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Translating sales

Chinese book titles being published in English LIFE, PAGE 14



WEEKEND

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Economy grows by 6.9 percent in '17

Industrial output continues at brisk pace, climbing year-on-year

By XIN ZHIMING in Beijing
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China's economic growth beat forecasts to reach 6.9 percent year-on-year in 2017, marking the first acceleration since 2010 despite financial regulatory tightening and measures against pollution

that affect growth.

Analysts said as growth stabilizes, the country will strengthen regulations and reforms to pursue high-quality development.

GDP growth in the fourth quarter was 6.8 percent, leading to the 6.9 percent overall annual growth, which was

higher than the preset growth target of around 6.5 percent for 2017, according to data released by the National Bureau of Statistics on Thursday.

It was 6.7 percent in 2016, which was the slowest in 26 years.

"The national economy has maintained the momentum of stable and sound development and exceeded the expectation with the economic vitality, impetus and potential released," Ning Jizhe,

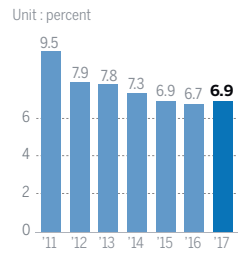
head of the NBS, said in a news conference.

The rebounding growth was mainly built on still-brisk industrial output, real estate investment and export growth.

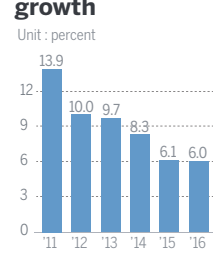
The country registered 6.6 percent industrial output growth last year, compared with 6 percent in 2016. Real estate investment growth picked up to 7 percent from 6.9 percent in 2016. And

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China's GDP growth



Industrial output growth



Source: National Bureau of Statistics, General Administration of Customs CHINA DAILY

Beijing, nation get breath of fresh air

By ZHENG JINRAN in Beijing
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Beijing residents experienced a December unlike any in recent memory, with the air quality as good as in southern coastal regions like tropical Hainan island. The clean air placed the capital for the first time among the 10 best cities for air quality, the top environment authority said on Thursday.

Like the capital's, the country's air quality also underwent improvements in 2017, the Ministry of Environmental Protection said.

In 2017, the average concentration of PM2.5 — particulate matter that measures 2.5 microns or less and is dangerous to humans — in 338 cities in China had been reduced by 6.5 percent from 2016 levels, reaching 43 micrograms per cubic meter, the ministry said. There were 284 blue sky days last year, it said.

Blue sky days refer to the days with good air quality, when the day's average air quality index is lower than 100.

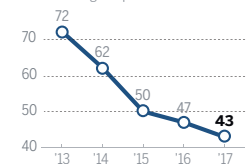
"By 2035, China will see the fundamental turn for good in the environment," Li Ganjie, minister of environmental protection, said when presenting the ministry's goals in October. One index that should illustrate the improved air quality by then is the PM2.5 concentration, which is projected to fall to 35

See **Smog**, page 3

Average PM2.5 concentration

PM2.5 refers to fine particles with a diameter less than 2.5 microns that are hazardous to human health. Its concentration has been listed on major indexes for air quality in China.

Unit: microgram per cubic meter



Source: Ministry of Environmental Protection CHINA DAILY



All criminal cases to have defense lawyers

By ZHANG YAN in Beijing
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China will expand nationwide this year a pilot project assigning criminal defense lawyers to represent defendants in criminal cases who don't have lawyers to protect their human rights, a senior official from the Ministry of Justice said.

In October, the Supreme People's Court and the Ministry of Justice jointly decided to conduct the pilot program for all criminal defense cases in eight provinces and municipalities, including Beijing, Shanghai, Zhejiang, Henan and Guangdong.

"We will expand the program across the country this year, after summing up successful experiences from the pilot programs," Zhou Yuansheng, director of the Department of Directing Lawyers and Notarization at the Ministry of Justice, said in an exclusive interview.

Zhou said after the new measures are in place, there will be an estimated increase of 400,000 criminal defense cases each year.

Data provided by the ministry show that since October the courts in Hangzhou, Ningbo and Wenzhou, all in Zhejiang province, have accepted a total of 2,007 free legal aid cases, including 733 criminal defendants who were assigned lawyers providing free legal services, accounting for 36.52 percent.

"Providing a full criminal defense to accused people — a major incentive to promote judicial reform — has played an essential role in safeguarding the suspects' legitimate rights, and effectively avoids miscarriages of justice," Zhou said.

According to China's Criminal Procedural Law, if the accused people are minors, disabled or have mental problems or if they may face execution or life imprisonment and they don't hire a lawyer, courts will notify the legal aid centers under the justice departments to assign lawyers for them.

One typical example occurred in November, when a suspect surnamed Gong, was accused of rape, and was prosecuted in Xiangshan County People's Court.

Gong could not afford to hire a lawyer and the court notified the Xiangshan County Legal Aid Center to send a lawyer to represent him. Zhuang Runwei from the Huaheng Law Firm was assigned to defend Gong.

During the trial, Zhuang's defense statement claimed the facts of the case were unclear and the evidence was not solid.

The court finally adopted the lawyer's defense statement and Gong was convicted of home invasion rather than rape.

Zhou said the pilot areas should improve support systems and adopt effective measures to protect legitimate rights of criminal defense lawyers, while standardizing their professional behavior.

Moreover, relevant authorities, including the courts, justice departments and lawyers' associations in pilot areas, will establish a coordinating and cooperative mechanism, under which they will regularly meet for information sharing, strengthen supervision of work flow, make detailed deployments and timely solve existing problems, he said.

Splitting hairs for good health



Fu Wenhuan, a doctor with the Chinese Red Cross foreign aid medical team takes a hair sample as part of checkups given to students from the China-Pakistan Government Primary School Faqeer Colony in Gwadar, Pakistan, on Wednesday. WANG JING / CHINA DAILY

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Study: Pupils do too much homework

By LI LEI in Beijing
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Chinese children spend too much time studying and not enough on activities that develop their social skills, which could affect their ability to forge personal and professional relationships as adults, research shows.

A study by the China National Children's Center found that while 48 percent of youngsters attend cram sessions after school, more than half say they rarely have time to play with friends.

The Blue Book of Children: The Annual Report on Children's Participation 2017, which was released on Thurs-

day, also found almost a third of primary school children spend more than two hours on homework on school days, twice the maximum time recommended for that age group by the Ministry of Education.

The findings are based on a yearlong study beginning in September 2016 of 8,847 children in fifth grade and above. Respondents were spread across urban and rural areas in seven cities, including Beijing, Harbin and Guiyang.

The center said the large number of hours spent studying has made children's participation in extracurricular activities "inadequate", with 68 percent having never participated in activities

unrelated to school and study. More than 14 percent reported they've never even talked with their next-door neighbors.

Study also dominates parent-child interactions. More than 90 percent of respondents said their conversations with parents focus on school performance, whereas one-third reported their parents never talk about their job and more than 25 percent never talk about how to manage money, it said.

Rana Flowers, China's representative to UNICEF, stressed the importance of children's participation in aspects other than just school, which help cultivate children's

skills such as teamwork, communication and analyzing and solving problems.

"Children do not suddenly become responsible, participating adults at the age of 18 or 21," she said. "Without these, the children of today will not succeed in the jobs of tomorrow."

Other statistics also shed light on the academic pressure of Chinese schoolchildren.

According to a 2015 survey conducted by Afanti — an online learning app — nearly half of school-age children in China spent an average of three hours on homework each day, four times of their counterparts in Japan and six times those in South Korea.

Charity by the Cha-Cha



Four alumni of Shantou University in Guangdong province compete as team Kung Fu ChaCha in a trans-Atlantic rowboat race, which ended on Thursday in victory. It took the women — the first Asian team in a trans-Atlantic rowing race — 34 days to make the voyage aboard the *Jasmine 2*. The four — Li Xiaobin, Chen Yuli, Meng Yajie and Liang Mintian — broke the female team record set two years ago and planned to donate their winnings to the charity Teach for China. PROVIDED TO CHINA DAILY

China beats US in global leadership: Gallup

By CHEN WEIHUA in Washington
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More people in the world approved of China's leadership than US leadership in 2017, according to a Gallup poll released on Thursday.

The Gallup World Poll survey found the median approval of US leadership at only 30 percent, trailing the 31 percent for China. The new finding contrasts to the frequent rebuke by US politicians of China's growing global influence.

The US approval rating

plunged to an all-time low, by 18 percent from the 48 percent in the last year of President Barack Obama and four points lower than the previous low of 34 percent during the last year of President George W. Bush.

And disapproval of US leadership climbed. The 43 percent median disapproval, 15 points higher from the previous year, set a record as well, not only for the US but for any other major global power that Gallup has asked about in the past decade.

Comparatively, China boasts an edge with its worldwide disapproval rating of

only 30 percent.

US leadership approval ratings declined by 10 percentage points or more in 65 of 134 countries and areas, and declined the most among residents of allies and partners in the Americas and Europe, according to the poll conducted between March and November last year.

The US approval rating suffered most in its own neighborhood, the Americas, where the ratings dropped to a new low. Approval of US leadership plummeted in every country in the region in 2017. Only a median 24 percent approved of US leadership,

while a whopping 58 percent disapproved US leadership.

In two of its immediate neighbors, only 20 percent in Canada and 16 percent in Mexico approved of US leadership.

Comparatively, China performed better with 28 percent approval and 35 percent disapproval in the Americas.

US leadership approval ratings declined nearly as much in Europe to 25 percent as they did in the Americas. It declined substantially in 21 out of the 28 current members of the European Union.

See **Gallup**, page 2

2 ACROSS AMERICA

CFIUS okays semiconductor company sale

By CHEN WEIHUA
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Beijing-based Naura Microelectronics Equipment Co Ltd has concluded a deal to buy US semiconductor manufacturing equipment company Aktron Systems LLC, according to Reuters.

Aktron, based in Allentown, Pennsylvania, is a supplier of equipment to semiconductor manufacturers and technology companies. It provides machinery that prepares the chips for use.

"As far as we are aware, this is the first Chinese acquisition of a US company to be approved by CFIUS under the Trump administration," Gibson Dunn & Crutcher LLP partner Fang Xue, one of the lawyers representing Naura in the deal, told Reuters.

CFIUS, the Committee on Foreign Investment in the United States, is an inter-agency committee that reviews national security implications of foreign investment.

Xue said the Aktron deal was approved by CFIUS during the standard 75-day review period, even as other deals have had to refile their applications to secure extensions, adding that Aktron faces financial difficulties because it lacked scale, and the deal with Naura will boost its ability to compete.

Worth just \$15 million, the deal is small by deal-making standards, yet it comes as CFIUS has tightened its scrutiny on Chinese companies wanting to buy US assets, especially in the technology and financial sectors.

Earlier this month, CFIUS blocked the \$1.2 billion purchase of Dallas-based US money transfer company MoneyGram International by Ant Financial, which is controlled by Alibaba founder Jack Ma, whom US President Donald Trump praised last year.

Last September, Trump blocked the \$1.3 billion purchase of US chip maker Lattice Semiconductor Corp by California-based Canyon Ridge

Capital Partners LLC, a private equity firm that has China connections.

Fear-mongering of Chinese foreign direct investment in the US has been on the rise lately. Last week, Reuters reported that US lawmakers were urging AT&T to cut commercial ties to Chinese phone maker Huawei Technologies and reject plans by telecom operator China Mobile to enter the US market because of national security concerns.

The news came just days after AT&T dropped its plan to sell Huawei's new smartphone in a last minute announcement.

The Reuters report described the CFIUS' approval of the Aktron deal as boding well for Xoerra Corp, a US semiconductor testing company whose deal to be acquired for \$580 million by Unic Capital Management, a subsidiary of China's Sino IC Capital and the Hubei Xinyan Equity Investment Partnership, is also under CFIUS review. Like Aktron, Xoerra does not manufacture any chips itself.

Late last year, the US Congress introduced the Foreign Investment Risk Review Modernization Act (FIRRMA) that seeks to expand the power of CFIUS, targeting primarily Chinese investment.

Chinese foreign direct investment in the US dropped by 35 percent in 2017 to \$29 billion after a record year in 2016, New York-based Rhodium Group said on Wednesday.

In terms of new activity, the drop was even sharper – the value of newly announced Chinese acquisitions in the US dropped by 90 percent compared to the previous year.

Rhodium attributed much of the decline to Beijing's regulatory crackdown on outbound capital flows, but stressed that growing regulatory hurdles in the US – mostly more complications getting clearance from the CFIUS – as the "second punch to Chinese investors."

It expressed concern over the implications of the new US National Security Strategy on Chinese FDI coming to the US.

Safe passage



A man rides on a Manhattan bike path in New York on Thursday. The city's transportation officials unveiled plans for the first two protected bike lanes in Midtown on Wednesday to ensure safer rides. The push to build protected bike lanes in the city comes after five cyclists were killed in crashes last year between 14th and 59th streets, according to media reports. WANG YING / XINHUA

Ministry decries listings of 'notorious markets'

By JING SHUIYU in Beijing
and HONG XIAO in New York

The Ministry of Commerce challenged on Thursday the objectivity and accountability of a "notorious markets" list by the United States.

The list, released by the Office of the US Trade Representative last week, black-listed three Chinese online platforms and six physical markets over alleged sale of counterfeit products. Taobao.com, Alibaba Group's e-commerce platform, and Silk Market, a shopping center in Beijing, were included in the list.

Gao Feng, the ministry's spokesman, said the trade representative's findings were undermined by vague wordings and a lack of conclusive evidence.

“The findings... lack concrete evidence and data support.”

Gao Feng, spokesman,
Ministry of Commerce

"The findings, frequently using words like 'reportedly' and 'right holders' to describe Chinese companies' commercial activities, lack concrete evidence and data support," he said at a news conference.

The trade representative said on its website that the

report does not reflect findings of legal violations or the US government's analysis of the general intellectual property rights protection and enforcement climate in the country concerned.

That claim seems to conceal the untenable findings, Gao said.

For years, the Chinese government and Chinese companies have been strengthening intellectual property rights protections. In the first three quarters of 2017, the country dealt with over 110,000 infringement and counterfeit product cases, according to the ministry.

"In light of all this, it's clear that no matter how much action we take and progress we make, the USTR is not actually interested in seeing tangible results,"

Alibaba's president, Mike Evans, said in a recent blog post.

"Therefore, our inclusion on its list is not an accurate representation of Alibaba's results in protecting brands and IP, and we have no other choice but to conclude that this is a deeply flawed, biased and politicized process."

The "notorious markets" blacklist derives from Section 301 of the US Trade Act of 1974, which authorizes the US president to take unilateral action against foreign countries deemed to be burdening or restricting US commerce.

"The ministry hopes trade frictions between two sides will not escalate. We will

See Sino-US, page 3

Gallup: From principal preserver of world order to main disruptor

From page 1

China tied with the same 25 percent approval rating in Europe. But China's disapproval rating there of 48 percent is lower than the 56 percent scored by the US.

The US also suffered a major drop in its leadership approval leading in Asia, where its contest with China has made the most headlines in Western media.

Overall, only 30 percent in Asia approved of US leadership while 32 percent approved of China's leadership. The US disapproval rating in the region

of 39 percent is higher than China's 31 percent.

In some US security allies in Asia – New Zealand, Australia and Singapore – the US approval ratings dropped to new record lows in 2017, a decline of more than 30 points. Japan, South Korea and the Philippines also saw double-digit declines.

Of the four countries surveyed by Gallup on leadership, Germany stood at the top with its 41 percent approval rating. China was at 31 percent and Russia at 27 percent.

The US only beat China slightly in Africa with an

approval rating of 51 percent, compared to China's 50 percent, but its disapproval rating there is 20 percent, higher than China's 15 percent.

In its analysis, the Gallup report, released just days before President Donald Trump embarks on a trip to Davos, Switzerland, for the World Economic Forum, criticized Trump for keeping his campaign promise to put "America First" in his foreign policy.

"In doing so, he walked away from key institutions and alliances in 2017 that he felt didn't serve US interests, including

abandoning the Trans-Pacific Partnership (TPP) trade deal and withdrawing from the global climate agreement. He further rankled relations with neighbors Canada and Mexico, repeatedly threatening to terminate the North American Free Trade Agreement (NAFTA), and insisting that Mexico would pay for a wall along their shared border," the report says.

The US government received worldwide condemnation in December for its recognition of Jerusalem as Israel's capital. Its withdrawal from UNESCO and cutting

of funding to the United Nations also received negative response in the global community.

Richard Haas, president of the Council on Foreign Relations (CFR), believes the US global leadership has become worse for the most part. "The bottom line is that the United States has added a degree of unreliability," Haas said about Trump's first year in office in a CFR podcast on Tuesday.

"We've gone from being the principal preserver of the world order such as it was, now we become something

of a principal disruptor," said Haas, who has served decades in the US government, including being the director of policy planning at the State Department from 2001 to 2003.

The Gallup results released on Thursday are based on face-to-face and telephone interviews with some 1,000 adults aged 15 and older in each country or region. Residents were asked to rate US, German and Russian leadership in 134 countries or areas, and residents in 135 countries or areas were asked to rate the leadership of China, according to Gallup.

Chicago readies Lunar New Year festivities

By JIAN PING
for China Daily
in Chicago

Half a dozen organizations in Chicago held an event on Wednesday to announce programs from Feb 16 to March 4 to celebrate the upcoming Year of the Dog.

"In all of America, Chicago is the only city which has launched this kind of citywide celebration of the Chinese New Year," said Hong Lei, China's consul general in Chicago.

Hong thanked the mayor of Chicago for his efforts in "deepening the understanding between the people of China and the people of Chicago" through cultural programs and all the organizations that have collaborated to plan the events

and performances.

This is the fifth year of citywide Chinese New Year celebrations.

Special performances include a concert at the Chicago Symphony Center on Feb 17, featuring the Chongqing Chuanju Opera Theatre and the Zhejiang Symphony Orchestra.

The concert will "showcase traditional Sichuan opera, exquisite singing, face mask changing, fire breathing, and amazing acrobats for the first half," said James M. Fahey, director of programming at the center.

The second half will "spotlight traditional Chinese instruments" that incorporate traditional and regional folk music of Zhejiang province,

Fahey added.

"Chinese New Year festivities are among the highlights of Chicago's arts and culture calendar every year," said Choose Chicago president and CEO David Whitaker.

Whitaker said that Chicago welcomed more than 224,000 Chinese visitors to the city last year, an increase of 40 percent over the previous year.

"Celebrating the lunar New Year is truly a citywide event in Chicago," said Chicago Deputy Mayor Bob Rivkin. "Chinese culture is woven into the fabric of Chicago. It's a culture that we honor and cherish."

The Art Institute of Chicago will open its highly anticipated exhibition "Mirroring China's Past: Emperors and Their Bronzes" in conjunction with

the Chinese New Year celebration on Feb 25. It will display more than 170 bronze pieces from collections in China and several US museums.

The show will be exhibited only in Chicago, said Tao Wang, Pritzker Chair of Asian Art at the institute, who called the exhibition a "once-in-a-lifetime" event.

At Chicago's Navy Pier, three stages will be set up for Chinese New Year performances on Feb 24, and the Chicago Cultural Center will feature performances on Feb 16 and 25.

Two Chinese New Year parades will be held as well, one on Feb 24 in Chinatown and the other on Feb 25 uptown in the Argyle Street area.

New to participate in this year's celebration is the Chicago



From left: Will Syring, David Whitaker, Mark Kelly, Robert Rivkin, Hong Lei, Julie Ma and James Fahey meet to plan festivities.

JIAN PING / FOR CHINA DAILY

Bulls. On Feb 22, the Bulls will present Chinese New Year themed pre-game and on-court entertainment in partnership with the Chicago Huaxing Arts Group during a game against the Philadelphia 76ers at the United Center.

"The Chicago Bulls have 175 million active fans," said Will Syring, a senior manager with

the Bulls.

According to one survey conducted by the Bulls, 65 million of those fans are in China, Syring said, representing "our largest volume by a landslide."

"We are very excited to celebrate Chinese New Year and be a part of this cultural celebration for the first time," Syring added.

China urges a 'common destiny' at the UN

By HONG XIAO
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As worldwide concerns over nuclear weapons are the highest they've been since the Cold War, China holds the view that strengthening global governance of non-proliferation is an important component for building a common destiny for mankind, and wants to enhance cooperation and coordination at many levels.

So said Chinese Deputy Ambassador to the United Nations Wu Haitao at a Security Council session on non-proliferation in New York on Thursday.

UN Secretary-General Antonio Guterres called for comprehensive political solutions that include dialogue and negotiation to prevent, mitigate and resolve conflicts.

"In such a geopolitical context, confidence-building measures that support arms control, non-proliferation and the elimination of weapons of mass destruction are extremely important," said Guterres.

For the measures to be truly effective, Guterres called for nations to take full advantage of their strengths.

"Trust is essential," he said. "But confidence can be undermined by bellicose rhetoric, confrontational approaches, the absence of communication channels and inflexible positions."

Wu said that President Xi Jinping had pointed out that no country can respond on its own to the various challenges facing mankind, no country can return to a self-reclusive island of isolation.

"We urge people of the world to work together to build a common destiny of mankind, and build a world with lasting peace, universal security, common prosperity and a world that is open, inclusive, clean and beautiful," said Wu.

Wu highlighted that China has consistently advocated for cooperation to push for peaceful solutions to conflicts and support for conflict prevention.

He reiterated that China is firmly opposed to proliferation of WMDs and their delivery systems.

China has acceded to all international conventions and joined relevant international organizations in the field of non-proliferation.

China has built a complete system of non-proliferation on export control and ensured effective implementation of relevant laws and regulations.

China has constructively participated in the negotiation and implementation process of the Joint Comprehensive Plan of Action with Iran and put forward China's proposals.

China has also been pushing for a negotiated solution on the Korean Peninsula. Wu said non-proliferation is a long-term task for the international community and requested the involvement of all countries.

As a builder of world peace and guardian of international non-proliferation, "China would like to work with all parties to make a greater contribution and enhance the international non-proliferation regime, advancing global governance on non-proliferation and jointly build a common destiny for mankind," he said.

Connections in high places



A China Eastern Airlines flight attendant helps a passenger with his mobile phone on a Thursday flight from Shanghai to Beijing. The airline is one of the first in China to allow passengers to use mobile phones on their airplanes. YIN LIQIN / CHINA NEWS SERVICE

Births fell by 3.5% last year on mainland

By WANG XIAODONG
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Births fell by some 3.5 percent last year on the Chinese mainland, from 17.86 million in 2016 to 17.23 million last year, the National Bureau of Statistics said on Thursday.

The decline was attributed to such factors as the drop in the number of women of fertile age and people delaying marriage and pregnancy, the National Health and Family Planning Commission, China's top health authority, said in a statement on Thursday.

The statistics bureau said the birth numbers were calcu-

lated from sample surveys. China loosened family planning policies, adopting a universal second-child policy at the beginning of 2016.

"Surveys show the major reasons couples don't want to have a second child include the high cost of raising children, a shortage of nursery services and big constraints on women's careers," the commission said.

Despite the drop, it was still higher than the average births during the five years before 2015. Of babies born last year, 51 percent were a second child, up by 5 percentage points from 2016, the commission said.

Few people expected that

births would fall, given implementation of the second-child policy, said Yuan Xin, a professor of population studies at Nankai University in Tianjin.

"A major reason for the decline in the number of births is the decreasing number of women of fertile age, or between 15 and 49, in China," he said. Yuan predicted that the number of women in that age group will keep declining by about 5.2 million every year in the next few years.

He also cited the "lack of willingness... especially among younger couples".

Economic pressures aren't the only factor. Young people are less concerned about such

traditional values as keeping the family bloodline going or making sure they have children to look after them in old age, Yuan said.

"The situation will only become gloomier in the 14th Five-Year Plan period (2021-25) under the current family planning policy," he said.

Yuan suggested more steps to aid couples who want children, such as more nurseries and public kindergartens.

The commission said on Thursday it will improve population monitoring, prediction and research, and help solve difficulties facing couples to promote long-term balanced population development.

Sino-US: Fair treatment sought

From page 2

firmly ensure China's legitimate rights and interests," Gao, from the Commerce Ministry, said. "It would be constructive to see both sides resolve trade and commercial disputes in a smooth way."

