

OPINION: XINJIANG COTTON PLOT P.31 | FEATURES: CHINA-EUROPE RAILS P.34

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A WHOLE NEW WORLD

Boao 2021 aims to reshape growth confidence



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Cover Design: Cui Xiaodong

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Return of the Boao Forum

The Boao Forum for Asia (BFA) Annual Conference 2021, set to take place on April 18-21 in Boao, Hainan Province, will center around the theme A World in Change: Join Hands to Strengthen Global Governance and Advance Belt and Road Cooperation.

This year's BFA annual conference is a special one as it occurs under the as of yet unrelenting influence of the COVID-19 pandemic. Moreover, it is officially the world's first major large-scale international conference to take place mainly offline this year. This conference will see dozens of leaders from countries and international organizations and former dignitaries, as well as a number of prominent figures from the political and business circles, attending both online and offline.

Given the impact of the pandemic on the global economy, the primary task of this year's BFA annual conference is to help countries build a consensus on development and reshape growth confidence for the post-pandemic era.

With the flow of production factors disrupted, the Belt and Road cooperation has promoted economic recovery across Asia and its adjacent regions, demonstrated the determination of Asian countries to promote interna-

tional cooperation, as well as provided an "Asian perspective" for the improvement of global governance. This in turn explains the theme of this year's BFA edition.

China was the only major world economy that realized positive growth in 2020 despite the setbacks brought on by the pandemic, and it will take on a more active role with its contributions to global economic growth. Consequently, this year's BFA annual conference will include a module called Explore China, discussing China's development trends and its impact on the recovery of the world economy.

Furthermore, this year marks the 20th anniversary of the forum. As a non-governmental, non-profit and open international organization convening on a regular basis, at a fixed location, the BFA advocates equality, mutual benefit and win-win cooperation. After 20 years of development, it has become one of the most influential cooperation platforms in all of Asia.

Whereas the current multilateral cooperation mechanism is facing severe challenges, the BFA is bound to play a more crucial role in safeguarding globalization and the multilateral trade system. **BR**



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CITY OF THE FUTURE

An aerial photo taken on April 1 shows the Xiongan Railway Station of the Beijing-Xiongan intercity railway in Xiongan New Area, Hebei Province.

Xiongan celebrated its fourth anniversary that day. The new area was constructed with the intention of relieving Beijing of functions non-essential to its role as national capital and to advance the coordinated development of the Beijing-Tianjin-Hebei region.

Over the past four years, Xiongan has made new breakthroughs in key areas of transportation, ecology and industry, and basic public services have continued to improve.



Unique Landform

A view of the Lanzhou Shuimo Danxia Scenic Spot, soon to be open for tourism in Lanzhou, Gansu Province, on April 5.

Separatist Group

Authorities in Xinjiang Uygur Autonomous Region revealed on April 6 that they had busted a separatist criminal group in the educational sector.

The group's leader was Sattar Sawut, former Director of the Xinjiang education department and former head of the region's leading group on basic-education curriculum reform. They incorporated ethnic separatism, violence, terrorism, and religious extremism content into minority-language textbooks. These books had been in use for 13 years. It had grave consequences, Wang Langtao, Vice President of the Xinjiang regional higher people's court, said at a press conference on April 6.

Sawut was sentenced to death with a two-year reprieve

after being found guilty of crimes of separatism, taking bribes and several other crimes.

Sawut, born in November 1947 in Toksun County, Xinjiang, pleaded guilty to the crimes and did not file an appeal against the verdict.

Sawut took advantage of compiling and publishing ethnic language textbooks for primary and secondary schools to split the country, starting in 2002. He then instructed others to pick several people with separatist views to join the textbook compilation team.

Sawut demanded they incorporate content that preached ethnic separatism, violence, terrorism, and religious extremism into the textbooks to split the state.

The investigation also found 84 texts preaching ethnic

separatism, violence, terrorism, and religious extremism in the 2003 and 2009 editions of the textbooks.

Under the influence of the textbooks, several people (already convicted) participated in terrorist attacks in Urumqi on July 5, 2009, and April 30, 2014, respectively, or became key members of a separatist group headed by former college teacher Ilham Tohti, the court found.

Sawut also took advantage of his government posts to accept bribes amounting to a total of 15.05 million yuan (\$2.3 million).

Increased Trips

It is estimated 144.52 million domestic trips were made during the Tomb-Sweeping Day

holiday in China, according to the Ministry of Transport.

Compared with the same period last year, the figure surged 142.4 percent for the three-day holiday, which lasted from April 3 to 5 this year, it said.

Airlines handled nearly 4.33 million passenger trips during the holiday, a jump of 256.4 percent year on year, the ministry estimated.

Meanwhile, the passenger load factor, which measures how much of an airline's available seating capacity is used, was estimated to be 73.4 percent, up 8.1 percentage points from a year ago.

Tomb-Sweeping Day, also known as Qingming Festival, was observed on April 4 this year. It is a traditional Chinese holiday during which people pay tribute to deceased family members. Many also spend the holiday traveling.

Poverty Identification

Poverty identification in China has been a dynamic process, which helps ensure its accuracy, Xia Gengsheng, deputy head of the national administration for rural vitalization, said at a press conference on April 6.

In China, identification of the poor is not a once-and-for-all assessment and regular adjustments are being made to make the results more precise, Xia said.

Some 89.62 million people were identified as poor in 2014, while re-examinations were conducted between 2015 and 2016 to exclude those who had been wrongly identified and enlist those not included initially. Starting from 2017, adjustments have been made every year to improve the accuracy of the identification process.

Expounding on the process,

Xia said the identification is carried out in three ways and poor households can either report their difficulties to the authorities themselves or seek help from community-level officials, who are familiar with their situation, for the reporting.

Government departments would also learn about the circumstances of the poor through big data such as sudden changes in their medical expenditure or employment status, Xia said.

Anti-Crime Efforts

Law enforcement targeting illegal fishing and sand mining along the Yangtze River will become more effective as police forces along the river and customs authorities inked a cooperation agreement on April 1.

The effort will see the Yangtze River Shipping Public Security Bureau, which is in charge of law and order along the river's primary stream, joining hands with anti-smuggling forces in customs departments. They will also join police from 11 provincial-level areas along the river, the Ministry of Public Security announced.

China has continued to intensify its crackdowns on illegal fishing, illegal sand mining, and

illegal pollutant emissions along the Yangtze River.

A total of 8,024 suspects were apprehended, and 427 criminal rings were dismantled amid a three-year campaign against illegal fishing on the river, which was launched last June.

Pig Clones

Chinese scientists have completed a somatic cell cloning experiment, successfully facilitating the births of five pigs native to China, which will help reduce the threat of African swine fever to pig breeding, Xinhua News Agency reported on April 2.

The pigs, marked by their black hair and white feet, were cloned by a scientific team in Taicang City, Jiangsu Province. They are currently in good health.

If an outbreak of African swine fever were to occur at a breeding farm, it would pose a risk to genetic porcine resources, therefore the biological breeding technologies are necessary to strengthen the protection of such resources, said Gong Yuqing, who is a team researcher.

African swine fever is believed to infect only pigs, and no human or other species has thus



Practice Makes Perfect

Students from Oymak Boarding School ride horses during an equestrian class in Burqin County, Xinjiang Uygur Autonomous Region, on March 29. The Oymak Boarding School began to offer equestrian classes at the end of 2019. Most students are from herdsman families.

far been infected.

China reported its first case of the disease in August 2018 in Liaoning Province. Later outbreaks were reported across several other provinces.

Gong said that the team has collected ear tissue samples from six types of pigs native to China and cryopreserved 1,217

tubes of somatic cells since last year.

"Using somatic cells to clone pigs can realize the preservation of 100 percent of genetic materials," Wu Shenglong, a team member, said, adding that such cloning technologies can replicate particularly good native pigs in large numbers.



Fun Times

Macaques have fun at the Nanwan Monkey Islet in Lingshui County, Hainan Province, on April 4. Nanwan Monkey Islet is a nature reserve with over 2500 macaques.

Vehicle Ownership

In the first quarter of the year, 9.66 million new motor vehicles, including 7.5 million cars, were registered in China, the Ministry of Public Security said on April 6.

According to the ministry, this brought the total number of motor vehicles in the country to 378 million, including 287 million cars.

Newly registered new-energy cars reached 466,000, accounting for over 6 percent of total registrations. China currently has 5.51 million new-energy cars.

Altogether 8.39 million people obtained the driver's license in the first quarter. The number of licensed motor vehicle drivers reached 463 million, 425 million of whom were car drivers.

Seventy-two cities had more than 1 million cars by the end of March, five more than during the same period last year. Among them, Beijing had over 6 million

cars and Shanghai more than 4 million.

Boards Merged

The Shenzhen Stock Exchange (SZSE) on April 6 merged its main board with its board of small and medium-sized enterprises amid efforts to unify business rules and supervision modes.

After 16 years of development, listed firms on both boards have converged in terms of market value, performance and trading characteristics, according to the exchange.

The merger conforms to the law of market development and it is also an inherent requirement for building a concise and clear market system, the SZSE said.

Issuance and listing conditions, investor thresholds, trading mechanisms, and stock codes and abbreviations remain unchanged after the merger.

Requiring only adjustments to parts of business rules, market products, technical systems, and issuance and listing arrangements, the merger will have little impact on market operations and investors' transactions in general, the exchange said.

According to the SZSE, fixed income products, futures, and options products would remain mostly unaffected, and the Shenzhen-Hong Kong stock connect program would not be affected either.

Cloud Gaming

The revenue of China's cloud gaming market is expected to grow at a compound annual rate of 135 percent from 2020 to 2023, according to a report jointly released by the Tencent Research Institute and Newzoo, a global gaming and e-sports analytics provider.

The report said the estimated

revenue growth will be significantly higher than the global average of 101 percent, making China one of the leading potential markets.

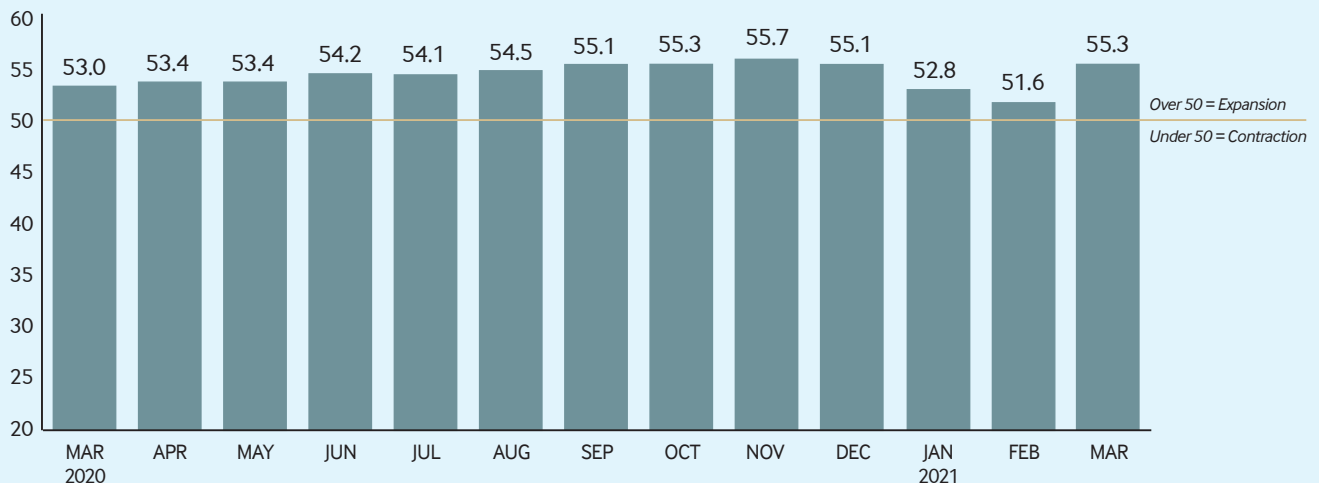
The number of potential cloud game users in China is expected to reach 60.65 million in 2021.

