

People's Daily, 1 June 2006

### **China supports Arab states' initiatives on Palestine-Israel issue: official**

Beijing, May 31: The Chinese government supports the peace initiatives proposed by Arab states to resolve the Palestine-Israel issue, said Chinese State Councilor Tang Jiaxuan in Beijing Wednesday. Tang said China stood for a solution of the Middle East issue through negotiations on the basis of relevant U.N. resolutions and the principle of land for peace "China will as always support the just cause of the Arab people for national legitimate rights," Tang said. Addressing the on-going Second Ministerial Meeting of China-Arab Cooperation Forum, Tang said greater Sino-Arab coordination on major international and regional issues would help maintain peace and stability in the Middle East, the Asia Pacific region and the world. He said the forum had become an important mechanism to enhance China-Arab dialogue and cooperation. The Chinese government hoped to step up cooperation and promote the China-Arab partnership within the framework of the ministerial forum, he said...

People's Daily, 1 June 2006

### **Secessionist 'security report' slammed**

Beijing, May 31: Beijing yesterday condemned Taiwan leader Chen Shui-bian for his continued push for secession, the latest instance of which is the island's first-ever "national security report." The report, commissioned by Chen and released on May 20, says the mainland poses a "military threat" and vows to safeguard Taiwan's "sovereignty." In line with Chen's long-standing call for "Taiwan independence," it pledges to rebuild the island's "national identity" while internationalizing the Taiwan question. Li Weiwei, spokesman for the Taiwan Affairs Office of the State Council, described the document as "a systematic sum-up of secessionist propositions" by Chen and his Democratic Progressive Party (DPP) administration. "With slander and attack against the mainland, the report attempts to alienate compatriots across the Straits and provoke confrontation," he told a regular press conference in Beijing's first official comments on the report. Li said the document fully demonstrates Chen's "obstinate insistence on a pro-independence stance" as well as his "attempt to sabotage peace across the Straits." "It also exposes the Taiwan leader's evil motive in diverting public and media attention from people's livelihoods and economic and social issues," he told reporters. Taiwan media reports said the "security report" is apparently meant to help ease mounting pressure on Chen, who has been plagued by a series of scandals involving his family members...

People's Daily, 1 June 2006

### **Chinese official pledges to forge close ties with Zimbabwean province**

Beijing, May 31: A visiting Chinese delegation pledged on Wednesday to forge close ties with Mashonaland East province, which lies about 80 kilometers southeast to the country's capital of Harare. "I have seen some areas for possible cooperation," said Wang Yunze, head of the delegation from the Chinese People's Association for Friendship with Foreign Countries, when he visited farms in the province. Wang said he would inform the Chinese government on the possible areas for cooperation and assistance. Mashonaland East Governor Ray Kaukonde, who accompanied the delegation on the tour, commended the Chinese for their interest in supporting Zimbabwe's local government institutions. The Chinese delegation arrived in Harare on Monday for a three-day goodwill visit to Zimbabwe.

People's Daily, 1 June 2006

### **US should rethink its attitudes to China-Tao Wenzhao**

In its Report on the Military Power of the People's Republic of China 2006, which was issued on May 23, the US Defence Department again exaggerates China's defence expenditure and military strength, passes a wanton judgment on China's strategic intentions and continues to trumpet the "China threat." The report, together with various other US documents coming out in recent years, combine to point to one thing: profound misgivings and worries about China's growth. Without clearing away these fears, a bumpy road lies ahead for Sino-US relations. US journalists Richard Bernstein and Ross Munro are the most articulate in their book "The Coming Conflict with China," which was published in the mid-1990s. They argue that China's goal is to eventually replace the United States as the most influential player in Asia and that China is Uncle Sam's rival in many respects because its interests are diametrically opposed to those of the United States. This school of thought has the ear of some US decision-makers and is subscribed to by researchers from influential US think-tanks, despite the fact that some far-sighted Americans expressed different opinions in the debate on the United States' China policy in the mid-1990s...

People's Daily, 2 June 2006

### **New ministry recommended to handle energy challenges**

Beijing, June 1: The government's think-tank and the World Bank have both recommended China set up a cabinet

ministry to oversee energy security. The Development Research Centre of the State Council and the bank made the recommendation yesterday in a bid to improve energy co-ordination and supervision, and meet the challenges ahead. They listed China's energy challenges as soaring consumption, the impact on the environment, an inefficient decision-making process, poor efficiency and growing exposure to the global market. "While considering reform in the energy sector, we strongly recommend that consideration be given to re-establishing a Ministry of Energy," the report, published by the two organizations yesterday, said. The recommendation follows the central government setting up a vice-ministry-level energy office last year, following its dismantling of the Ministry of Energy in 1993, and the setting up of the Energy Bureau in 2003. Facing China's huge changes in the energy sector, the Development Research Centre concluded that re-establishing an energy ministry is an urgent task...

People's Daily, 2 June 2006

### **China supports all efforts to resolve Iran nuclear issue through diplomatic talks: FM**

Beijing, June 1: China supports all the efforts conducive to the resolution of the Iran nuclear issue through diplomatic negotiations, said Chinese Foreign Minister Li Zhaoxing on Friday. Li talked with his Iranian counterpart Manouchehr Mottaki on the phone, and the two exchanged views on the latest development of the nuclear issue. U.S. Secretary of State Condoleezza Rice said on Wednesday that Washington would join the European countries in talks with Iran over its disputed nuclear issue if Tehran suspends uranium enrichment activities. Chinese Foreign Ministry spokesman Liu Jianchao said at a regular press conference on Thursday that China welcomes the U.S. offer.

People's Daily, 2 June 2006

### **China, Arab nations sign action plan**

Beijing, June 1: China and the Arab League nations yesterday agreed to work together on energy and counter-terrorism measures as part of their drive to build a new partnership. Both sides place heavy emphasis on energy co-operation particularly over oil, natural gas and renewable power according to an action plan issued in the wake of the second ministerial meeting of the China-Arab Co-operation Forum, which concluded in Beijing yesterday. "China and the Arab countries will encourage their enterprises to increase mutual investment and set up joint ventures in the energy sector," said the document which was signed by Foreign Minister Li Zhaoxing and Arab League Secretary-general Amre Moussa. The first oil meeting between China and the Arab countries will be held some time between 2006 and 2008, according to the plan. The Arab countries are China's largest crude oil supplier. Last year 55.36 million tons of crude were imported from Arab countries, 43.7 per cent of the nation's total oil imports...

People's Daily, 2 June 2006

### **China's FM calls for implementation of Sudan peace deal**

Beijing, June 1: China's Foreign Minister Li Zhaoxing said in Beijing Thursday that the Chinese government hopes the peace deal signed between the Sudanese government and the main rebel faction in Sudan's western region of Darfur will be implemented soon. "China appreciates and supports the positive results achieved by the Sudanese government and people in realizing national reconciliation," Li told his Sudanese counterpart Lam Akol who is in Beijing for a five-day visit. "We hope the relevant peace deal would be implemented soon so that Sudan can realize full peace and development," Li said. Early last month, the Sudanese government and the Sudan Liberation Movement faction led by Minni Arkou Minawi signed a peace agreement. Lam Akol said Sudan welcomed the international community to participate in the economic construction in southern Sudan and the Darfur region. He also expressed his hope that Sudan would receive more international assistance for its peace and development.

People's Daily, 2 June 2006

### **China welcomes U.S. offer to talk with Iran over nuclear issue: FM spokesman**

Beijing, June 1: China welcomes the U.S. offer that it would join talks with Iran over the Iranian nuclear issue, said Chinese Foreign Ministry spokesman Liu Jianchao in Beijing Thursday. U.S. Secretary of State Condoleezza Rice said on Wednesday that Washington would join the European countries in talks with Iran over its disputed nuclear issue if Tehran suspends uranium enrichment activities. Liu made the remark when asked to comment on Rice's statement. "China supports all efforts conducive to resolving the Iranian nuclear issue peacefully through diplomatic means," Liu said. He said China has always held that talks between the parties directly involved in the issue will create important and favorable conditions for resolving the Iranian nuclear issue...

People's Daily, 3 June 2006

### **China, Africa summit to strengthen relations: South African deputy foreign minister**

Beijing, June 2: The China-Africa summit to be held in China in November will strengthen the growing China-Africa relationship, said visiting deputy foreign minister of South Africa Aziz Pahad on Friday. The relationship would cover political, economic, cultural and people-to-people contacts, said Pahad. He said China's new Africa policy, the visit by Chinese President Hu Jintao to Africa in April and the coming visit by Chinese Premier Wen Jiabao to Africa had brought a dynamism to relations. Pahad said the purpose of his visit was to consolidate relations between South Africa and China. Next year would be the 10th anniversary of South Africa-China diplomatic relations, which had helped economic relations between South Africa and China grow considerably, Pahad said. He said South African investment in China was higher than China's investment in South Africa, and South Africa hoped to see greater direct investment from China in South Africa. The two sides had been working very closely on the African agenda and also cooperated closely in the issues like the UN reform, the Iran issue, and the North Korean issue, Pahad said.

People's Daily, 3 June 2006

### **Senior Chinese, German lawmakers exchange views on bilateral ties**

Beijing, June 2: Vice President of the German Bundestag, the lower house of parliament, Gerda Haselfeldt met with vice-Chairman of China's top advisory body on Thursday to exchange views on boosting bilateral ties. Zhang Siqing, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, spoke highly of the development of relations between China and Germany. He said that frequent high-level visits have enhanced bilateral trade, and broadened and deepened cooperation and communications in the fields of culture, technology and science and so on. Chinese President Hu Jintao's state visit to Germany last year and German Chancellor Angela Merkel's visit to China last month especially further prompted Sino-German ties, Zhang said. The Chinese government has attached great importance to relations with Germany and been willing to work jointly with the German government to push forward all-roundly their partnership by keeping high-level contacts and strengthening political dialogue, the Chinese lawmaker noted. Zhang expressed his appreciation that the German government has always stuck to the one-China policy...