The US Congress also proposed a bill that prohibits any government agency from working with Chinese firm Huawei Technologies Co and ZTE Corp last week.

The bill, titled H.R. 4747: "Defending US Government Communications Act," references several reports raising national security concerns due to the growth of China's telecom sector.

Gao said the proposal, to some extent, sent the "wrong signal" to the global market.

"It (the proposal) is not conducive to the Sino-US cooperation on the information and communication industry, and shakes Chinese enterprises' confidence in the US business and investment environment," he said.

The ministry urged the US to give objective and fair treatment to Chinese enterprises and products.

Cui Tiankai, China's ambassador to the US, said both the Chinese and the US economies need an open and inclusive, more balanced and sustainable economic globalization with benefits more adequately shared with all countries.

"Of course, we are both facing challenges, such as uncertainty in the global economy's growth, international financial turbulence," he said at the China General Chamber of Commerce - USA Chinese Lunar New Year of the Dog Gala in New York on Wednesday night.

Trade between China and the US reached 3.95 trillion yuan (\$619.6 billion) in value in 2017, up by 15.2 percent from a year earlier. China, in the meantime, gained a trade surplus of 1.87 trillion yuan, climbing 13 percent year-on-year, according to the General Administration of Customs.

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Spring floats their boat

Colorful lanterns are displayed in and along the Gongshui River in Hubei province's Xuan'en county on Wednesday in an early greeting to the coming Spring Festival.

SONG WEN / XINHUA



Smog: Capital region's air clears

From page 1

micrograms per cubic meter. Outpacing the national average in improving the air quality, the Beijing-Tianjin-Hebei region saw more dramatic changes last year, especially during the winter, the ministry said in a statement.

In December, the region around the capital, prone to smog in winter, experienced 65 percent of the days having blue skies on average, up by 34.1 percent year-on-year, the ministry said.

Besides, it's the first time that Beijing squeezed into the

best 10 list among the 74 major domestic cities, ranking ninth in December.

The 10 best cities usually are in southern coastal regions like Xiamen, Fujian province, and Haikou, Hainan province, or the regions with limited industrial growth like Lhasa, Tibet autonomous region, and Zhangjiakou, Hebei province.

"It's beyond imagination to see Beijing listed in the top 10 in December during the smog season in the past year, a delightful surprise," Ma Jun, director with the Institute of Public and Environ-

mental Affairs, a Beijing-based environment NGO, said on Thursday.

It showed the comprehensive controls, including reducing coal consumption, shutting down companies that pollute, limiting the use of vehicles and strict inspection, worked, he said, adding windy days also helped.

Compared with the southern region, the Beijing-Tianjin-Hebei region needs to speed up. In 2017, the average PM2.5 in the region was 64, while in the Pearl River Delta it was 34 and in the Yangtze River Delta it was 44.

'Shared future' can change world

It may help rally mankind, says a US senior China watcher

By ZHAO HUANXIN in Washington
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The community of a shared future for mankind is an important concept in a world still largely characterized by wars, ethnic conflicts and economic rivalries, a senior China watcher said.

"What we have known for the last two centuries as 'geopolitics' has not benefited the world greatly. The 'community of a shared future' is an attempt to change that model," said William Jones, the Washington bureau chief for Executive Intelligence Review, a US newsmagazine founded more than 40 years ago.

In his address to the 19th National Congress of the Communist Party of China in October, President Xi Jinping said China champions the development of a community of a shared future for mankind, and has encouraged the evolution of the global governance system.

Jones spent the last 20 years as EIR's bureau chief and followed Chinese politics and wrote extensively on China. He said the concept of "community of a shared future" aims to create conditions of real equality between



It is devoutly to be wished that President Xi's message ... also reverberates with President Donald Trump."

William Jones, Executive Intelligence Review

nations and to ensure that in the decisions countries make, they also take into consideration the common good of mankind.

"It's only in this way that mankind will have the potential to develop as a species," he told China Daily.

"Only when we rally forces against a common danger, like in World War II, can we pursue a different model of relationships," he said. "But after World War II, despite the creation of the United Nations, the world during the Cold War returned to 'geopolitics' and lived under the threat of nuclear extinction."

Jones wrote in an EIR report on Oct 21 that China "will continue to work to establish that community of shared interest that President Xi has made a hallmark of China's major-country diplomacy".

STATECRAFT
ACTION IN A NEW ERA

He said that some in the West have responded well to Xi's concept of "community of a shared future" as seen in the enthusiasm for the Belt and Road Initiative, an example of "common destiny".

However, for others in the West, the judgment is unclear. Some feel that the Chinese proposal threatens Western "hegemony" or the "right" of the West to write the rules, according to Jones.

"But the Western nations are no longer united around this notion, and some have realized that the world has changed and therefore the relations between nations must change as well," he said.

Given that the economic "hegemony" of the London-New York financial system is on the brink of another crisis, what China is doing with building physical infrastructure for economic growth can also be a lifeline for Western economies, he added.

The initiative, proposed by Xi in 2013, is aimed at building trade and infrastructure in countries along and beyond areas of ancient Silk Road trading. Jones said there are many potential areas of cooperation between China and the US in the framework of the initiative.

"It is devoutly to be wished that President Xi's message of cooperation and inclusiveness also reverberates with President Donald Trump," Jones wrote in the EIR report.

Growth: Per capita income rises 7.3%

From page 1

export growth reached 10.8 percent last year, compared with a 2 percent decline in 2016.

Meanwhile, the country's fixed-asset investment grew by 7.2 percent and retail sales rose by 10.2 percent, down from 8.1 percent for fixed assets and 10.4 percent for retail in 2016.

"Despite the supply-side structure reform (which leads to production capacity reduction), environmental protection measures (which cause factory closure and affect production) and rising financing costs (as a result of financial regulatory tightening), China's economy still rebounded, which indicates that the current real economy is quite resilient," said Liu Dongliang, a senior analyst of the China Merchants Bank.

While growth accelerated in 2017, the quality of that growth has also improved. The country's per capita income, for example, increased by 7.3 percent year-on-year in real terms, higher than the national GDP growth. The supply-side structural reform has raised industrial production efficiency measured by the capacity utility ratio, the NBS said. And high-tech industries have grown at a faster pace than overall industry growth.

China's top leadership vowed to pursue high-quality development at the 19th CPC National Congress last year. To that end, China will tolerate a moderately lower growth rate this year to focus on reform and financial regulation, Liu said. "It will continue to control shadow banking, cut corporate debt levels and tighten financing of local governments."



VISION CHINA

New Era, New Thinking

新时代大讲堂

CHINADAILY

Guest speakers:

- Dr Robert Lawrence Kuhn
Renowned commentator on China issues
- Andrew Moody
Chief writer of China Daily's Overseas Editions
- Liu Xin
Presenter with China Global TV Network

Time: 19:00-21:30, January 22nd, 2018

Place: Library Lecture Hall of the University of International Business and Economics
(No 10 Huixindongjie, Chaoyang District, Beijing)

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“It is the first time they have received a physical examination since they were born. ... We now have a medical team that offers assistance to us.”

Naseem Baloch, volunteer at the China-Pakistan Fraternity Emergency Care Center

Older dads lift odds of high myopia

Researchers find link to mutation in gene that causes nearsightedness

By ZHOU WENTING
in Shanghai
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The older a father is, the higher the possibility his child will suffer from early-onset high myopia due to a mutation in a gene, Chinese scientists found.

It is the first causal gene that has been proven, through complete animal model tests, to lead to high myopia, nearsightedness of -6.00 diopters, said Jin Zibing, one of the leading researchers on a team from Wenzhou Medical University in Zhejiang province.

The gene is mainly expressed in the eye's ciliary body and neural retina, which may offer key insight into future medical treatment and prevention of high myopia, the cause of which remains unclear, Jin said.

“Through our research we speculated that the ciliary body and neural retina are probably the root place where high myopia happens, which may help future treatment to be more accurately directed,” he said.

On Saturday, the China Medicinal Biotech Association and the journal Chinese Medicinal Biotechnology listed the team's research result as one of last year's top 10 progresses in the medical biotechnology field in China.

In May, a paper about their discovery was published in the Proceedings of the National Academy of Sciences of the United States.

Jin, also an ophthalmologist at the Eye Hospital at Wenzhou Medical University, said the research started with

the collection of patient samples to find out possible reasons for early-onset high myopia among children under 6 years old.

“Preschool children encounter fewer risks from environmental pressures. We propose that the condition of early-onset high myopia is driven by genetic predisposition more than environmental factors,” he said.

Jin said the team found 18 families where the parents did not have myopia but a child younger than 6 did. They conducted gene sequencing and found that a mutation had occurred in the child's BSG gene, but not in those of the parents.

“Interestingly we found in these cases the fathers' reproductive ages are relatively old. And for most of the 12 families who have two children, the elder child did not suffer myopia while the younger one had high myopia,” Jin said.

In lab tests, mice showed lengthened eye axis when the mutated gene was knocked in, manifesting symptoms of nearsightedness, and it proved their assumption.

Myopia is the most common ocular disease and uncorrected vision is the leading cause of vision impairment worldwide, according to the World Health Organization.

Jin said the team now plans to conduct the study with a larger sample size.

“We also want to figure out whether early-onset high myopia is related to in vitro fertilization, which is gaining in popularity when some couples of advanced reproductive age are eager to have a second child,” Jin said.

Medical team keeps Pakistani kids healthy

By CHENG SI
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Fifteen students from the China-Pakistan Government Primary School Faqeer Colony in Gwadar, Pakistan, received free health checkups at the Fraternity Emergency Care Center on Wednesday morning, local time.

The checkup was part of a health project initiated by the Chinese Red Cross foreign aid medical team since they arrived in Gwadar on Sept 22.

The 15 children, aged 10 to 14, followed a checklist including height, weight, eyesight, cardiogram and blood examination.

The checkup lists, printed with their personal information and photos, are designed and made by the team members to facilitate the children's health records.

Wu Gang, leader of the aid medical team, said that the children will be treated if any disease is diagnosed. Records will also be documented to secure them a healthier future.

“It is the first time they have received a physical examination since they were born,” said Naseem Baloch, a volunteer at the Fraternity Emergency Care Center. “Their health condition may not be good. But we now

have a medical team that offers assistance to us.”

“It is what we urgently need. I hope that these kids can receive regular health checkups in the future if possible,” he said.

The medical staff also received five patients when conducting health checkups for the children. Gatekeepers of the center serve as translators when the patients cannot speak English.

The Chinese Red Cross foreign aid medical team in Gwadar, consisting of 12 members from Huashan Hospital of Fudan University and the Beijing branch of the Red Cross, is dispatched by National Health and Family Planning Commission and Red Cross Society of China in 2017.

Stationed at the China-Pakistan Fraternity Emergency Care Center, they will offer medical services to Chinese in Gwadar and local residents in their two-year term of service.

Training will also be offered to Pakistani medical staff during these two years.

The China-Pakistan Fraternity Emergency Care Center, which finishes on May 7, received funding of 10 million yuan (\$1.55 million) from the Red Cross Society of China.

Chen Juan contributed to this story.

Soccer in the snow



Young soccer players take part in a match in the finals of a campus soccer league in Harbin, Heilongjiang province, on Thursday. More than 380 players competed in the finals, and over 20,000 students from more than 2,000 schools in the province played in the league matches that started in October. ZHANG SHU / FOR CHINA DAILY

New train services to slash travel time between Chongqing and Guiyang

By LUO WANGSHU
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A new railway line will cut the travel time between the southwestern municipality of Chongqing and southern province of Guiyang, Guizhou province, national railway operator China Railway Corp said on Thursday.

The 347-kilometer railway will start operation on Jan 25, ahead of this year's Spring Festival travel rush, and will run at 200 km per hour.

Some 132 train services will be arranged initially.

The new railway connects the Lanzhou-Chongqing line and the Guiyang-Guangzhou high-speed railway.

It will cut travel time between Chongqing and Guiyang to 2 hours from 9 hours, between Chongqing and Guangzhou to 7 hours from 12 hours, and between Chongqing and Kunming to



4 hours 40 minutes from 19 hours.

“It is part of an important railway network linking China's northwestern, southwestern and southern areas,” CRC said in a statement.

“The new railway greatly reduces the travel time between Chongqing and Guiyang and improves regional transport structure ... boosting people-to-people exchanges and trade between southwestern, northwestern and the Pearl River Delta areas. It is

132
train services

will be arranged initially for the 347-kilometer railway linking Chongqing with Guiyang in Guizhou province. It will cut travel time between the two cities to 2 hours from 9 hours.

important to build the south gateway from Chongqing and Chengdu, and relieve pressure during the Spring Festival travel rush,” it said.

Chongqing and Sichuan province are major sources of migrant workers, and Guangzhou, the pioneer city for China's economic reform since 1978, attracts ambitious migrants from all over the country.

During the Spring Festival, many migrant workers will return home for family reunions.

The rail lines from Guangzhou to Chongqing and Sichuan province are always busy during the travel rush, and tickets are in great demand.

The new railway will offer thousands of migrant workers in Guangzhou an alternative route.

The Spring Festival falls on Feb 16 this year. The 40-day travel rush will begin on Feb 1 and end on March 12.

Train trips are expected to top 389 million during the period, up 8.8 percent year-on-year, according to the National Development and Reform Commission, China's top economic planner.

About 2.98 billion trips are expected to be made during the travel rush, the commission said.

Tunnel completed for Sichuan-Tibet Railway

By DAQIONG in Lhasa
and ZHANG YI in Beijing

The Sichuan-Tibet Railway's first tunnel — that runs more than 16 kilometers along the canyon area of the plateau — managed to cut through on Wednesday under extremely high temperatures, Xinhua News Agency reported.

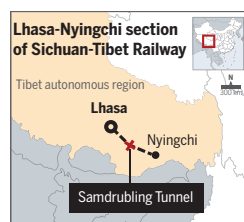
The 16.4-km Samdrubling Tunnel in Sangri county of the Tibet autonomous region, which passes through the Yarlung Zangbo Grand Canyon, is an important section on the railway that will link Lhasa and Chengdu, according to China Railway Corp.

More than 1,200 workers had toiled on the project since December 2014. They had to overcome many difficulties and dangers, including rock bursts — violent and spontaneous fracturing of the rock.

The highest air temperature within the tunnel was 56 C. Workers could not stay for more than two hours in the tunnel, and in order to cool it down a wind machine, water system and ice blocks were set up, Zhu Xuren, manager of the



Construction workers celebrate the completion of the Samdrubling Tunnel, part of the Sichuan-Tibet Railway, in Sangri county, Tibet autonomous region, on Wednesday. JOGO / XINHUA



16.4 km

Length of the Samdrubling Tunnel, part of the Sichuan-Tibet Railway. More than 1,200 workers had toiled on the project since 2014.

project from China Railways No 5 Engineering Group Co, told Xinhua.

The rock burst zone in the tunnel covered 9.5 km and rock outbursts happened

about 16,000 times during the construction, Li Chuanghai, an engineer of the project, told Xinhua.

“Like earthquakes, the rock bursts happened without any

signs at all. The rock slices or rock pieces shoot off in a certain direction or collapse suddenly,” worker Cheng Yingbin told Xinhua.

Working deep underground also increased the difficulty of construction. Emergency rescue stations were deployed to guarantee safety.

Yang Hao, a railway professor at Beijing Jiaotong University, said that the tunnel cut through a complicated geographical area of the Tibetan Plateau and needed to be carried out extremely carefully.

“It is a very challenging project for railway construction in China. The tunnel is quite long, so the ventilation and lighting systems are also very important to guarantee safety,” Yang said.

As the second railway connecting Tibet with the rest of the country, the Sichuan-Tibet Railway is expected to be completed in 2025, and will reduce the travel time from Chengdu to Lhasa to about 13 hours from about 36 hours.

Contact the writers at zhangyi1@chinadaily.com.cn

Briefly

BEIJING
71,644 punished for violations

A total of 71,644 people were punished in 2017 for violating the Party's eight-point frugality code, according to the top anti-graft body. A total of 10,672 people were punished for 7,594 violations against the frugality code in December 2017, according to the Central Commission for Discipline Inspection. Of the 7,594 cases, 2,187 were related to unauthorized issuing of subsidies or welfare, 1,272 were related to sending or accepting gifts or money, 1,229 were related to using public funds for banquets, and 1,144 were related to unauthorized use of official cars.

XINHUA

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SCIENCE FICTION

Rapid rise of China's science fiction reflects the dynamism of its culture and economy

By DAVID BLAIR

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As recently as 2012, science fiction was a small market in China. The market was so poor that writers Liu Cixin and Han Song decided to donate 10,000 yuan (\$1,516) each of their own money just to allow the Chinese Nebula Awards to hold its annual prize presentation.

But Chinese science fiction is hot now. Liu Cixin won the international Hugo Award for Best Novel in 2015 for *The Three-Body Problem*.

Major movies are in production, based on the trilogy of which the book is a part. In addition, Hao Jingfang won the Hugo for Best Novelette for her story *Folding Beijing* in 2016, and a movie based on it is also planned. And multibillion-yuan investments in China are creating science fiction parks and facilities for producing films, videos and games.

Last month, the 800-hectare, 10 billion yuan Oriental Sci-Fi Valley theme park was opened in Guiyang, in Southwest China's Guizhou province. Emphasizing virtual reality, it will tie in with Guiyang's large big data industry.

Also, in November, the Sichuan Association for Science and Technology announced plans to build, in the city of Chengdu, a 12 billion yuan China Science Fiction City, which will develop and show off the role of sci-fi in China's cultural industry.

Why is Chinese science fiction surging now, and what does it tell us about China's economy and culture?

To explore the cultural and philosophical influence of science fiction in China, China Daily spoke with seven writers or experts in the field: Han Song, Hao Jingfang, Liu Cixin and Xia Jia are well-known science fiction writers. Wu Yan and Nathaniel Isaacson are university professors who specialize in science fiction. And Ji Shaoting is an entrepreneur who has started a company to develop and promote China's science fiction.

China's place in the world

In her essay "What makes Chinese science fiction Chinese?" Xia Jia, science fiction writer and associate professor of Chinese literature at Xi'an Jiaotong University, writes that "the crises of capitalist culture accompanied by the process of globalization are manifested in the daily lives of Chinese people."

In an interview, she says: "The past 30 years were a great transformation in society and culture and economics — every aspect of China. Many different aspects of this transformation are reflected in science fiction stories. For example, in these stories you can see that Chinese people have much anxiety about the tension between the traditional China and the dream to be part of the modern world. You can feel there is an anxiety about the destiny of human beings, but also you can say this anxiety is Chinese people's anxiety about their future. How can they survive in this cruel competition?"

"You can see such anxieties in, for example, Liu Cixin's works and other short stories. Some people explain the main competition between human beings and Liu Cixin's aliens as like another version of competition between big nations. It's a feeling of a crisis during the process of globalization," Xia says.

However, Liu Cixin himself says his story *The Dark Forest*, part of the *Three-Body* trilogy, is not meant to



The Oriental Sci-Fi Valley theme park in Guiyang, Southwest China's Guizhou province. PROVIDED TO CHINA DAILY

NEW 'GOLDEN AGE'

reflect competition on Earth.

"The relationship between different groups of human beings on Earth is very different from that between mankind and creatures from other planets. ... We are the same species on Earth and are more likely to understand each other. Civilizations are not isolated from each other. They can exchange and discuss many things that they do not understand. This opportunity does not exist between interstellar civilizations."

Han Song, a prominent science fiction writer and also a senior executive at Xinhua News Agency, says: "From the very beginning, when science fiction was introduced into China, it served as a mirror of Chinese society and the process of China's modernization. China has a very long civilization, and science fiction first played a role in the rejuvenation of that civilization in the first part of the 20th century. For example, a lot of science fiction at the very beginning just imagined how China became a very, very strong country."

Nathaniel Isaacson, associate professor of modern Chinese literature and cultural studies at North Carolina State University, points out that Chinese science fiction first arose in the early years of the 20th century, at a time when the Qing Dynasty (1644-1911) was collapsing, European countries had again invaded Beijing to end the Boxer Rebellion, and many coastal areas were under European control. Early Chinese science fiction often explored the place of China in the world and looked at ways China could overcome European colonialism.

"Fairly often, what they imagined was a future where China is politically, economically and culturally dominant," says Isaacson. "For example, the short story *New Story of the Stone* (written by Wu Jianren in the



Hao Jingfang, author of *Folding Beijing*.

Xia Jia, science fiction writer.

Liu Cixin, author of the *Three-Body* trilogy.

Han Song, science fiction writer.

early 1900s) imagined a world where Shanghai had become a world center of trade and commerce and hosted a world expo and global political summits. But the narrative falls apart. At that time, people could not imagine such things coming to pass. But they did happen in the early 21st century," Isaacson says.

Writer Han Song says, "Science fiction has gradually become a real soft power of China. It even influenced (former US president) Barack Obama — we could not have imagined that. Its real power is because it touches

some real problems — philosophical and spiritual things. That is soft power."

In addition, Han says, "Everybody can see it has become more and more popular. Before that, the United Kingdom dominated the whole world. That was a golden time for British science fiction. When the Soviets became a

power confronting the US, that was a golden time for Soviet science fiction.

"Even Japan in the 1970s had a lot of very good science fiction at that time. China is now at that junction, maybe."

However, Chinese science fiction's focus on Chinese culture and the future of the nation does not imply that it is jingoistically nationalist. According to Wu Yan, professor of humanities at Southern University of Science and Technology in Shenzhen, Guangdong province, "Liu Cixin's idea is very, very Chinese. In the future, problems are solved. The Earth will be united as one. It is a kind of ancient Chinese thinking about 'under Heaven'. It's like the Chinese view of the world in imperial times that derives from Confucianism. Confucius has four stages of development — cultivate yourself, manage your family, administer your country, make all under Heaven united."

Wu notes that sci-fi is used to promote both science and cultural industries. "In the new century, the country began to think about changing China into a creative country. They want to enrich the creative industry. They want to enrich a new kind of science. We want to compete with the United States of America by making science more advanced. The government is thinking about that. They think science fiction loves and understands science and also makes the Chinese creative industry grow."

Change in culture

Han Song says science fiction is now leaving its roots as a way to popularize science and gives deep insights into China's culture and current life. "Although science fiction has a history of over 100 years in China, over the past 20 years it has gradually become a new way to express some ideas or

thoughts about what is happening in Chinese society, not only about the universe or technology. It deals with what the change in Chinese culture is about.

"The earlier conception was that science fiction was a tool for spreading scientific knowledge and spreading innovation. Science fiction is a popular literature, but now it is becoming more and more a serious literature in China, touching on some quite sensitive issues in society. It has been turned into a completely new genre," he says.

Similarly, Wu Yan sees science fiction as a way to explore philosophy: "Arthur C. Clarke's *2001: A Space Odyssey*, *Rendezvous with Rama* and *The Fountains of Paradise* had been translated. We were very shocked that it is not only talking about science. Before, we were thinking science fiction talked about science, but we found it is not only science, but also philosophy and religion. All of this came as a shock. My generation born in the 1960s paid very, very great respect to Arthur C. Clarke."

Three women in the field especially focus on how ordinary people's lives are changing in China.

Xia Jia says, "Many science fiction works focus on interplanetary relations and the science of the distant future, but my works look at ordinary people's lives. What I'm trying to do is to imagine the near future of ordinary Chinese people's lives, which is also a way to reflect how we feel about the current time. So you can see that some of my stories happen in a Chinese core family with the parents, child, old people. Their relationships are changed by the technological revolution. I also want to explore the positive side of this change, not just the dark side. For example, I want to try to explore how ordinary people can use these technologies to rebuild their relationships, to keep their traditional feelings and values during this process." Hao Jingfang, who received a PhD in economics from Tsinghua University and is now deputy director of a macroeconomics research department at the China Development Research Foundation, won a 2016 Hugo Award for her novelette *Folding Beijing*, which deals with the inequality that has developed during rapid growth.

"I myself am interested in people's hearts, what people are thinking about. What are the differences between people in everyday life. I really like to study these kinds of details of people. So I always write some scenarios not really far away from life. Perhaps in the future, I will try to write about some far away universal empire or something like that," Hao says.

Ji Shaoting, founder and CEO of the Beijing-based company Future Affairs Administration, says the current situation of rapid change has created China's new science fiction.