As many educational, entertainment and social functions of televisions have been activated during the COVID-19 pandemic and the ensuing recovery period, interactive entertainment in living rooms may provide additional opportunities for the development of cloud gaming, the report said.

Foreign Investment

China's securities market saw net inflows of overseas funds totaling \$254.7 billion last year, a surge of 73 percent year on year, the State Administration of Foreign Exchange (SAFE)

Comprehensive Purchasing Managers' Index (PMI)



said in a report.

A total of \$190.5 billion went to bonds, up 86 percent from a year ago, and \$64.1 billion to equities, up 43 percent.

The report attributed the significant growth in Chinese securities' overseas holdings to China's promising economic development prospects, prudent monetary policy, and high-level opening up of the financial market.

Trade Fair

A total of 2.63 million exhibits had been submitted by 25,000 enterprises registered for the 129th Session of the China Import and Export Fair, also known as the Canton Fair, according to the China Foreign Trade Center (Group), the organizer of the event, on April 2.

The fair will take place online between April 15 and 24, following two virtual events in

June and October of last year. It is expected to attract purchasers from more than 220 countries and regions, Chu Shijia, an official with the organizer, said.

During the pandemic, the online fair will not only help domestic foreign trade enterprises receive more orders and expand market opportunities, but also inject momentum into the global economic recovery by contributing to the stability of the global industrial and supply chains, Chu added.

Founded in 1957, the Canton Fair is seen as an important barometer of China's foreign trade.

Innovation Support

China Development Bank, one of the country's policy banks, has pledged to beef up its financial support for scientific and technological innovation during the 14th Five-Year Plan (2021-25) period.

A total of 300 billion yuan (\$45.75 billion) under a special loan program for innovation and research will be arranged for the next five years, the bank said, adding that 50 billion yuan (\$7.62 billion) will be offered this year.

The special loan program will mainly be used for supporting fundamental research and original innovation to facilitate the implementation of strategic projects on science and technology, according to the bank.

Chongqing FTZ

The pilot free trade zone (FTZ) in Chongqing Municipality has recorded a boom in market entity registrations over the last four years, with emerging industries accounting for the lion's share, according to the municipal commission of commerce.

Over 50,000 enterprises have been established in the

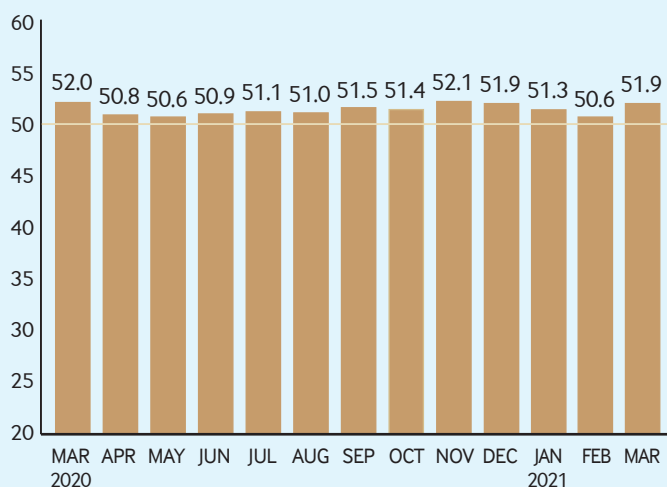
Chongqing FTZ since its creation in 2017, Zhang Zhikui, Director of the commission, said at a press briefing on March 31.

More than 75 percent of the newly registered enterprises are engaged in the transportation, information transmission, software and information technology services, and hi-tech industries, Zhang added.

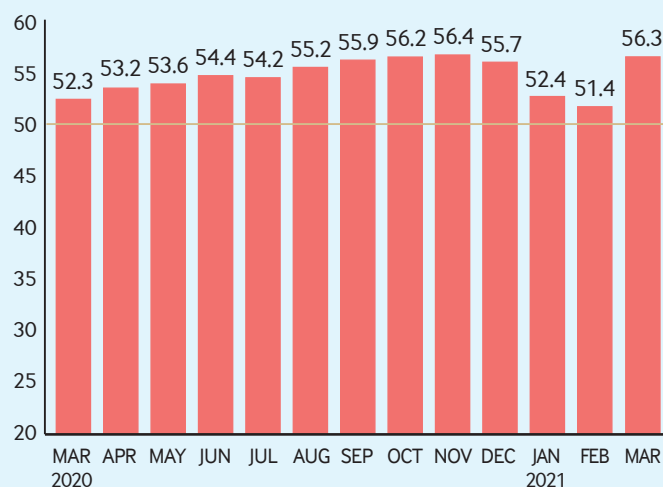
The FTZ is now home to one fourth of Chongqing's foreign trade firms, contributing approximately 70 percent of its import and export volume and attracting over 40 percent of foreign direct investment.

Chongqing was approved as a port of entry for imported pharmaceutical products in February. It is the only such port in west China and the fourth in the Chinese mainland following Beijing, Shanghai and Guangzhou in Guangdong Province.

Manufacturing PMI



Non-Manufacturing PMI



(Source: National Bureau of Statistics)

THIS WEEK **WORLD**



UNITED STATES

People march across New York City's Brooklyn Bridge in protest against anti-Asian hate crimes on April 4



RWANDA

President Paul Kagame and first lady Jeannette Kagame light the Flame of Remembrance for the 27th commemoration of the 1994 genocide against the Tutsi, at the Kigali Genocide Memorial on April 7



IMF

International Monetary Fund (IMF) Chief Economist Gita Gopinath speaks at a virtual press briefing in Washington, D.C., the U.S., on April 6. The IMF has projected that the global economy will grow by 6 percent in 2021



YEMEN

Local residents pay tribute to the Chinese martyrs who sacrificed their lives promoting the friendship between China and Yemen at a cemetery in Sanaa on April 5



PORTUGAL

People ride their bike past the Belem Tower in Lisbon on April 5, the day when the country's deconfinement program's second phase started



CAMBODIA

Police block National Road 5 to prevent cars from entering and leaving Phnom Penh on April 7. A 14-day ban on cross-province travel was imposed in an attempt to halt the spread of COVID-19



THIS WEEK PEOPLE & POINTS

CHINESE BASKETBALL ICON MAKES FIBA HALL OF FAME CLASS

Nine players and three coaches featured on the list for the FIBA Hall of Fame Class of 2021, announced by the world basketball governing body on April 1. Former center of the Chinese women's team, **Zheng Haixia**, was one of them. She became the first Chinese player to earn such an accolade.

A long-serving member of the Chinese team, Zheng, born in 1967, led it to win Olympic bronze in 1984 and silver in 1992. She also finished third in 1983 and came in second in 1994 at the World Championships.



The Chinese Basketball Association on April 2 sent Zheng a congratulatory letter. "Zheng's achievements in the national team are not only her personal glory, but also the results of the concerted efforts from all members on the team. Their fighting spirit and determination on the court set a good example for young players," the letter said.

Created in 2007, the FIBA Hall of Fame currently features over 110 exceptional players and coaches from 37 countries and regions.

Customized Tour

Beijing Youth Daily

April 5

Customized tours have been gaining more favor with Chinese people. It has become an alternative option, aside from the traditional group or independent tours. Bearing in mind their consumers' specific needs, travel advisors help them design routes and arrange various affairs within their budgets.

Thanks to more enterprises operating within the business, residents living in third- and fourth-tier cities can also enjoy the services at lower prices. However, the industry still needs to establish a uniform

standard and introduce an evaluation mechanism.

Selling personalized services should not become the cradle of legitimate loopholes. Today, the contracts drafted by each individual company reduce the number of clauses clarifying the liabilities of the companies and advisors and shift some of the responsibilities onto the consumers. Additionally, they fail to highlight the risks which are necessary to remind people of before they pay for the products.

Hence, authorities such as the Ministry of Culture and Tourism and the State Administration for Market Regulation should investigate any problems in this regard and draw up a standard model for tour agencies to follow.



To Have More Children

Oriental Outlook

April 1

China's population policy has been changing with time and demands. Since 2013, having two children is encouraged.

Today, besides the financial burden, how to further your career is a major worry for many, especially women, when coming face to face with the topic of

"As the demand for Chinese vaccines grows, it means that the international community has a positive evaluation of the high level and safety of Chinese vaccines."

Seymur Mammadov, Director of the international expert club EurAsiaAz, in an article on the *China Daily* website on April 3

"Clearly, ASEAN won't involve itself in any geopolitical games and the ASEAN mechanism can't be downplayed. With or without the U.S., China-ASEAN momentum will grow in view of the fast trade volume growth last year in spite of the epidemic."

Xu Liping, Director of the Center for Southeast Asian Studies at the Chinese Academy of Social Sciences in Beijing, in an interview with *Global Times* on April 5

having more children. They must try hard to maintain the balance between family and work in their 30s and 40s, critical periods for both individual development and fertility.

According to a report released by 51job.com, a leading human resource service provider, 55.2 percent of unmarried women said getting married or having a baby would affect their career advancement, while 41.4 percent of married women held the same opinion.

To relieve the burden of the women's role, paternity leave was one of the key topics during this year's Two Sessions—the annual sessions of the National People's Congress (NPC) and the National Committee of the Chinese People's Political Consultative Conference (CPPCC). Additionally, several NPC deputies and CPPCC National Committee members also suggested creating a better social environment for couples having children in terms of taxation, education, medical care, and employment.

During the 14th Five-Year Plan (2021-25) period, China will transition to a moderately aging society, seeing a greater decline in labor supply. Borrowing from the experience of developed countries, the nation's current low fertility rate should be dealt with as soon as possible.

Building Smoke-Free Cities

Guancha.gmw.cn

April 2

On March 31, a woman trying to persuade a man not to smoke at a restaurant in Chengdu, capital of Sichuan Province, sparked a heated debate on social media platforms. The man did not accept her appeal and instead replied by spilling an unknown liquid onto her. With the mediation of the police, he apologized and paid 1,000 yuan (\$152.8) for her dry cleaning.

Responding to the issue, the Chinese Association of Tobacco Control gave the

woman a thumbs-up on a social media platform and said that secondhand smoke contains at least 69 carcinogens.

By February, over 20 cities in China, including Beijing, Shenzhen, and Qingdao, had banned smoking indoors and some outdoor places under local laws. Although Chengdu had issued a draft on smoking control in public places in 2019, this has not yet been formally introduced.

In addition to speeding up the legislation, there should be other supplementary measures in place. For instance, passengers who smoke on high-speed trains or in smoke-free zones of other trains will be barred from train travel for a consecutive 180 days.

THE WORLD'S NEW HIGHEST-GROSSING FEMALE DIRECTOR

China's Spring Festival blockbuster *Hi, Mom* at a staggering box-office sum of 5.39 billion yuan (\$823 million) beat the 2017 American superhero film *Wonder Woman* on April 6 and made Chinese film director **Jia Ling** overtake Patty Jenkins to be the world's highest-grossing female director for a single film.

Jia, 39, whose full name is Jia Yuling, graduated from the Beijing-based Central Academy of Drama and started her showbiz career as a crosstalk comedian. She rose to fame after appearing at the 2010 Spring Festival Gala.

Jia went on to star in numerous comedies, TV shows as well as on the big screen, cementing her status as one of China's top female comedians. In 2016, she set up Big Bowl Entertainment, and the production company's first work was the short play *Hi Mom* in memory of her mother, from which her movie was adapted.