People's Daily, 3 June 2006

### **China-Pakistan cooperation contributes to world peace, development**

Beijing, June 2: Pakistan has brought tangible benefits to the two peoples and contributed to international peace and development, said top Chinese political advisor Jia Qinglin in Beijing Friday. "Since the two countries established diplomatic relations 55 years ago, China and Pakistan have carried out all-round cooperation and maintained close coordination in international and regional affairs," said Jia, chairman of the National Committee of the Chinese People's Political Consultative Conference. Jia made the remarks at a reception marking the 55th anniversary of China-Pakistan relations. The chief reason for the long-term good relations between the two countries lies in the fact that both sides conduct cooperation on the basis of five principles of peaceful coexistence, said Jia, also a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee...

China Daily, 5 June 2006

### **Japan to end freeze on China aid loan**

Tokyo, June 4: Japan mulls lifting the freeze on aid loans to China for fiscal 2005 in a strong push to rectify its crippled foreign policy plagued by faltered ties with neighboring China. The move on the part of Japan is apparently aimed at giving a boost to mending the soured sino-Japanese relationship, after Chinese Foreign Minister Li Zhaoxing agreed last month on the sidelines of the fifth ministerial meeting of the Asia Cooperation Dialogue in Doha to promote exchanges in economic, defense and other areas. Li Zhaoxing said at the May meeting that the Chinese government has attached great importance to developing Sino-Japanese friendship and is ready to promote good-neighborly and cooperative ties with Japan based on drawing on lessons from the history and looking to the future. Koizumi's repeated visits to Yasukuni Shrine which honors 14 top war criminals has made the bilateral relationship at the ebb...

People's Daily, 5 June 2006

### **Philippine vice president kicks off China tour**

Beijing, June 4: Vice President of the Republic of the Philippines Noli de Castro arrived in Beijing on Sunday morning, kicking off a six-day official visit to China. The Philippine vice president was invited by Chinese Vice President Zeng Qinghong. During his stay in Beijing, Chinese Premier Wen Jiabao will meet de Castro and Zeng

will hold talks with him. Besides Beijing, de Castro will also visit Nanjing, capital of east China's Jiangsu Province and Shanghai, China's economic hub.

People's Daily, 5 June 2006

### **China urges WTO, APEC members to accelerate Doha negotiations**

Beijing, June 4: As a responsible WTO member, China wants, along with other members, including those in the Asia-Pacific Economic Cooperation (APEC), to facilitate the Doha Round so it can be completed by the end of 2006, gaining positive and balanced results to build an open, fair, proper and non-discriminatory multilateral trading system, Chinese Commerce Minister Bo Xilai said Friday in Ho Chi Minh City. The Chinese Minister made the remark at the two-day Meeting of APEC Ministers Responsible for Trade wrapping up on Friday in southern Ho Chi Minh City of Vietnam. In the Doha Round, agriculture is of great importance, Bo said, stating that the negotiations could not succeed if the current global farm product trade status did not change. The United States and Europe should keep on trying to substantially slash agriculture subsidies and tariffs, making active contributions to the success of the Doha Round...

People's Daily, 5 June 2006

### **China, Cambodian parties vow to strengthen cooperation**

Beijing, June 4: The leaders of China and Cambodian political parties on Saturday in Phnom Penh vowed to further strengthen their cooperation. Say Chhum, a member of the Permanent Committee of the Central Committee of Cambodian People's Party (CPP) and Nheik Bun Chhay, FUNCINPEC party's secretary-general, on Saturday separately met with visiting Chinese party delegation headed by He Yiting, deputy director of the Research Office of the Central Committee of the Communist Party of China (CPC). The leaders of Cambodia's two parties highly valued the Sino-Cambodian relations and the great progress made by China in various fields during the period of its 10th five-year plan. They also thanked the Chinese government and the people for their sincere assistance and support for the country's reconstruction and development in both social and economic sectors. Say Chhum and Nheik Bun Chhay reaffirmed that the ruling CPP and FUNCINPEC parties will continue to stick to the one China policy and to further develop the traditional friendly and cooperative relationship between Cambodia and China...

People's Daily, 6 June 2006

### **China supports Rwanda to strive for national reconciliation, stability: top legislator**

Beijing, June 5: China supports the Rwandan government to maintain stability, promote national reconciliation and relieve poverty, said Chinese top legislator Wu Bangguo on Monday in Beijing. Wu, chairman of the Standing Committee of China's National People's Congress (NPC), made the remarks when meeting with a delegation of the Rwandan parliament led by Speaker of Senate Vincent Biruta. Wu said China-Rwanda relations have witnessed sound and stable development in recent years since the establishment of diplomatic ties 35 years ago. The two sides share deepening political mutual trust and maintain smooth cooperation in such fields as trade, agriculture and infrastructure construction. China appreciates Rwanda's firm adherence to the one-China policy and values their traditional friendship, he said, adding he hopes the two sides can work jointly to promote bilateral relations...

People's Daily, 6 June 2006

### **Chinese vice president pledges to promote cooperation with the Philippines**

Beijing, June 5: China is ready to enhance friendly exchanges and cooperation with the Philippines, said Vice President Zeng Qinghong on Monday. Zeng made the remarks during the talks with Vice President of the Republic of the Philippines Noli de Castro, who arrived on Sunday morning on a six-day official visit to China. Zeng said China and the Philippines enjoy traditional friendship and have achieved great progress in the development of bilateral relations since forging diplomatic ties 31 years ago, with fruitful cooperation in economy, trade, education and culture. Zeng said China, the Philippines and Vietnam have made progress in the joint exploitation of the South China Sea, making a historical contribution in terms of turning the water area into a field of friendship and cooperation. Zeng hoped that China and the Philippines would maintain high level exchanges, increase friendly exchanges in various fields and deepen the strategic cooperation between the two nations, in an effort to promote the China-ASEAN (the Association of Southeast Asian Nations) relations and the cooperation between East Asian countries...

People's Daily, 6 June 2006

### **Portuguese president promises to boost cooperation with China**

Beijing, June 5: Portuguese President Anibal Cavaco Silva said Monday in Lisbon that his country would further

boost cooperation in the fields of trade, culture, science, and technology with China and strengthen communication and coordination with China in international affairs. Silva made the remarks during a meeting with Wang Zhaoguo, the visiting vice chairman of the Standing Committee of China's National People's Congress (NPC). Silva said Portugal greatly valued its relations with China and would continue to adhere to the one-China policy. For his part, Wang said Sino-Portuguese cooperation in such fields as politics, economy and trade, culture, and education had been constantly improving. "The recent establishment of a strategic partnership between China and Portugal has brought great prospects for bilateral relations," Wang said. Also on Monday, Wang held talks with Portugal's Parliament Speaker Jaime Gama...

China Daily, 7 June 2006

### **Official: SCO not an eastern version of NATO**

Beijing, June 6: The Shanghai Co-operation Organization (SCO) is not an oriental version of the North Atlantic Treaty Organization (NATO) as some claim, and it has no plans to become a military bloc, the organization chief said yesterday. The allegation that the SCO is an eastern equivalent to NATO is "totally groundless," said Zhang Deguang, the SCO's secretary-general, at a news conference in Beijing ahead of the organization's summit in Shanghai next week. "The SCO has never sought confrontation with any parties and its aims have nothing at all to do with becoming a military bloc," said Zhang. The organization will continue holding high the banner of peace, co-operation and openness, he added. The SCO, established in Shanghai in 2001, is a regional co-operation and security association comprising of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. India, Mongolia, Iran, and Pakistan are observers to the organization. The leaders of the four observer countries have been invited to attend next week's meeting, including Iranian President Mahmoud Ahmadinejad. But Zhang said the Iranian nuclear problem will not be the main issue at the SCO summit. "Given the regional nature of the SCO, I do not think the Iranian problem will be a priority," he told reporters. He added that observer countries would not have voting rights at the summit...

China Daily, 7 June 2006

### **China blasts US statement on 'Tiananmen incident'**

Beijing, June 6: China opposes the United States's rude interference into China's internal affairs by issuing a statement on the 1989 "Tiananmen incident", Chinese Foreign Ministry spokesman Liu Jianchao said on Wednesday. "The U.S. statement is a groundless criticism and attack on China," Liu Jianchao said in a statement. The U.S. State Department spokesman Sean McCormack on Sunday issued a statement on the "Tiananmen incident". "China has already had a clear-cut conclusion on the political disturbance that took place in China at the end of the 1980's," Liu said. Over the past years, China has witnessed social stability and economic growth, achieved important progresses in building democracy and legal system, Liu said. "The Chinese people enjoy all the human rights and freedom in line with the law," the spokesman said, adding the Chinese government and people will unswervingly pursue the path of building socialism with Chinese characteristics. China is strongly dissatisfied with and resolutely opposes the U.S. statement on 'Tiananmen incident', which severely violates the basic norms guiding international relations and wantonly interferes into China's internal affairs," Liu said. The spokesman asked the United States to seriously think about and reflect on how to deal with its own severe violation of human rights within and out of the United States...

China Daily, 7 June 2006

### **Japan's sensitivity on loans tapped**

Beijing, June 6: China feels regret that some Japanese make Japan's loans to China a sensitive issue, Chinese Foreign Ministry spokesman Liu Jianchao said in Beijing yesterday. At a regular press briefing, Liu said Japanese loans to China or Sino-Japanese capital cooperation should be a positive element of the bilateral relations, and it will do harm to both sides to make it "very sensitive" by some Japanese. Liu said the Chinese side welcomes Japan's declaration to attach importance to Sino-Japanese relations, but "attaching importance is not enough. We hope they can take sincere actions for the improvement and development of bilateral relations," he stressed. Japan made a formal decision yesterday to end its freeze on the annual disbursement of loans to China for fiscal 2005 through March, Kyodo News reported. The decision was made by a top decision-making panel on foreign aid strategy comprising Japanese Prime Minister Junichiro Koizumi, Foreign Minister Taro Aso and other Cabinet ministers, reports said. Koizumi told reporters that the decision had been made after an overall assessment of the situation, adding that he "always attached importance" to Sino-Japanese ties, Reuters reported...