"The background of the golden age of science fiction in America was the fast-developing science. So, right now in China, science and technology is developing so fast that it changes people's lives every day. You can pay by your phone, you don't need money at all. And, you can ride bicycles everywhere and you can call people to fetch your food," Ji says.

"Now China is developing so fast that we can actually feel the impact of science and technology," Ji says.

"I always tell my colleagues and investors, and also science fiction fans, that if the golden age can come back, it will probably be in China," she says.

The business of fantasy

By DAVID BLAIR

Science fiction is not just an art form or a genre of literature. It's a business, too. Chinese companies and localities are making big investments because they believe there is a huge and growing demand for stories that spark the imagination.

Growth of the mobile internet in China is seen as key. People want to watch short science fiction videos on their phones. Plus, many games are based on science fiction stories. The market for virtual reality alone is expected to reach 55 billion yuan (\$8.3 billion) by 2020, according to Bloomberg. The Motion Picture Association of America estimates that China will have surpassed the United States as the world's largest movie market last year.

"China boasts abundant sci-fi

intellectual property works to develop derivative products like internet drama, TV series, films and games," Jiang Lin, internet director of Science Fiction World magazine, told National Business Daily. "I hope the China Science Fiction City can cultivate fertile soil for these products to take root and grow."

Entrepreneurs and venture capitalists see vast potential.

For example, Future Affairs Administration, a startup company in Beijing that was launched in 2016, has already raised 10 million yuan of angel investment. During the A round of financing, FAA raised dozens of millions of yuan in total, and it established Three Body Cosmos, a subsidiary that focuses on developing stories related to Liu Cixin's *Three Body* trilogy.

"At the beginning, we got a percentage from selling stories," says Ji

Shaoting, founder and CEO of FAA, explaining the company's business model. "But that is like crushing the aspirations of the poor writers. They are not making a lot. Later on, I found out that it's better if we get the good stories and also participate in the movie part. We can get percentages of the movie project or the TV series, so we can be kinder to our writers. We want to help our writers, to protect them. I want to help them to get more money. Then they can have time to write more stories."

"We also hire people who can help to make movies. We don't make movies — just give them advice and ideas. The other part of the team is editors, because we have to talk to writers. Our company is very new. Last year, we talked to writers more than movie makers because we have to grow up the



Ji Shaoting says the current situation of rapid change has created China's new science fiction. PROVIDED TO CHINA DAILY

bank of our IP. We talked to foreign writers, Chinese writers, new writers, people who want to be writers. So we build up an education system of Chinese writers."

Additionally, Ji says, "We are a kind of an agent in a way. It is a little bit complicated, but that's how things work in China. Because in the past decades, there was no

Chinese science fiction industry, only words. If we want to make it an industry, we have to do many things in the whole industrial chain. In America, you have thousands of science fiction writers who have been published, but in China there are fewer than 100 Chinese science fiction writers, and the fans only know the names of 20. So we really need more science fiction writers. I believe there is a very big market. Many of the science fiction movies from America made a lot of money in China."

Feng Huawei, who is founder of Smallville Capital, a leading Chinese investment company, as well as a major investor in FAA, says: "I would define this project as part of the 'Imagination Industry', which is becoming more and more important. The development of technology that includes mobile information provides us with access to more devices that serve our needs, as well as spreading ideas. Imagination as the source of content production, diversity and innovation,

is of more value now.

"We are looking for the combination of high-quality science fiction works with other industries, such as movies, animation, education, travel, real estate and other cultural business. We also wish to have more people involved in the production and innovation of high-quality science fiction content through supporting development."

For 10 years, Ji was a reporter for Xinhua News Agency, where famous science fiction writer and Xinhua executive Han Song became a mentor. She says she cried when she left Xinhua, but science fiction is her passion.

"I started reading science fiction when I was 9 years old. Through high school and college, there were not a lot of people who were interested in sci-fi, so I was really lonely." However, in 2007, she attended a science fiction conference in Chengdu.

"I felt that I was not lonely anymore. I felt that I had found the family of science fiction."

6 TIBET

TIBET RAISING STANDARD OF LIVING

The autonomous region relies on localized policies and environmental protection to boost wages, as **Cheng Si** and **Daqiong** report.

This year, more than 140,000 people will be lifted out of poverty in 1,705 villages in 25 districts and counties in the Tibet autonomous region, official projections suggest.

Meanwhile, a work report released by the Tibet Leading Group Office of Poverty Alleviation in November said relocation and resettlement programs in the region will be completed by the end of the year.

The achievements will build on the region's success in the past two years, such as the eradication of poverty in five key areas: Kharub, Chamdo city; Chengguan district, Lhasa; Dragyib, Nyingchi; Nedong, Lhokha; and Dromo, Xigaze.

They were among 26 places nationwide where incomes surpassed the official poverty line of 3,000 yuan (\$466) last year, according to the State Council Leading Group Office of Poverty Alleviation and Development.

"We have won our first battle against poverty thanks to government assistance," said Norbu Dondrub, vice-chairman of the Tibet autonomous region.

"The success we have achieved is the result of preferential policies released by the Party and the unprecedented efforts made by local people."

Resources

As one of China's most impoverished areas, Tibet has been the focus of recent support from the central government.

Last year, 4.29 billion yuan was provided to help more than 1,300 poverty alleviation projects.

That saw the amount invested in the region by the central and regional governments rise by 1.6 percent year-on-year to 11 billion yuan, while loans issued to individuals and companies involved in poverty alleviation projects reached 110 billion yuan.

Meanwhile, the local government provided nearly 40 percent of the 6.75 million yuan granted to Xuecun village, Nedong, to fund construction of a nursery base in 2106.

The base was completed in June, and more than 53,000 square meters were sown with pears, peaches and herbs, plus white poplar trees which will eventually be sold as lumber.

"Before I came to the base, I raised sheep and yaks. My four family members and I used to earn about 10,000 yuan a year, but now I make 100 yuan a day and receive a free daily meal, too," said Tsering Tsamgyi, one of 72 impoverished local residents employed at the base.

"My task is to remove stones and weeds around the saplings," the 53-year-old said. "I work from 9 am to 7 pm. The work is easier than raising livestock and I earn much more than before."

Sonam Tsering, manager of the base, said the facility is expected to earn 3.26 billion yuan this year, and 60 percent of the profit will be given to villagers who are officially classified as impoverished, as part of the government's financial support program.

Zeng Youzhi, one of two dep-

DEVELOPMENT ACTION IN A NEW ERA

uty directors of the Tibet Leading Group Office of Poverty Alleviation, said: "Developing industries with local characteristics is the key to Tibet's poverty alleviation work. Impoverished people in destitute areas are encouraged to work in industries that provide stable incomes to ensure that poverty alleviation work is sustainable."

Social support

Corporate social responsibility and local resources are also being channeled in the fight against poverty.

Tibet Huaji Fashion Co, formerly known as the Huaji Hand-woven Product Cooperative, in Tsethang, a town in Nedong, is home to 79 people who live below the poverty line.

Launched in May 2008, the company mainly produces hand-woven cashmere scarves and shawls, Tibetan costumes and *thangka*, traditional Tibetan Buddhist paintings.

"We pay a minimum wage of 3,000 yuan a month, and provide workers with meals and rooms. Seven impoverished people joined us in 2008, and now we have 79," said Pasang Tsering, assistant to the general manager.

Pema Dekyi, from Chusum county, Lhokha, has worked for the company as a weaver since 2015.

"My husband and I used to be miners, earning less than 3,000 yuan a month. We lost our jobs when the mine was mechanized three years ago," the 47-year-old said.

The company enrolled Pema Dekyi on a six-month training program, where she mastered weaving techniques. She now earns about 3,500 yuan a month, and receives a yearly bonus ranging from 8,000 yuan to 10,000 yuan. Her husband no longer works.

"He takes care of our child who goes to school at Tsethang; our life is much better than before," she said.

Eco-protection subsidy

Tibet, covered by a variety of plants, including ancient woodlands, grasses, and shrubs, is defined as a "State-level ecological shield" by the central government.

Two years ago, the regional authorities adopted the central government's preferential environmental protection policies and published the 13th Five-year Plan for Ecological Protection Subsidies in the Tibet autonomous region (2016-20).

The plan echoes the Compensation Fund for Forest Ecological Benefits released by the Ministry of Finance in 2004, and encourages poor farmers and herders to work as rangers to protect the region's forests, grasslands, nature reserves, streams, rivers and lakes.

Last year, the central government allocated more than 9.35 billion yuan to pay 700,000 rangers, which benefited more than 2 million households.

"It's essential to balance poverty alleviation work and eco-



Tsering Tsamgyi, 53, works at a nursery base, part of a poverty alleviation project in Xuecun village, Nedong, Lhokha city, Tibet autonomous region.

PHOTOS BY CHEN ZEBING / CHINA DAILY

logical protection, because the environment is crucial to Tibet's economic development," said Norbu Dondrub, from the regional standing committee.

According to Lu Huadong, the other deputy director of the Tibet Leading Group Office of Poverty Alleviation, the program provides real work for people in need.

"We offer jobs to impoverished people who are able to work, and provide an income of 3,000 yuan a year. Like the State's environmental protection policy, the program reaches those who need stable incomes and it delivers genuine results," he said.

Dadrin, a 52-year-old former herdsman from Maldrogungkar county, Lhasa, has been a forest ranger for about 13 years.

"In 2004, we were offered jobs that provided a stable income after the central government released a policy to employ rangers to help protect the environment," he said.

"I was very happy. When I was raising yaks I could only earn 1,000 yuan to 2,000 yuan a year, while my wife and children stayed at home because they couldn't find work. Times were hard."

Dadrin, who like many Tibetans only has one name, said about 160 impoverished people in Maldrogungkar were initially recruited as forest rangers, but more people were employed in 2016.

"I earn 3,000 yuan per year. I also raise yaks and do some part-time work in my free time, so I can make about 12,000 yuan a year now," he said.

"The only problem is the inadequate insurance cover. Patrolling the forest is dangerous work as wild bears and other animals can appear very



Lhokha native Pema Dekyi at her loom at Tibet Huaji Fashion Co.

“It's essential to balance poverty alleviation work and ecological protection.”

Norbu Dondrub, vice-chairman of the Tibet autonomous region

suddenly. But I believe things will improve and our lives will become even better soon."

Future challenges

While the situation is improving, there is still much to be done, according to Norbu Dondrub.

"More than 400,000 people in the region still live in poverty, and 4,456 villages in 69 districts and counties have yet to see the situation improve. It will be hard work to lift all those people out of poverty by 2020," he said.

Developing industries based on local resources will remain a priority for the regional gov-

ernment this year, along with solving problems that have emerged in the application of preferential policies designed to help residents.

"Government-sponsored programs, including raising yaks, bottling spring water and producing hand-woven goods, are still small-scale ventures, and some of the new products are not very competitive in the market," said Zeng, from the Tibet Leading Group Office for Poverty Alleviation.

"Tibet's financial market is still in its infancy and requires much improvement, especially in terms of debt-repayment programs.

"We offer preferential policies to entrepreneurs and companies, but the market is still not as active as those in other provinces and regions."

He stressed that the people of Tibet are the crucial element in the fight against poverty, and more educational and health projects will be launched this year to enable them to earn more money and improve their standard of living.

Contact the writer at chengsi@chinadaily.com.cn

From woodcutter to forest ranger

By CHENG SI

Norbu, a former woodcutter from Lulang in Nyingchi prefecture, Tibet autonomous region, never imagined he would become a forest ranger and own an inn offering bed and breakfast to tourists.

His new life is a far cry from the hard times he and his family endured years ago. "In the 1980s, I earned my living by cutting wood, but timber was a dime a dozen at the time, so it wasn't easy to make money," the 54-year-old said.

Norbu, who like many Tibetans only has one name, said the wood mostly sold for about 30 yuan (\$4.60) per cubic meter, although it could fetch 70 yuan per cu m when demand was high.

"We took the transportation fees on ourselves if we carried the timber to Bayi, the prefecture's central area. The profit we made was woefully meager," he said. "It was hard to feed the family, and the mountain became bare because of excessive logging."

In 2007, Norbu found work as a forest ranger, earning 3,000 yuan a year.

Lulang, known across China as "the Switzerland of the East", is 80 kilometers from Bayi. It is famous for the Lulang Forest, ancient woodland that covers 15 sq km and boasts a wide variety of trees. In 2007, the city and the forest were placed under

State-level protection to prevent illegal logging, safeguard the ecosystem and support the local economy.

The development of Lulang is listed as a key project in the development of tourism in Tibet as part of the region's poverty reduction program.

In 2012, the local government launched a resort called Lulang International Tourism Town, attracting investment of more than 3.5 billion yuan (\$540 million) from the government of Guangdong province and businesses, including China Poly Group Corp, Evergrande Group and Guangdong Provincial Tourism Holding Co.

Its construction created more than 2,500 jobs for local residents, while B&B services and the manufacture and sale of souvenirs have been promoted since the resort opened in March.

Last year, Norbu opened a home inn near the resort, earning about 50,000 yuan in his first tourist season.

Lu Huadong, one of two deputy directors of the Tibet Leading Group Office of Poverty Alleviation, said the project helps both the people and the environment.

"Our development plan stresses environmental protection. Tibet is one of China's 'green shields', so economic development and environmental protection are vital to our poverty alleviation work," he said.

FIRST PERSON

I promote traditional handicrafts in a new way

Tashi Danzin, 30, founder of a workshop that makes hand-woven items in Dromo county, Tibet autonomous region.

Life used to be tough for my family and me. I spent years working as a driver, but only earned 1,000 yuan (\$154) a year, which was not enough to feed my family.

I was desperate, but things changed when the government awarded me a living allowance in 2015. In the same year, my wife and I were recruited as rangers to guard the streams and woods around our village as a result of preferential employment policies to help impoverished families. The work brings us a stable income of 6,000 yuan a year.

In 2016, the local government moved my family to a

new 200-square-meter house, and I received a one-time relocation payment of 130,000 yuan.

The house was not only a new shelter for the family, but also an ideal location to realize my dream of starting a workshop to produce hand-woven goods.

However, my family objected to my proposal and the other villagers regarded me as a crank.

I invested the 130,000 yuan

in the workshop and also borrowed money from relatives and friends. Eventually, I had 380,000 yuan, which allowed me to open the workshop in November.

The seven employees are impoverished people from my village. They now earn 2,700 yuan a month each.

I have lifted myself out of poverty thanks to government support, and I think I have a responsibility to help my peers escape the hard life.

Next, I plan to recruit several college graduates who will help us to connect the workshop to the world of e-commerce.

Although the workshop is still operating on a trial basis, I am optimistic about its future. I am not only making money, but promoting traditional Tibetan handicrafts and arts in a new way.

Tashi Danzin spoke with Cheng Si.



A forest ranger patrols the Lulang Forest in Nyingchi prefecture, Tibet autonomous region.

FOR THE LOVE OF INK

The pursuit of his dreams in China has not been easy, but this aspiring tattoo artist isn't about to call it quits yet

By **ALYWIN CHEW**
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Daniel Whitford isn't afraid to say that he's a broke foreigner in Shanghai.

In fact, he even admits that he has just a few hundred dollars left in his bank account and is living from hand to mouth.

But instead of packing up and heading home to the United States where he is confident he can find steady employment, the aspiring tattoo artist is adamant that China is where he needs to be in order to hone his craft.

"It's the work ethic in China. Here, the focus is not so much on talent but on being disciplined and working hard. That's what I need to improve," said the 37-year-old.

"Besides, there's just so much else for me to learn here, from the local culture to the language. I just feel so humbled here. San Francisco used to be a big city to me. After coming to Shanghai, San Francisco just feels like a ghost town. America is easy for me. China is not — and I like that."

Born in Seattle and raised in a small town in the Sierra Nevada, Whitford has since his childhood days possessed a love for creating things. He recalled how he used to spend his days playing in the junkyard of a neighbor's home, piecing together scrap objects to form robots. He also enjoyed drawing and doodling.

Whitford first came into contact with tattoos when he worked as an engineer in a California prison. There, he learned about the art form from inmates who were assigned as his helpers. But it wasn't just the designs and symbolism of the tattoos that was eye-opening.

"In prison, people have nothing but time to be innovative. The inmates would make their own needles from lighter springs or small pieces of metal. They'll find anything with an electric motor, like an old walkman, that can drive the spring," he recalled. "It's even crazier here they make their own ink. They would put a wick in a cup of lotion and light it. They would then collect the soot from the wick and mix it with toothpaste to create ink."

Whitford became so enamored with the art form that he went to get his first tattoo after leaving the prison to work as a water treatment plant operator. He now has



Daniel Whitford currently practices his craft at a small studio called Lucky Lasagna. ALYWIN CHEW / CHINA DAILY

“Here, the focus is not so much on talent but on being disciplined and working hard. That's what I need to improve.”

Daniel Whitford, a tattoo artist from the United States

eight tattoos, all of different styles, on his body.

He later learned about the creations of Shanghai-based tattoo master Shao Gang through his friend Oliver Wong who apprenticed under the Chinese artist. What Whitford saw left him spellbound.

"I was in awe of Shao Gang's work. It's pretty astounding stuff. His ability to emulate depth in a tattoo is something I've never seen before. I think if he didn't live in China he would be one of the most famous tattoo artists in the world. Right now he's lacking exposure because tattoo culture isn't as pronounced in China," he said.

A confluence of factors — the breakup with his ex-girlfriend, an existential crisis and job

dissatisfaction — compelled Whitford to take the leap of faith in 2016 to pursue his interest of becoming a tattoo artist. And there was only one person he wanted to learn from — Shao.

"I knew it was going to be a gamble. But what's the worst that could happen? I would just head back to the US and find another job. It's not as if I'll die," he said.

Whitford recalled that Shao was skeptical of his request to learn until he showed up at the shop in Shanghai in November 2016. And just like that, he became an apprentice to the revered artist for about a year. The American did not have to pay a single cent.

While the grueling training

regime — 12 hours a day, six days a week — helped Whitford to improve his skills, it also prevented him from getting a job. Slowly but surely, the decimal point in his bank account shifted to the left. He was broke by the end of 2017.

Despite his current predicament, the American is enjoying his time in the city.

"The American propaganda machine spins China as this polluted land where there is no hope. So I was quite surprised to see how first world it was when I arrived. I was expecting rickshaws and all the things you typically see in the movies," he laughed.

"There's a lot that I like about the city. I like the transit system — you don't really need a car

here — and how almost everyone has got something to do. Homeless people aren't as prevalent here as it is in America. And Shanghai's also a very safe city. Unlike back in the US, you can go anywhere at any time of the day and not worry about getting robbed. The only thing I worry about here is getting run over by an electric bike!"

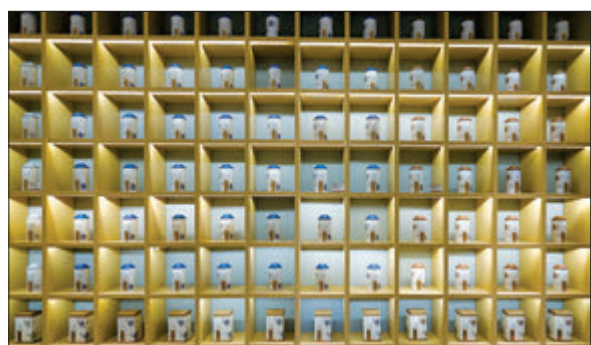
In a bid to stay afloat financially, Whitford secured a job as a private English tutor in late December. He currently teaches 10 hours of lessons a week, and spends the rest of the time practicing his skills at a tiny studio on Huashan Road that is run by an Italian chef cum tattoo artist.

Whitford admits that his future is uncertain, and that

hope is all he can lean on. What he is focused on now is finding a balance between teaching English and honing his craft. The ultimate goal, he said, is to open a studio, either in Shanghai or in the US.

"I would like to be self-sufficient. Now I'm at the mercy of the good graces of others, like the Italian who has allowed me to practice for free in his shop. It would be better to have my own desk and my own stuff," he said.

"I must say leading a life that lacks financial stability is quite stressful, but at least I no longer have an existential crisis. I think I can probably live under an underpass with just a marker pen and I'll still be okay. That's just how far I'm willing to take it here in China."



Dayin Books & Cook opened in Shanghai earlier this month. The books in the store, which is open till 2 am every day, are mostly related to literature, history, philosophy and art. PHOTOS BY GAO ERQIANG / CHINA DAILY

A historical temple turned sanctuary for book enthusiasts

By **CAO CHEN** in Shanghai
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Shanghai's charm lies in the fact that it has, despite rapid economic development and urbanization, retained much of its old soul, as evidenced by ancient buildings standing alongside modern skyscrapers with glass and metal facades.

One of the landmarks that has been around the longest is the Confucian Temple, which is today a popular site for students to pray for good results before they sit for their examinations. It is also the only temple left in the city that honors Confucius (551-479 BC), one of China's most

famous philosophers.

Built in 1294 during the Yuan Dynasty (1271-1368), the temple occupies an area of 1.13 hectares on Wenmiao Road in downtown Shanghai. Listed by the local government as a cultural relic in 2002, the temple has undergone restoration works multiple times throughout its history.

Today, the temple is well-known for its book market that draws avid collectors looking for a rare tome to add to their collection. The market, which costs just 1 yuan (15 cents) to enter on Sundays, offers a host of publications from ancient to contemporary times, including comics, swordsman novels

and magazines. Paraphernalia such as maps, postcards, advertisements, photographs, petition letters and diaries can also be found in the marketplace.

"This is a great place for Shanghai residents like me to reminisce about the 1960s and 1970s when reading comic books and watching movies were popular leisure activities," said Feng Haiming, who has been selling comic strips in the market for more than 17 years.

"Children today gain knowledge from the Internet and through their mobile devices. In the past, comic strips were our source of knowledge. We could learn so many things, such as history,



A file photo shows visitors at a book fair held in the area near the Confucian Temple.

geography and arts, from them.

Sometimes, the stories in the comics are also a valuable

source of life wisdom," he added.

The 57-year-old pointed out that many middle-aged and elderly people visit the

market not to buy books, but simply to chat with him about the past. He has also noticed that the market is becoming increasingly popular with young people and foreign tourists these days.

"The young adults we get here are eager to understand the lives of the previous generation through old pictures, books and letters. For foreigners, they find it interesting that they can still find some of their childhood comics, such as Astro Boy and Tintin, here at the market," he said.

Pei Xujiang, one of the young patrons of the market, said he is glad that such old venues have not disappeared despite the emergence of new

book stores such as Dayin Books & Cook that is open daily till 2 am. The newly opened two-story book store occupies 1,300 square meters and features spaces for reading, dining and music recording.

Pei noted that the beauty of the old book market lies in the interaction between vendors and customers when bargaining, something that cannot be found in modern establishments.

"Some people may worry about traditional culture getting overwhelmed by the contemporary. However, this municipality has always been shaped by diversification and the blend of old and modern. The past will never be lost," he said.



Shaped like shipping containers, modular gyms have been a hit with fitness enthusiasts because they offer lower fees and 24-hour access. PROVIDED TO CHINA DAILY

RISE OF THE MINI GYMS

Traditional fitness facilities are struggling to stay afloat today, and this is in part due to people flocking to the new kid on the block — small, automated and cost-effective workout zones that are spreading like wildfire

By WANG YING in Shanghai
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In a bid to solve his alcoholism, which led to health issues such as insomnia and obesity, Wang Jianping picked up running in 2012.

The researcher at Fudan University's medical college has since become a fitness fanatic, running every day and amassing a box full of medals from competitions including the Shanghai International Marathon which he has attended six times.

In 2016, the 50-year-old decided to start running in gyms instead of outdoors, citing that it can get too hot in the summer and too cold during winter. This was when he chanced upon a modular building called ParkBox.

To his surprise, the space was filled with fitness equipment such as multifunctional weight machines, dumbbells, treadmills and intelligent coaching systems which provide training programs for users and can even determine if they are performing their workouts correctly. Wang was quick to sign up as a member.

Shaped like shipping containers, these 24-hour mini gyms have been sprouting up all over Shanghai in the past year. ParkBox currently operates gyms in three sizes: 8 square meters, 18 sq m and 28 sq m. They can accommodate up to two, four and five people respectively.