Hi, Mom is Jia's maiden directorial project.



“Being open will be essential for economies to recover from this crisis (COVID-19 pandemic) and a rapid, global and equitable vaccine roll-out is a prerequisite for the strong and sustained recovery we all need.”

Nguzi Okonjo-Iweala, Director General of the World Trade Organization, during a press conference on global trade recovery on March 31

“The AfCFTA provides the right framework for us to continue that collaboration with China. With the establishment of the framework, Africa has overcome the market fragmentation that was there before.”

Wamkele Mene, Secretary General of the Secretariat of the African Continental Free Trade Area (AfCFTA) agreement, in an interview with Xinhua News Agency on April 1



The venue of the annual conference of the Boao Forum for Asia in Boao, Hainan Province, on March 20, 2019



COVER STORY

SETTING A NEW AGENDA

Boao Forum for Asia seeks to stay youthful and vibrant amid changes By Wang Hairong

After a hiatus imposed by COVID-19, the Boao Forum for Asia (BFA) will resume its annual rendezvous at the eponymous tropical town in the Chinese island province of Hainan.

The conference, to be held from April 18 to 21 with over 2,000 persons attending offline, will be “the world’s first large-scale on-site international conference in 2021,” BFA Secretary General Li Baodong said at a press conference in Beijing on March 30. In addition, a number of national leaders, former political dignitaries and heads of international organizations will join the meeting via video link.

This year’s meeting will center on the theme *A World in Change: Join Hands to Strengthen Global Governance and Advance Belt and Road Cooperation*. Topics for discussion fall into six categories: Explore China, Understand the Changing World, Belt and Road Initiative Cooperation, Embrace the Industrial Changes, Dance with New Technologies, and Development for All.

The primary task of the event is to help Asian countries and the wider world build a consensus on development, and reshape growth confidence while ensuring pandemic prevention, according to Li.

He also pointed out that this year’s gathering is special not only because of COVID-19, but also because it coincides

with the 20th anniversary of the forum. “With azure skies, white clouds, rolling waves, a spring breeze and beautiful flowers, Boao is ready to welcome its guests,” he said.

A world in change

The theme and topics for discussion at a BFA annual conference are usually formulated in light of the situation across Asia and the world at large at the time.

Since the beginning of last year, COVID-19 has been ravaging the world. As of April 5, the pandemic had resulted in 131 million confirmed cases worldwide, including more than 2.85 million deaths, according to the World Health Organization.

“Pandemic control, defense of international economic and trade rules, responses to climate change and the leapfrog development of science and technology will top the BFA’s agenda, especially in the post-pandemic era,” Zhou Xiaochuan, BFA Vice Chairman and chief representative of China, told *Beijing Review*.

“The pandemic has rendered a huge impact on the global economy and society, and triggered the most serious humanitarian and economic crisis in modern human history. The gap between the rich and the poor and that between the global North and South have further widened,” Li said.

The latest UN report shows that the pandemic has led to a loss of 114 million jobs ►►

worldwide, and left nearly 120 million people in extreme poverty.

Compounding the pandemic's impact is rising trade protectionism. However, "in spite of deglobalization tendencies and COVID-19, the Asian economy remains resilient," Zhou said.

The Asian Development Bank forecasted last December that the economy in developing Asia would contract by 0.4 percent in 2020, before picking up to growth of 6.8 percent in 2021. Official statistics show China's GDP grew by 2.3 percent in 2020, owing to its effective containment of the epidemic.

"Measured by purchasing power parity, Asia is expected to account for more than 50 percent of the world economy in 2020, up from less than one third in 2000. Asia is also becoming a more integrated community, with the share of inter-regional trade in its total import and export volume up from 45.2 percent in 2000 to 58 percent at present," Zhou remarked at the end of 2020.

In November 2020, 10 member states of the Association of Southeast Asian Nations (ASEAN), China, Japan, the Republic of Korea (ROK), Australia, and New Zealand signed the Regional Comprehensive Economic Partnership (RCEP). These countries together represent one third of the global GDP. Zhou hailed the RCEP as the largest ever free trade agreement in terms of economic engagement and population coverage, marking a new chapter of economic integration in the Asia-Pacific region.

Moreover, cooperation under the Belt and Road Initiative has promoted economic recovery in Asia and adjacent regions, Li said. Proposed by Chinese President Xi Jinping in 2013, the initiative aims to better connect Asian, European

and African countries along the ancient Silk Road routes.

According to Li, Asia's performance in achieving sustainable development goals is remarkable. "The number of people living in extreme poverty in Asia has dropped dramatically," he said. "Basic education, health and other conditions on the continent have seen significant progress."

Given these situations, during this year's BFA annual conference, "great attention will be given to the global impact of COVID-19, the recovery trajectory of the world economy, and the consolidation of global confidence," Zhou said.

Keeping up with the times

Proposed in 1998 by Fidel V. Ramos, former President of the Philippines, Bob Hawke, former Prime Minister of Australia, and Morihiro Hosokawa, former Prime Minister of Japan, the BFA was inaugurated 20 years ago as a non-governmental international organization headquartered in China. With agreements signed by more than 20 countries, it is dedicated to building consensus in Asia, standing up for Asian countries, and providing Asian solutions. The forum has become a high-end platform for dialogue among leaders of national governments, industrial and business communities, and academic circles of countries in Asia and the wider world.

"The forum is already full-fledged, however, it keeps moving forward. The variety of topics discussed at the forum expands every year," Viktor Zubkov, a BFA board member, said. Zubkov is also Russia's special presidential representative for cooperation with the Gas Exporting Countries Forum.

The topics of the BFA annual conferences have been expanded from the economy, finance, commerce, trade, global governance, to technological innovation, green development and topics more directly pertaining to people's livelihoods, such as public health, culture, education, elderly care and rural development. Usually, a large number of participants to the conferences are from the business community across the world.

In addition, the forum has launched separate conferences on specific topics. For instance, in June 2019, it hosted the First Conference of the BFA Global Health Forum in Qingdao, Shandong Province in east China, to facilitate the goal of "health for all."

On the subjects of the discussions, Li said, "Each of them carries the forum's ardent expectation for boosting international cooperation and common development."

The advocacy of multilateralism and the pursuit of win-win cooperation are the very themes reverberating in all BFA sessions, he said.

When the BFA was born 20 years ago, globalization was changing the globe and in 2001, China, after 15 years of negotiations, eventually joined the World Trade Organization (WTO).

In recent years, "globalization has been suffering setbacks and the operation of the multilateral trading mechanism, with the WTO at its core, was disrupted," Zhou said at a meeting in January launching the Free Trade Agreements: Asia's Choice report.

He said prior to the outbreak of COVID-19, rising trade protectionism and unilateralism were causing frequent frictions between major economies; whereas after the outbreak, as economic development came to a standstill and supply chains were interrupted, many countries turned inward in their policies, bringing about further threats to the international trade order.

As the WTO has sunk into a predicament, having difficulties in updating and revising global trade rules, "in the short run, globalization is becoming more regionally focused, relying more on stronger regional cooperation to influence global governance," Zhou said. He pointed out that multiple bilateral and multilateral free trade agreements (FTAs) and investment deals have been signed since the beginning of 2020, including the RCEP.

China ratified the RCEP in March. Once ratified by six ASEAN members and three non-ASEAN members, the agreement will enter into force in 60 days, expected to take place sometime next year.



Li Baodong (center, front row), Secretary General of the Boao Forum for Asia, and other speakers after a press conference in Beijing on preparations for the forum's 2021 conference on March 30

“There had been no free trade agreement involving China, Japan and the ROK at the same time. On that note, the RCEP for the first time brings all three economies together,” Zhou noted.

Last December, negotiations on the China-EU Comprehensive Agreement on Investment also completed, boosting cooperation between the two large economies.

In order to overcome development challenges, improve Asian and global governance, and enable sustainable development, the BFA should keep up with the times, Zhou said.

In response to a drastically changing international situation, the BFA's board of directors has been dedicated to promoting dialogue, building mutual trust, and pooling positive energy for Asia and the globe, according to Zhou. The incumbent board took office in 2018 under the leadership of Ban Ki-moon, former UN Secretary General.

An influential platform

“It is on the Boao stage that several momentous achievements in cooperation in the Asia-Pacific region have been developed and perfected, including the Belt and Road Initiative, the Asian Infrastructure Investment Bank and the Conference on Dialogue of Asian Civilizations, all of which have invigorated regional cooperation and economic growth,” Li said.

President Xi attended the BFA annual conference in 2013, 2015 and 2018. In 2013, he declared that China would accelerate its interconnectivity with neighboring countries and build a financing platform to strengthen regional economic integration and competitiveness. Months later, he unveiled the Belt and Road Initiative.

At the 2015 annual conference, he put forward four general principles for promoting a community with a shared future for humanity.

At the 2018 annual conference, he made it clear that “China's open doors will not close, but will only open wider.” The promise was followed by concrete measures, including the launch of the China International Import Expo in Shanghai.

The BFA has facilitated the dialogue between Asia and other parts of the world. Its board of directors began to have European and American members in 2010, expanding the forum's global

influence. Several of its council of advisors members hail from non-Asian countries, such as Jean-Pierre Raffarin, former Prime Minister of France.

Zubkov became a BFA board member in 2017. “I am honored to have participated in the work of the BFA board of directors in the past years, and I have seen that the preparations of BFA events were meticulous, the topics discussed at the forum were carefully selected, and the dialogues were organized in an orderly manner,” he said.

Leif Johansson, Chairman of the Board of London-based multinational biopharmaceutical company AstraZeneca, is also a BFA board member. He has participated in the forum since its inception. He said as the international situation becomes more and more complicated and volatile, dialogues and exchanges are needed more than ever.

In addition, the BFA annual conferences have special sessions on EU and U.S.-related topics. In recent years, the forum has also stepped outside Asia and hosted seminars in Europe, Oceania and the Americas, Zhou added. The BFA's partners include not only Chinese companies but also multinationals such as Samsung, AstraZeneca and U.S.-based Deloitte.

Over the past 20 years, the BFA has played a vital role in promoting globalization, regional integration and sustainable development, Molly Peck, Executive Director of Buick Sales and Marketing at SAIC-GM, a China-U.S. joint-venture carmaker, said. She added that she believes “this year's conference will provide an opportunity for us to exchange our ideas and contribute to a shared future.” **BR**

Copiedited by G.P. Wilson
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FOR A SHARED FUTURE

The shared future of Asia and the world can only be secured by the close and win-win cooperation of all
By Ban Ki-moon

This year marks the 20th anniversary of the Boao Forum for Asia (BFA). This is a moment of significance, with much to look back on and much more to look forward to; much to celebrate and much more to envision; much to take pride in and much more to think and plan ahead. It's a moment of festivity, honor and responsibility.

For an institution, 20 years is but a short timespan. The BFA still looks “young” compared with its international peers. But its short history coincides with one of the most challenging yet dynamic periods of Asia. Its mission reflects the needs, wishes and fundamental interests of Asian countries. Its endeavor involves the broadest possible stakeholders of peace and prosperity in Asia.

Providing solutions for pressing challenges

Each spring, more than 2,000 heads of state, government leaders, CEOs and economists come in from Asia and around the world for a four-day intensive, thought-provoking and forward-looking gathering on the most pressing issues of the time. This is an occasion for Asian and world leaders to listen to one

another, exchange views, coordinate policies and take concerted actions. It is not only about governments but about business leaders, scholars and experts as well. It is the collective vision, wisdom and judgment of the one “Boao Family” that form the voice, ideas and solutions for pressing challenges.