People's Daily, 8 June 2006

### **China, U.S. hold defense consultations on closer ties**

Beijing, June 7:China and the United States on Thursday in Beijing held their eighth annual round of defense consultations on building closer military ties."We are here for the eighth defense consultative talks. I am told eight is a lucky number. In any case, this forum is one of the most important forums for the interactions between the two defense ministries," said Assistant to the U.S. Secretary of Defense Peter Rodman, who is leading the U.S. delegation.As head of the Chinese delegation, Zhang Qinsheng, assistant chief of the General Staff of the Chinese People's Liberation Army (PLA), said he believed "the one-day consultations would be very successful"."I can ensure you that our commitment to this forum at the undersecretary level continues because of the importance of this forum," Rodman said in the opening address."The improvement of our military-to-military relations is necessary because it is an important part of improvement of our overall relations," Rodman said.The annual consultations began in 1997, following an agreement between then-Chinese President Jiang Zemin and his U.S. counterpart Bill Clinton...

People's Daily, 8 June 2006

### **China's Minister of Commerce holds talks with EU Trade Commissioner**

Beijing, June 7:Chinese Minister of Commerce Bo Xilai held talks in Beijing Wednesday with visiting European Union Trade Commissioner Peter Mandelson. Both Bo and Mandelson made positive comments on the present Sino-EU trade and economic relations. They agreed that China and EU have become mutually important trade partners and the two sides should push forward bilateral trade and economic cooperation. Bo said that China is making greater efforts to protect intellectual property rights (IPR) and has taken measures to punish IPR violations more severely.The European Union should fully acknowledge China's new progress in IPR protection, said Bo, adding that his ministry is now establishing reporting centers on IPR violations nationwide. Mandelson, who has come at the invitation of the Chinese Ministry of Commerce, praised China's efforts and said EU is willing to cooperate with China in this area. Bo also told his guest that China is unhappy with EU's first ruling against Chinese shoemakers in the anti-dumping case. He urged EU to treat Chinese shoe companies "fairly and reasonably" in the final ruling. Mandelson responded that EU would take China's requirement seriously and actively consider making efforts to help qualified Chinese companies gain market economy treatment in the final ruling...

People's Daily, 8 June 2006

### **China, EU agree to maintain close communication on Iran nuclear issue**

Beijing, June 7:China and the European Union (EU) have agreed to maintain close contact on how to peacefully resolve the Iran nuclear issue through negotiations, according to a press release from the Chinese Foreign Ministry. The consensus was reached between Chinese Foreign Minister Li Zhaoxing and EU foreign policy chief Javier Solana when the two talked on the phone on Wednesday evening, said the foreign ministry release."Solana briefed Li about his talks with the Iranian side on the nuclear issue during his recent visit to Iran," the release said. Solana went to Tehran on Monday to present Iran with a package of incentives, which was agreed last week by the five UN Security Council permanent members -- Britain, China, France, Russia and the United States -- as well as Germany, in exchange for Iran's suspension of uranium enrichment...

People's Daily, 8 June 2006

### **Kyrgyz leader satisfied with ties, cooperation with China**

Beijing, June 7: Kyrgyz President Kurmanbek Bakiyev said he was satisfied with the current constructive and mutually trustful relations with China and has expressed hope the two nations can deepen their long-term, stable and mutually-beneficial partnership. In an interview with Chinese media, the president also said the high level of mutual trust between the two countries, which share a borderline of more than 1,000 km, has increasingly injected vitality into the development of bilateral ties. The two countries have supported each other over such key issues as sovereignty and territorial integrity and national security, and shared positions on many important political issues and on international economic cooperation, he said in the interview conducted ahead of a summit of the Shanghai Cooperation Organization (SCO).Kyrgyzstan hopes that ties between the two countries will achieve progress in such multilateral organizations as the United Nations and the SCO, he said. Economic cooperation should take a priority, the president said, noting that in recent years, bilateral economic and trade cooperation had developed rapidly in many fields, while China had invested more and more heavily in Kyrgyzstan...

China Daily, 9 June 2006

### **China to observe joint drill in Guam**

Beijing, June 8:China and the United States on Thursday held their eighth annual round of defense consultations on building closer military ties."This forum is one of the most important forums for the interactions between the two defense ministries," said Assistant to the U.S. Secretary of Defense Peter Rodman, who leads the U.S. delegation.Zhang Qinsheng, Assistant to the Chief of the General Staff of the Chinese People's Liberation Army (PLA), heads the Chinese delegation.As part of the growing China-U.S. military ties, Thursday's consultations came a month after a visit to China by Commander of U.S. Forces in Pacific William Fallon.During his visit, Fallon invited a Chinese delegation to observe a U.S. military exercise in Guam in June, the first invitation of its kind extended by the United States."This is a positive signal worthy of attention in China-U.S. military relations," said Yang Yi, director of the Institute for Strategic Studies, National Defense University of China.Chinese Foreign Ministry spokesman Liu Jianchao said on Thursday that China has accepted the offer to observe the exercise with the code name of "Valiant Shield 2006."...

China Daily, 9 June 2006

### **Little prospect of EU lifting China arms ban: UK**

Beijing, June 8:Britain said on Wednesday it saw little prospect of the European Union lifting its arms embargo on China in the near future. British Foreign Minister Margaret Beckett said there was still disagreement within the 25-member bloc. "There is no consensus within the EU so it seems to me it is not an issue likely to be decided in the near future," Beckett told a British parliamentary committee. Last year EU officials had worked on replacing the ban with a tightened code of conduct on arms exports to ensure weapon sales to China did not increase overall. European Commission President Jose Manuel Barroso said in April China had to make progress on human rights before the EU would lift the ban.

People's Daily, 9 June 2006

### **EU: Market economy status is on the way**

Beijing, June 8:China and the European Union (EU) appear to be moving towards China being granted market economy status, said visiting EU Trade Commissioner Peter Mandelson. "In the respect of the criteria (of market economy status), I believe China is heading in the right direction. I believe it should be possible to recall some progress in the autumn when this matter is reviewed," Mandelson told a press conference yesterday in Beijing.The EU criteria on full market economy status includes markers on the level of state intervention, bankruptcy legislation and accountancy law.And the union insists that China has not yet met all the criteria.The lack of market economy status has become the Achilles heel of Chinese exporters involved in anti-dumping investigations, because their production costs are not accepted.Mandelson suggested that officials from the two sides meet as soon as possible, to move forward on the issue."China has been looking at relations with the EU in overall and strategic terms and it is in the interests of both sides to further promote economic relations," said Vice-Premier Wu Yi, who met Mandelson yesterday.Mandelson said he considers China's resurgence "not as a threat, but as exciting and good for Europe," but he also called for China to further open its markets to European investors...

China Daily, 12 June 2006

### **China, Japan grope for rapprochement**

Beijing, June 11:Japan and China are seeking to lay the foundation for better relations when Junichiro Koizumi steps down as Japan's prime minister in September, according to Japanese officials and academics.Tokyo has reacted positively to remarks made by Hu Jintao, China's president, who was quoted as telling the new Japanese ambassador to Beijing at the weekend that he hoped to visit Japan if political relations improved. The reference to a possible visit was seen in Tokyo as the latest in a series of signs that both sides are fumbling for a way out of their diplomatic impasse.The last visit to Japan by a Chinese head of state was made by Jiang Zemin in 1998, since when top-level exchanges have been frozen. Relations between the two countries have deteriorated sharply during Mr Koizumi's five-year tenure, with Beijing largely blaming the prime minister's annual pilgrimages to the Yasukuni shrine, which honours Japan's war dead, including convicted war criminals.Mr Miyamoto quoted Mr Hu as telling him: "It is our hope that current political obstacles will be removed and the relations between the two countries will soon return to a path of healthy and stable expansion."Japan recently unfroze ¥74bn (\$649m, ?14m, ?352m) of loans to China, winning guarded praise from Beijing. Last month, Taro Aso, Japan's foreign minister, met Li Zhaoxing, his counterpart, on the sidelines of an economic conference in Doha, Qatar, the first such encounter in a year...

People's Daily, 12 June 2006

### **Ministers prepare for G8 summit**

Beijing, June 11: The discussion between finance ministers of the Group of Eight (G8) major economic powers and six other countries laid the groundwork for the upcoming top-level meeting of the G8 and some developing countries, China's top financial official said on Saturday. Russia is chairing the G8 presidency this year and will host a summit of G8 leaders in St. Petersburg in mid-July. Chinese Finance Minister Jin Renqing was joined by top financial officials from India, Brazil, Australia, South Korea and Nigeria at the discussion on Saturday with G8 finance ministers, who gathered here for a two-day meeting that focused on global economic growth and energy security. The ministers had an extensive dialogue on global economic prospects and discussed in detail ways to improve public finance management and achieve the Millennium Development Goals, the finance minister said. The finance ministers of China, Brazil and India also met in St. Petersburg to discuss ways to enhance dialogue between developing countries and the G8 or G7, Jin said. Earlier in the day, Jin met finance ministers of Germany and Nigeria to discuss bilateral economic and financial cooperation.