"Although small, these gyms are very convenient and practical. Every facility is equipped with a treadmill, a set of dumbbells and an intelligent coaching system," said Huang Xiaolei, co-founder and CEO of ParkBox.

Users like Wang can reserve a spot in the gym at any time of the day simply by making a booking using the ParkBox app or WeChat. Every hour in the gym costs just 10 yuan (\$1.50) during peak hours. Those working out in the facility before 10 am and after 10 pm pay just 5 yuan per hour.



A security guard looks on as residents exercise in a mini gym on Zhangheng Road. GAO ERQIANG / CHINA DAILY

ParkBox, which was first launched in the Zhangjiang area in Shanghai's Pudong New Area at the end of 2016, now operates 50 mini gyms across Shanghai and Hangzhou, Zhejiang province, and has nearly 200,000 registered users. According to the company, each user visits these gyms an average of six times per month.

Huang pointed out that conventional gyms usually require about two years to break even. In contrast, ParkBox was able to do so after six to eight months because of the lower costs associated with rental and hiring coaches.

The emergence of these mini gyms comes at a time when traditional gyms are struggling to stay afloat. Chen Xinzhuo, the product director of a Wuhan-based mini gym brand XimoPanda, said that the company's research has found that 80 percent of traditional gyms in Shanghai and Shenzhen are either unprofitable or fighting to make ends meet because of increasing costs and competition.

XimoPanda opened its first 24-hour mini gym in Wuhan, Hubei province — it measures



Although small, these gyms are very convenient and practical. Every facility is equipped with a treadmill, a set of dumbbells and an intelligent coaching system."

Huang Xiaolei, co-founder and CEO of ParkBox

300 sq m and is equipped with about 40 sets of equipment — in October. Admission to the gym is just 3 yuan per hour and it is able to accommodate more than 40 people at a time. Chen said that the company is looking to open more than 100 of such facilities by the end of 2018.

Besides cost savings and round-the-clock access, these

mini gyms also offer consumers a welcomed reprieve from one of the biggest drawbacks of conventional fitness facilities — the hard selling of membership packages.

"I had bad experiences at traditional gyms where fitness coaches are more like salesmen," said Li Yi, a 23-year-old interior designer from Wuhan. "Besides, the annual membership fees often range from 3,000 to 4,000 yuan, which is so much higher than these mini gyms."

"By working out at XimoPanda gyms, I can save about 2,000 yuan a year while getting the same quality and quantity of fitness."

Wang Feng, the founder of Sunpig fitness, an internet-based gym brand which has 150 facilities in 60 Chinese cities, said traditional facilities are now at the crossroads as people have become more reluctant to purchase annual memberships.

"An annual gym membership usually costs thousands of yuan. Spending a three-digit amount every month on a card that provides access to gyms is a much less riskier decision to take," said Wang, who expects that such gyms would become a black horse

in China's burgeoning fitness market.

He pointed out that the introduction of state-of-the-art technology also boosted operational efficiency and allowed users to conveniently access their workout data through an app. This has in turn reduced labor costs by two-thirds, allowing the brand to expand at a much faster pace than traditional gyms.

Wang added that Sunpig is aiming to become the domestic market leader by opening 300 gyms annually over the next three years.

While smaller gyms like these and their conventional counterparts currently account for 1 and 64 percent of the market respectively, this ratio is expected to change dramatically over the next few years. According to a report from Shanghai-based consulting firm Meritco Services, internet-based innovative gyms will command a 38 percent market share by 2021, with traditional facilities narrowing their share to 34 percent.

Mini gyms are also well-positioned to ride the wave of rising interest in fitness in China. Chen pointed out that Keep, a Chinese mobile fitness app, presently has more than 100 million users, indicating that there is huge market potential for mini gyms.

A report on sports consumption jointly published in September by Nielsen and JD forecast that China's sports industry will hit 5 trillion yuan by 2025, accounting for 2 percent of the nation's GDP. The report also showed that Chinese spent 194.9 billion yuan on sports-related goods online in 2016, double the amount in 2014, and expenditure is expected to grow even further.

In addition, despite the central government's push to promote sports in the country, only 34 percent of Chinese exercise regularly, compared to the 70 percent in the United States, indicating that there is still much room for growth for businesses dealing in fitness-related products and services.

China's king of fitness content

By WANG YING in Shanghai

When Ling Yun started working out during his time as a graduate student at medical school in Brown University in 2001, he did so simply because he wanted to lead a healthy lifestyle.

Little did he know that he would one day become the founder of China's largest producer of fitness content.

"After spending two years working at a hospital and dealing with all kinds of patients, I realized that it was important for more people to know how to lead a healthy life. That's why I decided to become a health consultant at Deloitte after graduating," said Ling.

In a bid to raise awareness about the importance of healthy living, Ling started to post instructional fitness videos on Chinese social media platform Weibo in 2013. His videos soon became a hit, and his follower numbers ballooned. He currently has about 1.14 million followers.

"I was eager to influence people to lead a healthier life, but it was difficult for me to do so as a health consultant at Deloitte. Now, I'm able to achieve this through social media," said Ling.

As a result, he resigned from Deloitte and focused on creating fitness content.

In March 2015, Ling officially launched an app named FitTime which contained fitness videos he and his team created. In addition, the app also allows users to share and post their photos and sign up for paid fitness courses.

To date, FitTime has gained a following of nearly

15 million people, and about 1 percent of them are customers who are willing to pay to view the latest fitness videos on a monthly or annual basis. Ling and his team have

produced about 1,000 original videos since the app's inception.

"The demand is making fitness a profitable and promising business, and we will continue to work on producing workout content," said Ling.

Ling said he finds joy in being able to help people achieve positive change through his videos. The fact that his business broke even last year has encouraged him to continue producing useful content online.

One of those who are grateful to Ling is Fu Menglin, who credits his videos for helping her lose 20 kilograms in less than three years.

"I believed that women should not work out and have big muscles, but my own fitness experience convinced me of the beauty of exercise," said Fu.

According to Ling, China's middle class are paying more attention than ever to sports and fitness, but a series of problems such as location, the high cost of one-on-one coaching and the shortage of experienced coaches are keeping consumers away from gyms. Instructional fitness videos, he said, helps to solve these issues.

"While between 2 and 3 million people exercise at the tens of thousands of gyms across the United States, the most popular fitness location is actually people's living rooms," said Ling.



Ling Yun produces fitness videos for Web users. PROVIDED TO CHINA DAILY

Tapping into moneyed hearts and minds

Asset management guru Sun Xinrong reckons he's sailing toward a golden era. He tells **Duan Ting** his business has hit the right chord with China's swelling pool of super rich.

As China's growing pool of newfound rich joins the world's billionaire ranks, asset managers have been dancing to their tune. "We're in an extraordinarily promising business," says Sun Xinrong, founding partner, chairman and chief investment officer of BC Capital — a budding financial house specializing in asset and wealth management, as well as investment banking, in China.

"I think we're much better off than other global markets, including the US, and the business is more challenging than traditional banking," he says.

Sun is inspired by the fact that since the mainland's opening-up more than three decades ago, the country has accumulated a respectable pool of wealth, with a bulging class of high-net-worth individuals (HNWIs) in pursuit of professional investment services, channeling abundant opportunities to the asset management business. The trend is fueled by the growing internationalization of the yuan and a litany of high-profile Chinese economic master plans like the Belt and Road Initiative.

Sun recalls that when they launched BC Capital four years ago, the private equity business had just got off the ground on the mainland after a period of unrestrained growth. The industry's rapid development led to the creation of the Asset Management Association of China in mid-2012, based on the provisions of the Securities Investment Funds Law and the Regulations on the Registration and Administration of Social Organizations.

"The market is there, but the percentage of high-net-worth people investing overseas is still relatively small compared with that of developed countries," Sun tells China Daily.

In developed nations, for instance, the overseas portfolio takes up an average of 15 percent of households' total investments while, in China, the figure in the same category is merely 5 percent.

A report by asset management

consultancy Bain & Company in 2017 showed that overseas investments by the mainland's HNWIs accounted for an impressive 56 percent of their total portfolio — up from 19 percent in 2011.

The size of investable assets of Chinese individuals and HNWIs hit a staggering 165 trillion yuan and 31 trillion yuan, respectively, in 2016, and are projected to surge to 188 trillion yuan and 58 trillion yuan by the end of 2017.

"But, China has been facing an asset shortage problem since 2015 in terms of high-return and low-risk products," notes Sun, adding that developing competitive and innovative products with stable returns and low risks, plus educating investors, are crucial for asset management companies.

Constant innovation

"The private equity business is highly commercialized which needs constant innovation and integration," says Sun, and global asset allocation and risk diversification are important to investors.

Sun prefers to call himself an "asset manager of Chinese people's overseas investments" providing one-stop wealth management services. The long-term plan is to build a bridge to help foreigners invest in China as overseas investors' interest in the mainland market has escalated following indexing giant MSCI's plan to include more than 200 "A" shares in its benchmark emerging markets index from mid-2018, and the kick-off of the milestone stock and bond connect schemes between the Chinese mainland and Hong Kong.

Sun says his company's asset management adroitness has been given much impetus through its Chinese background, and it knows China well. He co-founded BC Capital with Allen Feng who's now its president and was formerly managing director at Morgan Stanley Asia Pacific, with over 30 years' experience in the fixed-income business. Sun believes the mainland's



Sun Xinrong, founding partner, chairman and chief investment officer of BC Capital, regards himself an asset manager of Chinese people's overseas investments, saying his company's Chinese background has been instrumental in the process. PARKER ZHENG / CHINA DAILY

'Sunset industry'? It's not in my dictionary

By DUANTING in Hong Kong tingduan@chinadailyhk.com

Life is an unstoppable process of trying, meeting challenges and enjoying the process, says Sun Xinrong, founding partner, chairman and chief investment officer of BC Capital.

He says that after having joined the financial market "by accident," he's grateful for the chances offered during the good times.

Sun had a special liking for economics and English, choosing international finance as his major at university. Upon graduation, the Chinese mainland's financial sector was in dire need of

financial talents, so he joined the Industrial and Commercial Bank of China — one of the country's "Big Four" lenders — in Zhejiang province in 1989.

He was with ICBC for nearly two decades, serving in various positions, including general manager of the international business department, vice-general manager of the business department of the bank's Zhejiang provincial branch, deputy CEO of the Singapore branch and CEO of ICBC Hong Kong.

Sun left ICBC in 2008 before taking the plunge in the private equity and asset management business.

In 2013, he co-founded BC

Capital, an asset management firm specializing in private equity investment and offering sophisticated expertise in fixed-income, hedge-fund and overseas M&A portfolio management.

"Having a target and a direction is important for developing business and careers. Sticking to the right direction and being patient is critical," he says.

He doesn't believe in the saying that any particular business is a sunset industry, based on his own lengthy experience in traditional banking. "Opportunity is always there in the market and we're always on the innovation road."

“The private equity business is highly commercialized which needs constant innovation and integration.”

Sun Xinrong, founding partner, chairman and chief investment officer of BC Capital

He feels the difference between working in a traditional banking system and founding his own business is that a startup business requires much greater passion. He takes it as working for the entire team and clients rather than for himself.

Currently, his focus is on a long-term business strategy and leading the team to greater heights in development.

To the younger generation, he says: "Remember to develop whatever you do step by step. Young people have to be diligent and honest, which are critical characters, and be patient at all times. Very promising times are in store for them."

private equity sector will grow fast and dramatically in terms of size in the coming years although, at present, the mainland still relies heavily on traditional asset investment. The private equity business in the United States is 10 times larger than the mainland's.

Talking about the areas his company has confidence in, Sun lists four — energy conservation and environmental protection, new energy, biological medicine and new services industry — which are

also on China's list for future development.

Big future trend

"Financial technology is a big future trend," says Sun. BC Capital had invested in Zhong An Online P&C Insurance in 2015. When investing in fintech enterprises at an early stage, it's vital to know their investors, the management's background and business model.

Not to be left out are artificial intelligence, robotic process automation and block-

chain technology.

As for its current offshore operations, BC Capital focuses on three areas — overseas mergers and acquisitions, fixed-income funds and fund of funds.

The company's assets under management has touched \$700 million with a Hong Kong branch operating in the city for more than two years. Its Hangzhou and Hong Kong affiliates have been granted "Private Investment Fund Manager" certificates by the Asset Management Association

of China, as well of Types 1, 4 and 9 regulated licenses by Hong Kong's Securities and Futures Commission in 2015. "It won't be long before our fund management scale tops \$1 billion," predicts Sun.

"The shortage of professional talents in private equity is a big issue we faced in the beginning," Sun recalls. It isn't easy to find good projects to invest in and, after fundraising and investments are decided upon, they have to manage the projects well.

With Hong Kong as the company's offshore head office, Sun is confident the city still has a big role to play, and the next five years would be another golden period for the SAR with the unreserved backing of the central government.

Hong Kong, Sun says, does have the potential to be southern China's innovation and technology center, apart from Shenzhen.

Contact the writer at tingduan@chinadailyhk.com

The Governing Principles of Ancient China

Editor's note: This is an extract from *The Governing Principles of Ancient China*, based on 360 passages excerpted from the original compilation titled *Qunshu Zhiyao*, or *The Compilation of Books and Writings on Important Governing Principles*. Commissioned by Emperor Tang Taizong of the Tang Dynasty in the seventh century, the book contains advice, methods and historical notes on the successes and failures of the imperial governments of China. Today it continues to be relevant as a source of inspiration for self-improvement, family management and interpersonal relations.

193. 天下樞要，在於尚書，尚書之選，豈可不重？而問者多從郎官，超升此位，雖晚習文法，長於應對，然察察小惠，類無大能。宜簡嘗歷州宰素有名者，雖進退舒遲，時有不逮，然端心向公，奉職周密。

(卷二十二 後漢書二)

The most important post in the central government is that of a cabinet minister (shang shu). Therefore, the selection of a cabinet minister should not be taken lightly. The current ministers are often promoted from lowerranked deputies (lang guan). Even though these deputies are proficient in rhetoric, mastery of such subjects is only considered as minor intelligence. Most of them actually do not possess the ability to handle important tasks. Hence, it is more appropriate to choose reputable former state officials to take on the post of a minister. While their response may be slower, and even inadequate at times, they are loyal to the country and thorough in their undertakings.

Scroll 22: *Hou Han Shu*, Vol. 2

CAPITAL IDEAS: PETER LIANG

Making responsible corporate citizens is no easy task

The nagging controversy surrounding Link Reit's business tactics that flared up again in the latest exchange of barbs with a seasoned politician has brought to the forefront the issue of corporate citizenship.

Normally, corporate citizenship is nothing more than a pet subject dear only to a few social activists. Tuned to the capitalistic notion that companies are there to make money and nothing else, the public admiration was largely focused on the most profitable few.

But, this is changing. Property barons who were once lionized like entertainment celebrities and sport stars have all been demonized for ruining the dream of many Hong Kong families who can no longer

hope to buy a home. Property owners, like Link Reit, have fared even worse.

In this recriminating atmosphere, do those investors with the intention to do good have a choice other than to follow the profit driven market herd?

In some other markets, like the United States, fund managers have engineered investment trusts that appeal, at least partly, to conscience. They are called impact investments, and it has become a \$250-billion market that is growing fast, according to a CNN report.

These investments are tailored made by some investment banks to meet the demands of a growing number of investors who desire measurable social or environment returns on their investments, plus, of course, capital gains. The market for impact invest-



Link Reit's business practices may have stirred controversy, but the company says it has helped enrich the lifestyles of families in the neighborhood. PROVIDED TO CHINA DAILY

ments is big because the majority of young investors are considering investment decisions "as a way to express their social, political and environmental values", Jackie VanderBrug at Bank of America told CNN.

It's not clear how much appeal such investments have to Hong Kong's social and environmental con-

cerned, young investors. But, there's no shortage of listed companies, especially those in the utility sector, that have gone out of their way to showcase their achievements as responsible corporate citizens.

Though vilified by grassroots activists, Link Reit has made the point that its

strategy of renovating the shopping malls it owns has helped enrich the lifestyles of many families living in the neighborhood.

Anchoring investment decisions on the good of society should be encouraged. But, it's not as straightforward and simple a decision as it may seem.

Riding a 'once-in-a-lifetime' boom

Investment guru Vanessa Xu is confident the golden era for asset managers in China will continue for another 20 years. She tells **Duan Ting** the boom is being fueled by the nation's swelling middle-class group.

To investment captain Vanessa Xu, the golden times for asset managers are here to stay.

And, the opportunities up for grabs will be "once in a lifetime", she says. "The past and coming 20 years have been and will still be the golden period for asset management in China ... we believe active management investing in the China market will shine."

Xu is co-founder and chief executive officer of FountainCap Research & Investment Co — a long-only equity fund managing house which focuses on global long-term opportunities that benefit from China's fundamental transformation.

With a larger economic volume and faster growth speed, she thinks the mainland market is now very much like that of the US from the 1950s to the 1990s when globalization led by American companies was gaining steam, and the middle-class rose amid post-industrialism and urbanization, driving infrastructure construction and consumption.

"The US stock market rallied more than 100 times during the 1950-2007 consumption boom," recalls Xu. "Great long term equity investment firms like Capital Group where I worked at before and several others grew amid the boom in the capital market."

The mainland stands to benefit from continuous and further fundamental transformation, including industrialization and urbanization.

According to global management consultancy McKinsey & Company, the mainland, at present, has 800 million people living in below third-tier cities, and there'll be more than 550 million in the middle class — 76 percent of the country's urban population — by 2022, which would make China home to half of the world's middle-class group.

The expansion of China's middle class has the potential to create the world's largest consumption bonanza since the post-war period in the 1950s in the US and Europe. Chi-

nese consumption is expected to grow 9 percent annually through 2020, says Boston Consulting Group.

Xu says the wealth accumulated in the past three decades on the mainland has been going thorough transition, and succession brings opportunities as well.

The nation is also undergoing an innovation and technology revolution with two leading and fast growing technology innovation clusters — the Guangdong-Hong Kong-Macao Bay Area led by Tencent, Huawei and DJI and powered by the Hong Kong and Shenzhen capital markets, and the Shanghai-Hangzhou Bay Area led by Alibaba, Netease and Hikvision and powered by the Shanghai stock, bond, currency and commodity exchanges.

Best bourse performers

"Technology innovation and revolution not only boost the emergence of budding tech companies but more importantly, improve productivity or even transform many traditional sectors such as manufacturing industries," says Xu.

As the economy undergoes a massive transformation and new economic growth engines emerge on the mainland, Xu emphasizes that the Hong Kong and mainland stock markets may become the world's best-performing bourses in the next decade, and there are "many, large and high-quality" investment opportunities for the asset management business.

FountainCap is positive about the performance of sectors like consumption, technology, manufacturing, the bio-pharmaceutical industry, including cell engineering, the clean economy covering natural gas, air and water, and healthcare.

The mainland's stock market, Xu recalls, emerged in the early 1990s and has been fueled by the Hong Kong bourse in the past decades. What were mostly included in the Hang Seng Index were local real-estate and banking stocks in the 1980s but, at present, private enter-

prises such as Tencent are also listed on the gauge, reflecting the rapid transformation of the mainland economy.

More world-class companies are expected to emerge from China's private sector and more excellent private enterprises are due to go public overseas and be included in the index.

"China's private sector is larger and stronger than ever, creating more than half of the national GDP, underpinning higher quality and more sustainable growth in the coming 10 years," she notes.

The most significant event for investors last year was when MSCI — the global gauge of stock-market activity — announced in June that 222 "A" stocks — would be included in

MSCI global indices from June 2018. Xu says the inclusion suggests that Beijing's financial reform efforts over the past few decades have been increasingly recognized by international investors and greater direct participation by global investors in the mainland's equity market is likely. This would encourage the government to undertake further deregulation and promote capital account.

According to a research report by FountainCap, China is the most important marginal variable at present, and the only direction for global investors is to increase the asset allocation percentage of Hong Kong, Taiwan, Macao and mainland shares under the country's continuous transfor-

mation and opening-up of its capital market.

Selective stocks

"We believe that active management will shine for China equity investments in the coming decades. Given the structural inefficiencies in the Chinese capital markets, we believe active managers with long-term focus, thorough fundamental research, low fee structure and superior stock selection capabilities, stand a good chance to outperform index funds over the long term," says Xu.

FountainCap's investment strategy is to focus on selective stocks based on the long term, and the company's solid research on fundamentals rather than short-term volatility,

slow variable. We aim to be the fund manager who faces cycles but, in terms of pitching clients and finding assets, it's about being fast."

"Investment is a tough job which needs independent thinking, discipline and patience," she says.

"We prefer intellectual honesty and equality in our operation so we encourage our colleagues to be more open, raise their views and share their insights."

Xu's advice to youths is that in developing their careers, they should be independent thinkers with faith and passion in what they do and stick to it. They should ignore external interference, such as how much money they could earn in the short term, but pay attention to five to 10 years' training of professional skills.

On a mission with no room for regret

By DUANTING in Hong Kong
tingduan@chinadailyhk.com

"It's the sense of a mission to help asset owners grow their wealth along with the golden times for asset management that drove me to co-found this company with my partner," recalls Vanessa Xu, co-founder and chief executive officer of FountainCap Research & Investment.

Xu and Frank Ding, both ex-Capital Group investment professionals, founded the company in 2004. "Our team has combined investment experiences through six global market cycles over the past 25 years," says Xu.

Xu has more than 16 years' experience in the global capital market. Prior to founding FountainCap, she was with Capital International under Capital Group responsible for direct

investments in Asia with an emphasis on China and primarily focusing on the internet, consumer, retail and healthcare sectors. Before joining Capital Group, she was an investment banker at JP Morgan Securities, Credit Suisse and Citigroup. She had also worked as a management consultant with Monitor Group's Beijing office before taking up investment banking.

Talking about giving up being an investment banking professional to running an enterprise herself, Xu says: "We feel like it's a once-in-a-lifetime opportunity and if we don't seize it, we would regret facing the historical tide."

But starting an enterprise is totally different from working in a large company. "You need to strike a balance fast or slow, as when you do research and investment which is a

slow variable. We aim to be the fund manager who faces cycles but, in terms of pitching clients and finding assets, it's about being fast."

"Investment is a tough job which needs independent thinking, discipline and patience," she says.

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“We believe that active management will shine for China equity investments in the coming decades.”

Vanessa Xu, co-founder and chief executive officer of FountainCap Research & Investment Co



Vanessa Xu, co-founder and chief executive officer of FountainCap Research & Investment Co, believes the China market really has good prospects for asset management.
PARKER ZHENG / CHINA DAILY

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194. 以言取人，人飾其言；以行取人，人竭其行。飾言無庸，竭行有成。（卷八 周書）

If oratorical skills become the standard in choosing qualified people, people will work on their oratorical skills. If virtuous conducts become the standard in choosing qualified people, people will work on perfecting their virtue. Being cunning in talking is of little use, but to exert all efforts on good causes will guarantee good results. Scroll 8: Zhou Shu

195. 故明王之任人，諂諛不進乎左右，阿黨不治乎本朝；任人之長，不強其短；任人之工，不強其拙。此任人之大略也。（卷三十三 晏子）

A good leader will never put flatterers by his side or allow any clique with a private agenda to serve in the government. He uses people's strengths and does not pressure them to work beyond their abilities. He uses their expertise and does not force them to undertake tasks with which they are unfamiliar. These are general principles to bear in mind when working with the staffs. Scroll 33: Yan Zi

CAPITAL IDEAS: PETER LIANG

The big fintech race — does it really matter for HK?

What's the real reason for stunting the development of fintech in Hong Kong has been a matter of debate among economic planners, economists, politicians and business leaders.

Citing the wide use of Alipay and other online payment systems on the Chinese mainland, critics charged that Hong Kong is falling woefully behind its neighboring competitors in the technology race despite gaining a head start decades ago. But, there are those who believe that much of the popular technological tools in other economies just aren't all that relevant in the Hong Kong context.

The issue matters to the millions of Hong Kong consumers. If you're one of them who wonder if you

have been inconvenienced by the lack of technological advancement since the introduction of Octopus cards in 1994, listen to Chan Ka-keung, a former secretary for financial services and the treasury for five years, stepping down as recently as October last year, Chan is better qualified than most other people in talking about the topic.