The forum was conceived with a mission. Greater levels of economic cooperation help bring Asian countries closer to their development goals. The ultimate goal is to achieve common prosperity through Asian economic integration. This is enshrined in the forum's charter, and reaffirmed and reinforced in each and every annual conference over the past 20 years.

The path toward that goal is bumpy, but the progress turns out remarkable. Today, Asia has become the most dynamic growth engine in the world. Twenty years of growth and structural reforms have placed Asian economies on a much sounder footing. Their resilience and strength have withstood the tests of the 2008 global financial crisis. Emerging markets such as China and India have risen to global significance. Victims of the 1998 financial storm such as the Republic of Korea have moved into the high-income rankings.

Latecomers such as Viet Nam, Cambodia, Bangladesh and the Philippines are now shining stars of growth.

Intra-regional trade playing bigger role

Not only have Asian countries done well individually, but they have also done well together in close cooperation and coordination with one another. Intra-Asian trade and investment now account for more than half of the total, meaning that Asian countries turn more to one another for economic opportunities than to North America and Europe. Regional and bilateral trading arrangements have bound Asia together more than ever. Mega-deals such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership have made or are making good progress.

Bilateral free trade agreements have not only expanded coverage, but also upgraded to much higher levels. Free flow of goods, services, capital and labor has become a reality in many parts of Asia. The Asian continent is much more interconnected and interdependent than 20 years ago. As is the pride of Asians and the Asian identity that are integral to an economically integrated Asia.

Yet Asia's development and integration are not isolated from the world. The past 20 years have largely coincided with the “golden days” of economic globalization. Particularly in the years prior to the global financial crisis, we enjoyed a period of synchronized global prosperity and a boom in global trade and investment. The World Trade



Ban Ki-moon, Chairman of the Boao Forum for Asia

Organization (WTO) tapped the potential of most countries by cutting tariffs and lowering barriers. The mood was confident, optimistic, open and forward looking.

Things began to turn the other way with the 2008 crisis, and for the worse in recent years with the emergence of unilateralism, protectionism and de-globalization. Tariffs are again being used as a weapon for pursuing narrow national interests. Trade frictions loom larger and larger, pushing countries apart rather than drawing them closer. Multilateralism is giving way to unilateralist practices. Global institutions that have long underpinned global peace and prosperity risk being sidelined and marginalized.

Such negative developments cannot but endanger and derail the integration process of Asia and, further, its prospect of sustainable growth, running counter to the mission and purposes of the BFA. We deem it our obligation and responsibility to speak out, loud and clear, for globalization, free trade, multilateralism and a shared future for Asia and the world. The time for action is now.

Through conferences, workshops, dialogues and roundtables, we have endeavored to build consensus on the one hand, and explore innovative responses and solutions on the other. On our platforms, we are encouraged to hear political leaders reaffirm their stance for an open world economy.

President Xi Jinping of the host country China has sent out messages to the world that China would only open up wider and wider. Multilateral institutions such as the United Nations, the International Monetary Fund (IMF) and the WTO continue to enjoy the firm support from the large majority of countries. New institutions such as the Asian Infrastructure Investment Bank and the New Development Bank inject new blood and vigor into global governance. Fresh

development projects such as the Belt and Road Initiative promise to fuel a more balanced, open and inclusive globalization.

The beauty and value of the BFA are people, ideas and action. By bringing together the best minds, we are able to pool their vision and wisdom, inspire innovative ideas, and translate them into policies and actions that eventually change Asia and the world. This is the role the forum has played for the past 20 years, fueling Asian economic integration, promoting Asian development and, today, fighting against the undercurrents that jeopardize globalization, free trade, multilateralism and the shared future of us all.

But it is all the more important to think and plan ahead for the next 20 years and more, not ►►

just for Asia, but for the world as a whole. Years of work on global affairs has given me confidence in the ability of mankind to cope with challenges. But never underestimate the challenges lying ahead.

In 2015, the United Nations adopted Agenda 2030 and its 17 Sustainable Development Goals (SDGs). None of them are easy, especially for such a diverse continent as Asia. The number of people living in extreme poverty has been reduced by half, but it remains an arduous task to eliminate extreme poverty by 2030. Basic needs for education, healthcare, clean drinking water and sanitation are yet to be met in many parts of the world, let alone providing decent jobs and improving the quality of life. Protecting our planet and fighting climate change should by no means be empty talk. The urgency and necessity to act grow by the day as we experience more and more extreme weather and natural disasters.

All these challenges call for each and every country to do their homework well, and for all countries to work together in real earnest. There is no going back in globalization and there is no Planet B. We're in the same boat, both on the good days and in the hard times. Twenty years ago, the BFA came into being to bring Asian countries

together. Today, the need for Asia to stand united as one has only grown with increasing complexity and volatility around the world.

Pandemic has taught world a bitter lesson

The COVID-19 pandemic has taught us a bitter yet sobering lesson. Starting out as a medical crisis, it now has become an economic crisis and risks turning into a financial crisis for governments, businesses and households alike. It is a crisis like no other. People have been infected and lost their lives. The great lockdowns have hit the supply and demand system harder than the global financial crisis. Countries face a "trilemma" of public health, economic re-opening/stimulus, and financial sustainability.

A global crisis of such magnitude calls for a coordinated global response and international cooperation. Multilateral efforts are indispensable to building global defense against the virus. In particular, vulnerable countries need international assistance to make up for the shortfall in their public health systems. Access to vaccines needs coordination at the global level to ensure their availability and affordability.

So are macroeconomic policies, international trade and cross-border investment. The IMF has warned against the premature withdrawal

of expansionary fiscal and monetary policies. Countries need to sit down and coordinate their exit strategies. Global trade and investment are expected to plummet at double digits. This is the time to reinforce the rule-based multilateral trading system, and rekindle globalization and free trade.

There is also a lesson for Asia and the BFA to be learned. The sustainable future of Asia is about more than the economy and trade. It is about health, education, innovation, culture and media, affordable and clean energy, equality, fighting climate change and a lot more. The forum's agenda should be expanded to also reflect the SDGs and respond to the changing needs of the future.

Forum for Asia, forum for the world

And we shall not confine ourselves to geographic Asia. The BFA is a forum based in Asia, but its vision, mission, outlook and footprints should go beyond Asia. Asia can't grow in isolation from the world. Asian integration is an integral part of economic globalization. A forum for Asia should be at the same time a forum for the world.

We have already started to move in that direction. The BFA and other such conferences and events have expanded to cover areas of innovation, health and media. Our footprints are extending to Europe and North America. Our themes and topics, too, are diversifying beyond the economy. Our stakeholders, speakers and delegates are representing a wider spectrum of society.

The only thing that doesn't change, is change itself. The BFA has changed, is still changing and will continue to change to keep up with the challenges we must face. But there is still one thing that won't change: the power of cooperation. The strength of the BFA stems from the cooperation of its 29 initial countries, board of directors, council of advisers, members, partners and delegates. The mission of the forum is to achieve economic integration in Asia—the ultimate form of cooperation of Asian countries. The shared future of Asia and the world can only be secured by the close and win-win cooperation of us all. This was the case in the past 20 years, and will continue to be so in the next 20 years and beyond. **BR**

(The author is BFA chairman and a former secretary general of the United Nations)

Twenty years ago, the BFA came into being to bring Asian countries together. Today, the need for Asia to stand united as one has only grown with increasing complexity and volatility around the world

SILK ROAD FOR HEALTH

The Health Silk Road features prominently at this year's Boao Forum for Asia Annual Conference. The Shanghai Institutes for International Studies and Grisons Peak Services, a consultancy firm based in London, recently published a report on this program, which is part of the China-proposed Belt and Road Initiative. In an interview with *Beijing Review* reporter Wen Qing, **Henry Tillman**, founder and Chairman of Grisons Peak Services, shared some of the key findings. This is an edited excerpt of the interview:

Beijing Review: Why is the Health Silk Road important to global public health governance?

Henry Tillman: Upon gaining control of COVID-19 on a domestic basis, over a seven-month period running from early March until late October 2020, China provided medical assistance to some 150 countries. This is an extraordinary feat.

In addition, the nation also provided other aid to numerous countries adversely affected by the virus, coming both directly from the Chinese Government and its policy banks as well as via multilateral institutions such as the World Health Organization (WHO) and its vaccine pillar COVAX. Throughout 2020, Chinese biotech companies subsequently developed, tested and began distributing vaccines by the year's end.

These global partnerships extended beyond the circa 140 countries which had previously signed Belt and Road cooperation documents, reaching out to all of humanity.

Being the first country to control the virus, China then rapidly changed course to provide time-sensitive medical aid focusing on countries which had signed Belt and Road cooperation deals as well as some other countries in the EU and Asia, demonstrating global leadership. China has also donated \$50 million to WHO in support of its anti-pandemic programs and joined the COVAX.

The combination of this global coalition together with what we see as the development of a hub-and-spoke model along the Belt and Road routes can provide up-to-date medical data as well

as a base for identifying possible future epidemics.

How do you interpret the growth of mutual investment between China and foreign countries in the health and pharmaceutical fields?

From our study on outbound healthcare investments, partnerships, joint ventures (JVs) and licensing agreements gathered pace throughout the third quarter of 2020. This trend continued in the following quarter. Our numbers are in line with Gordon Orr, a global consultant, who mentioned in March that over 250 partnerships were launched just in 2020 between Chinese and non-Chinese pharmaceutical companies. Many of these were forged to license China-developed innovative drugs for global sale—a reflection of the advancements in China's pharmaceutical and biotech research and development.

Financing of China's capital market in the country's health and pharmaceutical enterprises has increased. How do you think

this will contribute to global health?

According to Pitchbook Data Inc., venture capital (VC) investment in the biotech and pharmaceutical fields totaled \$28.5 billion across 1,073 deals, up by 60.5 percent year on year, driven in part by the importance of vaccine development. VC-backed biotech companies raised \$11.5 billion across 73 public listings in 2020. This helped lead to a global No.2 ranking for the Hong Kong Stock Exchange (\$51.2-billion IPO proceeds), No.3 for the Shanghai Stock Exchange (\$51-billion IPO proceeds) and No.5 for the Shenzhen Stock Exchange (\$18.8-billion IPO proceeds).

This new capital raised via capital markets as well as from VC investors can be expected to fuel the growth of existing vaccine groups as well as new groups being formed and new vaccines being tested.

How can Belt and Road Initiative participating countries work together to address deficiencies in their health sectors?

The official launch of the Health Silk Road program in 2015 is a token of China's commitment to global healthcare. The term Health Silk Road was first officially used in a document by Chinese health authorities. President Xi Jinping mentioned this when he visited the WHO headquarters in Geneva, Switzerland, in 2017.

It is not possible to predict any future responses from various governments, but China's development of a number of healthcare hubs in other Belt and Road Initiative participants is a solid starting point for further collaboration. **BR**

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GETTING READY TO INVEST ABROAD

China's engagement in outward foreign direct investment (OFDI) started later than in many other countries. In 2002, when the National Bureau of Statistics began measuring the OFDI, the net amount was \$2.7 billion. However, in 2016 it soared to \$196.15 billion, occupying 13.6 percent of the global total. In recent years, China's OFDI has stayed between \$140 billion and \$160 billion. **He Zhenwei**, Secretary General of the China Overseas Development Association, spoke to *Beijing Review* reporter Tao Xing, sharing his observations on the development of China's OFDI. This is an edited excerpt of the interview:

Rapid development

Between 1978 and 2000, China mainly focused on absorbing foreign investment in order to develop its economy and accumulate capital. The Go Global strategy emerged in 2000, after Chinese enterprises began to attain the resources and competence to invest abroad.