International Herald Tribune, 12 June 2006

### **China posts record trade surplus (David Barboza)**

BEIJING China said Monday that its trade surplus reached a record \$13 billion in May, raising the prospect of renewed trade friction with the United States and Europe. The huge trade gains are just the latest evidence of China's remarkable economic boom and the figures could create new pressure on Beijing to allow its currency, the yuan, to appreciate against other world currencies as a way of balancing global trade. After posting a record \$100 billion trade surplus in 2005, much of it with the United States and Europe, China said Monday that its surplus had already reached nearly \$47 billion in the first five months of this year, a period that is traditionally slower for exports than the second half of the year. The government said that in May, exports rose 25 percent to \$73 billion, while imports rose 22 percent to \$60 billion. The record trade figures come at a time when economists are growing increasingly worried that China's economy is beginning to show signs of inflationary pressure and overheating.

BBC News, 12 June 2006

### **China arms sales 'fuel conflicts'**

The human rights organisation Amnesty International has accused China of being one of the world's most secretive and irresponsible arms exporters. It says Chinese weapons helped fuel conflicts in Sudan, Burma and Nepal. Amnesty urged China to stop exports that could be used for human rights violations, and to publish information on its arms exports. China rejected the accusations, insisting it had strict safeguards to prevent any unethical sales of weapons. Amnesty challenged these safeguards in its report. "China describes its approach to arms export licensing as 'cautious and responsible', yet the reality couldn't be further from the truth," the author's report, Helen Hughes, said in a statement. "China is the only major arms exporting power that has not signed up to any multilateral agreements with criteria to prevent arms exports likely to be used for serious human rights violations." The report alleges that in 2005, Beijing shipped 200 Chinese military trucks to Sudan and that it is supplying the ruling military junta in Burma with weapons. The report also accuses China of selling rifles and grenades to Nepal's security forces at a time when there was a mass uprising against the monarchy by civilians.

People's Daily, 12 June 2006

### **Migrant workers contribute 16 pct of China's GDP growth in past 20 years**

China's migrant workers contributed 16 percent of China's gross domestic product (GDP) growth over the past 20 years, according to a report released by the UNESCO and the Institute of Sociology of the Chinese Academy of Social Sciences. The report, issued recently, showed that migrant workers made significant contributions in industries of construction, commerce, catering and urban environment cleaning. Currently, China has 120 million rural laborers working in cities and the figure is likely to reach 300 million by 2020. At least one third of the migrant workers are female with age ranging from 17 to 25. Zhan Shaohua, assistant research fellow of the Institute of Sociology of Chinese Academy of Social Sciences, said the promulgation of policies concerning migrant workers by the State Council earlier this year provides a guarantee for all-round protection of migrant worker's legitimate rights and interests, including their rights to getting on-time payment, social insurance, and the right of education for their children in cities.

People's Daily, 12 June 2006

### **U.S. Coast Guard cutter Rush makes first-ever port call to China**

The Honolulu-based U.S. Coast Guard cutter Rush arrived in east China's coastal city of Qingdao on Sunday afternoon, kicking off a five-day visit at the invitation of China's Ministry of Public Security (MPS). Rush is the first major Coast Guard vessel to visit China since World War II, according to Capt. Dana Ware, commanding

officer of Rush. The 115-meter ship and its crew of 190 were warmly welcomed by Chinese counterparts and local people upon its arrival at the Qingdao Pier. Major General Chen Weiming of the MPS Border Control Department and Vice Admiral Charles D. Wurster of the U.S. Coast Guard addressed the welcoming ceremony. During Rush's stay in Qingdao, the two sides will conduct professional law enforcement exchanges, which will serve to enhance international cooperation in the area of law enforcement at sea.

People's Daily, 12 June 2006

### **Taiwan's Chen faces recall vote**

Taiwan's opposition and ruling parties are readying themselves for a showdown this week, amid growing calls for scandal-hit "president" Chen Shui-bian to step down. The opposition plans to push for a referendum in the "parliament" to recall Chen over scandals involving members of his family. The island's biggest opposition Kuomintang party (KMT) and its smaller ally People First Party (PFP) have agreed to seek a recall motion against Chen in the "Legislative Yuan." "Lawmakers" are set to meet today to discuss whether to return from summer recess and hold an extraordinary "parliament" session, during which the opposition parties plan to initiate proceedings for the recall vote. A referendum on ousting Chen can only take place if two-thirds of Taiwan's 225-seat "parliament" approves the move. The opposition would need the support of 10 independent "lawmakers" and another 25 from Chen's ruling Democratic Progressive Party (DPP) to achieve the required majority which is considered unlikely by analysts. Ahead of a possible referendum to oust Chen, thousands of people took to the streets of Taiwan's capital city on Saturday, calling for his voluntary resignation for the second consecutive weekend.

People's Daily, 13 June 2006

### **SCO 'does not target any country'**

Military ties among member states of the Shanghai Co-operation Organization (SCO) are not designed to target any country, said a senior Foreign Ministry official yesterday. At a press conference ahead of Thursday's SCO summit in Shanghai, at which defence and military co-operation is expected to be one of the major subjects, Li Hui, assistant minister of foreign affairs, said defence co-operation was aimed at safeguarding regional stability, not intimidating other nations. Li, in charge of Euro-Asian affairs, said holding regular anti-terrorism exercises was part of the security and defence co-operation within the SCO. The organization, founded in 2001, has agreed to hold joint anti-terrorism exercises next year in the Volga-Ural military district of Russia. The drills will be the first to involve all six SCO member countries China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. "Such co-operation is strictly in line with the SCO's nature as a non-aligned organization which neither promotes confrontation nor targets any third country or organization," said Li. "Any further military co-operation among SCO member states is only meant to safeguard security, stability and peace in the region." Li said staging regular joint military exercises grew from the common aspiration of SCO members to fight the three evil forces of terrorism, secessionism and extremism, as well as maintaining regional security.

The Hindu, 13 June 2006

### **Shanghai group to sign pacts(Pallavi Aiyar)**

China welcomes Iran's participation; Ahmedinejad to address summit Mr. Li said the SCO was "broadening its influence and garnering international attention" Beijing: China on Monday called the upcoming summit meeting of the Shanghai Cooperation Organisation (SCO) on Thursday as "one of the most important diplomatic activities of the year." The organisation will celebrate its five-year anniversary on the day of the summit and according to China's Assistant Foreign Minister Li Hui, the event will demonstrate the SCO's rising international stature. Mr. Li told a news conference in Beijing that a large number of countries, both from Asia and elsewhere, have displayed interest in joining the group either as observers or permanent members. While he declined to give specific names, he stressed that this interest was indicative of the fact that the SCO was "broadening its influence and garnering international attention."

People's Daily, 13 June 2006

### **US Coast Guard arrives in Qingdao**

A US Coast Guard ship and its 190 crew have arrived in Qingdao, East China's Shandong Province, on a historic visit to improve international co-operation in maritime law enforcement. At the invitation of the Ministry of Public Security (MPS), the Honolulu-based US Coast Guard Cutter Rush arrived on Sunday and will stay until Thursday. The US Coast Guard said on Sunday in a statement that the 378-foot Rush is "the first major cutter to visit China since World War II." During the historic port call, Rush will engage in professional law enforcement exchanges

with the Border Control Department of the MPS, according to a statement released yesterday on the ministry's website. A forum on Sino-US co-operation in maritime law enforcement will also be held during the port call to foster mutual co-operation to combat drug trafficking and illegal immigration, and to enforce marine security and fisheries rules, according to the statement. Captain Dana Ware, the cutter's commanding officer, said he was "looking forward to the opportunity to collaborate with Chinese maritime safety and security professionals on issues of mutual importance."

People's Daily, 14 June 2006

### **Patience key to solve Iran nuke impasse**

China yesterday called for patience over the Iranian nuclear standoff, as Teheran studies an international proposal aimed at solving the issue. The Foreign Ministry urged all the key players to be patient and restrained as Iran's leaders analyze the proposal, drawn up by Britain, France and Germany, and approved by the US, China and Russia. "Now, there's a new opportunity for a peaceful solution to the Iranian nuclear issue through diplomacy and negotiation," newly-appointed ministry spokeswoman Jiang Yu told a regular news briefing. "China appreciates Iran's offer to seriously study the proposal, and hopes Teheran will respond actively to create favourable conditions for the resumption of talks," she said. The proposal includes both incentives aimed at persuading Iran to suspend uranium enrichment and possible sanctions if the nation chooses not to comply. "Only when dialogue is resumed can differences be solved," Jiang said. "We hope the parties concerned will remain patient and exercise restraint, which will help resume the dialogue."

China Daily, 14 June 2006

### **India seeks China help with nuke club**

India plans to seek the backing China as it bids to enter an elite club of nations allowed to trade in nuclear supplies, Indian defence minister said on Tuesday. New Delhi needs the approval of the 45-nation Nuclear Suppliers Group (NSG) to access atomic fuel and equipment as part of a landmark civilian nuclear cooperation deal agreed in principle with Washington last year. Chinese Premier Wen Jiabao said in March that China backs India's peaceful nuclear energy plans but wants nuclear weapon states to honour their obligations under the NPT. China is a key member of the NSG, an informal group which regulates global nuclear trade and bars supplies to countries -- like India -- that have not signed the nuclear Non-Proliferation Treaty (NPT). Indian Defence Minister Pranab Mukherjee, who visited China this month, said the government would get in touch with Beijing if its deal with Washington is approved by the U.S. Congress.

The Times of India, 14 June 2006

### **Trade through Nathula to begin on June 30**

GANGTOK: The long awaited-resumption of border trade between India and China through Nathula in Sikkim has been finally set for June 30. The date was finalised by the Commerce Ministry in New Delhi on June 7, Director of Commerce and Industries Department (Sikkim) S P Subba said on Tuesday. "The date, however, is subject to change considering the high altitude of Nathula (14,400 feet above sea level) and the proneness of the route to climatic vagaries including landslides", he said. Describing resumption of trade between the two Asian giants through the Himalayan pass as a historic event that will further cement bilateral ties between them, Subba said all the infrastructure needed to handle initial trade between the two neighbours was perfectly in place. Sino-Indian border trade through Nathula in East Sikkim is resuming after a gap of 44 years. In the beginning, however, trade between the two countries through Nathula will be localised and remain confined to the border area only, he said.