In an interview published in a mass circulation Chinese-language daily newspaper, Chan said he didn't think Hong Kong is falling behind anyone in the development of financial technology, particularly auto payment. "I find paying with my cards (Octopus and credit cards) more convenient" than other forms of electronic payment, he said.

He believed that many Hong Kong people shared



Alipay, the online and mobile payment platform operated by Ant Financial Services Group, is gaining momentum after launching AlipayHK, a version dedicated to local currency payments in Hong Kong. PROVIDED TO CHINA DAILY

his experience, which, he said, was the main reason why there was little incentive for vendors to develop or introduce other alternatives.

This doesn't mean Hong Kong consumers have no other choice. More and more supermarkets and convenience stores have installed terminals

to accept payments with smartphones through various service providers, including Google Pay or Apple Pay. Meanwhile, Alipay is reported to have tried popularizing the use of its service by installing terminals at stores in some wet markets.

Chan recalled that when he was in the government,

he insisted on ensuring that financial technology was developed in a well regulated environment. His insistence might have hampered the development of the P2P, or person-to-person, lending platform. But, the collapse of these markets in some economies has proved that he was right.

Monday, January 15 to Friday, January 19 News in review



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Monday January 15

US tax cut may bring mixed effect

The US corporate tax cut could provide an opportunity for Chinese companies to increase their market share and even become top leaders of their sectors in China, considering that their US competitors may adjust business strategies in China, EY experts said.

The tax cuts and jobs act, which has been signed into law by US President Donald Trump, will allow US companies to bring offshore profits home at greatly

reduced tax rates.

"The new tax law will incentivize multinational US companies to repatriate their offshore profits, including profits in China, back to their home country. This may lead to a shrinking of their market share in China while offering opportunities of a rise in market position for their Chinese counterparts," said He Lipeng, transaction tax partner of EY, one of the largest international accounting firms in the world.

2017 one of hottest in decades for China

China experienced its third-highest average temperatures in more than six decades last year as greenhouse gas emissions in the country kept increasing, according to the China Meteorological Administration.

The average temperature through 2017 was about 10.4 C (50.7 F), more than 0.8 C above the yearly average and the third highest since 1951, according to

China Climate Bulletin.

Monitoring stations across the country observed 12.1 days with temperatures above 35 C, 4.4 days more than average and 1.4 days more than 2016, said the bulletin.

It also said 437 monitoring stations, or 71 percent of the total, across the country observed extreme hot weather, up by 37 percent from 2016.

Tuesday January 16

Early-stage education becomes big business

Rising demand in China for top-quality early-stage education, and current inadequate supply, are prompting private and foreign investors to rush into the segment in the hopes of huge and rapid growth.

Shopping malls in big cities now house early-stage educational institutes that offer classes covering every conceivable subject, ranging from English language to arts.

In the past few months, however, alleged scandalous abuse of kids at kindergartens and

early-stage educational institutes in Shanghai and Beijing led to a serious review of the situation, further stoking the demand for better, safer services in this segment.

Courses currently on offer tend to be rather expensive. A 45-minute class at Romp N' Roll, an early-stage education center in Beijing, can cost up to \$46.

As early-stage education is not part of the country's compulsory education system, industry insiders expressed concerns over lack of regulation. (Photo 1)

Crude oil imports to increase 7.7%

Imports are expected to make up more than 70 percent of China's crude oil supply in 2018 amid sound economic growth, said a research arm of State-owned energy giant China National Petroleum Corp.

The country's net crude oil imports will rise 7.7 percent to 451 million metric tons in 2018, accounting for 70.1 percent of China's total supply, according to a report released by CNPC Economics & Technology Research

Institute.

Oil imports by the world's largest energy consumer rose 10.8 percent to 396 million tons last year, meaning China overtook the United States to become the world's largest oil importer. The country relied on imports for 67.4 percent of its oil supply last year.

China's oil demand is expected to increase 4.6 percent year-on-year to 615 million tons in 2018. (Photo 2)

Wednesday January 17

Government seeks to end false economic data

The central government will step up its efforts to stamp out inflated and falsified economic data after some local governments in the country cut their gross domestic product growth and admitted fudging key economic numbers, as part of the country's overall efforts to achieve high-quality growth, economists said.

The latest move by the local governments to adjust their GDP data reflected greater pressure

from the central government to ensure data accuracy and its growing effort to address some technical problems in the country's statistics system, said Zhang Yansheng, chief economist at China Center for International Economic Exchanges.

China's top policymakers have pledged to improve the country's statistics system and the performance evaluation of local governments with an emphasis on high-quality growth.

JD seeks \$2b in fundraising for logistics unit

JD, China's second-biggest e-commerce firm, has kicked off a fundraising round at its logistics unit with a target of at least \$2 billion, and eventually plans to list the business overseas, people with direct knowledge of the matter said.

JD, which only trails Alibaba Group Holding Ltd in China's e-commerce market, has invited a select group of investors to join the funding round that values its logistics business, JD Logistics, at around \$10 billion, two of the people told Reuters.

The move comes as China's major e-commerce companies

are looking to bulk up their logistics businesses to support their global expansion ambitions and boost revenues by offering services to third-party entities.

Chinese investment firm Hillhouse Capital Group and Sequoia Capital China will likely be lead investors of JD Logistics' funding round, while a number of State-owned and international investors have also shown strong interest in the deal, according to the people, who could not be named as the information is confidential. (Photo 3)



Herdsmen take part in a camel race during a winter Nadam fair in Xilinhot, North China's Inner Mongolia autonomous region. XINHUA

Thursday January 18

Police make country's biggest counterfeit bust

Police seized fake bank notes with a total face value of more than \$33.2 million after cracking the biggest counterfeiting case in the nation's modern history late last year, a senior police official said.

Lin Weixiong, deputy director general of the Guangdong Provincial Department of Public Security, said 14 suspects thought to belong to a criminal gang were detained while a large amount of semi-finished fake bills and

printing equipment was seized after a production site and warehouse were raided.

"The case is regarded by the Ministry of Public Security as the country's largest counterfeiting case since the founding of New China in 1949," Lin said at a news conference in Guangzhou, the provincial capital.

None of the finished counterfeit bank notes had reached the public at the time of the busts, authorities said. (Photo 4)

Solar-powered bikes introduced in East China

Hangzhou in East China recently rolled out solar-powered bikes.

Compared with ordinary bikes, the red-colored bikes have a battery slot on the front and electric motor on the back. About 200 of the bikes, which can be rented with mobile phones, are available at 16 public bike service centers

across the city.

Along with bikes, locks have been provided for renting the solar power battery, which is free for use in the first three months of the trial operation.

By the end of January, a total of 1,000 such bikes are expected at 51 public bike service centers. (Photo 5)

Friday January 19

Lego toys, Tencent form a partnership

Danish toymaker Lego is teaming up with Chinese internet giant Tencent Holdings Ltd to jointly develop online games and video and a social media network for Chinese children.

Under the new partnership, Lego says it will aim to create a safe online ecosystem with platforms, content and experiences tailored for Chinese children and in which it will increase awareness of digital safety at a time when more children spend time online.

Privately-owned Lego has seen a slowdown in sales growth

in recent years, but the Chinese market has been a bright spot with sales growing 25-30 percent in 2016.

Last year, Mattel struck deals with Chinese e-commerce giant Alibaba Group Holding Ltd and online content developer Baby-Tree to sell interactive learning products based on its Fisher-Price toys.

Lego has about a 3 percent market share in China, followed by Mattel and Hasbro with around 2 percent and 1 percent, respectively, according to Euro-monitor International.

Efforts stepped up to rein in SOE debt

China aims to cut the average debt-to-asset ratio by another 2 percentage points for its 98 centrally administered, State-owned enterprises by 2020, the country's State asset regulator said.

The average debt ratio for central SOEs stood at 66.3 percent by the end of 2017, down 0.4 percentage point from the beginning of the year. Sixty-two of these big companies have managed to lower their debt ratio in comparison with the previous year and 40 of

them saw this figure fall by more than 1 percent.

China's centrally administered SOEs earned \$218 billion in profit in 2017, up 15.2 percent year-on-year.

Eager to compete with their foreign rivals, central SOEs have been fostering new growth engines by expanding their footprints in strategic new industries and high-tech sectors, such as the digital and green economies, artificial intelligence and new energy vehicles.

NUMBERS

7.9 percent
The increase in foreign direct investment (FDI) into the Chinese mainland in 2017 year-on-year to \$136.33 billion, the Ministry of Commerce said

\$33 billion
The amount raised in 2017 by China's welfare lottery sales, an increase of 5.1 percent year-on-year

\$923 million
Estimated market value of the English learning market for kids in China

Quote:

"I don't think technology can become a form of education, but it can help education become better."

Tao Sha, a professor with Beijing Normal University, commenting on apps developed for early-stage education of young children



Shanghai has installed a set of 3-D printed bus shelters — believed to be the world's first — to serve a bus line in its suburban Jinshan district. The bus shelters feature a closed-loop design that looks like a rectangular frame measuring 16.7 feet long, 4.9 feet wide and 8.8 feet high. "All the printing materials are from recycled and classified industrial waste or tailings," said Wang Aijuan, who is responsible for the project at WinSun Construction Technologies.

YIN LIQIN / CHINA NEWS SERVICE

12 SECOND THOUGHTS

Editor's note: This week, China Daily USA introduces a new feature, the Second Thoughts page. The personal observations are written by China Daily staffers from around the world who provide a foreigner's perspective on China.



The frozen Songhua River in Harbin, Heilongjiang province, provides the perfect setting on Monday to get a bounce in life.
WANG JIANWEI / XINHUA

LEARNING TO GIVE WINTER A WARM EMBRACE

“Mittens are far warmer than gloves, since the fingers share their warmth.”

Braving the cold can be a dreadful prospect, especially in January. Though spring looms, this can be the bitterest month. By properly adapting, though, it's possible to enjoy, and not merely tolerate, the cold. This is especially important as more Chinese learn to appreciate winter sports in the run-up to the Beijing 2022 Winter Olympics. I became acclimatized to frigid weather early in life. I



James Healy

grew up in Nebraska in the heartland of the United States, where temperatures, particularly in January, usually dip well into the danger zone. As children, my siblings and I would venture outdoors for long hours of play after notorious Nebraska blizzards left us waist-deep in snow. We would shovel the snow into

huge mounds, pack it down, hollow it out and make snow houses big enough for seven kids. When mom called us inside for supper, we wanted to stay outside longer in our own little world with cold white walls.

At the age of 11, I delivered newspapers during a truly nasty winter, a torturous task that took a couple of hours each day. Thus acclimatized, as an adult I once ran 5 kilometers at night when it was -50 C, went ice fishing

when spit would instantly freeze, and rode my bike with snow tires when the mercury plunged to around -30, just to get my favorite cheeseburgers. But I had a trick or two up my sleeves.

First, a heavy coat isn't enough. What's beneath the coat is far more important. The key is to protect the body's core heat by dressing in layers. The lower the temperature, the more layers you'll need, especially when the wind is howling. In

extreme cold, seven layers or more is not unusual.

The first layer — which you should tuck in to prevent wind penetration at your core — should have long sleeves and ideally consist of either neoprene (the wetsuit fabric that California surfers wear to insulate against the cold Pacific waters) or a material that wicks sweat away from the body. Then add layers as appropriate — preferably light but airtight fabrics used in modern athletic wear, so you don't hamper mobility.

Layering protects against biting winds but also, once you venture somewhere indoors, allows you to peel off layers as needed to remain comfortable.

Second, protect your extremities. Mittens are far warmer than gloves, since the fingers share their warmth (you can also form a fist inside your gloves to keep the fingers warm). Wear long underwear or two pairs of pants as well as several pairs of socks, which means you might need a pair of shoes or boots for winter that are a half-size larger than you normally wear. And be sure to cover the ears as well as the nose and mouth, when possible.

Finally, wrap a woolen scarf around your neck before putting on your coat, which will seal in body warmth and keep the raw wind out.

Now you're ready to hit the ice or the slopes or, if you're really crazy, ride a bike to fetch your favorite cheeseburgers.

Contact the writer at jameshealy@chinadaily.com.cn

Keeping families together anywhere

They said there was a secret behind their house.

So, I left the couple shoveling corn into a wooden roasting barrel to investigate.

It turned out to be a cave containing buried treasure — liquor.

The couple uses the cavern hidden behind their home to store large ceramic urns of their corn liquor ferments. I sniffed the

product. It smelled ... potent.

Deng Zaiquan and his wife haven't yet relocated from Guizhou province's underdeveloped Yikoudao village to Tongren city like most of their neighbors. He's concerned about getting a job, since he has a disabled arm.

So, they've spent the past four years brewing spirits to support their three children in high school in Tongren.

"Disabled people are worried there are no jobs for them in the city," said Xiao Han, a public servant in Tongren, who helped relocated villagers to adapt to urban life.

"There's no specialized training for them."

Deng's family owns a 120-square-meter modern apartment in Tongren. But the couple only visits it about five times a year.

"I want to find a job in the city to stay with our kids," Deng said, shoveling corn in front of his rustic house.

The kernels flew from the blade like sparks as he spoke.

"But most of my family's income comes from alcohol. I can do that here."

They earn 40,000 yuan to 50,000 yuan (\$6,000-7,700) a year selling booze.

I've focused on covering poverty alleviation during my 11 years in China.

No society in human history has lifted so many people out of poverty so quickly.

The relocation program in Tongren and the construction of infrastructure in Guizhou serves as a microcosm for what's happening nationwide, as China has declared it'll eliminate extreme poverty by 2020.

Everyone knows China is a huge country with a huge population.

But fewer people appreciate the role of geography, which has largely conspired against the 1.4 billion people who inhabit the country's terrain.

China is crowded not only with people but also with geological hazards.

Its inhabitants dwell among an inordinate density of fault lines, mountains, deserts and plateaus.

Guizhou has long remained one of China's poorest provinces because of its mountainous terrain. It's diced by karst peaks that make agriculture, industry, transportation difficult.

The country has made great strides in overcoming such roadblocks as mountains to enhance transportation in such tricky terrains.

Urban centralization in places like Tongren provide advanced, accessible public services and modern, private amenities in homes.

A growing number of programs provide job training to former farmers and herders that offer better livelihoods.

Deng is an outlier. But his family is doing OK, financially.

If he could work in the city, he could live there, too.

And he could enjoy its advantages — including being with his kids.

Contact the writer at erik_nilsson@chinadaily.com.cn

Don't fold your faith in the humble wallet

Don't believe the hype, guys. Despite the unrelenting efforts of China's e-commerce giants to turn the whole planet into one huge mobile payment playground, the humble wallet remains an essential accoutrement for real men.

Of course, if you happen to be one of those free spirits who would rather carry a purse, be my guest. All the more room to pack your makeup and cupcake recipes, big fella.

A wallet is like a miniature filing cabinet to organize the stuff that's worth organizing, right? Stuff like money and receipts. Credit and debit cards. Licenses. Maybe a photo or two of former girlfriends. I still carry a snapshot of a Korean cutie who stole my heart 10 years ago. Every time I look at it, I'm reminded that she might have been the perfect soul mate ... if only she'd been five years younger and had a bit more money.

But I digress.

According to a recent front-page story in China Daily, the explosive growth of mobile payment in this country has prompted some pundits to predict an all but "cashless" society by 2050. Citizens of the world's most populous nation are increasingly relying on cellphones to buy meals and snacks, unlock shared bikes and pay for taxis and train tickets.

Mobile payment is also becoming China's preferred



Wechat mobile payment. PROVIDED TO CHINA DAILY



Murray Greig

method for public utilities and civil affairs.

In 2016, more than 200 million citizens registered for marriage licenses, arranged court dates or paid traffic fines with a few taps of their phone. The China Daily story quoted Shiva Putcha, an analyst with the Shanghai-based research firm IDC, as saying: "Mobile payment has become the default way of life now. Literally every business and brand in China is plugged into this ecosystem."

The new reality was recently thrown in my face when an urge to brew a big pot of my world famous clam chowder prompted a visit to one of Beijing's busiest seafood markets. After scooping up a couple dozen of the tasty mollusks, I took my place in the long checkout line. When I was finally face to face with the harried-looking cashier, I whipped out my wallet and proffered the cash.

First, the woman stared at me like I was from another planet. Then she burst into laughter. Several customers in the adjacent checkout line quickly joined in. An old man, perhaps sensing my discomfort, sadly patted me on the shoulder.

After the longest two minutes of my life, during which I came to realize that this particular market does not engage in cash transactions, an angel of mercy came to my assistance. Taking pity on the poor *laowai*, she explained in English that I could give her the cash and she would pay for my purchase via WeChat.

As we walked to the exit together, she asked why I wasn't "wired" for mobile payments.

"Because I have a wallet," I replied. The look on her face could only be described as bemused astonishment.

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Finding a cure for future healthcare

Last time I used this space to talk about what a dramatic effect artificial intelligence was having on society and jobs — and so this time I thought it would be timely to delve a little deeper into one of the sectors which experts tell me is likely to benefit most: healthcare.

As I did my research, I realized that there were some healthcare firms like Medix, a London-based global provider of healthcare management solutions, that had already reaped the AI advantages.

Run by Belgium-born Sigal Atzmon, its founder and global CEO, Medix has become a leading medical organization in its own right since it was launched just over a decade ago.

What sets Medix apart from the rest is that it is a global medical advice specialist — a kind of global doctor's practice, if you like. It is significantly expanding its personal medical case management services to

Asia, including China, Singapore and Malaysia, using Hong Kong as a gateway.

Atzmon explained that the moment we are told we have a serious medical condition we enter into a coping mode. Rightly so, as we are often forced to make a myriad of uninformed yet critical decisions, riddled with endless doubt and countless uncertainties. That's where companies like Medix are looking to come in, she says.

She said she firmly believes that China will be at the forefront of the next global healthcare revolution, because contrary to companies in the United States, Canada and Britain, "it is not burdened by what she calls a 'healthcare legacy infrastructure'."

Yes, many parts of rural China suffer worse medical conditions than the major cities, but she says the country has the advantage of effectively building its leading medical facilities from scratch, designing



Ullattil Manranjith

what could arguably soon become the most modern medical system in the world.

The government has a mandate to provide quality medical care for everyone, but the huge population cannot be served by traditional means due to a lack of infrastructure, shortage of medical staff and cost. The solution in future will be AI-driven and China has what is needed in spades, she says, because it has a huge amount of data that is all in one language, expertise and resources.

"The private sector has already made a good start in this regard," Atzmon said, with the country's largest internet giants, including Baidu, Alibaba and Tencent along with hundreds of start-ups already at the cutting edge of technologies, such as voice and image recognition.

Less is more when it comes to a leisurely life

"So this is Christmas, and what have you done?" Well, in my case, the answer to the question posed in John Lennon's seasonal song is that I traveled back to my home in the United Kingdom for the first time in 15 months.

And what's that other famous song by John Lennon? Ah yes — "Imagine no possessions ..."

As it turns out, both of the late Beatle's ditties have some relevance to my trip. In retrospect, flying thousands of kilometers for such a brief visit might not have been the wisest thing to attempt — but I had a week's leave and I'd found a cheap flight so I decided to leave Beijing for a whistle-stop trip to spend Christmas with the family.

However, I'd underestimated the reverse culture shock and general disorientation I'd have to deal with, compounded by jetlag playing



David Bogle

havoc with my body clock.

Of course, it was wonderful to be reunited with family and friends, satisfy my cravings for fish and chips and a trip to the pub, and enjoy a traditional Christmas dinner. But the fatigue and confusion I felt seemed to be reflected by the weather.

Our home in the UK is just a few kilometers from where Emily Bronte wrote Wuthering Heights and the 19th century novelist wasn't wrong about the winter climate in Yorkshire. The wind howled, the rain lashed against the windows and it seemed to be dark all day long — and my week was capped off with a blizzard of snow a meter deep.

But inside our cozy home I was also overwhelmed by the sheer amount of stuff I

My minimalist life in China has inspired me to rethink my policy on possessions.

possess. All I could bring with me to Beijing was the 20 kilos of luggage allowed by the airline — and I wouldn't be surprised if I now have even less than that. At home in the UK, however, I have a house overflowing with stuff and a garage overflowing with stuff ... stuff everywhere. Far too much of it, in fact.

I admit to having been a bit of a hoarder. I don't like to be wasteful or throw-away anything potentially useful, and I've also become sentimentally attached to some

items. My son is now 20 but we still have cupboards full of his toys and games. I find it heartbreaking to consider getting rid of Buzz Lightyear, Woody and his other childhood favorites, even though he'll never be needing them again.

But my minimalist life in China has inspired me to rethink my policy on possessions. I've learned that the less clutter you have to deal with, the more clearly you can think.

All those books? All I need is a Kindle. Records and CDs? Spotify will take care of them.

And when I do eventually return to the UK there will be the mother of all spring-cleans.

What I now realize is that the journey through life is far easier when you're traveling light.

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The North American International Auto Show in Detroit is considered by many to be the biggest automotive event of the year.



China's GAC Motors presents two new models at the Detroit auto show — an electric concept SUV called the Enverge and a mid-sized sedan called the GA4.

GAC GENERATES SOME BUZZ AT AUTO SHOW

Guangzhou Automobile Group Motor Co Ltd (GAC) was a major newsmaker at the North American International Auto Show this week as it announced aspirations to begin selling vehicles in the United States at the end of 2019.

GAC also announced at the Detroit, Michigan show that it will drop the brand name it uses for a car in China when it enters the US market because it could be confused with US President Donald Trump's surname.

The automaker headquartered in Guangzhou, South China's Guangdong province, wants to become the first Chinese company to sell Chinese-branded vehicles in the United States.

GAC established an R&D center last April in Silicon Valley, California. GAC plans to open a second R&D center in the Detroit area in the first half of 2018 as well as a design studio in Los Angeles.

The automaker plans to establish a sales company and attend the National Auto Dealers Association's

annual show in March to recruit potential dealers to sell GAC vehicles in the US.

Aside from the cultural acceptance of a vehicle produced and exported from China to the US, which has been mitigated to some extent by the sale of the Buick Envision and Volvo's entire line-up, there are other hurdles.

"The US has a mature legal system," said Feng Xingya, president of GAC Group and chairman of GAC Motor. "It is the most challenging (legal system) in the world."

For the past eight years, GAC has sold cars and SUVs under the brand Trumpchi in its home market, but is researching new names.

"We want to provide the best service for American customers, so we want to not be closely linked with politics," said Wang Qiuqing, GAC president. "This is the reason we want to rename the brand."

German automaker BMW, with an eye to launching more electrified vehicles in China, is optimistic about selling eco-friendly cars in China, BMW Chief Financial Officer Nicolas Peter said.

"China is a very important market to the BMW group. Last year, we nearly sold 600,000 cars in China, which is underlining the relevance and importance of China for BMW," Nicolas said.

XINHUA — AP



GAC Motors exhibits its products at the North American International Auto Show in Detroit, the United States, in January, attracting the attention of global industry insiders.



Top: Show goers check out GAC's new models. Above: US Secretary of Transportation Elaine Chao speaks ahead of the auto show at the Cobo Center in Detroit on Sunday. Chao said autonomous or driverless vehicles are about to change the way people travel and pledged that her agency would work closely with stakeholders to accelerate development of the emerging technology. PHOTOS BY ZHOU PAI / CHINA DAILY

GETTING READY FOR THE DOG

Lunar express

- San Francisco

Dancers from the Plymouth Dancing Club perform on Jan 12 in San Francisco Chinatown to celebrate the introduction of a new California senate bill, SB 892, designating Lunar New Year as a day of special significance in California. LIA ZHU / CHINA DAILY



Happy New Year

- Gaithersburg, MD



First lady of Maryland Yumi Hogan (center) presents a proclamation for Asian Lunar New Year Day to Hang Lu (left), president of the Chinese Alumni Associations of Greater Washington, at a New Year's gala in Gaithersburg on Jan 6. PROVIDED TO CHINA DAILY

Tough song - Gaithersburg, MD



Kerry Holahan, a soprano who can speak Chinese, sings a famous yet challenging Chinese song, *Ode to the Red Plum Blossom*, in Mandarin at a New Year's gala sponsored by the Chinese Alumni Associations of Greater Washington in Gaithersburg, Maryland, on Jan 6. Holahan received a degree in China studies at Wesleyan University. LU QIANG / FOR CHINA DAILY

Awards night - New York



Chen Feng (left), co-founder and chairman of HNA group, represents the company to receive the Brand of the Year award at the China General Chamber of Commerce Chinese Lunar New Year of the Dog Gala on Wednesday evening in New York. Stephan A. Schwarzman (right), chairman, CEO and co-founder of Blackstone, received the Goodwill Ambassador for China-US Exchange award at the event. JUDY ZHU / CHINA DAILY

Seeking readers abroad

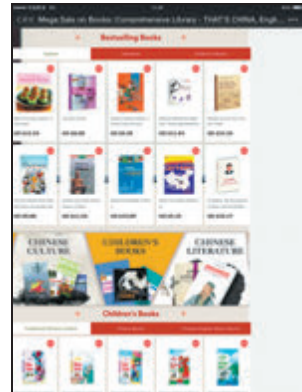
Chinese publishers are finding innovative ways to take the written word overseas — from discounts on buying books online to translating web novels into English. **Mei Jia** reports.