Large state-owned companies played a leading role at the very beginning, as they had greater economic and human resource strength than small and medium-sized ones. As energy plays a crucial role in supporting domestic productivity, projects in this field were a focus for Chinese investment in other countries.

Nevertheless, in recent years, OFDI by the thriving private sector has surpassed that of state-owned companies and their investment has entered a wider range of industries, such as services, manufacturing and light industries.

The Go Global strategy has helped Chinese enterprises enhance their development and

branding. For example, Haier Group, one of the country's largest home appliance and electronics makers, began its overseas expansion in 1989 by exporting niche products. In 2006, Haier launched a new strategy to bolster its global brand awareness, and has since established factories and research bases abroad. It is now a household name in overseas markets for its hi-tech products, and runs ahead of most of its Western peers in product research and development.

In 2010, Zhejiang Geely Holding Group, a leading private carmaker in China, signed a deal to buy ailing Swedish luxury car brand Volvo from U.S. giant Ford for \$1.8 billion. The acquisition offered Geely access to a high-end brand and the technologies it needs to compete with much bigger rivals. It also provided a channel for China-made cars to gain a share in the world market.

As economic globalization gains momentum, nations worldwide have become ever more closely linked, and it is impossible for any country to develop its own economy in isolation. The new Chinese development paradigm of dual circulation underlines the importance of the domestic and overseas markets reinforcing one another, with the domestic market as the mainstay. However, taking the domestic market as the mainstay should not be regarded simply as a return to an inward-looking economy.

China will continue to fulfill its commitment to opening up, and will strive to promote the

coordinated development of internal and external demand, import and export, as well as inbound and outbound investment.

Promising industries

China has pledged to peak its carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060. These are ambitious goals that require sound overall environmental governance, breakthroughs in new-energy technology and adjustments to the energy structure. Meanwhile, protecting the environment and mitigating climate change are issues of global concern, both for developed and developing countries. There are ample opportunities for Chinese enterprises to invest in new energy, such as photovoltaic and wind power industries, abroad, as well as to deliver Chinese technologies internationally.

Moreover, the COVID-19 pandemic has unleashed potential in some new industries, including cross-border e-commerce.

Reliable logistics is a basic requirement for trade. Impacts of the recent Suez Canal blockage are another reminder of the importance of supply chain management. For this reason, we firstly need to establish a sea-rail multimodal freight transportation chain, capable of providing efficient means of delivering goods to Chinese and foreign customers. Chinese e-commerce enterprises also need to invest in establishing a presence overseas, including distribution hubs.

Win-win results

China's investment in African countries and other countries participating in the Belt and Road Initiative could become an efficient channel for the sharing of technologies.

More importantly, when Chinese enterprises invest in foreign countries, it is not merely finding a new home for their existing technologies but advancing entirely new technologies in the process. For example, a China-Kazakhstan cement plant with a designed daily production of 2,500 tons of clinker cement was officially put into operation in Shieli County, Kyzylorda Region in southwest Kazakhstan, in 2019.

The joint venture is one of 55 industrial capacity cooperation projects between the two countries. It uses advanced technologies and produces nine types of cement. After it went into operation, Kazakhstan was able to shake off dependence on imported oil well cement. The plant is Kyzylorda's first cement factory and brought 260 new jobs to the region.

An additional emerging trend is the deepening of cooperation in industrial capacity in third-party markets, inspired by the Belt and Road Initiative. Third-party market cooperation refers to the economic cooperation between Chinese enterprises and enterprises of other countries in the market of a third country.

In 2014, in order to solve the water shortage in the capital city of Beirut, the Lebanese Government launched the Greater Beirut Water Supply Project, which would involve the construction of tunnels and pipelines. Cooperativa Muratori & Cementisti, an Italian civil engineering contractor, won

the tunneling contract and purchased two hard-rock tunnel boring machines from China Railway Group Ltd. This cooperation hastened the progress of the project and resolved the water problem in Beirut.

Third-party market cooperation can help Chinese enterprises and enterprises of other countries complement each other, and promote the improvement of industries, infrastructure and people's livelihood in third countries. China has signed this kind of cooperation agreements with 14 countries including France, Japan, Italy and the United Kingdom.

Platforms and enterprises

For Chinese enterprises to go global, it is essential to understand how to get accurate information about the target markets and how to raise risk awareness. When individual companies intend to invest abroad, it is difficult to gain the necessary information and understanding to do so. Platforms and organizations for effective communication are needed.

Every year, the China Overseas Development Association organizes the China Overseas Investment Fair to create an information-sharing platform for Chinese enterprises and foreign governments. In 2020, the ambassadors of 31 countries attended the fair where Chinese business people could directly consult with them. Multilateral events such as the World Economic Forum in



He Zhenwei, Secretary General of the China Overseas Development Association, with Javid Ahmad Qaem, Afghan Ambassador to China, at the 12th China Overseas Investment Fair in Beijing on November 25, 2020

Davos, Switzerland, and the Boao Forum for Asia in the Chinese island province of Hainan play a similar role. Investors and parties seeking investment meet at these gatherings to discuss issues of common concern, which can help solve global challenges and influence the world.

On such platforms, enterprises can also share information and experience, such as areas that require caution when investing in a specific country, or why a particular investment failed.

Braving the challenges

As COVID-19 spreads across the world and international protectionism rises, OFDI by Chinese enterprises face many challenges, including restrictions on the global movement of people.

However, China and other countries are working on these problems.

When addressing economic protectionism in general or specific trade disputes, new methods of cooperation must be devised. For example, the China-U.S. trade war has impacted heavily on cooperation between enterprises of the two countries. While the U.S. has raised import duties on many goods imported from China, it has not done so for products from many other countries, creating the possibility for factories of Chinese enterprises in these countries to export their products to the U.S.

In the end, the virus will be defeated. Once the pandemic ends, all nations will focus on economic recovery, boosting market and project demand. Chinese enterprises need to be ready for these opportunities. **BR**

RISK ASSESSMENT

The world economy has to be on the lookout for potential risks in the post-COVID-19 era By Han Lique

Although COVID-19 plunged the global economy into the worst recession since World War II, clear signs of recovery have emerged. China began leading the way by pocketing positive growth in 2020 after bringing the epidemic under control. The U.S. and European countries initiated a bid for economic rebound via aggressive stimulus measures.

According to the forecasts of leading financial institutions, the pandemic's impact on the world economy may not be as severe as expected. Nevertheless, in the long run, both COVID-19 and the subsequent stimulus and relief policies adopted may cause major disruptions. The world needs to guard itself against those risks.

Possible threats

To relieve their hard-hit economies, several countries embarked on an unprecedented policy of fiscal expansion and monetary easing, leaving behind huge debts. In March, the U.S. passed a \$1.9-trillion coronavirus relief bill. Since March 2020, three such successive bills, totaling around some \$5 trillion, have been enacted. Together, they equal to 24 percent of the U.S. economic output in 2020.

U.S. President Joe Biden and his administration then expressed their readiness to continue to pour money into the market by unveiling another \$2-trillion stimulus proposal. Other countries, too, put

forward similar packages. Financial services giant UBS estimated that governments ran an aggregate deficit of more than 11 percent of the global GDP in 2020, over three times the average of 2010 to 2019.

According to the Institute of International Finance, the continuing swell in debt will see the total top \$300 trillion by mid-2022. Although there has been no indication foretelling a large-scale debt crisis so far, this has created a huge burden for economic recovery and the potential risks involved cannot be ignored. More specifically, if the fiscal and monetary policies of major countries fail to run properly, this malfunction is likely to give rise to economic volatility.

Another risk posed by any economy on the rebound is the rise in inflation expectations. Recently, Bank of America revised its year-end forecast on the 10-year treasury yield from 1.75 percent to 2.15 percent. As inflation expectations make up more than 60 percent of the actual bond yield, these could trigger a call for volatile adjustment within the international financial market.

Former U.S. Treasury Secretary Lawrence Summers repeated his warning that the U.S. risks rising inflation amid massive government stimulus, easy monetary policy and an expected surge in consumer spending as the pandemic recedes.

Across international markets, commodity prices have been on the increase. According to the United Nations Food and Agriculture Organization, the Food Price Index, which tracks the monthly changes in global prices of food commodities, rose 26.5 percent

in February from a year ago, hitting the highest level since July 2014. Consumer prices in Brazil and Russia increased more than 5 percent year on year, whilst in Turkey this rate stood at 15 percent.

Major countries have given consideration to the security of the global industrial chain even before the pandemic, believing the chain created by globalization was too fragile. In the future, they should not only shift it, but also accomplish the fully independent production of some industries—or at least realize regional production.

COVID-19 has dealt an unprecedented blow to the global industrial chain, resulting in many nations suffering production disruptions and supply constraints. This has once again encouraged countries to speed up the restructuring of the industrial chain. For example, the proposed \$2-trillion new stimulus plan of the U.S. aims to strengthen its manufacturing industry and ensure that key industries are manageable.

The raging virus has also brought changes to global business models, generating new services

China has set its annual GDP target at more than 6 percent. Market expectations and forecasts by major international organizations point to higher growth



WPHIX

Manila City Mayor Francisco Domagoso receives a dose of a China-made COVID-19 vaccine in Manila, the Philippines, on April 4

but also resulting in the nosedive of international travel, resulting in both business opportunities and unemployment.

The world today still hides in the shadows of the pandemic, with Europe and other major regions facing new infections. There are estimates that the world economy might not reopen until August. A number of structural changes may thus become the norm. In particular, once a regional industrial chain is established, it will likely send shockwaves through countries and industries that have long adapted to global production.

Since the 2008 financial crisis, the world has been caught up in a spiral of divergence; the COVID-19 pandemic has further complicated matters. Currently, the growing gap between the number of coronavirus vaccine doses administered in rich and poor countries has become a thorn in the eyes of many. Developed countries have snapped

up more than two thirds of the world's vaccines. Yet developing countries, especially those less developed, have received only small quantities.

By the end of March, the U.S. had vaccinated nearly 150 million people and announced it could reach herd immunity by this summer. However, vaccination efforts in Europe have been plagued by problems such as insufficient vaccine doses. This may determine just how quickly an economy can be resumed. Countries that fail to achieve mass vaccination are likely to fall behind in terms of economic recovery.

Furthermore, this year has seen the international political stage become more volatile. The U.S. and the European Union, for political purposes, have imposed more restrictions on China in trade, investment, and science and technology, all pillars of economic globalization. At the same time, global trade protectionism has gained momentum, with numerous proposals for new protectionist measures.

Joint efforts

As the pandemic continues to take its toll, now is not the time to throw caution to the wind. The world economy needs to remain stable so as to deal with potential risks in the near future. In this regard, the steady growth of China's economy is a boon to the world at large.

Anticipating bullish growth in 2021, China has set its annual GDP target at more than 6 percent. Market expectations and forecasts by major international organizations point to higher growth. The Organization for Economic Cooperation and Development projected that China's GDP will rise by 7.8 percent this year. No doubt, the China locomotive will continue to inject impetus into the pandemic-hit global economy.