China Daily, 15 June 2006

### **President Hu meets with SCO summiters**

SHANGHAI: Heads of state from the six-nation Shanghai Co-operation Organization (SCO) will meet today to chart a path for the group's future, after President Hu Jintao yesterday hosted a series of commemorative activities and meetings. The one-day SCO summit, to be held at the Shanghai International Convention Centre, coincides with the fifth anniversary of the organization's founding on June 15, 2001 and the 10th of its prototype the Shanghai Five mechanism. While meeting his Tajik counterpart Emomali Rakhmonov yesterday afternoon, Hu said the summit is of great significance. "With joint efforts of each party, I believe the summit will achieve its goal of strengthening mutual trust, promoting unity and deepening co-operation," he said. The regional body grouping China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan is the first international organization with its headquarters in China.

People's Daily, 15 June 2006

### **China urges political commitment to six-party talks**

China calls on all parties concerned to deliver their political commitment to resume the six-party talks over nuclear issues on the Korean Peninsula, a senior Chinese diplomat said on Wednesday at the board meeting of the U.N. International Atomic Energy Agency (IAEA). Tang Guoqiang, Chinese ambassador to the Vienna Office of the United Nations, said that progress has been made through the six-party talks last year. Tang urged all parties to implement the joint statement adopted in September last year at the end of the fourth round of six-party talks and called for an early resumption of the talks. "All parties should adopt a constructive attitude," he said, adding that China has been actively mediating among the concerned parties and has recently exchanged views with the Democratic People's Republic of Korea (DPRK) and the United States.

China Daily, 15 June 2006

### **More flights over Taiwan Straits signal step forward (Le Tian)**

In an important step towards restoring regular flights across the Taiwan Straits, the Chinese mainland and Taiwan yesterday announced an expansion of cross-Straits air services. Chartered passenger flights across the Straits will now run during the Tomb Sweeping Festival, the Dragon Boat Festival and the Mid-Autumn Festival, in addition to the Lunar New Year holiday as previously agreed on. Six airline companies on each side will operate a combined 168 flights a year, according to an agreement between the mainland's Cross-Straits Aviation Transport Exchange Council and the Taipei Airlines Association. The new flights were immediately welcomed as an important step in building links across the Straits.

The Hindu, 15 June 2006

### **Hu firm on anti-terror efforts**

SHANGHAI: Chinese President Hu Jintao on Wednesday vowed to strengthen coordination and support for the work of the Shanghai Cooperation Organisation Regional Anti-Terrorism Structure (RATS). Mr. Hu made the remarks while meeting his Uzbek counterpart, Islam Karimov, who arrived in the Chinese economic hub on Wednesday to attend the SCO summit scheduled on Thursday. "To fight the 'three evil forces' including the 'East Turkistan' force and safeguard security and stability in the region is in the common interests of China and Uzbekistan, as well as all the other countries there," he said. Mr. Hu said Uzbekistan had made an important contribution to the successful start of RATS and to the important role played by it. RATS, headquartered in Uzbekistan's capital Tashkent, was opened in June 2004 with a mission to step up coordination among SCO member states and international organisations in combating the "three evil forces" of terrorism, separatism and extremism.

China Daily, 16 June 2006

### **SCO 'committed to peace, prosperity' (Xing Zhigang)**

SHANGHAI: The leaders of the Shanghai Co-operation Organization (SCO) yesterday reiterated their commitment to lasting peace and common prosperity. At the conclusion of the organisation's one-day summit, President Hu Jintao and his counterparts from Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan signed the Declaration on the Fifth Anniversary of the SCO, reaffirming their commitment. The paper elaborates on the member states' common stance on a host of international issues, while outlining prospects for the SCO. It was one of 10 documents endorsed at the summit, expanding co-operation in a wide range of areas including education, business, finance, information security and the battle against terrorism. The SCO members will join together to make the region "peaceful, co-ordinated in development, open, prosperous and harmonious," the declaration says. They will not join any alliance or international organization or allow the use of their territories in any way that could undermine the sovereignty, security and territorial integrity of other SCO members, it adds. The declaration also emphasizes that the SCO will continue to follow its principles of being open, non-aligned and not targeting any other country. It states clearly the SCO's hope of pursuing a new and non-confrontational model for international relations, a model that discards the Cold-War mentality and transcends ideological differences. In the declaration, the six countries express their support for the primary responsibility of the United Nations (UN) in international affairs.

People's Daily, 16 June 2006

### **Hu, Putin reaffirm Iran nuke stance**

SHANGHAI: President Hu Jintao and visiting Russian President Vladimir Putin yesterday reaffirmed their desire for a diplomatic solution to the Iran nuclear issue. Hu and Putin, meeting on the sidelines of the ongoing Shanghai Co-operation Organization (SCO) summit, agreed that relevant parties should "seize the opportunity" to promote a

peaceful solution to the stand-off over Iran's nuclear programme, referring to the package of incentives offered last week to persuade Teheran to suspend uranium enrichment. They also agreed that China and Russia would maintain communication and co-ordination on the issue. China, Russia, the United States and Europe have reached consensus on the package of incentives, which include an offer to provide Iran with nuclear technology to get it to step away from enriching uranium, and to bring Washington into direct talks with Teheran.

People's Daily, 16 June 2006

### **Washington sanctions on China firms 'irresponsible'**

Beijing yesterday criticized Washington for imposing sanctions on four Chinese companies allegedly involved in arms sales. Foreign Ministry spokeswoman Jiang Yu said the US action was "completely unreasonable and irresponsible." "We express our strong dissatisfaction and firm opposition," she told a regular news briefing. On Tuesday the US prohibited all transactions with four Chinese companies and one US company alleged to have helped Iran acquire weapons of mass destruction and the missiles capable of delivering them. Washington said the companies supplied Iran with missile-related and dual use components. Three of the Chinese companies are Beijing Alite Technologies Company Ltd, LIMMT Economic and Trade Company Ltd and Great Wall Industry Corporation. The company with US connections is China National Precision Machinery Import/Export Corporation, whose US representative is GW Aerospace Inc, based in California. "The US Government did not provide any evidence before they froze transactions on the four Chinese companies. This is completely unreasonable and irresponsible," said Jiang. She noted that proliferation of weapons of mass destruction threatens peace and security, and does not serve China's interests.

People's Daily, 16 June 2006

### **China hopes ties with Japan back on normal track: FM spokeswoman**

China reiterated on Thursday that it hopes China-Japan relations will return to normal at an early date. "We hope Japanese leaders to make a clear-cut decision and overcome political hurdles to create healthy and stable ties as soon as possible," said Chinese Foreign Ministry spokeswoman Jiang Yu. Jiang said China has always attached great importance to China-Japan relations. President Hu Jintao has said many times that the two nations should be committed to peaceful coexistence, long-term friendship, mutual-beneficial cooperation and common development, she said.

People's Daily, 16 June 2006

### **Chinese president arrives in Almaty for CICA Summit**

Chinese President Hu Jintao arrived in Almaty on Friday to attend the second summit of the Conference on Interaction and Confidence-Building Measures in Asia (CICA), which is to be held on Saturday. Hu will deliver a speech at the one-day summit in Almaty, a Chinese official said. At the meeting, the heads of state or government or their representatives of CICA members will discuss the regional situation and the ways to promote stability and cooperation in the region, sources said. The leaders will adopt a declaration at the end of the summit, the sources added. CICA, a forum aimed at increasing security in Asia, was initiated by Kazakh President Nursultan Nazarbayev, who called for its creation at the 47th UN General Assembly in 1992. CICA currently consists of 17 members -- Afghanistan, Azerbaijan, China, Egypt, Iran, India, Israel, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Palestine, Russia, Tajikistan, Thailand, Turkey, and Uzbekistan.

The Hindu, 17 June 2006

### **New phase in ties with India: Hu**

SHANGHAI: China-India relations have entered a "new phase" and Beijing is committed to forging a long-term strategic cooperative partnership with New Delhi, President Hu Jintao said here on Friday. "This is an established policy of the Chinese Government," Mr. Hu said during a meeting with Minister for Petroleum and Natural Gas Murli Deora on the sidelines of the Shanghai Cooperation Organisation summit here. This is a 'Year of Friendship' between China and India. The two countries would hold a series of meetings to enhance bilateral friendship and reciprocal cooperation, said Mr. Hu, who is also General Secretary of the ruling Communist Party of China. "I believe [that] with the joint efforts of our two sides, the relations between China and India will keep upgrading." Mr. Deora said the relations had developed smoothly over the years. Bilateral economic and trade cooperation was also growing rapidly. Both India and China were undergoing rapid development and New Delhi hoped to improve cooperation and coordination with Beijing to achieve common development.

People's Daily, 17 June 2006

### **Chinese firm denies involvement in Iran's missile program**

China's sole commercial satellite launch service provider China Great Wall Industry Corp. (CGWIC) said on Friday it strongly opposes the move by the United States to freeze its assets in the U.S. on groundless allegation that it provided support to Iran's missile program. "On June 13, 2006, the U.S. Department of the Treasury designated the CGWIC in the list of entities whose assets in the U.S.A. are blocked on account of so called CGWIC's provision of support to Iran's missile program," said the company in a statement made available to Xinhua late Friday. "The CGWIC hereby expresses strong dissatisfaction and firm opposition to this action," the company said. "The CGWIC has never rendered assistance to any country for any weapon of mass destruction program," the company said in the statement.

China Daily, 17 June 2006

### **Chinese delegation heads for US Guam military exercise**

A 10-member Chinese delegation left Beijing Friday morning, to observe a large-scale U.S. military exercise, at the invitation of Admiral William J. Fallon, commander of the U.S. Pacific Command. As part of exchanges between the two armies, the visit is good for the two sides to promote mutual understanding and trust, said a spokesman of the Ministry of Defense, adding that it also helps the two sides to learn from each other and promotes the development of the two armies.