The picture of a book cover with a giant panda on it, is the main visual on the homepage of JD's global online shopping platform joybuy.com. The book, *Story of Giant Panda*, is by the so-called "panda writer" Tan Kai, and tells stories through the eyes of a mother panda and her baby.

The work is from *That's China* series, created by China Intercontinental Press and its partners to promote Chinese culture, literature and children's books abroad.

From Jan 8 through mid-February, the website is offering 600 titles in English — new publications and former bestsellers — at discounted prices and free shipping.

Jing Xiaomin from China Intercontinental Press says: "Through the big sale we wanted to give readers ways to discover China, understand traditional culture and gain travel tips.



The homepage of a global online shopping site showcases best-selling Chinese titles in English.

"Also, selling China-themed books is not easy, so this was our attempt to boost the market."

China Intercontinental Press is one of the 38 members of China Book International, a project that provides translation and marketing support to publishers to venture abroad.

Typically, publishers explore different paths to enter the global market, including joint companies or running joint editing teams.

As of 2016, the CBI had backed 2,676 agreements with 603 overseas publishers in 71 countries, to publish 2,973 titles that were translated into 47 languages.

Meanwhile, thanks to Liu Cixin's success overseas with the Three Body trilogy — he won his sixth international award in Spain in November — more Chinese sci-fi works are to be launched abroad, the China Educational Publications Import & Export Corp says.

The Foreign Language Press released in November both Chinese and English versions of *Xi Jinping: The Governance of China Volume II*. The book can also be bought on Amazon.

The new volume includes 99 of Xi's speeches, talks, interviews, instructions and correspondence in 17 chapters, along with 29 photographs, covering three years from August 2014 to September 2017. The combined global circulation of the two versions of the book had exceeded 10 million by Jan 12, according to China International Publishing Group.

As Chinese works make their mark abroad, this is having an impact on the domestic publishing scene. In 2012, the ratio of total titles bought into China compared to the number sent overseas was 1.88 to 1, while in 2016, it was 1.55 to 1, the CBI says.

Chinese publishers are also going abroad more often now. In 2016, they went to more than 40 international book fairs, compared with around 20 in 2012.

Official data also show that in 2016 China bought 17,252 copyrights for print books and electronic products from abroad, while selling 11,133. And its top trading partners were the United States, Britain and Germany.

In another bit of news from the publishing world, Nicky Harman and Helen Wang from the Paper Republic, a website that serves translators and introduces Chinese writers to the English-speaking world, say that in 2017 most Chinese works published in English were works by contemporary writers, poets, writers of classics and children's books.

This information was put out in a list issued by the website — its sixth annual edition.

Among the works featured in the list are Jia Pingwa's *The Lantern Bearer*, translated by Carlos Rojas; Lu Nei's *A Tree Grows in Daicheng*, translated by Poppy Toland; poet Bei Dao's *City Gate, Open Up: A Memoir*, translated by Jeffrey Yang; Ming Dynasty (1368-1644) author Luo Guanzhong's *Quelling the Demons' Revolt: A Novel from Ming China*, translated by Patrick Hanan; Lu Xun's *Jottings under Lamplight* and *The City of Sand* by Tianxia Bachang, a web novel translated by Jeremy Tiang.

Chinese web novels are gaining global popularity with sites like web-novel.com, an English-language site where such works are published.

The Path Toward Heaven, by celebrated online novelist Mao Ni, has been updated online both in Chinese and English.

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China Intercontinental Press and its partners are promoting Chinese culture and literature abroad. Most well-received titles are works by contemporary writers, poets, writers of classics and children's books. PHOTOS PROVIDED TO CHINA DAILY

Book traces the history of Xinjiang Hotan jade

By XING WEN
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Xinjiang Hotan jade, named after the place it comes from, is renowned for being fine-textured and shiny. And prices for the precious stone have gone through the roof in recent years.

Meanwhile, as collectors and investors have busied themselves buying and selling wares made of the precious stone, Yu Ming, head of the Hotan Jade Trading Association of Xinjiang, has taken a different path with his just released book, *A History of Xinjiang Hotan Jade Mining*.

In his work, which took him a decade to complete, the jade connoisseur has traced the history of jade mining and its trade since

the Neolithic period.

According to Yu, the jade falls into two major categories — block-shaped mountain material mainly exploited in northwestern China's Kunlun

Mountains and pebble-shaped *ziliao* (seed material) mainly found in the Yurungqash River in the Xinjiang Uygur autonomous region.

The *ziliao* is derived from the mountain material debris that is carried down into the river.

As part of his research for the book, the 60-year-old author studied historical records, jade ware found at archeological sites and visited almost all the jade mines in the Kunlun Mountains over six years.

"I went into the mountains several times, and sometimes I



Left: Yu Ming (left) joins workers in mining jade during one of his trips to the Kunlun Mountains in northwestern China. Right: A craft of Hotan jade. PHOTOS PROVIDED TO CHINA DAILY

had to stay there for a week at a time," says Yu. "Every trip was a real adventure."

In October 2014, when he was about to return from a pit-head named Qijiakeng, it began to snow heavily. The rugged cliff path then quickly disappeared under a blanket of snow.

"The path was around 4,600

meters above sea level," says Yu.

With a sheer cliff on one side and an abyss on the other, Yu was nervous. And, at one point, he lost his footing and began to slide. But fortunately he was rescued by his companions.

"Such risks were quite common during my trips to the



mines. We had to wade through rivers, climb cliffs and sleep in the open," says Yu.

In his book, he says that *ziliao* was not transported to the central plains until the middle of the Han Dynasty (202BC-220AD), as he did not find any jade ware made before that time from the Hotan material.

He also believes that Chinese did not mine jade in the Kunlun Mountains until the Ming Dynasty (1368-1644).

He also says that Zhang Qian (164-114BC), a man credited today with opening China's terrestrial Silk Road, was the pioneer when it came to bringing Xinjiang Hotan jade to the central plains.

Commenting on the book, Xu Lin, a researcher at the Palace Museum who specializes in jade ware, says: "From my perspective, the merit of this book is that it has listed different historical periods of jade mining, and presented almost all the historical records we can find today about Hotan jade," adding that Yu's book is a milestone in the complicated research on the particular jade.

But she has some reservations about his claim that it was Zhang Qian who discovered and introduced the jade to the central plains.

Responding to her doubts, Yu says he welcomes a discussion on his work.

Speaking of his motivation to write the book, the author, who has been obsessed with jade since 1974, says the history of jade is part of Chinese civilization.

"We must care more about the history and cultural value of jade rather than just its price. The stone, which is beautiful, should be cut and chiseled to continue serving as the carrier of Chinese civilization."

VIRTUALLY BRILLIANT

Hao Jingfang's latest work, *The Other Shore for Humans*, spotlights artificial intelligence. Liu Xiangrui reports.

For Hao Jingfang, winner of the 2016 Hugo Award for best novelette, shifting roles is routine. She is an economist, an author and a mother.

"I've had a wide variety of interests since childhood. I've got used to doing different things," says the 33-year-old.

Although she's an established science-fiction writer by now, she's never thought of quitting her job as an economic researcher at the government-sponsored charity, the China Development Research Foundation. Based in Beijing, the work gives her the opportunity to meet many interesting people, she says.

Hao gets the time to write only after her regular working hours, which means sleeping less at night.

Her latest book, *The Other Shore for Humans*, which was published in November by China Citic Press, is an anthology of six novelettes on artificial intelligence and two scientific articles on the issue.

"It mainly deals with the relationship, including the conflict, between humans and AI," says Shen Chan, the book's editor.

"It will guide the readers to think about our great advantages as people and what we most value."

Hao is planning a new novel on the origins of civilizations. She says sci-fi will be her focus in the future as well, but she will also explore "realistic writing."

"I like to imagine a different world, and that's the charm of sci-fi. But I don't like to read sci-fi that only depicts a purely imagined world with no connection to reality."

"Daily life has always been an important inspiration for my writing," Hao says, adding that the characters in her award-winning *Folding Beijing* novelette were developed from people she met.

Folding Beijing originally appeared in the BBS website of Tsinghua University in 2012 and was published three years later in *Uncanny Magazine* with an English translation by Chinese-American sci-fi writer and translator Ken Liu. It brought a breakthrough in her writing career and the top global award in the genre.

This work, which took her around "one month to plan and three days to write," tells the story of a father's struggle to send his daughter to school in a futuristic Beijing — also an allusion to the difficulties that some Chinese parents are undergoing today to ensure their children receive a high-quality education.

It was the suburban housing community where she lived then that inspired her to write the story. She found her neighbors' lives in sharp contrast with those living downtown, where she works.



Hao Jingfang speaks on the sidelines of Boao Forum for Asia about youth leadership in Sanya, Hainan province, on March 24. The author engages in social activities in addition to writing science fiction. XINHUA



Hao's latest book focuses on the conflicts between humans and artificial intelligence.

“I like to imagine a different world, and that's the charm of sci-fi. But I don't like to read sci-fi that only depicts a purely imagined world with no connection to reality.”

Hao Jingfang, Chinese sci-fi writer

"It occurred to me that in our world, some groups of people actually have no interaction with other groups, and they are not willing to learn about each other. So, I decided to write about the isolation," Hao says.

The Hugo Award came as a big surprise to her and has brought important changes to her life.

"I thought it would just be an award, noticed only by people in the field. I didn't expect it to bring this huge attention," she says.

After the award, Hao, who had an interest in poverty studies, was offered the chance to set up a program initially funded by a Chinese auto company, with the aim of educating rural children in poor areas.

The program started in Bijie city in Southwest China's Guizhou province and has been expanding. It has sent teachers to impoverished places to train local teachers as well.

Hao says writing sci-fi combines her love of science and her dream to become a writer. Writing has been an important part of her life since she was a teenager.

Hao won the national New Concept Award for writing when she was in high school. She started writing sci-fi in 2006, when she did her physics major at Tsinghua University.

She continued her studies

for her master's degree in physics and then economics for her PhD at Tsinghua.

Hao developed a strong interest in astrophysics after she read a book about the universe as a child. She started reading science fiction in high school.

Hao devoted much of her time to writing novels in her university years. But to take advantage of her academic background, she started to write sci-fi then.

"Sci-fi opened a whole new world for me," says Hao.

Her stories cannot be simply generalized as sci-fi, fables or by any particular literary tag, according to Beijing-based sci-fi author Chen Qufan.

Because they indicate her close observation and awareness of real life, Chen says.

While China has sci-fi writers such as Liu Cixin, who won the Hugo Award for best novel in 2015 for his earlier and perhaps most famous work *The Three-Body Problem*, the genre's appeal is still limited.

Like Hao, many Chinese sci-fi writers are employed full time in other jobs. So, writing is more a passion than career.

Speaking of the future, Hao says: "It will take time for the genre to grow here."

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Mila Kunis is named Woman of the Year by Harvard University's Hasty Pudding Theatricals. AFP

Kunis honored by Hasty Pudding

CAMBRIDGE, Massachusetts — Mila Kunis, who made her mark on two long-running television comedies and earned a Golden Globe nomination for her work on the big screen, was named Woman of the Year on Tuesday by Harvard University's Hasty Pudding Theatricals.

Kunis is being honored by the nation's oldest collegiate theatrical organization because she is one of Hollywood's "most sought after, vivacious and engaging actresses."

"We have been watching her on both the big and small screen since we were young and can't wait to celebrate her achievements in a truly unique and memorable way," Hasty Pudding Theatricals coproducer Annie McCreery said in the announcement.

Kunis earned a Golden Globe nomination for her portrayal of Lily in 2010's *Black Swan*.

She more recently starred in *Bad Moms* and *A Bad Moms Christmas*, and just wrapped production on *The Spy Who Dumped Me*, scheduled for release in August.

She's perhaps best known for two early television roles, Jackie Burkhardt in *That '70s Show* and as the voice of Meg Griffin in the animated series *Family Guy*.

The Ukraine-born actress will be honored on Jan 25 with a parade through the streets of Cambridge followed by a roast at which she will receive her pudding pot.

Hasty Pudding has been naming a Woman of the Year since 1951, and previous winners include Debbie Reynolds, Elizabeth Taylor and Lucille Ball. Last year's winner was Octavia Spencer.

The 2018 Man of the Year has not yet been announced.

ASSOCIATED PRESS

Developer sees human benefits from growth of AI

SAN FRANCISCO — Artificial intelligence will not pose a threat to human jobs — instead, it will make people better, says a developer of an AI robot that defeated some of the best poker players.

Tuomas Sandholm, who is also a professor of computer science at the US Carnegie Mellon University, says a lot of applications involving AI have close links with the lives of ordinary people.

He spoke on the sidelines of the 2018 Connect Conference earlier this month, which is a forum on academic exchanges on AI between Chinese and US enterprises and startups.

Although AI technology, which is widely used in business, cybersecurity and even medicine, is a hot item today, it

still faces many challenges — some mature and some less mature, Sandholm notes.

"Clearly, the mature ones are what we see as machine learning, particularly deep learning that is very hot," he says.

"Strategic reasoning is in a quite different state. It's much more nascent and you don't see a lot of applications for that yet," he says, adding that it is a growth area.

Speaking of the balance between decision-making by AI and by people, Sandholm says humans believe in themselves very much.

He cites the example of Libratus, an AI computer program designed and created by him and his team to play poker.

Libratus was built with more than 15 million core hours of computation and was empowered with an algorithm that computes the strategy by machine learning instead of a fixed built-in strategy of poker games.

Sandholm says when he brought Libratus into a tournament against the world's top human poker players in January last year, an international team bet that humans would win. And although the human players lost the game in a day or two, the team still believed humans are better than AI.

Sandholm points out that AI is extremely powerful but the technology will not pose a threat to humans in the long run.



An intelligent-vision robot plays Scrabble at CES 2018 in Las Vegas on Jan 10. CES, the world's largest annual consumer-technology trade show, features the latest products and services. AFP

"Obviously any technology can be used for good or bad," he says. "It really depends (on) how you use technology. Clearly, there are military uses.

You can imagine that will be bad for mankind."

However, he refers to his laboratory as a positive example. "In my lab, we make a very

big point about making the world a better place."

He says his team is running a national kidney-exchange center for organ

sharing in the United States.

"There was no kidney exchange on the national level until we did it," he says.

"That saves a lot of lives. In supply chain, our technology has saved over \$6 billion in efficiency increases."

AI technology will not increase unemployment for humans, he says, adding that his kidney-exchange center has not displaced any original jobs and has created many new ones.

"You do more operations and so you need more surgeons and more nurse teams. And more employment has been created from that," he explains.

When asked about what profession will most likely survive the future, Sandholm jokes: "AI programmers."

He delivered a keynote address on AI technology and its future application at this year's Connect Conference, which is held annually in San Francisco's Silicon Valley.

XINHUA

EDITORIALS

HK separatists stoop to threats and blackmail

Four years ago when the Hong Kong Special Administrative Region was preparing for an electoral reform package with the aim of implementing universal suffrage for the chief executive election in 2017, there were threats of political consequences from those seeking a new electoral system.

So when fresh warnings about political consequences were issued should a couple of their favored candidates fail the eligibility test for the March 11 Legislative Council by-election, it triggered a strong sense of déjà vu.

It seems that they have yet to learn a lesson from their miscalculations in the past.

The 79-day illegal "Occupy Central" campaign launched in the fall of 2014 — the political consequences they threatened — failed to help them achieve their goals. Rather, it caused havoc in the region in terms of economic losses, and dealt a damaging blow to their image. The subsequent court cases have seen several leaders and participants jailed for various unlawful behaviors during the campaign.

The key lesson to learn from the "Occupy Central" fiasco is that trying to blackmail the government into doing something will not pay off in the SAR, where rule of law is cherished as one of its core values.

Hong Kong's Chief Executive Carrie Lam Cheng Yuet-ngor has rightly rejected the demand that she promise that certain candidates will not be disqualified from the March 11 by-election of Hong Kong's local legislature. She would have violated the law were she to make such a promise.

As she said on Tuesday, all elections in Hong Kong are fair, open and conducted according to the law with the eligibility of candidates decided by the requirements set out by the Electoral Affairs Commission, one of which is the pledge to uphold HK's Basic Law.

Several candidates who had championed separatism in Hong Kong, which is against the Basic Law, were barred from running by election officers in the 2016 Legislative Council election. Candidates who plan to run in the upcoming by-election have no reasons to worry about their eligibility if they have not advocated separatism.

The Legislative Council is a key part of the political establishment of the SAR, which is an inalienable part of the People's Republic of China, and anyone who does not sincerely embrace SAR's political setup shall never be admitted into the legislative chamber.

Trump should not be blasé about possibility of trade war

The Chinese and United States economies have become so closely interwoven through trade in the past decades that a trade war would be costly, potentially debilitating, for both countries, with neither emerging a winner.

Based on their common awareness of this, both Beijing and Washington have treaded prudently on trade issues, despite their quarrels. Since neither can afford to cut trade ties, they have to find a way to get along anyway. And nothing works better than constructive engagement in resolving trade disputes.

A businessman himself, Donald Trump knows the importance of mutual goodwill when it comes to trade, and the harmful potentials of its absence. So even as he threatened Beijing with a very big fine for alleged theft of intellectual property on Wednesday, the US president stated he doesn't want a trade war.

We may have to wait until after his State of the Union address on Jan 30 to find out how far beyond our imagination that fine will be. But judging from Beijing's pledge to take "all necessary measures" and "resolutely safeguard" China's legitimate rights and interests, reciprocal actions will be inevitable if Washington does impose penalties under the rarely used Section 301 of the US Trade Act of 1974.

Although neither party is in favor of a full-blown trade war, the US is promoting trade protectionism and blocking Chinese investment under the guise of national security as part of Trump's bid to "make America great again". The political climate is already less than friendly, if not yet hostile, to the Chinese presence in the US.

The US House of Representatives introduced a bill on Jan 9 that would prohibit government purchases of telecoms equipment from Huawei Technologies Company and ZTE Corporation. US lawmakers are urging wireless carrier AT&T to cut all commercial ties with Huawei and deny China Mobile access to the US market on so-called national security concerns. The US government has blocked a string of Chinese acquisitions on similar grounds, including Ant Financial's proposed purchase of money transfer company MoneyGram International Inc.

Whether the apparently imminent wrangling will be in the form of tit-for-tat tariffs, or access denial for each other's companies, consumers, companies and the economies of both countries will be the ultimate victims in such a hazardous game.

Not much time is left for the White House to wise up and avoid that lose-lose scenario.

Luo Jie



OPINION LINE

More transparent reporting will help supervise and secure national assets

IN A BID TO IMPROVE TRANSPARENCY, the State Council, China's Cabinet, is to report on an annual basis to the Standing Committee of the National People's Congress, China's top legislature, about the State-owned assets it manages. Beijing News commented on Thursday:

The move, which is in line with the interests of the people, contributes to better management of public property, and it will enable the NPC Standing Committee to check on the security of the nation's assets as required by the Constitution.

These State-owned assets belong to a variety of departments and exist in various forms at home and abroad. Despite the State Council's efforts to strengthen its management in recent years, the loss of State assets remains a problem, as some people have found loopholes in which to transform public assets into personal assets while escaping punishment.

Institutionalizing the NPC Standing Committee's supervision of the management of State-owned assets can prompt the normalization of the supervisory endeavors under the framework of the law. With the

NPC Standing Committee as the supervisor, the new watchdog will end the former dilemma whereby the State Council is both the manager of State assets and the supervisor of its management of these assets.

It will establish a comprehensive supervision system for State-owned assets and will help ensure the NPC Standing Committee is able to effectively perform its supervisory function.

However, it is impossible to accomplish the reform in a short time, given the quantity and complexity of the needed work. It is reasonable for the CPC Central Committee to suggest that the institutionalization of the reporting can start from some easy fields according to the needs of practical conditions. The change of the top-level design in supervisory mechanism will necessarily bring about a chain reaction in the management of State assets.

Red line drawn for the reclamation of land

CHINA HAS INTRODUCED its toughest regulation on land reclamation along the country's coastline, vowing to demolish illegally reclaimed land and stop approving general reclamation projects. Xinhua News Agency comments:

The national inspections of six coastal provinces and regions, including Liaoning and Hainan provinces, have exposed the common problem of illegal land reclamation, which has resulted in many ecological and environmental problems in the coastal waters.

With the rapid economic development of the coastal regions, the land available for development is in high demand and land prices have soared. This has led to illegal, large-scale land reclamation for short-term interests, which not only wastes the oceanic resources, but also causes tremendous damage to the marine environment.

The illegal land reclamation exposes the manipulation of administrative examination and approval in local regions, as well as the absence of necessary supervision, which are the result of the boost land reclamation provides to the economies in the coastal areas.

Accountability is key to curbing the problem of illegal land reclamation. The authorities should severely punish those involved in illegal land reclamation. The officials in charge of the examination and approval of land reclamation projects who give the green light to illegal land reclamation projects should be held accountable for their actions, as should officials who fail to supervise land reclamation work. Land reclamation for commercial real estate development should be banned. And illegal land reclamation that has seriously damaged marine ecosystems should be resolutely dismantled.

We must put an end to illegal reclamation. We need to strictly abide by the red line for the marine ecology in the coastal areas, firmly establish the concept of giving priority to marine ecosystems and their conservation and resolutely uphold that priority.

Proposal could help cool down house prices

THE MINISTRY of Land and Resources said it is looking into the feasibility of new sources of residential land supply so the government is not the only provider. Beijing News commented on Thursday:

Since 2002, real estate developers have only been able to purchase the rights to land for residential use from local governments through open bidding. This made land transactions more transparent and put them under the scrutiny of various parties, while at the same time turning land sales into a reliable source of revenue for local governments. However, the land monopoly of governments and their reliance on land revenue has directly fueled the rapid rise in land and housing prices.

If the ministry's proposal materializes, it means governments will no longer have supply-side control of land and they will not be the only providers of land for residential use.

This time, the Ministry of Land and Resources has proposed that the government no longer monopolize the supply of land, which is a positive move. But what can be imagined is that the reform will touch the interests of local governments, and so it is bound to meet great resistance.

Yet, once a breakthrough is made, the real estate market will usher in a new turning point and the age of incredibly high house prices may come to an end.

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HOT WORDS

Use of personal electronic devices allowed during flights

开放机上PED
(kāifàng jìshàng PED)

According to a notice issued by the Civil Aviation Administration of China on Tuesday, domestic airlines can now make their own decision on whether to permit the use of personal electronic devices on domestic flights.

Hainan Airlines' flight HU778, which took off at 21:36 on Wednesday, was the first domestic flight that allowed passengers to use a PED onboard.

Hainan Airlines has announced that it will allow passengers to use PEDs, including cellphones switched to airplane mode, on all their Boeing 78, Boeing 737 and Airbus A330 planes.

China Eastern Airlines also announced on Wednesday that its passengers would be able to use cellphones, tablets, laptops and other portable electronic devices during flights start-

ing on Thursday, but all phones have to be switched to flight mode.

Many foreign airlines allow the use of cellphones in flight mode, but before Wednesday passengers had to turn off their phones during domestic flights according to China's civil aviation regulations.



Online
Scan it for more hot words.