China has conducted extensive communication with other major countries on macroeconomic policies and anti-pandemic cooperation. China for one is set to continue its efforts to guarantee a more stable world economic recovery. Indeed, all countries, major economies in particular, need to step up coordination and ensure their policies are efficiently aligned. **BR**

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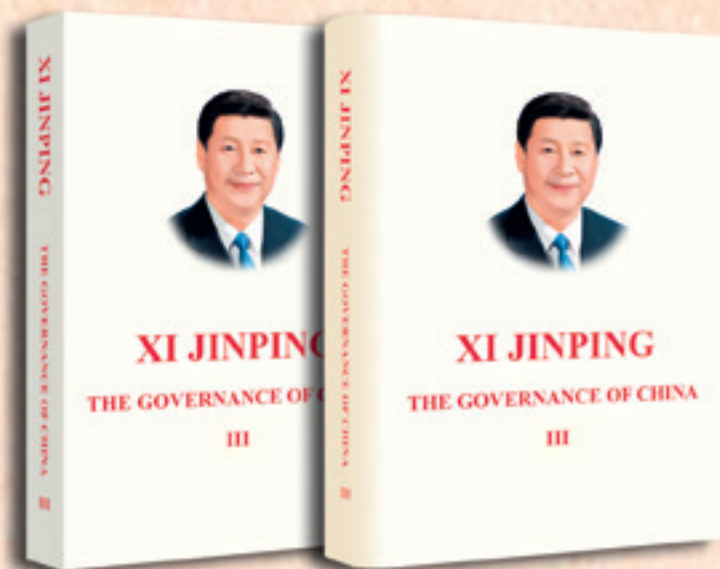
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XI JINPING: THE GOVERNANCE OF CHINA (III)



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The first and second volumes of *Xi Jinping: The Governance of China* have received an enthusiastic response from China and other parts of the world. Since the 19th CPC National Congress in 2017, Xi Jinping has put forward many more original ideas drawn from his experiences in state governance in the new era, charting the course of the country in line with the times and further enriching the theoretical base of the Party.

The third volume of *Xi Jinping: The Governance of China*, divided into 19 sections by topic, contains a compilation of 92 of Xi Jinping's spoken and written works from October 18, 2017 to January 13, 2020, along with 41 photographs. Notes are provided for ease of reading.

Since the 19th CPC National Congress, remaining true to the Party's original aspiration and founding mission, the CPC Central Committee, with Xi Jinping as its core, has fully considered the overall goal of national rejuvenation and the international situation in a context of change at a level unseen in a century, and has coordinated the country's efforts on the great struggle, the great project, the great cause and the great dream. It has united and led the whole Party and all the Chinese people in making significant progress in the undertakings of the Party and the country. The third volume vividly presents these achievements, along with new developments of Marxism in China and China's proposals for building a global community of shared future. It is the most authoritative book about Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.

Understanding the CPC

By Wang Yiwei

Once asked Dr. Henry Kissinger whether he had seen any Marxist classics in late Chairman Mao Zedong's personal library, since Mao had received him there multiple times. His answer was probably not. Nevertheless, there were all kinds of thread-stitched books, all Chinese classics.

A deeper understanding of the Communist Party of China (CPC) is crucial to the reconstruction of China-U.S. mutual political confidence, because many American misconceptions about China home in on how to understand the CPC.

Misapprehensions

● Seeing China as an outsider that can be assimilated

Some people lament the failure of the U.S. policy of engaging China, a strategy which first took shape under former President Richard Nixon. Seeing they had already successfully turned Japan into a Western-style nation, they wanted to convert China in similar fashion. Yet they neglected the fact that China has been an independent entity since ancient times, a civilization that could be traced back 5,000 years and a society unlikely to adopt a wholly Western model. Nevertheless, China did learn a lot from the West. Traditional China has today developed into a modern China, which now marches toward a country that seeks to engage constructively with the world. This progress becomes especially apparent through undertakings such as the Belt and Road Initiative and the notion of establishing a community with a shared future for humanity.

● Believing the biggest difference between China and the West lies in the CPC

Disregarding CPC leadership goes hand in hand with numerous misunderstandings of traditional Chinese culture. The assimilation of the cream of Western civilization by

a 5,000-year civilization is similar to Buddhist religion being merged with the culture of China's central plains, giving rise to the Chinese theories of Buddhism and Zen.

● Believing the Chinese revolution picked up what the West had discarded as heresy

As a matter of fact, Marxism has been sinicized and has long evolved from the original Soviet-style Marxism, which arose from a mixture of outdated Russian serfdom, Slavic culture and theories of communist revolution. The philosophy has over the decades been modified and integrated with the splendor of Chinese civilization.

Keywords

As the CPC celebrates its 100th anniversary, it is important for Americans to readjust their outlook on the CPC and hence their outlook on China. There are three keywords: China, communist and party.

● China

The Communist Party has been localized in China. Sinicization means it has been incorporated

in the Chinese revolution and traditional culture, transforming the traditional ideals of eliminating wealth gaps and establishing unity under Heaven in today's building of a society characterized by moderate prosperity and realizing all-round modernization.

Traditional Chinese culture appreciates harmony rather than revolution and struggle. A community with a shared future for humanity reflects the integration of the CPC's ideals with traditional Chinese culture, which believes capitalism and socialism can coexist. It resonates with other cultures' appreciation of harmony, such as the Christian teaching of "one for all, all for one."

What is China? China is a "civilization-state" as opposed to a nation-state in the European model. Traditional Chinese civilization has been transformed by the CPC, and the Chinese civilization in its popular sense doesn't equal a secular one that subscribes to no religious beliefs. It's not that the Chinese don't believe in a god but that they don't have a common god; they respect both those who believe in gods and those who don't. This is the reason why the CPC can seek truth in facts and demonstrate the greatest possible openness and inclusiveness to achieve social justice and fairness.

● Communist

"Communist" as an adjective is neither

The great rejuvenation of the Chinese nation is about making greater contributions to human progress and providing public services and goods that are better, more inclusive and more affordable



Books on the 100th anniversary of the founding of the Communist Party of China are on display at a book fair in Beijing on March 31

the “sharing of assets and wives,” as the Kuomintang once tagged it, nor the state capitalism the Americans imagine it to be. China’s ownership structure is one far from the simplicity it knew during the planned-economy era. The private sector in China contributes more than 50 percent of tax revenues, more than 60 percent of GDP, more than 70 percent of innovation and more than 80 percent of urban jobs. It accounts for more than 90 percent of all enterprises.

Therefore, the term “communist” has incorporated the ideas of common prosperity and the public good. China has just bid farewell to poverty and embarked on a journey toward all-round modernization, which is why the CPC and Xi Jinping, General Secretary of the CPC Central Committee, have won the people’s hearts.

● Party

Americans tend to believe the Chinese revolution picked up what the West had cast aside as heresy, namely Marxism. Dr. Sun Yat-sen took a cue from former U.S. President Abraham Lincoln’s “of the people, by the people, for the people” and developed his “three principles of the people” (nation, civil rights, and people’s livelihoods).

The CPC has taken one step further by accentuating “in the people” (people-centered), “before the people” (as a pioneer, because the CPC stands out in the face of

hardship) and “after the people” (as a public servant), because they won’t relax until the rest of society has security and comfort. The CPC isn’t a political party in the traditional Western sense, nor is it one in the traditional Chinese sense. It seeks equality and justice for humanity at large, and advocates humanism.

The CPC is continuing the religious revolution and the Western enlightenment. From the separation of politics and religion to the present emphasis on the unity of humanity and nature, people first, and seeking truth from facts, it is dedicated to helping humanity rid itself of all superstition.

The U.S. worries China may take its place, which is only natural. How could the U.S., which absolutely does not want to be in second place, tolerate a rising China? What is the goal of the great rejuvenation of the Chinese nation? It is neither to return to the Han (202 B.C.-A.D. 220) or Tang (618-907) dynasties, nor the quest to overtake the U.S. It is the desire to make greater contributions to human progress

and provide public services and goods that are better, more inclusive and more affordable. From the perspective of traditional culture, it is not difficult to understand that the CPC will not only not seek hegemony, but instead will oppose it. The CPC is spearheading the great rejuvenation of the Chinese nation to open up a new era that is free of all hegemony.

Attributing all the problems facing the U.S. to China and the CPC won’t resolve the American predicaments. Former U.S. President Donald Trump’s trade war against China failed to bring industry, capital and jobs back to the U.S. Instead, it made China stronger.

Suppressing China in a different way today won’t enhance U.S. leadership either. China could become a partner in solving U.S. problems, rather than being blamed for many of the American problems.

China and the U.S. must engage in a political dialogue based on those philosophies found in traditional Chinese culture that resonate with and support the CPC, combined with the core values of globalization, to build up mutual trust and avoid misinterpretations. **BR**

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Intensive Efforts To Address Climate Change

In his statement at the General Debate of the 75th Session of the UN General Assembly in September 2020, President Xi Jinping reiterated China's determination to have carbon dioxide emissions peak before 2030, and for the first time announced the goal to achieve carbon neutrality before 2060. Since then, China has elevated its efforts to tackle climate change to a new level. The two goals have also become a core around which the country's economic and social development unfolds.

On March 15, a meeting of the Central Committee for Financial and Economic Affairs underlined the importance of the two goals to the sustainable development of the Chinese nation and to China's global vision of a community with a shared future for humanity.

For this purpose, China has adopted an array of measures.

The first is policy support for green development. The Outline of the 14th Five-Year Plan (2021-25) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035 has laid out plans for peaking carbon emissions and becoming carbon neutral, in an effort to speed up climate-friendly transition of social and economic development activities. China is pushing forward a low-carbon energy revolution, the creation of green and low-carbon industrial systems and also low-carbon urbanization. It is also



investing heavily in renewable energy, new energy, and sustainable infrastructure, in a bid to accelerate the building of a fossil-free circular economic development system.

The second is to promote green development through green finance. Banks are restricted from lending to big carbon emitters while being urged to boost financial support for low-carbon sectors. Fiscal and other policies have been made to facilitate the development of carbon taxation and trading regimes.

The third is to enhance scientific and technological innovation. While pressing ahead with the low-carbon renovation of industrial projects, China is also developing the digital economy, intelligence economy,

renewable economy and new energy through the implementation of state-of-the-art technologies.

The fourth is to expand international cooperation. This includes China's participation in international activities related to climate change, the formulation of international standards and the building of a green silk road under the framework of the Belt and Road Initiative.

The ongoing green and low-carbon transition in China is unprecedented in human history and will require China to do more than what has previously been done by developed countries. Here are Q&As that may help our readers better understand what is happening:

Question: There are arguments that since China is a major greenhouse gas emitter and also the second largest economy in the world, the principle of common but differentiated responsibilities is thus unfit for China. Why are they unjustified?

Answer: To reach international consensus, it's important to identify the cause of climate change and the nature of this problem. Both historically and currently, greenhouse gas emissions mostly stem from the developed economies. Once released, the major factor, carbon dioxide, may still remain in the atmosphere after up to 200 years. In this sense, the developed countries have larger responsibility for the historical emissions.

It has been only a few decades since China began its process of industrialization, a much shorter time span than that in developed countries. Meanwhile, the per-capita carbon dioxide emission in China is also much lower than their levels. China is not the one that should take the main accountability for global climate change. It is not obligated to pay the price for a problem that was caused by other countries during their individual industrialization processes.

Global warming is an accumulated problem over decades, centuries even. So when discussing the issue of carbon dioxide emissions, people should look at not only the aggregate but also the per-capita figures, not only the current but also the historical amounts, not only production but also consumption. Thus, sticking to the principle of common but differentiated responsibilities is a basic precondition for global efforts to address climate change. It is a fairer and more practical principle, one acceptable to the vast majority of developing countries.

Is it possible for China to hit the goal of peaking carbon dioxide emissions and reaching carbon neutrality as scheduled?

China is already economically and technologically prepared and capable of hitting the goal of peaking carbon emissions before 2030. By the end of 2019, China's carbon intensity, or carbon emissions per unit of GDP, had been slashed by 48.1 percent compared to 2005. Non-fossil energy accounts for 15.3 percent of current energy consumption. During the 14th Five-Year Plan period, China will accelerate its transition to green development. Energy consumption and carbon emissions per unit of GDP are set to drop by 13.5 percent and 18 percent, respectively.

