan has marched to the new heights, Chinese Ambassador Zhang Chunxiang said at a reception on Friday in Islamabad. The reception was held by the Chinese embassy in Pakistan to celebrate the forthcoming traditional Muslim festival of Eid-ul-Qurban. Zhang said: "The exchange of visits and frequent meetings between the top leaders of the two countries have strongly promoted the development of the bilateral relations, enabling both sides to achieve new progress with respect to the exchanges and cooperation in the field of politics, economy, culture, technology etc., and the all-weather friendship between China and Pakistan has marched to the new heights. " He recalled that the year of 2006 marked the 55th anniversary of the establishment of diplomatic relations between China and Pakistan, for which both sides held various grand activities of celebration and the top leaders of the two countries exchanged their visits...

People's Daily, 31 December 2006

**China's six most prominent key military maneuvers in 2006**

1. This year the People's Liberation Army (PLA) concluded its first long-distance overland maneuver. The mechanized infantry brigade from the Shenyang Military Area Command played the role of the "Red Army" and trekked more than 1,000 kilometers to the designated combat area, where they launched a fierce attack on the "Blue Army", an

armored brigade from the Beijing Military Area Command. Chinese military experts who were invited to direct and assess the exercise said that the exercise led the way for more cross-regional, long range training maneuvers to be undertaken by Chinese ground troops. It was a positive start to the army's move towards the use of information-technology in military training...

People's Daily, 31 December 2006

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People's Daily, 31 December 2006

### **Chinese defense minister hails Sino-U.S. military ties**

China and the United States have expanded the areas for bilateral military exchanges and cooperation, and bilateral military ties have enjoyed further development in 2006, said Chinese Defense Minister Cao Gangchuan Sunday. Cao, also vice-chairman of the Central Military Commission and state councilor, made the remarks when meeting with a delegation from the Armed Services Committee of the U.S. House of Representatives, headed by congressman Roscoe Bartlett. Calling China and the United States two influential countries with "extensive" common strategic interests, Cao said to maintain healthy development of relations between the two countries as well as the two armed forces meets the fundamental interests of both sides. In 2006, the two armed forces have kept frequent high-level visits and conducted regular academic exchanges, he added...