Laurence Brahm

'China solution' is diversified solution

With the beginning of a new year, the world is looking for new solutions. The global South has had enough cookie-cutter models applied by certain Western institutions and as espoused by their governments. Western models that talk democracy, transparency and governance (while failing to practice these ideals themselves) often ignore core issues that developing and less-developed nations need to address in order to pull out from poverty into a trajectory of sustainable development. Without infrastructure, transport, communications, electricity, water and healthcare, people's lives will not improve. External solutions that may have worked in Europe or the Americas may not work in China or other developing countries.

The 19th National Congress of the Communist Party of China marked the beginning of a "New Era" for China, and for the developing South as well. In crystallizing "socialism with Chinese characteristics for a new era," President Xi Jinping focused on eliminating poverty, closing income gaps, promoting ecology and green energy, resus-

citating Chinese culture and heritage, and sharing its development experiences with other nations.

The 19th Party Congress for the first time emphasized China's role in an integrated global context, putting forth the concept of a "China solution" to global challenges. But the "China solution" by no means promotes China as a single model. It emphasizes the need for local solutions by people themselves who understand their own circumstances, rather than external theories imported from outside think tanks or multi-lateral institutions that may be insensitive or even unaware of local conditions and contexts.

Many countries of the global South have been frustrated by traditional "shock therapy" approaches forced on them cookie-cutter-style by certain Western agencies. Often these approaches are tied to political conditions or theoretical ideological frameworks and not effective. According to China's latest white paper on foreign aid (published in 2014), its foreign aid reached 89.3 billion yuan (\$13.89 billion) between 2010 and 2012.

At the 19th Party Congress, Xi, who is also the CPC Central Committee general secretary,

The "China solution" is not a model in itself, but rather about applying experiences. Solutions are based on local culture and local conditions.

talking pragmatism. He suggested how the "China solution" could offer a pathway, or at least an example, for other nations seeking their own pathways toward development.

He also emphasized the "China solution" is by no means a singular model other nations should necessarily follow just like the models previously pushed by certain institutions in the West. But the "China solution" does suggest how infrastructure can offer a bandwidth for development.

Moreover, his emphasis was on "ecological civilization", meaning such infrastructure development should avoid the stage of polluting industry that China experienced in the past and is now rectifying, as it looks for solutions such as ecological cities that are smart and green.

The "China solution" is about sharing China's own experiences in overcoming development problems, closing gaps between rural and urban sectors, correcting social imbalances and environmental damage by combining planning with market. It is not about political ideology but pragmatism, about eliminating poverty, fostering development and the security that comes with prosperity.

The "China solution" is not a model in itself, but rather about applying experiences. Solutions are based on local culture and local conditions. However, China can share some of its experiences. The transformation of China from the 1980s to present has involved massive fixed asset investment in infrastructure. Many of China's provinces are land-locked. Without roads, railways, and communication networks, and ports in the coastal

regions, there would not have been decades of surge in foreign investment and exports.

Since much of the developing world faces similar challenges — land-locked states across Africa, Central Asia and South Asia — the experience of China could be relevant.

In many respects by coining the term "China solution", Xi has set a tone for diversified localization rather than monolithic globalization. He has emphasized the need for respect of diverse systems based on different people's heritage, rather than the cookie one-model-fits-all approach that was forced upon developing countries by certain Western institutions. It is responsive to change, rather than reacting to crisis.

The whole point is that the "China solution" does not mean the solution came from China. Rather, it means the solution is with the culture, economy and psychology of each nation and its people. That is the "China solution".

The author is founding director of Himalayan Consensus Institute and a senior fellow at the Center for China and Globalization.

Ma Shikun

Trump needs a rational policy with China

Would "revisionist" be an appropriate term to describe US President Donald Trump? Among the baseless things in the recently issued US National Security Strategy is an allegation that China and Russia are "revisionist" states that erode the security and economic interests of the United States. But, given his reckless rewriting and "re-evaluation" of the international status quo in his first year in office, Trump himself could more rightly be called a "revisionist".

He has "revised" (or withdrawn from) various international agreements that are not to his liking. He "killed" the Trans-Pacific Partnership agreement saying it is a burden on the US, withdrew from the 2015 Paris climate agreement claiming there is no global warming, pulled out of UNESCO on the grounds that it is unfair to the US and Israel, and withdrew from the Transatlantic Trade and Investment Partnership negotiations between the European Union and the US. He also intends to renegotiate the decades-old North American Free Trade Agreement, has threatened to revoke the Iran nuclear deal, has been criticizing the United Nations and threatening to cut US funds to it, and clamoring to rewrite international trade rules to replace "free trade" with "fair trade".

At home, Trump is opposed to everything his predecessor Barack Obama stood for, creating the impression he is determined to eradicate each and every of Obama's political legacies. He has not only brushed aside the "partnership" Obama had formulated with China and labeled China as a "competitor", but also upended the diplomatic strategy followed by past US presidents to confront Beijing and Moscow.

In less than 12 months, Trump has talked with President Xi Jinping on the phone nine times. During his China visit in November, he expressed a strong desire to deepen bilateral ties. He even told Japanese Prime Minister Shinzo Abe that getting along with China will benefit all countries in the Asia-Pacific.

Yet China has been labeled a "strategic competitor" in the US National Security Strategy, which claims, without any factual basis, that China seeks to drive the US out of the Asia-Pacific.

The strategy report's portrayal of China contradicts previous US statements. Why? US media commentators have some interesting explanations.

Chinese leaders have repeatedly said the Pacific is big enough to accommodate China and the US both. The China-led Asian Infrastructure Investment Bank has kept its doors open to the US, and Beijing has welcomed Washington to join the China-proposed Belt and Road Initiative, demonstrating its desire to enhance cooperation with the US.

The US strategy report also accuses China of expanding its own power at the cost of other countries' sovereignty, in reference to the South China Sea issue. But the truth is China's relations with the member states of the Association of Southeast Asian Nations have improved significantly, and the Code of Conduct for the South China Sea now has a framework. Also, China and ASEAN member states have agreed to build a higher-level partnership, and a China-ASEAN community of shared future.

The US strategy report alludes to the Diaoyu Islands issue, too. However, the Chinese Coast Guard's increasing patrols near the Diaoyu Islands are meant to safeguard China's territorial and maritime sovereignty, and ensure Chinese fishermen enjoy their fishing rights in the surrounding areas.

The strategy report's portrayal of China contradicts previous US statements. Why? US media commentators have some interesting explanations.

An article in the Dec 18 edition of The Daily Beast, titled "Trump's National Security Strategy ignores Donald Trump", says the strategy report is "basically fan fiction, written by aides." "It is as if (National Security Advisor H.R.) McMaster ... has subtly replaced the Trump presidency as it is ... with the Trump presidency he wishes."

And Foreign Policy magazine has said that in reality the strategy report submitted to US Congress will either be forgotten soon, or will never be implemented.

Such ideas may not be groundless. If that is the case, Trump should rise above such reports, cease to be blinded by his aides, who are either muddle-headed or are intentionally making trouble for him, and deal with China in a cool-headed way.

The author is a senior journalist with the People's Daily. Courtesy: chinausfocus.com

Stephen Groff

To resist the robots, invest in people

A knitting factory in Bangladesh brings together the past, present, and the future. On one floor, workers knit by hand. On another, people and machines do the work together. And on a third floor, there are only robots.

This building might seem like an anachronism, given the accepted wisdom that robots will replace humans in textiles and many other industries. But it is actually a savvy response to how the Fourth Industrial Revolution will likely play out in Asia. As is the case elsewhere, technological advances are rapidly transforming industries and economies, by blurring the boundaries between the physical, digital and biological worlds.

And yet much of Asia isn't ready for robots, for reasons that go beyond fears of mass unemployment. In 2014, China had just 11 robots per 10,000 employees in non-automotive industries, and just 213 per 10,000 employees on automotive assembly lines. That is hundreds fewer than in Japan, the United States, or Germany.

Although China is closing the gap by increasing its spending on robots, poorer countries face significant barriers to adopting new technologies. Moreover, the region's lower wages give companies an incentive to retain human workers. At the factory in Bangladesh, human workers can step in if power outages or equipment failures knock the machines offline. At the same

time, having a fully automated section allows production to continue if workers go on strike.

Conventional wisdom decrees that this dual-track approach isn't sustainable, and that low- to middle-skilled workers will eventually make way for robots. A landmark 2013 study by Carl Frey and Michael Osborne of Oxford University suggests that, in the coming decades, 47 percent of total US employment will be at risk of automation. Similarly, the International Labour Organization has warned that 56 percent of total employment in Cambodia, Indonesia, the Philippines, Thailand and Vietnam is "at high risk of displacement due to technology over the next decade or two".

But these grim predictions ignore the fact that most jobs comprise a bundle of tasks, some of which cannot be automated. According to a 2016 OECD study that breaks down occupations by task, only 9 percent of jobs on average across 21 members of the Organization for Economic Cooperation and Development are really at risk. In Vietnam, for example, the share of jobs at risk falls from the ILO's predicted 70 percent to just 15 percent when the country's large informal economy is taken into account.

Still, robots are gaining a foothold in the region, particularly in economies such as China and the Republic of Korea. In 2015, robot sales in Asia increased by 19 percent — the fourth record-breaking year in a row. When less-developed Asian countries

eventually join the technology bandwagon, layoffs will inevitably ensue.

To soften the blow, governments urgently need to pursue labor-market reforms and overhaul their education systems, starting with technical and vocational education and training (TVET). Although TVET is becoming increasingly popular in Asia's developing economies, its quality is often poor. Governments should ensure that TVET courses focus on more relevant skills, while remaining flexible so that students can study without sacrificing income.

One option is to expand the availability of modular short courses, which take less time, train for specific tasks rather than entire jobs, and are more manageable for entrants who need, first and foremost, to earn money. Competency-based assessment systems could also be particularly useful, given Asia's large informal workforce. Programs offering skilled workers a chance to earn certifications based on their work experience would allow for, say, uncertified electricians to find formal employment in robotics.

At the end of the day, Asia's developing countries need policies that support workers, rather than jobs. Retraining is particularly important, because automation will create entirely new industries and occupations. The McKinsey Global Institute estimates automation could boost global productivity growth by 0.8-1.4 percent annually, generat-



MA XUEJING / CHINA DAILY

ing large savings and performance gains for businesses. Improving access to training and certification would help countries capitalize on these advances and ensure more equitable growth, by giving workers the skills needed to handle the new jobs.

That outcome would be good for workers and for Asian economies. It would mean that busi-

nesses like the factory in Bangladesh could operate solely with robots, while its former workers would be gainfully employed elsewhere, most likely in jobs that don't even exist yet.

The author is the Asian Development Bank's vice-president for East Asia, Southeast Asia, and the Pacific. Project Syndicate

Shan Juan

Primary care system failure adds to flu chaos

The flu outbreak this winter has been severer with more cases being reported than previous years, sparking a public outcry over the weak primary care system in the country. Large hospitals in most Chinese cities, especially in North China, were overflowing with patients showing flu-like symptoms — and that many of them were later diagnosed to be suffering from just common cold showed they could have been treated by primary care facilities instead of visiting large hospitals.

The situation is worse in pediatric departments of hospitals, which in general are short-staffed. Last week, a large Tianjin hospital temporarily shut down its pediatric department because the pediatricians were either too exhausted to work after handling an overwhelmingly high number of patients or had fallen ill themselves.

In China, people prefer visiting large hospitals for treatment without referral from primary care facilities. This somewhat neutralizes the effectiveness of primary care centers, which are supposed to play the role of "gatekeepers". In a large developing country providing universal healthcare, it also inflates the insurance cost.

By the end of 2016, China had more than 920,000 primary care facilities at the grassroots level. Many more such facilities will be set up so that they can handle almost all the patients needing basic medical treatment. On the other hand, large hospitals will be downsized and only receive serious and complicated cases in the future.

Moreover, to improve the primary care system, the government has been taking measures to establish a comprehensive family doctor system — it already covers about 500 million Chinese

This flu season ... has ... exposed the problems such as overcrowded large hospitals, exceptionally low vaccination coverage, and improper self-treatment ...

people, or about 35 percent of the total population.

According to the plan, the doctors will work in public community clinics, acting as the "primary gatekeepers" of the healthcare system to optimize the

medical resources through referrals. But the plan remains on paper, as even people suffering from common cold flock to large hospitals, leading to a waste of medical resources and specialists' medical knowledge and skills.

Besides, the performance of community clinics or primary care facilities is still poor nationwide — even in Beijing many patients running a temperature were refused treatment at community clinics with doctors saying the cause of the fever could be a major disease such as leukemia or complications from a stroke. But given the low, fixed paycheck, community doctors cannot be expected to handle patients with greater enthusiasm.

In China, on average less than 2 percent of the people get flu vaccines each year, and mainly low awareness is to be blamed for that. The community-level healthcare facilities are responsible for providing medical servi-

ces for the people, and the doctors and nurses there are also supposed to act as health educators, teaching the people about the importance of flu vaccination and rational use of medicines.

Flu is difficult to prevent because the viruses are transmitted via the air and physical contact. And vaccination remains the best preventive measure against it. This flu season, however, has fully exposed the problems such as overcrowded large hospitals, exceptionally low vaccination coverage, and improper self-treatment with antiviral medication such as Tamiflu.

Had an efficient primary care system been in place, the people and the healthcare system could have handled the flu season with greater ease.

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BUSINESS

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Carlyle to launch new fund in China

By LI XIANG
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Carlyle Group LP, a US private equity firm, said on Thursday that it is raising its second renminbi-denominated fund and plans to accelerate investment in China to tap the growth opportunities in the country.

The Washington-based company is also raising an Asia buyout fund that targets a value of about \$6.5 billion. A significant amount of the fund is expected to be invested in China as well, according to people with knowledge of the matter.

David Rubenstein, Carlyle's co-founder and co-executive chairman, said that China's vast market and enormous growth potential, as well as its strong entrepreneurial spirit and supportive government, have made the country the most attractive investment destination for the firm outside of the US.

Carlyle has been investing about \$500 million to \$1 billion annually in China, and the new Asia buyout fund will help the firm to increase its investment pace in China, according to David Marchick, managing director and global head of external affairs at Carlyle.



David Rubenstein, Carlyle's co-executive chairman

The firm said it will focus on investment opportunities in sectors including consumer retail, health-care, education and financial services.

China's tighter regulation on shadow banking will likely make private equity investment a more attractive financing option for local Chinese firms that face limited access to direct financing, Marchick added.

An active investor in the Chinese market for 20 years, Carlyle Group had invested \$7.5 billion in China in 90 deals as of last September, which accounted for half of Carlyle's presence in Asia.

One recent high-profile China deal was Carlyle's \$2 billion purchase of US fast-food chain McDonald's China operations in partnership with State-owned CITIC Group.

Rubenstein said the partnership with CITIC has been successful and Carlyle can "dramatically grow" the franchise in China.

The private equity firm is considering adjusting McDonald's menu in China to compete with its rivals such as KFC, which has more restaurants in the country.

"It turns out that Chinese people like chicken more than burgers. I think we will spend more time on chicken-related offerings," Rubenstein said.

Economy



A technician solders machine parts at Caihong Optoelectronics Technology Co in Xianyang, Shaanxi province. JI HAIXIN / FOR CHINA DAILY

Industrial output increases 6.6%

By ZHONG NAN
and FAN FEIFEI

Industrial output rose 6.6 percent last year, up 0.6 percentage point from a year earlier, the National Bureau of Statistics said on Thursday, driven largely by the global economic rebound, momentum from the Belt and Road Initiative and surging domestic demand.

High-tech and equipment manufacturing industries witnessed higher output growth of 13.4 percent and 11.3 percent respectively in 2017, while the mining sector saw a 1.5 percent decline on a yearly basis.

Industrial businesses above the designated size shipped 12.32 trillion yuan (\$1.9 trillion) of goods to overseas markets last year, up 10.7 percent from 2016.

"Manufacturing companies in China received more orders than in previous years and their cash flow improved con-

siderably in 2017. This trend will not only benefit upstream businesses, but also the middle and downstream manufacturers," said Deng Haiqing, an analyst with JZ Securities.

Corporate profits remained strong, with total profits of industrial manufacturers above the designated size surging 21.9 percent year-on-year to 6.88 trillion yuan between January and November last year, said the National Bureau of Statistics.

The profit rate for these firms' pillar business climbed to 6.36 percent during this period, from 5.82 percent a year earlier.

Zhou Zhicheng, deputy director for market research at the Beijing-based China Federation of Logistics and Purchasing, said the price rebound in industrial goods would support the manufacturers' earning ability.

The producer price index, which measures costs for goods at the factory gate,

6.3 percent

growth of the producer price index in 2017

climbed 6.3 percent year-on-year, compared with a 1.4 percent drop in 2016, ending the declining trend during the past five years.

"Consumption spending in both the home and global markets is expected to rise at a fast pace this year, pushed by China's ongoing consumption and industrial upgrading, as well as the emergence of new industries, including e-commerce, 4G and 5G technologies, mobile payment, virtual reality and the sharing economy," said Zhou.

Leading Chinese technology companies such as Baidu Inc, Alibaba Group Holding Ltd and JD are making inroads into artificial intelligence, as part of the broad

push to promote technology innovation and improve the quality of economic growth.

Baidu was chosen to lead the establishment of China's AI national laboratory on deep learning last year.

The internet search giant plans to put autonomous buses that operate in designated areas into mass production and trial operation by the end of July 2018, according to Baidu Chairman and CEO Robin Li.

E-commerce giants Alibaba and JD have also begun to help retailers merge online and offline resources with the aid of AI, big data and cloud computing technologies, in order to reshape the traditional retail industry.

Alibaba's cashier-less retail store has already applied facial recognition and digital payment technologies to cope with the removal of human elements.

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Capital flows likely to stay stable in 2018

Strong economic fundamentals to help nation weather US interest rate shocks

By WANG YANFEI
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Cross-border capital flows are expected to remain stable this year given the relative positive external environment and strong economic fundamentals, a senior official with the nation's top foreign exchange regulator said on Thursday.

The country's cross-border capital flows are unlikely to be affected by the expected future interest rate hikes in the United States, as data showed that the market did not overreact to the US Federal Reserve's actions in 2017, said Wang Chunying, a spokesperson for the State Administration of Foreign Exchange.

Despite the boost from US tax cuts, the dollar index fell by 9.9 percent in 2017. And major emerging market currencies appreciated against the greenback.

According to Wang, China's strong economic fundamentals will help it to weather the potential Fed shocks.

The country has already started to see more balanced cross-border flows, according to government data.

Last year, experts had predicted that the yuan would continue to depreciate after it ended 2016 with its biggest loss since 1994. But in reality, "2017 was a turning point for China's cross-border flows," Wang said, referring to improved forex reserves and

fewer outflow pressures.

Forex reserves increased by \$129.4 billion to reach \$3.1 trillion in 2017, compared to the \$319.8 billion value decline in 2016, according to SAFE. Latest data show banks only sold a net \$69 billion value of forex in 2017, down by 78.4 percent year-on-year.

More rational market expectations for yuan's two-way fluctuation have helped the cross-border flows become more stable, according to Wang.

"We found enterprises and individuals now purchasing and selling the currency as they need, and irrational behavior betting on continued depreciation of the yuan has been curbed," she said.

Lower capital outflows at the end of 2017 and increased yuan deposits in the Hong Kong market also added more positive signs reflecting weakened speculative behavior, according to Wang Youxin, an analyst with the research institute of Bank of China.

He said cross-border capital flows are expected to sustain the good trend this year, supported by strong economic fundamentals, more rational outbound investment and fewer expected panic sell-offs of the currency.

Xie Yaxuan, chief economist with China Merchant Securities, said the central bank's decision to reduce market interventions will be a supportive factor.

Housing prices remain divergent

By JIANG XUEQING
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Home prices remained divergent in China during December, with some of the first-tier cities recording price drops, while second and third-tier cities saw increases due to the varied market policies, the National Bureau of Statistics said on Thursday.

Newly built commercial housing prices in the first-tier cities — namely Beijing, Shanghai, Guangzhou and Shenzhen — remained stable in December, while those in second and third-tier cities rose by 0.6 percent and 0.5 percent respectively from November 2017.

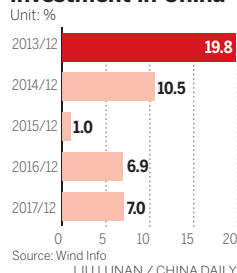
The same trend was witnessed in second-hand home prices, which dropped slightly by 0.1 percent in first-tier cities and rose 0.3 percent in both second and third-tier cities in December, said Liu Jianwei, a senior statistician at the NBS.

In September 2017, the local governments of several regional capitals launched new restrictions to further slow home sales, in response



Construction workers stand atop a property project in Zhengzhou, capital of Henan province. MA JIAN / FOR CHINA DAILY

Aggregated growth of realized property investment in China



to the central government's call to end housing speculation and cool the red-hot housing market in certain cities.

As housing regulations in large cities have tightened, investors have started looking for opportunities in medium-sized and small cities, thus causing a noticeable home price increase in third-tier cities.

Fan Hengshan, deputy secretary-general of the National Development and Reform Commission, said at an eco-

nomic forum on Thursday that housing prices in third- and fourth-tier cities will have risen too fast, and this needs to be monitored carefully.

The home price increase in third-tier cities will have a fairly large impact, considering that a large part of China's gross domestic product and population come from these cities, said Zhang Zhiwei, chief economist and head of equity strategy for China at Deutsche Bank, during a recent media briefing.

Zhang estimated that third-tier cities accounted for a major part of Chinese residents' 50 trillion yuan (\$7.78 trillion) wealth gains, driven by rising home prices in 2017.

Despite a relatively large increase in home prices in third-tier cities, studies have found that at the end of 2017, local residents in 85 third-tier cities need to save four to eight years of their income to buy a home, meaning that house price to income ratios are not too high in these cities, he said.

Fixed asset investment records slower growth

By CHEN JIA
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China's fixed-asset investments grew more than expected in 2017, but recorded the slowest annual growth pace since 2000 as authorities stepped up efforts to rein in local government debt and financial leverage continued to fall, official data showed on Thursday.

By the end of last year, the country's fixed-asset investment reached 63.17 trillion yuan (\$9.83 trillion), up 7.2 percent year-on-year, the lowest rate since 2000, the National Bureau of Statistics said at a news briefing. The growth rate was down from 8.1 percent in 2016 and 10 percent in 2015.

Investments in the private sector, which was 60.4 percent of the total, increased by 6 percent from a year earlier, and it was 2.8 percentage points higher than that in 2016, the NBS said.

Shi Zhengwen, director of the Center for Research in Fiscal and Tax Law at China University of Political Science and Law, said that tightened controls on local government debt has, to some extent, cooled down the investment speed.

According to the official data, local government-led investment projects totaled 60.81 trillion yuan, or more

\$9.83 trillion

fixed asset investment by the end of last year

than 96 percent of the total investments, up 7.7 percent from a year earlier, but down from 7.8 percent in 2016.

The Ministry of Finance issued the annual data of local government debt on Wednesday. After raising 4.36 trillion yuan, the local government debt balance stood at 16.47 trillion yuan by the end of 2017, below the government-targeted ceiling of 18.82 trillion yuan. Among that, 36.5 percent was from new debt issuance, while the rest was from the debt-for-bond swap program, the ministry said.

It was the first time in history that the ministry disclosed annual data on local government debt, aiming to improve transparency of the debt level for further supervision.

Meanwhile, the country's financial regulators have issued new rules to tighten supervision on interbank, off-balance sheet and asset management businesses, to further decrease financial leverage,

which has also slowed credit expansion and influenced investment, said economists.

"The debt problem witnessed encouraging progress in 2017, with the debt level stabilizing and the corporate liability ratio declining," said Zhu Haibin, chief China economist with JPMorgan Chase & Co.

The economist expects fiscal discipline to be further strengthened this year, especially for public-private partnership projects and the use of industry funds.

The country issued a new budget law in 2014 that forbids raising funds via local government financing vehicles. Instead, it allows the same only through bond issuances.

On Thursday, the China Insurance Regulatory Commission and the Ministry of Finance jointly issued a guidance to regulate local governments' fundraising activities through insurance products, stressing that insurance capital cannot be used as the local government financing vehicle to increase local debt — a measure to curb the expansion of "invisible" and illegal debt.

But the insurance funds will be encouraged to be invested through legal channels — purchasing local government bonds to support key investment projects, the guidance said.