If these goals are achieved as scheduled, we can move up the peak of carbon dioxide emissions, thus laying the foundation for carbon neutrality. The process of achieving the carbon peaking and neutrality goals is not only a far-reaching energy, technological and industrial revolution, but also a tough process of restricting carbon output.

When discussing the issue of carbon dioxide emissions, people should look at not only the aggregate but also the per-capita figures, not only the current but also the historical amounts, not only production but also consumption



Will the decarbonization process slow down China's economic growth?

The goals of maintaining the pace of China's economic growth and achieving carbon neutrality are not contradictory to one another. China's new vision for development underlines the importance of green and low-carbon industries, such as the digital economy and new energy, which also create new economic growth points.

China is building a fossil-free circular economic development system, as well as a clean, low-carbon, efficient and safe energy production and consumption system. As the only major economy to realize positive economic growth in 2020, China has a clear sense of responsibility to lead the world economy toward green recovery.

How has China's carbon trading

market developed?

Carbon trading is a widely recognized method of cutting greenhouse gas emissions. China launched a pilot program in seven provinces and cities, including Beijing, Shanghai and Guangdong Province in 2011. Its first carbon exchange was established in Shenzhen, Guangdong, in 2013. By the end of 2020, eight carbon exchanges had been set up around the country. On February 1, a set of interim rules for carbon emissions trading management became effective.

By December 31, 2,225 power plants around China will be included in the national carbon emissions trading scheme. On this basis, more industries such as petrochemical, construction materials, steel, non-ferrous metals and aviation will join in a phased manner.

What are China's stands on international cooperation in terms of carbon peaking and neutrality?

To tackle global climate change, China is cooperating with the international community in the fields of green finance, carbon trading, carbon reduction, capture and removal technologies, as well as new and renewable energy.

Joint efforts to address climate change will help open new windows for win-win ecological cooperation based on mutual trust, effective coordination, shared results and participation by all. **BR**

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The U.S. Propaganda Warfare Against China

By Liang Xiao

Former U.S. Secretary of State Mike Pompeo recently said in praise of his successor, “Secretary [Antony] Blinken has spoken about the genocide that’s taking place in western China. I applaud him for building on what I tried to do. I hope that he can do even better than we did.” This meant to imply that Pompeo himself was the original architect behind the current wave of anti-China propaganda warfare. It is he who has left behind a political legacy for the new Democratic administration to further develop: molding the narrative of the Communist Party of China (CPC) into a 21st century Nazi-styled address with the China-U.S. ideological conflict serving as the seemingly incarnated battle between good and evil.

The kind of analogy is meant to pit the Chinese people against their government by creating the impression that the “evil” CPC is oppressing the “kind” people of China, and associating the CPC with Germany’s former Nazi Party to taint China’s image globally.

The first step of the new propaganda strategy is to impute Nazi atrocities such as genocide to the CPC. The term “genocide” is decidedly linked with the German Nazi Party during the 1930s and 40s. In December 1948, the UN General Assembly adopted the Convention on the Prevention and Punishment of the Crime of Genocide. Referring to the Nazi atrocities that took place during World War II (WWII), the convention defined genocide as “any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such: killing members of the group; causing serious bodily

or mental harm; deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part; imposing measures intended to prevent births; and forcibly transferring children of the group to another group.”

Before his departure as secretary of state, Pompeo delivered a long diplomatic statement accusing the CPC of “genocide.” The accusations, based on made-up stories and one-sided information, included the alleged arbitrary detention of over 1 million Uyghurs (the number is conveniently the same as the number of Jews murdered by Nazi Germany), torture, forced labor, compulsory sterilization and abortion practices, and separating Uyghur children from their families in Xinjiang Uyghur Autonomous Region. The current U.S. administration paints the Uyghur ethnic group as Jews during WWII in an effort to evoke the West’s recollection of the Nazi regime, thus converting their memory into a deep-rooted fear for China.

Even though U.S. State Department lawyers have concluded there’s no evidence to prove “genocide” in Xinjiang, politicians and media press on.

Against this backdrop, the international community, the European allies of the U.S. in particular, will be weighed down

by moral burdens and social pressures if they want to cooperate with China in terms of cultural exchange, economy and trade. They would feel a “moral obligation” to distance themselves from China.

The U.S. considers China as posing a challenge to the U.S. global dominance. President Joe Biden said explicitly on March 25 that he doesn’t agree with China’s goal of becoming the leading, wealthiest and most powerful country in the world, despite the fact that China has never used such superlatives in defining its goals.

President Biden and Secretary Blinken have both mentioned they will take a multi-lateral approach, or in their words, to invite “an alliance of democracies.”

If the CPC is labeled a “Nazi” regime, the U.S. could easily rally its allies and other countries to join its efforts to contain China. The Nazis were not only notorious for committing grave domestic atrocities, but also waged war onto some 30 nations across the globe. That “whether or not China will wage a new world war” thinking could potentially stir up panic among China’s neighboring countries. These countries would then perhaps seek protection from the U.S. and the latter could subsequently profiteer both on the political and economic levels.

If this plot proved effective, China would be isolated from the international community with its development thus suffering severe setbacks. Is China prepared for this type of propaganda warfare? Perhaps not, but it should be. **BR**

The Truth About Xinjiang Cotton

By Mei Xinyu

Recently, the Chinese have started to boycott several foreign companies that are refusing to use cotton from Xinjiang Uygur Autonomous Region. These companies alleged that Xinjiang cotton is a product of “forced labor.”

The Ministry of Foreign Affairs has responded to the allegations, pointing out that cotton-picking is a high-paying work. Additionally, the pickers sign labor contracts with the planters voluntarily after negotiation, which is certainly not the mark of “forced labor.” The malicious lies were in fact conjured up by anti-China forces in an attempt to smear China and undermine security and stability in Xinjiang.

Some Western politicians and media outlets regard Xinjiang as China’s weak link. They think if sanctions are imposed on its cotton industry, one of the pillars of the region’s economy, they can strike at China’s cotton and textile sector and frustrate China’s development.

Some countries have also declared “sanctions” on some Chinese officials and entities over the concept of “forced labor.” The U.S. has banned the import of cotton and cotton products from Xinjiang and added some Xinjiang enterprises to a trade blacklist. What their actions will actually achieve is a disruption of the global supply chains and an increase in cotton prices in the U.S. and Europe.

In the past, the economy of Xinjiang was highly dependent on the transfer payment by the Central Government—allocating tax refunds and grants to the less developed regions to ensure balanced regional devel-

opment and equal and universal public service. However, the key to the sustainable development of local economies and societies is to develop competitive local industries.

When the People’s Republic of China was established in 1949, farming and animal husbandry were the mainstay of Xinjiang’s economy. Productivity was low and the mode of production was outdated. Development was stalled and the people lived in poverty. Xinjiang’s cotton output at that time was 5,100 tons, only 1.1 percent of the national total.

Since the 1990s, cotton production in Xinjiang has accelerated. In 2020, output reached 5.16 million tons, accounting for 87 percent of the national total. From 2012 to 2020, the proportion increased by 33 percentage points.

Although China is the third largest cotton producer in the world, it is also a leading cotton importer due to its vast population. The import volume increased from 1.16 million tons in 2017 to 2.16 million tons in 2020. Domestic cotton consumption was 8.02 million tons in 2020, of which Xinjiang cotton accounted for 64 percent. So if some Western countries ban Xinjiang cotton, it can be easily consumed within China.

China can adjust its supply chains, encouraging cotton growers in Xinjiang and textile manufacturers to sell their products on the domestic or other non-U.S. foreign markets.

China’s clothing and related industries provide jobs to millions and have increased overall exports. The country has been the largest exporter of textile products for decades. However, its export of textiles and apparel to the U.S. has dwindled in recent years.

The U.S. accounted for about 17 percent of China’s textile and apparel exports in 2019, but the figure dropped to about 15 percent in 2020. Therefore, even if the U.S. takes the extreme measure of banning all Chinese textile and garment imports, it won’t destroy the industries.

According to the U.S. Department of Agriculture’s latest monthly Cotton and Wool Outlook report released on March 11, both the cotton production and consumption in China are expected to grow this year with improved yield in Xinjiang.

As long as China maintains social stability, the sanctions against Xinjiang cotton will have little effect on the Chinese economy. Though a number of other countries and regions may follow the U.S. lead and take similar action, they cannot cause much damage to China’s cotton and textile industry. **BR**

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Rails Rolling Out

China-Europe freight trains provide a reliable choice in global logistics, thanks to their safety, stability and efficiency By Yuan Yuan

Thirteen containers of semi-finished LED televisions produced by Admiral Overseas Corporation's factory in Xiamen, Fujian Province, got trapped in the logjam of the Suez Canal in late March.

The televisions were scheduled to arrive in Istanbul by mid-April but the blockage made their arrival date uncertain. Even though the canal was cleared on March 29, it was estimated it would take about two weeks for the traffic to go back to normal. On April 6, traffic slowed down again as an oil tanker faced engine trouble.

"We had no idea how long the goods would be delayed and we are planning to ship our subsequent goods, around 200 containers, by rail transport or via sea routes around the Cape of Good Hope," Wang Weidi, logistics manager of the factory, told China Central Television.

The fragility of the sea-based shipping in this case made many traders reconsider the transport methods they will use in future. "As the cost of airfreight is too high, freight trains are the optimal choice for traders between Asia and Europe, with shorter shipping times and acceptable pricing," Yu Feng, an import and export agent from Zhejiang Province, told *Beijing Review*. "For a long time, the Suez Canal has dominated the sea trade route between the Mediterranean Sea and the Red Sea. Now, about 20 percent of my clients have said they would like to switch to freight trains in the future."

A 10-year move

Many other traders took action earlier as the pandemic last year impeded sea and air transport, causing unprecedented delays and higher costs. These emergencies demonstrate the advantages of China-Europe cargo trains in ensuring the stability of supply chains.

"By switching to the freight train service, we saved about 50 days of transport time and avoided potential breakdowns of the supply chain," said Zhuang Changbo, Director of logistics at Chinese automaker Changan Ford. "With the China-Europe freight train service, we no longer worry about any disruption of maritime traffic."

A salesperson surnamed Feng from a gym equipment company in Yiwu, Zhejiang Province, said that the skyrocketing price of sea transport and unpredictable shipping times led her to switch to rail transport.

It has been 10 years since the first China-Europe freight train left Chongqing Municipality in March 2011. Zhang Xin, who has been working at the Tuanjiecun Railway Station in Chongqing, gave the departure signal of the first Yuxinou (Chongqing-Xinjiang-Europe) freight train on March 19, 2011.

Located in southwest China, Chongqing is over 2,000 km from both the closest sea port and land border port. Key to Chongqing's plan to transform itself into the trade hub of southwest China was exploring new methods for the transportation of goods. Transport could neither go by sea, because of time, nor by air because of the cost. The government of Chongqing settled on a plan to build a rail route to Europe via Xinjiang Uygur Autonomous Region in China's northwest and neighboring Kazakhstan.

Those working on the launch of the rail transport network encountered many challenges. Smooth operation requires the trains to endure low temperatures of the countries they pass through, and the sharp fluctuations in temperature along the route present challenges for the goods themselves. The inspections undertaken by each country the trains pass through, including



12,400

Trips made by China-Europe freight trains in 2020, up 50 percent from 2019 and equivalent to sevenfold that of 2016



(Up) A China-Europe freight train departs from Chengdu, Sichuan Province, for Russia's St. Petersburg on February 21

A railway staff member checks a Yuxinou (Chongqing-Xinjiang-Europe) freight train before it leaves the Tuanjiecun Station in Chongqing Municipality on March 19

Kazakhstan, Russia and Germany, also impacted the efficiency of the trains.