China Daily, 17 June 2006

### **Strategic oil reserve due for completion (Wang Ying)**

China will complete construction of its first strategic oil reserve facility in Zhenhai, East China's Zhejiang Province, in August, a top energy official said in Beijing on Friday. "Three other sites in Dalian (Liaoning), Huangdao (Shandong) and Daishan (Zhejiang) are also under development," said Xu Dingming, director of the Energy Bureau under the National Development and Reform Commission (NDRC). But he refused to comment on when the pumping of crude oil into the Zhenhai reserve would begin. "Anyway, we would not let them (the oil storage facilities) remain unused," he said, adding he would not disclose whether the country would use imported or domestically produced oil. The Zhenhai facility will be able to hold 5.2 million cubic metres of oil. Minister Ma Kai of the NDRC said in March that China expected to start filling the Zhenhai storage facility by the end of this year. The three others would be filled "in due course" once their construction is completed in 2007 and 2008, Ma was quoted as saying in an AP report. Building strategic oil reserves is part of China's efforts to ensure energy safety while cushioning China against possible interruptions of foreign supplies, but some experts are concerned that the move might trigger a spike in an already volatile oil market if China imports oil to fill its reserves.

People's Daily, 18 June 2006

### **China, Egypt sign outline for deepening strategic ties**

Visiting Chinese Premier Wen Jiabao and Egyptian Prime Minister Ahmed Nazef on Saturday signed an implementation outline in Cairo for deepening strategic and cooperative relations between the two countries. The document said that Chinese Premier Wen Jiabao paid an official visit to Egypt on June 17-18 at the invitation of Egyptian Prime Minister Ahmed Nazef, and during the trip, the two countries had an in-depth exchange of views and reached consensus. According to the outline, the two sides are satisfied with bilateral fruitful cooperation in all areas and reiterated that they will continue to work to enrich and deepen Sino-Egyptian strategic and cooperative ties. They agreed to keep constant high-level exchanges of visits and other kinds of contact in order to strengthen consultation and coordination on bilateral ties and major regional and international issues, it said. It said that they will work to perfect the Sino-Arab Cooperation Forum and are willing to keep consultation on the buildup of the Sino-African Cooperation Forum in order to create all conditions for a complete success of the third ministerial-level meeting of the Sino-African Cooperation Forum to be held in Beijing in November this year, especially following Sino-African summit.

People's Daily, 19 June 2006

### **China, India to reopen border trade at Tibetan mountain pass**

China and India agreed on Sunday to reopen border trade at the Nathu La Pass on July 6 after 44 years' closure. Officials from both sides ended the discussion on the issue in Lhasa, capital of Tibet Autonomous Region, and signed on the agreed minutes on Sunday. The Natu La Pass is 4,545 meters above sea level. It is 460 kilometers away from Lhasa and 550 kilometers from the Indian coastal city of Calcutta. The pass used to be an important trade passage between China and India. The reopening of the pass is expected to give a major boost to bilateral trade between the two most populous countries. Trade in this area accounted for 80 percent of the total border trade

volume between China and India in the early 1900s. Trading through the pass was suspended in 1962 after border conflicts.

China Daily, 19 June 2006

### **Sino-African ties threat to none - Premier Wen**

Chinese Premier Wen Jiabao said on Sunday that China's ties with African and Latin American countries in a bid to expand trade and energy cooperation posed no threat to U.S. interests. Speaking at a news conference in Cairo at the start of a tour of seven African nations, Wen said China's foreign policy was based on mutual benefit, adding that his country would not interfere in internal matters such as human rights. "This attempt and efforts to develop relations are not directed at entering into any alliance, and will not compromise the interests of any other countries. I am confident that the U.S. government also recognises this," Wen said. He was speaking through an English interpreter. Wen is the third high-ranking Chinese official to visit Africa in six months. Western commentators and rights groups worry that China may obtain African resources. During the news conference, held after a meeting with Egyptian President Hosni Mubarak, Wen reiterated China's position on non-intervention. Wen said "We follow the principle of mutual respect, equality, mutual benefit and non-interference in others' internal affairs in our relations with African nations."

China Daily, 19 June 2006

### **Chemical plant blast kills 16 in Anhui (Guo Nei)**

A total of 16 people were killed in a chemical plant blast in East China's Anhui Province on Friday. Ten bodies were identified as workers, but the other six were burnt beyond recognition. The explosion at the Dun'an chemical plant in Dangtu County also injured 24 workers, who are now receiving treatment in local hospitals. Three of the injured workers are still in critical condition, the Anhui Daily reported. According to an initial investigation, the blast occurred on Friday afternoon at a workshop during powder mixing. The plant produces explosives for mining. The Dun'an chemical plant, owned by a corporation from East China's Zhejiang Province, has a production capacity of over 20,000 tons of explosives each year. It is thought that there were at least 4 tons of explosives in the workshop when the explosion happened. Clean-up work at the site has been completed, but the workshop was razed to the ground. Rescuers said that their work was difficult because there were combustible materials in the plant that might have caused further blasts.

The Hindu, 20 June 2006

### **Nathula Pass to be reopened on July 6 (Pallavi Aiyar)**

Beijing: After 44 years of guns drawn on the border, the trading route at Nathula Pass that links Sikkim with Tibet will finally be reopened for trade - the banter of merchants replacing the military speak of soldiers. At a meeting on Sunday of officials from both sides in Lhasa, the last remaining details of the event were smoothed out. The date for formal reopening has now been set for July 6. The decision has much symbolic significance. It establishes firmly China's recognition of Sikkim as part of India, a fact that Beijing had long denied. Moreover, it is a weighty addition to a series of confidence building measures that the neighbours had embarked on in recent years, and which have collectively ensured a steady warming of bilateral ties despite complicating issues such as China's continued military support to Pakistan.

China Daily, 20 June 2006

### **No 'selfish interests' in African deals**

China signed seven cooperation accords with the Republic of Congo as Premier Wen Jiabao reiterated to the press that Beijing had no "selfish interests" in pursuing deals in Africa. Wen was in the Congo on the third stop of a seven-nation swing tour around Africa, where China has pushed for investment deals, closer trade relationship, and more amicable political friendship. In Brazzaville, Wen said that in cooperating with the African continent, China is not seeking "selfish interests". The Chinese premier said that Beijing was operating under two principles: "reciprocal advantages and non-interference in Africa's internal affairs."

People's Daily, 20 June 2006

### **Delegation to watch US navy drills**

A 10-member Chinese military delegation is now in Guam to observe US naval exercises in the Pacific for the first time. The group, including three generals from the army, the air force and the navy of the People's Liberation Army as well as foreign affairs officials will witness the drills, dubbed "Valiant Shield 2006," scheduled for June 19-23. The exercises will involve three US aircraft carrier groups, 30 warships, 280 aircraft and 22,000 soldiers, according

to a Xinhua report. The visit of Chinese military officers was made at the invitation of Admiral William J. Fallon, commander of the US Pacific Command, during his visit to China last month. It is the first time that China has sent observers to watch exercises by American military in the territory of the United States. It is also the first time that China has been invited to observe exercises solely conducted by the US Army, reported Xinhua.

People's Daily, 20 June 2006

### **China, Afghanistan to step up security cooperation, presidents say**

The presidents of China and Afghanistan signed a treaty on friendly cooperation in Beijing Monday and pledged to strengthen cooperation on security matters. The two countries will exert joint efforts to fight the "three evil forces" of separatism, extremism and terrorism as well as transnational crimes, Chinese President Hu Jintao said in talks with his visiting Afghan counterpart Hamid Karzai before signing the treaty. "China will substantially implement the treaty in a bid to substantiate and cement China-Afghanistan all-round cooperative partnership," Hu said. Hu spoke highly of the progress of China-Afghanistan ties, expressing his appreciation for the Afghan government's emphasis on bilateral relations and its adherence to the one-China policy. He noted that, with the concerted efforts from both sides, the China-Afghan relations have progressed well since the establishment of the new Afghan government.

People's Daily, 20 June 2006

### **Pakistani president's visit to China will bring two countries closer: PM**

Pakistani Prime Minister Shaukat Aziz Monday said President Pervez Musharraf's visit to China will further strength relations between the two countries and help promote peace and prosperity in the region. He was referring to Musharraf's recent visit to China where he attended the Shanghai Cooperation Organization summit in Shanghai. During the summit, Musharraf held a meeting with China's President Hu jintao, at which both sides reaffirmed their resolve to strengthen their existing partnership in its all dimensions, particularly the economic sectors. According to a press release, Aziz told a group of members of National Assembly and ministers who called on him at his chambers in the Parliament House that China is a close friend and strategic partner of Pakistan. He said the president's visit will further expand cooperation between the two countries in diplomatic, political, economic, defense production and security and the energy sectors.

China Daily, 21 June 2006

### **China watches US Guam maneuvers**

As tensions with North Korea rise, three US aircraft carriers filled the skies with fighters Tuesday for one of the largest US military exercises in decades off Guam in the Pacific. For the first time ever, a Chinese delegation was invited to observe the US war games. As the show of American military power began, North Korea was rattling swords of its own. The maneuvers, dubbed "Valiant Shield," bring three carriers together in the Pacific for the first time since the Vietnam War. Some 30 ships, 280 aircraft and 22,000 troops will be participating in the five-day war games. The exercises are intended to boost the ability of the Navy, Air Force and Marines to work together and respond quickly to potential contingencies in this part of the world, US military officials said. Even US Coast Guard vessels were participating.