EV charging network to expand

Broader coverage to boost benefits of going electric

By ZHENG YIRAN
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By the end of last year, China had more than 440,000 charging piles, or power ports, for electric vehicles, meaning there are roughly four EVs for every pile in the country, according to a report by the China Electric Vehicle Charging Infrastructure Promotion Alliance.

Last week, the alliance's report showed that in 2017, there were roughly 214,000 public charging piles. The number of private charging piles, which are installed when a car is purchased, totaled 232,000. Given that there are 1.72 million EVs on the country's roads, the ratio of China's EVs to charging piles is 3.8 to 1.

"I can easily find a charging pile in Beijing. However, it is still not very convenient when I drive to other cities or the suburbs, where there are fewer public charging piles," said Wang Xiaoying, a 28-year-old Beijing citizen who has owned an EV for two and a half years.

"I have a private charging pile at home, where I usually charge my car. It saves me a lot of time as I don't need to go to the gas station. I can also find charging facilities when I go to shopping malls or supermarkets. Some charging stations are even offered with a free parking space."

"Also, traveling by EV is less expensive, because for the same distance, charging costs about one sixth of what using fuel would cost. In winter, the cost might be a little higher, because of how the cold affects the battery," he added.

Because of the convenience and lower costs, many EV consumers, like Wang, said they enjoy driving in the city. How-



A technician from State Grid Shanghai Municipal Electric Power Co inspects the charging piles, or power ports, in a parking lot before they are put into operation. XINHUA

ever, they find it difficult to charge their cars outside urban areas, and as a result, most of them do not attempt long-distance road trips in their EVs.

"There is still much work to do to improve EV charging infrastructure construction in China," said Li Li, energy research director at ICIS China, a consultancy that specializes in the energy market.

She said: "Although consumers usually charge their EVs at home, sometimes there is an emergency and they need to charge their cars somewhere else. The layout of a city's public charging piles determines the convenience of driving an EV. The denser the distribution is, the more convenient it will be.

"At present, in major cities, such as Beijing, Shenzhen and Taiyuan, drivers can easily access charging facilities, while in other cities, there is still much room for improvement."

Large pile operators in China are springing into action to tackle the issue. State Grid Corp of China, the country's main power supplier, has vowed to install 120,000 public charging piles by 2020, further expanding and upgrading the country's EV infrastructure network.

According to the State Grid, the infrastructure network will cover the Beijing-Tianjin-Hebei region, Shandong province and the Yangtze River Delta, as well as major cities in other regions, enabling smoother intercity travel for

EVs in China. According to Jiang Bing, chairman of the State Grid EV Service Co, the State Grid's intelligent-vehicle online platform is connected to 19 pile operators, including China Southern Power Grid Co, Qingdao Teld New Energy Co Ltd, China Potevio Co Ltd, Wanhong Charge Facility Co Ltd - Star Charge and Shenzhen Clou Electronics Co Ltd.

At present, up to 170,000 charging facilities are connected to the online platform, serving more than 800,000 users, Jiang said.

"We aim to link 3 million charging piles to the platform by 2020," he added.

Meanwhile, the public is also getting more and more involved. Thanks to the gov-

ernment's favorable policies, EV consumers are becoming increasingly motivated to install private charging piles when buying a car. The report from the China Electric Vehicle Charging Infrastructure Promotion Alliance showed that from July 2016 to December 2017, the installation ratio of private charging piles in China increased from 77 percent to 88 percent.

"With the government's effective guidance, as well as the joint efforts of companies and the public, I am confident that EV charging infrastructure construction in China will improve over the next 20 years," said Li.

Zheng Xin contributed to the story.

Ireland offers its expertise for B&R

By OSWALD CHAN
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170

total number of Irish firms stationed in China

Ireland can leverage its experience in construction services and project financing to facilitate the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area infrastructure construction projects, the minister of state at the Department of Finance in Ireland, Michael D'Arcy, told China Daily in an interview.

"Irish skill sets are very rich, with strong knowledge bases. We believe these can be tapped to render assistance," D'Arcy told China Daily.

The country has cultivated domestic construction skill sets, particularly in civil engineering and structured engineering, as well as architectural and quantitative surveying services, and this should help to facilitate the vast infrastructure projects, he said.

Ireland can also help with project financing, as a member of the China-initiated Asian Infrastructure Investment Bank, to provide infrastructure financing to economies involved in the Belt and Road Initiative, D'Arcy added. The country is also a director of the European Investment Bank - the world's largest public lending institution that provides project financing.

Unveiled by President Xi Jinping in 2013, the Belt and Road Initiative covers more than 60 economies across Asia, Europe and Africa, accounting for 30 percent of global GDP. By 2050, economies involved in the initiative will contribute 80 percent of worldwide GDP growth, according to a forecast by McKinsey Global Institute.

As stated in Premier Li Keqiang's Government Work Report last year, the Guangdong-Hong Kong-Macao Greater Bay Area blueprint

referred to the city cluster formed by nine cities in the Pearl River Delta, including Guangzhou, Shenzhen, Foshan, Dongguan, Zhuhai, Huizhou, Zhongshan, Jiangmen and Zhaoqing, as well as the special administrative regions of Hong Kong and Macao.

In terms of financial services, Ireland is the dominant player in the global aviation leasing industry. It is also the world's largest base for fund administrators and asset managers, with \$4 trillion in funds domiciled there, according to D'Arcy. He added that Ireland will be the third-largest financial services exporter in the European Union after the United Kingdom leaves the bloc.

Besides aviation finance and fund management, Ireland has cultivated a clear niche in financial technology, insurance and banking payment services.

"We are eager to expand our services expertise to promote Ireland-China financial services cooperation," the Irish financial services chief said.

The country serves as a bridge between the United States and Asia. There are currently 400 Irish companies with operations in Southeast Asia and 170 Irish firms stationed in China.

"Many US technology giants, such as Apple, Facebook, Microsoft and Google, have set up their European and Middle East headquarters in the capital city of Dublin. Their decisions to expand into China would come from Dublin, which will benefit the Chinese economy," D'Arcy noted.

Mobile wallets eye public transportation for growth

By HE WEI in Shanghai
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Mobile wallets backed by various payment technologies are scrambling to grab a slice of China's public transportation market, which could become a multi-billion dollar business by 2020.

From Saturday, passengers in Shanghai can board underground trains by tapping their smart phones, the latest instance of making mobile payment a default way of life.

Through an app called Metro, passengers can choose to link their accounts with all bank cards issued by China's card payment processor UnionPay, or Alipay, the popular third-party payment platform from Ant Financial Services Group, and have the fees deducted every time they take a ride.

To get going, commuters simply need to present a quick recognition code gener-

ated from the application to a scanner installed at the gates of each subway station. The system supports payment even without internet connection, giving passengers the perks of finishing the trip before payment.

This would eliminate the need to bring change to buy tickets or even carry a physical subway card, said Jin Tao, head of the information center at Shanghai Shentong Metro Group Co Ltd, which oversees the world's longest metro network that has an average weekday ridership of 11 million.

He added the company is planning to include other payment providers like WeChat Pay and Apple Pay, to name a few.

Users must go through online identity authentication before registering as virtual metro card holders. Foreigners are temporarily barred from such services at



A passenger shows her QR code to enter the metro station at the People's Square in Shanghai. XINHUA

least before June, the local metro authority said.

The attempt follows that of Beijing, with the capital city allowing most Android-powered smartphone users to pay for subway journeys by swiping their gadgets.

Backed by near-field communication technology, phones function as a virtual

transit pass that can be installed digitally and easily topped up anytime anywhere. Samsung, Huawei, Xiaomi and other tech firms are jockeying to roll out their versions of contactless payment.

But the Shanghai initiative lowers the threshold by providing the unified QR code as the sole entrance, so that peo-

ple using Apple phones and an army of other less well-known gadgets stand to benefit from such services.

"NFC and QR codes ... are essentially two types of technologies. QR codes currently reach a wider market since more phones can read them than those that can read NFC tags," said Liu Xiaojie, general manager in charge of public services at Ant Financial.

Theoretically, NFC offers faster and more secure transactions and options. But QR codes are commonplace as the Chinese are simply more used to this system of code scanning, said Li Chao, a senior analyst at market research firm iResearch.

The fight for supremacy in mobile payments has heightened since WeChat Pay, backed by another tech titan Tencent Holdings Ltd, marched into transit systems in Guangzhou late last year.

Third-party payment systems enabling theft

BEIJING — About a year ago, a man surnamed Song, a programmer in Shenzhen, received a mysterious call and lost 280,000 yuan (\$43,460) via Alipay, one of China's most popular online payment platforms. This was odd as Song did not have a single penny in his Alipay account. It turned out the swindlers had taken three steps to transfer his loan via Alipay's micro-loan provider Ant Micro.

Almost at the same time, about 1,400 km away, Lin Lianguan rushed to the police department, reporting that more than 27 million yuan was missing from his company account in Haining city, East China's Zhejiang province.

Lin said a stranger called and faxed a wanted poster, claiming the company had been involved in a pyramid scheme and demanded an immediate check of their bank accounts. A malware program was later implanted and the vast sum of money was soon transferred via multiple third-party payment platforms.

China has been cracking down on rampant online and telecom fraud in recent years. It has tightened the number of multi-function accounts a person can open and stipulated a "frozen time" of 24 hours for money transfer on ATMs. However, third-party payment platforms have emerged as a leading method for fraudsters to bypass such obstacles.

The Public Security Bureau of Beijing said that since 2015, up to 70 percent of stolen money has been scammed through third-party payment platforms. In the first three quarters of 2017, the anti-fraud center in Shenzhen had frozen more than 9,800 suspected accounts, retrieving 315 million yuan.

"The money recovered was only a small fraction; most of it

was untraceable," said Wang Zhengtu at the anti-fraud center. "It was easier to track the flow of money when most transactions were done through bank cards. But now, the swindlers first transfer the money to third-party payment platforms before putting it into their bank accounts. These platforms are like a big pool. It is almost impossible to track its origin," Wang said.

It is estimated that more than 20 trillion yuan of capital was transacted via third-party payment platforms in 2016.

Many people have complained about the complex procedures and extremely long feedback period involved in dealing with online and telecom fraud cases.

Chinese banks now demand strict real-name registration in the application process for bank cards, leaving almost no room for fraudsters. But opening an account on a third-party payment platform needs nothing much more than an email account. Moreover, a person can hold multiple accounts, making it the perfect channel to move money.

During police investigations, gathering evidence is very complicated. Enquiries for online transactions from a company often need at least three days, more than enough for money to be transferred elsewhere.

Wen Yanbing, associate professor at Zhejiang University of Finance and Economics, said the government should improve the cybersecurity law to set up a cross-sector supervision mechanism to intensify the crackdown on fraud through third-party payment platforms. The authorities should also take supervision responsibilities.

Ziroom secures \$621m financing, reflecting investors' hopes

By REN XIAOJIN
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Ziroom, a Chinese online apartment rental platform operator, has secured \$621 million in first round financing, a reflection of investors' high hopes for the country's expanding rental market - especially for the young migrants to large cities.

Different from traditional housing agents, Ziroom buys or takes over properties from landlords, then fully furnishes them in a way that appeals to younger people. Nationwide, Ziroom now administers 500,000 rooms, a number expected to reach 800,000 this year.

However, securing more housing resources seems to be less important than before, as Xiong Lin, CEO of the compa-

ny, has merely mentioned it in the 2018 agenda. Instead, he is heavily emphasizing the service side, making Ziroom's apartments more appealing to young, white-collar city workers.

"The market seems to forget the white-collar class' need for better living condition," Xiong said. "Most rental service providers do not invest much in the services side, such as cleaning, moving and maintenance." He added that development of intelligent furniture and home appliances will also be the focus of the following year.

Warburg Pincus, one of Ziroom's investors, said it holds the company in high regard, saying Ziroom provides an easier housing solution for new migrant workers between the time they graduate and the time they buy

their own houses. Warburg Pincus also invested in other rental businesses, including Mofang Apartment, a rental operator and 58.com, a category website.

Cheng Zhanjun, partner at Warburg Pincus, predicted that more than 70 percent of the new first-tier city residents will choose to rent a place, creating a 1 trillion yuan (\$155 billion) market in long term house rentals.

Research conducted by Homelink Real Estate Brokerage Co, the country's largest real estate agency, also predicted that the market will reach 2.9 trillion yuan by 2025.

Neil Wang, president of consulting firm Frost & Sullivan in China, also recognized the long-term rental market is promising as there will be a mobile population of more

than 291 million by 2020.

"Before 2012, the rental market was dominated by private landlords," Wang said. "But now, the branded apartment, known for furnishing style, logistics service and community culture, is more attractive to city workers."

"Given the number and size of the current players in the industry, the market is still very promising," he added.

Indeed, a number of groups, ranging from internet companies to hotel brands looking to expand their business, have already invested in the rental market with very specified demographics.

Some big-name players also include Port Apartment of Vanke Group, targeting the newly graduated, Danke Apartment and lyf of Capitaland, which are trying to

attract millennials.

Alison Angus, head of lifestyles at London-based market research company Euromonitor, said young Chinese people are committed to expanding the sharing economy and are more eager to spend money on experiences, rather than possessions.

Angus, who wrote the recent report Top 10 Global Consumer Trends for 2018, said many of the new behaviors among young consumers in China follow global trends, as the internet and social media increasingly bridges borders.

"Ownership is under question, and flexible, minimalist living is gaining popularity, with consumers sharing everything, from clothing, household items and pets, through to cars and living spaces," Angus said.

China deepens auto ties in Michigan

At the international auto show in Detroit this week, a handful of Chinese companies showed off their wares. Chinese have invested billions in the US automotive industry, with most of it going to Michigan, reports **Paul Welitzkin** from the Motor City.

The rising role of Chinese investment in the US auto industry, particularly in the state of Michigan, was on display last November when two organizations hosted events in the same week related to the industry that still defines the Wolverine state and its economy.

In Dearborn, home of Ford Motor Co, the Detroit Chinese Business Association (DCBA) sponsored its US China Auto Export Forum, featuring auto industry executives, companies, entrepreneurs and government officials from Michigan and Canada.

Across town in a northern Detroit suburb, the newly established Michigan US-China Exchange Center, hosted a delegation from the China Wuxi Die and Mould Trade Association at a gathering that included auto-related companies, executives and government officials. Cai Leiming, president of the association, signed a cooperation agreement between her organization and the exchange center to promote cross-border investment and trade.

"The partnership with the Michigan-US China Exchange Center is important to us because American industry, particularly the auto industry, is somewhat mysterious to us. We would like to learn more and I think we can with this platform," said Cai.

The Chinese have invested \$3.15 billion in the state since 2003 with about 73 percent of that in auto-related companies and technology, according to Kevin Kerrigan, senior adviser for automotive initiatives for Michigan and the Michigan Economic Development Corp.

The New York-based Rhodium Group said the Chinese have invested more than \$4.3 billion in the US auto industry with about 75 percent of that in Michigan. California is second with about 8 percent.

"We have been importing components from China for many years. If we have the opportunity to bring a Chinese company here that will create jobs in Michigan that is a good thing. The auto industry is truly global. We sell our products in China, so I think it's reasonable to expect China to sell products here," Kerrigan said.

History's epicenter

Qiang Hong, senior research scientist at the Center for Automotive Research in Ann Arbor, Michigan, said Chinese investment in Michigan began in the early 2000s. Successful examples include Pacific Century buying Nexteer in 2010. In 2013, Wanxiang America Corp, the North American subsidiary of the Chinese auto parts conglomerate Wanxiang Group, purchased bankrupt battery maker A123 Systems Inc. Recently, Key Safety Systems unveiled the \$1.6 billion purchase of air-bag maker Takata Corp.

"Now the (auto) investment is becoming more of a two-way street. It's not just focused on US companies going to China, but Chinese companies coming to the US," said Hong.

Kerrigan noted that the North American auto industry started in Michigan in the late 1800s and early 1900s. "At that time Detroit was the epicenter of the auto industry and industry giants like Ford and General Motors were stated," he said. "Michigan has remained the state in the US where vehicles are designed and built. We are still the leader in the development of motor vehicles today."

The Nexteer purchase symbolizes how the Chinese used their US auto investments to not only bolster its domestic industry, but also to strengthen its rapidly emerging economy. China's leadership considers the automotive sector a major pillar of its economy.

In 2010, Nexteer was



Feng Xingya (third from right), chairman of GAC Group. JUDY ZHU / CHINA DAILY



A production line inside the CW Bearing USA headquarters in Northville, Michigan, which opened in 2017. CW Bearing USA is a subsidiary of China's Cixing Group Co Ltd. HONG XIAO / CHINA DAILY



Brian Gao (left) of the Detroit Chinese Business Association (DCBA) and Sanjay Dhall of Detroit Flying Cars, in front of his company's combination small plane and car at the DCBA's US-China Auto Expo and Forum last November in Dearborn, Michigan. PAUL WELITZKIN / CHINA DAILY

Engineer hopes to get his flying car off the ground

Like Henry Ford who toiled in a Detroit garage more than 100 years ago to bring an invention called the automobile to the masses, Sanjay Dhall labors in a Motor City area airport hangar in the quest for his invention: a combination car/plane.

"I am making this for me. I want to build a machine that I can drive out of my garage and then fly me to wherever I want to go," he said at the US China Auto Expo and Forum 2017 sponsored by the Detroit Chinese Business Association in November.

Dhall is a pilot who is also the founder and CEO of Emergent Systems, a Dearborn, Michigan, company that creates products for auto suppliers. He came to the US in 1985 and earned a mechanical engineering degree from the University of Toledo.

He started out 10 years ago to come up

with ways to package a small plane in a car. "I set a limit that it had to be six feet wide, which is the same width as a mid-sized car. If I can do that, then I can park it in my garage and drive to the nearest runway to take it for a flight," said Dhall.

He expects to test fly a prototype by the middle of 2018. Built with carbon fiber to make it light, Dhall's machine will be an electric car paired with a gasoline airplane engine. "You can drive it 70 miles an hour on the highway and fly it 400 miles," he added.

Dhall believes that China would be ideal for his flying car. "Because China is such a large country this would truly change how people travel there," he said.

As for a price, "I would like to sell it as an expensive sports car — say around

\$100,000 to \$200,000," he said.

In November, China's Zhejiang Geely Holding Group Co (also the parent of Swedish car company Volvo) acquired Terrafugia Inc, a Boston-based company that plans to start selling flying cars by 2019.

Founded in 2006 by five graduates of the Massachusetts Institute of Technology, Terrafugia launched its first flying car model Transition in 2012, with an estimated base price of \$279,000 then.

"The teams at Terrafugia have been at the forefront of believing in and realizing the vision for a flying car and creating the ultimate mobility solution," said Geely Chairman Li Shufu, adding that Geely is committed to "making the flying car a reality."

— PAUL WELITZKIN

acquired by China's Pacific Century Motors, a joint entity formed by E-Town, a state-owned enterprise that serves as the financing and investing arm of the Beijing municipal government, and China-based PCM Systems, a manufacturer of automotive components. In 2011, AVIC Auto, a subsidiary of AVIC, purchased a 51 percent controlling stake in Pacific Century Motors.

Nexteer, the former Delphi Saginaw Steering Systems, became a wholly owned, standalone subsidiary of GM when Delphi Corp emerged from Chapter 11 bankruptcy in 2009. Nexteer had been seeking new ownership since then because it made steering components for other car makers outside of GM.

The Nexteer acquisition and others that followed showed that Chinese investment wasn't just focused on acquiring technology, according to Hong. "While technology was important, the Chinese also used US purchases to bolster their management skills, business operations expertise

and to learn a different business and cultural environment," he said. "This will help them to create companies capable of competing on a global scale in an industry that is increasingly turning to a global approach."

In another major Chinese investment, auto supplier Yanfeng Automotive Interiors has emerged as a leading supplier of instrument panels and cockpit systems, door panels, floor consoles, overhead consoles, lighting and decorative trim. The company was formed in 2015 as a joint venture between Yanfeng Automotive Trim Systems Co Ltd and Adient, the former seating unit of Johnson Controls Inc.

"Following the downturn in 2008 (global financial crisis) Chinese investment in the Midwest saved and strengthened some suppliers and some of their product lines," said Jayson Pankin, president and CEO of the Auto Harvest Foundation and a former executive with auto supplier Delphi Corp.

Industry recovery

From the depths of its downturn in 2009, the US auto industry has rebounded. After selling 10.4 million vehicles in 2009, sales reached 17.55 million in 2016, a record. That has led to a recovery that extends from the original equipment manufacturers (OEM) like Ford and GM to industry specific suppliers and even businesses that provide ancillary services.

But US sales by Detroit's Big 3 auto companies fell 2 percent to 17.2 million in 2017, according to Autodata Corp. It was their first year-over-year decline since 2009, ending

an unprecedented seven-year expansion. Demand for new vehicles — especially SUVs — remains healthy as the new year begins.

At the Detroit Chinese Business Association's expo, companies lined up to offer their services to an industry that will be investing billions in things like autonomous or self-driving vehicles, electrification and connectivity.

William Pong is the general manager of Castle International Trade Co Ltd, a privately-owned company in Ningbo in Zhejiang province. It employs about 230 workers who manufacture casting, machining, forging and stamping parts, which are used in metallurgy, automobile, chemical and engineering industries.

"All of our parts are made for customer's specifications. We supply to America, Europe and Singapore. About 98 percent of our sales are exports with about 70 percent for the auto industry," he said.

Pong was not only looking for new customers but also potential partners to expand overseas. "We seek two types of partners — the first has a Tier 1 or Tier 2 plant. Second is an experienced sales agent or representative in the auto industry," he said.

Tier 1 refers to a direct supplier to OEMs; Tier 2 are key suppliers to Tier 1 companies.

Jimmy Hsiao is CEO of Quantum Compliance and Logic Solutions, an environmental, health

and safety software company in Ann Arbor. He is a native of Taiwan who studied at the University of Michigan.

"We have a series of software products that we sell to manufacturers around the world including auto-related companies," he said.

Quantum software is used to help manage an auto plant's safety program and keep track of the handling of environmental waste. Quantum does business in North America and China and the company has 50 employees in Ann Arbor, 120 in the Chinese mainland and 25 in Taiwan.

Hsiao expects the US-China auto relationship to become closer. "I think the relationship will become even tighter. A lot of Chinese companies are now setting up operations in the US and that will continue," he said.

Hsiao is also the CEO of Logic Solutions in Ann Arbor, which will benefit from the shift to electric vehicles (EVs) and autonomous cars. "Both EVs and driver-less vehicles will need a lot of software for sensor systems and artificial intelligence. We can provide that software to auto companies," he said.

Nathan Graham is an attorney with Frago, a national law firm with an office in Troy, a Detroit suburb. Frago assists the Big 3 auto companies and their suppliers in getting overseas workers to become eligible to work in the US.

Graham said the industry recovery has spurred demand for engineers and software developers. "These people are in demand because the car of today is almost more computer than it is a machine," he said. "Our business with China has been steadily increasing over the last five years. We are seeing more Chinese engineers and developers who want to work in the US auto industry."

Graham said that the US industry is attractive right now. "The Chinese are intensely interested in making money. When the US industry is as strong as it is now, the Chinese are attracted to working here," he said.

Future investment

Hong of the Center for Automotive Research said patterns are developing around Chinese investment. "(Chinese) companies are setting up R&D (research and development) centers especially in Michigan and California. In fact a competition is developing between Michigan and California socially in autonomous driving," he said.

Electric vehicles will become a factor, but this may depend on national policies. "EVs may require companies to decide if they want to go global or stay at home," Hong said.

Kerrigan agrees with Hong.

"We are starting to see Chinese companies put research and development centers in Michigan as they try to understand the new areas of autonomy, connectivity, electrification and sharing. We see a lot of interest from China in working with Michigan companies on this new technology," he said. "Chinese have taken the position that they want to become a leader in the electrification of vehicles."

"Shorter term, the export model in China will find success in selling lower-cost EVs in markets other than North America and Europe. (Eventually) you will see the Chinese manufacture cars in North America and Europe but on a smaller scale," said Pankin of the Auto Harvest Foundation.

"We haven't seen a Chinese OEM set up an assembly plant in the US yet. We know that will happen. I wouldn't be surprised if in the next five years we see a Chinese OEM making cars in the US and yes I think Michigan would be the ideal place for the plant," said Kerrigan.

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