China Daily, 21 June 2006

### **Hu to attend dialogue with G8**

Chinese President Hu Jintao will attend a meeting of dialogues between the Group of Eight (G8) and developing countries in St. Petersburg in July at the invitation of his Russian counterpart Vladimir Putin. Chinese Foreign Ministry Spokeswoman Jiang Yu announced at a regular press conference here Tuesday that China maintains that the developed countries and the developing nations should collectively respond to the global challenges as equal partners in order to achieve a win-win outcome. According to Jiang, the dialogues will cover issues relevant to energy security, education, the development of Africa and the prevention and control of communicable diseases. The Chinese side hopes that the meeting will advance the positive progress of international cooperation in the relevant spheres in compliance with the principles of equality and mutual benefit, seeking common ground while reserving differences, and making active, substantial efforts and conducting cooperation so as to attain the win-win outcome.

People's Daily, 21 June 2006

### **FM spokeswoman: China firmly supports Asian candidates for UN secretary-general**

The Chinese government is firmly advocating the appointment of an Asian as the next UN secretary-general,

Foreign Ministry spokeswoman Jiang Yu said in Beijing Tuesday. The government believed that Asia had the ability to select a prestigious and competent candidate acceptable to the world community, Jiang said. The Indian government named Shashi Tharoor, a senior UN official, as its candidate to succeed UN Secretary-General Kofi Annan last Thursday. Asked to comment on India's candidate, Jiang said selection of next secretary-general is a major event of the United Nations and no Asian had held the post for 34 years. The Chinese government holds comprehensive consultations should be held on the selection of the next UN secretary-general, Jiang added.

People's Daily, 21 June 2006

### **China vows to raise China-Afghanistan cooperation "to a new level"**

China has vowed to implement the recent agreements reached between Chinese president Hu Jintao and visiting Afghan president Hamid Karzai in a bid to raise bilateral relations "to a new level". Top Chinese political advisor Jia Qinglin made the pledge in his talks with Karzai on Tuesday. He called China and Afghanistan "good neighbors with lasting mutual understanding and respect". Jia, who is the chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), also acknowledged that China-Afghanistan relations have witnessed extensive progress since the establishment of the new Afghan government. "The two state heads reached significant common understanding on the development of China-Afghanistan relations yesterday and China is willing make joint efforts with Afghanistan to further boost the partnership," Jia noted.

People's Daily, 22 June 2006

### **Largest ever maritime exercise held in China**

China's largest ever maritime search-and-rescue exercise, involving 400 people, 28 fleets, two helicopters and an aircraft, was carried out on Thursday in the waters near Dalian Port, northeast China's Liaoning Province. The exercise started when a "collision" between a passenger ferry and a cargo boat was reported at 10:30 a.m. and the National Maritime Rescue Emergency Plan was enacted immediately. The main elements of the exercise, including the rescue of 368 passengers and dozens of sailors, fire-fighting and cleaning up an oil spill, were completed in 90 minutes. By involving 24 departments including the maritime department, the rescue department and the navy, the exercise is a comprehensive test of China's newly-established national maritime rescue emergency system, said Vice Minister of Communications Xu Zuyuan. China's national maritime rescue emergency system was established in 2005 and the central government has also substantially enhanced investment in recent years.

People's Daily, 22 June 2006

### **Bush praises China's role in Korean Peninsula nuke issue**

US President George W Bush on Wednesday praised China for its efforts to resolve the Korean Peninsula nuclear issue. Answering a question at the closing press conference after the European Union (EU)-US summit in Vienna, Bush said he was "very pleased" that the Chinese government had always striven to contribute to the peace and stability of the Korean Peninsula. Bush said he favored the six-party talks on resolving the Korean Peninsula nuclear issue, and he was also "pleased" that China took a "responsibility" in the talks.

China Daily, 23 June 2006

### **China, India to hold fresh border talks**

China and India will hold fresh talks next week to resolve a decades-old border dispute, days after they agreed to resume frontier trade along a historic trade route, an Indian official said. India's National Security Adviser M.K. Narayanan and Dai Bingguo, China's vice foreign minister, will on Monday start two days of talks in Beijing on the dispute which led to a brief war in 1962, said the government official on condition of anonymity. Narayanan and Dai, who were appointed special representatives in June 2003 on the issue, held a previous round of talks in India in March. Narayanan said then that the discussions were moving in the right direction but it would take more sessions to resolve the issue. Chinese Prime Minister Wen Jiabao said during a visit last year that resolving the border dispute was a top priority after Narayanan and Dai signed an agreement setting the "guiding principles" for a pact.

China Daily, 23 June 2006

### **China 'open' to military exchanges with US**

China is "open" to military exchanges with the United States, and is willing to promote bilateral defense and security cooperation, said Chinese State Councilor Tang Jiaxuan on Thursday. Tang made the remarks when meeting with a delegation of the American Foreign Policy Council led by Richard Myers, former chairman of the Joint Chiefs of Staff of the U.S. armed forces. Tang said China, as a peace-loving country, always pursued a national defense policy, which is defensive in nature. The Chinese government was willing to work with the U.S.

side to expand exchanges and enhance mutual trust, so as to help maintain the peace, stability and prosperity of the Asia-Pacific region and the world as a whole. The two sides also exchanged in-depth views on Sino-U.S. relations and on Taiwan issue.

People's Daily, 23 June 2006

### **China expresses concerns over missile test report**

China has expressed its concern over the tensions surrounding the Democratic People's Republic of Korea's (DPRK) reported plan to test fire a long-range missile, urging relevant parties to do more to benefit regional peace and stability. Foreign Ministry spokeswoman Jiang Yu said China has taken note of the positions held by all parties and is very concerned about the current situation. "We hope the relevant parties act in a way conducive to peace and stability in the region," Jiang said yesterday in a regular press briefing. "Maintaining peace and stability in Northeast Asia remains the consistent position of the Chinese Government and we are willing to continue to make constructive efforts in this regard," she added. Jiang reiterated China's insistence on a nuclear-free Korean Peninsula and solving the nuclear issue through peaceful dialogue, saying the nation stands ready to work with relevant parties in the international community to press ahead with the process of the Six-Party Talks.

China Daily, 24 June 2006

### **US hopes China will reciprocate Pacific drill**

The United States wants China's military to reciprocate the access Washington has given the Chinese to American exercises and bases, senior Pentagon officials told US Congress on Thursday. The officials cited Chinese officers' attendance at the Valiant Shield naval exercise taking place in the Western Pacific near Guam as the type of invitation the Pentagon wants China's People's Liberation army to extend to U.S. forces. "We now wait for the next shoe to drop, to find out whether they will reciprocate, because it's not just about transparency, it's about reciprocity as well," Gen. John Allen, the Pentagon's principal director of Asia-Pacific Affairs told a Congressional hearing. One test of China's willingness to reciprocate would be whether Beijing invites U.S. officers to observe exercises by Chinese troops or by the Shanghai Cooperation Organization, Allen said.

China Daily, 24 June 2006

### **China signs Yen loan deal with Japan (Le Tian)**

China and Japan signed an agreement on Friday relating to Japanese loans to China for last year, a gesture that could help warm the icy relations between the two countries. Japan will offer 74.8 billion yen (US\$660 million) to China, according to the document signed by Vice-Foreign Minister Wu Dawei and Japan's Ambassador to China Yuji Miyamoto in Beijing. The loans will be used in 10 projects, involving environmental protection, human resource and education. Japan's cabinet traditionally approves yen loans during the fiscal year they are earmarked for. However, the procedure was put on ice last year due to the frosty state of relations between the two countries. Bilateral ties were strained because of friction over such issues as Japanese leaders' repeated visits to the Yasukuni Shrine which honours war criminals from World War II along with other war dead. Another thorny issue is the row over oil exploration in the East China Sea. Earlier this month, the Japanese Government decided to lift the freeze on aid loans amid signs of mutual efforts to ease tension.

People's Daily, 24 June 2006

### **China urges Japan to work with China to get ties "back on track"**

China on Friday called for Japan to make joint efforts with China to get bilateral relations "back on track". "We hope Japan will work with China to overcome the political obstacles and get bilateral relations back on track," Chinese State Councilor Tang Jiaxuan said in a meeting with Toranosuke Katayama, secretary general of Japan's governing Liberal Democratic Party in the House of Councilors. "It is in the fundamental interests of the two countries to maintain the sound development of China-Japan ties," Tang said, adding the sound bilateral ties are good for regional and world peace, stability and development. Chinese President Hu Jintao had explained China's policy on China-Japan relations on March 31 in a meeting with the heads of seven Japan-China friendship organizations. Hu made it clear that the major obstacle in China-Japan relations was the Japanese leaders' insistence on visiting the shrine which honors Japan's war dead, including 14 class A war criminals. "Hu's remarks signified the positive attitude China has displayed towards mending its ties with Japan," Tang said.

People's Daily, 25 June 2006

### **China unlikely to criminalise selective abortions**

China's legislature is unlikely to criminalize selective abortions of female fetuses as lawmakers with sharply

divided views deleted the article from a draft amendment before a final vote. On submission to the Standing Committee of the National People's Congress (NPC) for review, the first two versions of the draft amendment to the criminal law provided penalties of up to three years in jail, probation and fines for those involved in gender identification of embryos for non-medical purposes. But in the third version before a vote on the draft amendment on June 29, lawmakers removed the stipulation as "many controversies remain". According to the Law Committee of the NPC Standing Committee, some lawmakers and the National Population and Family Planning Commission in particular argued the rising imbalance of the newborn sex ratio was a complicated issue calling for a combination of solutions and putting it into the criminal law would just drive potential offenders underground. However, they believed criminal penalties should not be sacrificed just because of difficulties in evidence gathering.

People's Daily, 25 June 2006

### **Chinese Communist Party undergoes democratic reform to meet challenges**

While large-scale re-elections of local leadership of the Communist Party of China (CPC) are proceeding at provincial, municipal, county and township levels nationwide, some new methods have been employed to improve Party democracy in the process. Most noteworthy is the introduction of a new cadre appraisal system characterized with more democratic features, involving public opinion poll, political achievements analysis, face-to-face talk and comprehensive assessment, before the officials are elected or appointed. Sources with the Party organization departments said that the 2006-2007 re-elections, a major political event before the convening of the 17th national congress of the CPC, underscore guarantee of ordinary party members' right to know, to participate, to select and to supervise. Meanwhile, grassroots people outside the Party have also been granted a say in the campaign through public opinion polls.

People's Daily, 26 June 2006

### **Japan police killing of Chinese man concerns gov't**

The government has voiced serious concerns after Japanese police shot dead a Chinese man. Reports in the Japanese media said officers on patrol in Tochigi Prefecture, Japan, noticed two Chinese men behaving suspiciously on Friday afternoon. Stopped by the police, the pair allegedly attempted to grab the officers' guns, but the police shot one man in the stomach. He died shortly after arriving at hospital. The other man was arrested. Sources with the Chinese Foreign Ministry said the government was closely monitoring the case. On Saturday officials with the Consular Affairs Department of the Foreign Ministry lodged representations with the Japanese Embassy in China, and the Chinese Embassy to Japan has contacted the Japanese Foreign Ministry, noting the government's serious concern. Chinese officials have called for an immediate inquiry by Japanese authorities, keeping Chinese officials informed, to ascertain the truth and properly resolve the issue.

People's Daily, 26 June 2006

### **Chinese lawmaker calls for compulsory minority language education**

A senior Chinese lawmaker has suggested legally compelling bilingual education for ethnic minority children in order to help save the country's dwindling minority languages. "Minority children today are reluctant to learn their own ethnic languages, and if the trend continues, these languages will disappear," said Zhang Meilan, a member of the Standing Committee of the National People's Congress, or the top legislature. Zhang, one of the 960,000 Hani minority, made the comments on Sunday in an address to NPC lawmakers on the draft amendment to the Compulsory Education Law, which is in its final hearing. On Sunday, Zhang urged the legislature again to include an article in the amendment to make bilingual education compulsory for minority children in the nine-year free education from elementary school to junior high. The legislature is expected to vote on the draft amendment on Thursday. In China, the majority Han people live with 55 ethnic minorities, 70 percent of whom had their own written languages, Zhang said, and these minority languages should be passed on to future generations. An official survey released in April last year showed that nearly 40 minority languages in China are on the verge of extinction. The country is taking measures to save them such as publishing books and dictionaries and setting up audio databases.

People's Daily, 27 June 2006

### **Chinese, ROK FM hold talks in Beijing**

Chinese Foreign Minister Li Zhaoxing held talks with Minister of Foreign Affairs and Trade of the Republic of Korea (ROK) Ban Ki-Moon here Tuesday morning. The two sides exchanged views on bilateral relations and international and regional issues of common concern, according to the Chinese Foreign Ministry. Speaking highly of bilateral relations, the two sides agreed to continue making joint efforts to push forward the China-ROK all-

round partnership of cooperation. At the invitation of Li, Ban will stay in Beijing for a two-day working visit. Upon his arrival late Monday, Ban was reported to have said he planned to discuss matters including the early resumption of six-party talks and a plan of the Democratic People's Republic of Korea to test-fire a missile. During the meeting with Ban on Tuesday afternoon, State Councilor Tang Jiaxuan said all the relevant parties should keep to peaceful resolution of the Korean Peninsula issues through dialogues under such circumstances, and prevent from deteriorating the tense situation.

China Daily, 28 June 2006

### **No breakthrough reported in border talks**

Officials from India and China concluded three days of talks to resolve a decades-old border dispute, but announced no breakthrough. India's National Security Adviser M.K. Narayanan and China's Vice Foreign Minister Dai Bingguo wrapped up the eighth round of talks on Tuesday in Beijing, a statement from the Indian Embassy said Wednesday. Talks were also held in the western city of Xi'an, it said. The discussions were held in a "friendly, cooperative and constructive atmosphere," the embassy said, without elaborating. Narayanan also met separately with Chinese Premier Wen Jiabao and Chinese Foreign Minister Li Zhaoxing, it said. A date has yet to be set for the next round of border talks, which will be held in New Delhi, the Xinhua News Agency said.

China Daily, 28 June 2006

### **Premier Wen urges easing of tension**

China's Premier Wen Jiabao on Wednesday called for a peaceful solution to the missile and nuclear crises on the Korean peninsula, and said all sides should work to ease tensions. Wen made the comments to reporters after holding talks with Australian Prime Minister John Howard that covered bilateral issues and also the nuclear ambitions of Iran and North Korea. "We are closely following these developments," Wen said when asked about reports North Korea may be planning to test-fire a long-range missile. "We hope all parties will consider the stability of the Korean peninsula and refrain from taking measures that will worsen the situation," he told reporters. Separately, a senior Chinese military official was quoted as telling a Japanese delegation on Wednesday that China did not have information about North Korea's plans, Japanese news agency Kyodo reported.

The People's Daily, 28 June 2006

### **Taiwan opposition's bid to oust Chen Shui-bian fails**

The motion to oust Taiwan leader Chen Shui-bian launched by the opposition parties of the Kuomintang (KMT) and People First Party (PFP) failed on Tuesday in Taipei. Because of Chen's "management incompetence" and a series of corruption scandals, involving his son-in-law, his wife and some of his top aides, the KMT and PFP called for Chen to step down at the beginning of this month. On Tuesday's referendum to oust Chen, all "lawmakers" from Chen's Democratic People's Party boycotted the vote, leaving only 133 to cast their votes. According to Taiwan regulations, only when two-thirds, or 148 votes, of the "legislature" approve the motion, could Chen be ousted. Of the 133 votes cast, 119 cast approved the motion, no one opposed it and 14 were invalid. Upon hearing the news, the KMT and PFP all expressed their regret, saying that they would go on calling for Chen to step down. So far, the rally launched by the KMT demanding Chen's resignation has exceeded 1.67 million people.

People's Daily, 29 June 2006

### **Australian PM optimistic about reaching China, Australia FTA**

Visiting Australian Prime Minister John Howard said on Wednesday in Shenzhen that he is optimistic about reaching a China-Australia Free Trade Agreement (FTA). Howard said the establishment of a China-Australia free trade zone would be significant for both sides and he believed concrete progress would be made despite the existing differences and difficulties. Howard attended a symposium on the China-Australia FTA in Shenzhen, in south China's Guangdong Province, on Wednesday afternoon. Before that, he and Chinese Premier Wen Jiabao opened the first ever Sino-Australian liquefied natural gas (LNG) project in Shenzhen. Howard said multilateral trade in the world is unsteady and the FTA is a safe way to consolidate and develop bilateral economic and trade relations.

People's Daily, 29 June 2006

### **LNG project reflects closer Canberra ties**

SHENZHEN: Premier Wen Jiabao and his Australian counterpart John Howard yesterday jointly inaugurated the first liquefied natural gas (LNG) project between the two countries in South China's Guangdong Province. Both hailed the 25-year contract to supply a Shenzhen terminal with gas from Australia as a symbol of blossoming trade between the countries. The two leaders pushed the start-up button together during a ceremony at Dapeng Gas

Terminal in the bustling manufacturing hub of Shenzhen. "Not only is this deal the biggest ever in Australia's history, it is in every sense a symbol of what can be achieved in the future between our two countries," said Howard. The 29-billion-yuan (US\$3.6 billion) terminal was built to receive LNG shipments from Australia - part of a US\$18.3 billion 25-year gas contract finalized in late 2004.

The Hindustan Times, 30 June 2006

### **Quietly, China constructs barrage across the Sutlej (Nilova Roy Chaudhury)**

China may be controlling the flow of the Sutlej into India - making no noise, breaking no treaty. For the past few years, Chinese authorities have been building a barrage on the river in a remote part of west Tibet. Located across the Zada (Tsamda) gorge, an important crossing point, the barrage is probably intended to generate power for Zada town. The satellite images of the gorge, which is also the access point to the ancient Toling monastery and Tsaparang (capital of the ancient Guge kingdom), show the barrage distinctly. The images suggest work on the barrage has been completed, but it could not be confirmed. China has not sought publicity for it, as it had done for the Three Gorges Dam. Whatever be the stage of construction, the idea of a barrage across the Sutlej, which enters India near Shipki La in Himachal Pradesh, is bad news for the country. Given the wide body of evidence showing the drying up of lakes, streams and rivers on the northern side of the Himalayas, the barrage raises concern that China may finally be controlling the flow of water into India.

China Daily, 30 June 2006

### **China opposes US lifting of Taiwan contact ban**

Beijing said yesterday that it strongly opposes US moves to lift decades-old restrictions on contact between American and Taiwan officials, saying it runs counter to the one-China principle. The US House of Representatives approved the measure on Wednesday but it has not yet been considered by the Senate. "China has always resolutely opposed any form of official contact between US and Taiwan authorities," Foreign Ministry spokeswoman Jiang Yu told a news conference. She called the resolution a "serious violation of the fundamental principles of Sino-US relations" and said it ran contrary to the commitment to the one-China policy the United States has affirmed many times. US restrictions that prevent high-ranking American military officers from travelling to Taiwan have been in force since 1979, when it established diplomatic relations with Beijing. Also prohibited are meetings between US and Taiwan civilian officials in certain government buildings, including the White House.

China Daily, 30 June 2006

### **Yuan to be convertible in Tianjin (Jin Rong)**

China may allow its currency, the renminbi, to become convertible under a quota system in a newly approved economic zone in North China's port city of Tianjin. The initiative, a pilot programme that will be conducted with the help of the country's top foreign exchange regulator, will take place in Tianjin's Binhai New Area, Shanghai Securities News reported yesterday, citing Tianjin Mayor Dai Xianglong. The report did not give details as to when the programme will begin and what the quota will be. Large-scale commercial banks in Binhai New Area may also be allowed to engage in non-banking financial services in the area...