Throughout 2011, only 17 freight trains departed from Chongqing. "At that time, we set the future goal of having one train depart each day, and back then we thought that goal was too ambitious," Zhang said.

Things sped up as China announced the Belt and Road Initiative in 2013. The surging trade volume between China and countries involved boosted the development of the trains. A growing number of cities in China joined the freight rail network and by November 2020, the network had linked over 60 cities in China with 92 cities across 21 European countries.

When the world was in the claws of the pandemic in 2020, the trains played a role in transporting pandemic prevention and control supplies between China and Europe. Figures from the National Development and Reform Commission show that in 2020, the freight railway delivered 7.6 tons of pandemic prevention supplies to European countries. When the schedule was very tight, medical supplies including face masks were given priority, making it a reliable transportation channel during the pandemic.

In 2020, the trains conducted 12,400 trips between China and Europe, up 50 percent from 2019 and equivalent to sevenfold that of 2016. A manager from computer manufacturer ASUSTeK Computer Inc. told Xinhua News Agency that in 2020, the company shipped 1,000 containers of

goods using China-Europe freight trains, doubling the volume of 2019.

"We received a sharp increase of orders in 2020, with more people working and learning online at home," the manager said. "The delay in sea and air shipping put us at a high risk of default. Finally, it was the China-Europe freight train that helped to relieve the pressure."

The busy lines

The China-Europe railway lines became busier this year. In the first two months of 2021, over 2,000 freight train services ran from China to Europe, twice the number of last year. "Now there are over 10 trains departing and arriving at the Tuanjiecun Station in Chongqing," Zhang said. "This is a scene we could hardly imagine 10 years ago." No accident or unexpected delay has been reported in the 10 years of operation.

Qi Dan, General Manager of Yuxinou Logistics, based in Chongqing, said the number of inquiries on rail shipping services to the company has almost doubled since late March. YQNLink, a Shanghai-based global intelligent logistics platform, revealed that the demand in Shanghai is even greater, with daily inquiries almost tripling since the Suez Canal first became blocked.

Wang Jun, Director General of the Department of Port Control at the General Administration of Customs of China, revealed that the time it takes for trains to pass through customs at land ports in Xinjiang Uygur Autonomous Region has been cut from 3.5 hours to half an hour. A new paperless system has also been put in place to further improve the efficiency of the China-Europe freight train service.

"In terms of the volume they can carry, freight trains are dwarfed by cargo ships," said Zhao Juan, a research fellow with China Railway Economic and Planning Research Institute. A large cargo ship can carry about 20,000 standard containers. It would take 50 trips for a cargo train to transport that volume of goods.

"But for those in value-added businesses like electronic devices and pandemic prevention items, it is a viable option," Zhao said. **BR**

Copyedited by G. P. Wilson
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Opportunity Lab

Beijing FTZ delivers opportunities for international entrepreneurs

By Tao Xing

March 16 marked an important milestone for Beijing-based entrepreneur Wahed Ahmadzai. That day he registered his consultancy company in the Jinzhan International Cooperation Service Zone, a component of the international business service section of the China (Beijing) Pilot Free Trade Zone (FTZ).

The Beijing FTZ was launched in September 2020 and covers an area of 119.68 square km. Its international business service section comprises the Central Business District (CBD) and the Jinzhan Zone in Chaoyang District, as well as designated areas in Tongzhou and Shunyi districts. The other two parts of the FTZ focus on science and technology innovation and high-end industries, respectively.

Ahmadzai's company, named N HUB, is the first foreign-owned firm in the Jinzhan Zone. It is building a matchmaking marketplace connecting service providers in Belt and Road Initiative participating countries.

"N means infinite," Ahmadzai, an Afghan student who is pursuing his master of business administration degree at the University of International Business and Economics in Beijing, told *Beijing Review*. "Powered by hubs in local communities, N HUB provides a transparent, reliable and supportive environment for companies to engage in business and trade."

Ahmadzai has founded and led many platforms for peer-to-peer communication, including the Alumni Talent Alliance (ATA), a non-profit organization focusing on connecting communities and providing entrepreneurship and career support for foreigners in Beijing. Ahmadzai describes himself as a community builder and, for him, N HUB and the ATA are new communities for the Beijing FTZ.

On March 31, N HUB and the ATA hosted their first event in Beijing, known as Opportunity Lab, bringing together government officials, diplomats, representatives of commerce chambers and

entrepreneurs from more than 30 countries. During the event, officials from the Chaoyang District Government and foreign participants discussed the development of the Beijing FTZ and the opportunities it brings about.

"The community is built around the Chaoyang and Beijing eco-system, including service centers, funds, associations and projects such as entrepreneurship competition and media partners. ATA was established to bridge the gap between talents and the local government, helping talents explore entrepreneurship opportunities," Ahmadzai said.

Both N HUB and the ATA are platforms for entrepreneurs to learn about opportunities available to them and policies related to their businesses, and for governments to gather valuable feedback to improve the business environment for young entrepreneurs, as well as help foreigners explore career opportunities in China.

Talent first

Unlike other FTZs in China, which mostly center on trade in goods, the Beijing FTZ prioritizes the technological innovation, service and digital economy sectors, and is dedicated to the development of talented human resources, Liu Jing, Director of Beijing Chaoyang High-Level Talents Service Center, told *Beijing Review*.

"At this moment, nearly 55 percent of foreign residents in Beijing live in Chaoyang," Liu said. "So the district can play a great role in the development of international business services and focus on the incubation of international talents."





Wahed Ahmadzai, an entrepreneur from Afghanistan and founder of consulting firm N HUB, hosts an activity known as Opportunity Lab in Beijing on March 31



Chaoyang has adopted a number of methods to attract international professionals, such as establishing the annual Overseas Talent Entrepreneurship Conference (OTEC). During the Global Innovation Week, a section of the program, last September, young international participants pitched their ideas as part of an entrepreneurship competition. “Winners received 100,000 yuan (\$15,248) in start-up funding,” Liu said. “We might increase the funding amount in the future.”

Ahmadzai was one of the winners. “Before I attended the competition, the organizer told me that I only needed one idea in order to compete. After I won, they offered me a lot of assistance and suggestions,” Ahmadzai said, adding that this is why he was able to turn his idea into a fully operating company in the Jinzhan Zone in only five months.

According to Ahmadzai, he also encountered some difficulties in the process of registering his new company. For example, the procedures of opening a bank account were unexpectedly complicated and time-consuming. “I can understand it as it might also be a new thing for the bank to help a foreign entrepreneur here,” he said. “But I believe it will be dealt with soon.”

Chaoyang also cooperates with various chambers of commerce and has established its own associations for bringing in talented people. Every year, it invests more than 7 million yuan (\$1.07 million) in talent development programs, according to Liu.

Additionally, the district has established several one-stop service centers for international professionals since November 2020. One of them is located in the Beijing Fortune Center in CBD. It integrates different kinds of services, covering issues related to work and residence permits, housing, marriage registration and children’s education.

These measures are not only attracting more foreigners to establish their startups in Chaoyang, but also helping expand its international talent pool. “You can recruit people with high levels of competence here,” Ahmadzai said.

Growing potential

Junaid Akbar, a Pakistani student who is studying for his master’s degree in Beijing, is planning to start his own company in China. He attended the event hosted by N HUB and the ATA to learn more information about the Beijing FTZ.

“I would definitely appreciate getting more information regarding the FTZ and how it may benefit

the foreigners who wish to start their business in Beijing,” Akbar told *Beijing Review*. “I believe this initiative taken by the government will encourage foreign nationals to deliver their plans.”

Gu Nik, a Russian student at Tsinghua University, told *Beijing Review*, “Beijing is a great place to start a business, and the FTZ may provide even more opportunities to new entrepreneurs.

In addition to young entrepreneurs, diplomats from foreign embassies also sought to identify opportunities in the Beijing FTZ. “I come here to gain more information about the Beijing FTZ,” Sofiene Dridi, a diplomat from the Tunisian Embassy in Beijing, told *Beijing Review*.

Dridi said Tunisia and China have many joint projects at the national level and are exploring cooperation in new fields such as e-commerce. Meanwhile Tunisian businesses are also looking for partnerships with local Chinese governments. “Establishing FTZs is an important Chinese experience that other countries can learn from,” he added.

FTZs are new test fields of reform and opening up, and important platforms to attract foreign investment. Since the first pilot FTZ was launched in Shanghai in 2013, 260 innovative policies have been formulated and replicated nationwide with remarkable results.

According to a report by Xinhua News Agency, in the first seven months of 2020, more than 3,300 new foreign-funded enterprises were established in FTZs. Paid-in foreign investment in these zones exceeded 90 billion yuan (\$13.72 billion) and their foreign trade volume reached more than 2.7 trillion yuan (\$411 billion), accounting for 16.8 percent and 13.5 percent of the country’s total, respectively.

In September 2020, China approved three new pilot FTZs in Beijing and Hunan and Anhui provinces, increasing the total number of such zones in China to 21. Like previous ones, each of the newest FTZs has its own development priorities. For example, the Beijing FTZ will focus on supporting the construction of an innovation center with global influence; the Hunan FTZ will build a world-class advanced manufacturing cluster and an international investment and trade corridor linking different areas; and the Anhui FTZ will promote the in-depth integration of scientific and technological innovation and the development of the real economy. **BR**

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When Women Pull The Purse Strings

Sheconomy surges as females show greater financial clout and independence By Li Xiaoyang

For Shirley Yao, who works for a financial company in Shanghai, consumption is a major source of happiness.

Yao, in her 20s, earns 15,000 yuan (\$2,286) per month. She splurges around 30,000 yuan (\$4,569) annually on cosmetics and clothes. She also spends money on ball-jointed dolls, which look lifelike and have flexible limbs, and on idol worship, avidly supporting popular idols, like pop singers, film stars or players, by buying concert or match tickets and the products they endorse, no matter how expensive.

Yao plans to get married by the end of this year. So she bought a pair of wedding rings worth 16,500 yuan (\$2,513) from a luxury jewelry brand because its ambassador Cai Xukun is an idol of her. Cai won a talent show program produced by online video platform iQiyi in 2018, where viewers had to pay to vote for their favorite contestant. The show attracted a large number of domestic and overseas viewers, especially women.

“I have been a big fan of Cai for around three years. I spent around 50,000 yuan (\$7,616) buying products endorsed by him,” Yao told *Beijing Review*.

Like Yao, more and more women, particularly the younger generation with increasing income and changing consumption concepts, have become a major force in domestic consumption. High-quality, diversified and personalized products and services that meet their upgraded demands, please them and show their attitudes toward life have become their new pursuit. They are spending more on beauty, fitness and hobbies, making the role of “sheconomy” in China’s consumer market increasingly significant.

The word, first coined in 2007, refers to the new economy driven by the increase in female consumers in industries like tourism, medical cosmetology and culture and entertainment. Their rising purchasing power stems from their rise in the workforce as they receive better education.

According to a report by service consultancy Accenture, there are around 400 million female consumers in China aged between 20 and 60. Their total annual spending can reach about 10 trillion yuan (\$1.5 trillion). Those born in the 1970s and 1980s play a major role in deciding household purchases.

“Compared with their male peers, female consumers, who can be more enthusiastic about buying things for a high-quality life, have diversified demands. With the boom in e-commerce platforms and live-streaming, female consumption is expected to play a bigger role,” Cui Lili, Director of the Institute of E-Commerce at the Shanghai University of Finance and Economics, told *Beijing Review*.

Differentiated demands

Women have driven up consumption in many sectors, including those where men used to be major consumers. Despite the COVID-19 epidemic, consumer spending remained resilient last year due to the boom in live-streaming and then the resumption of offline consumption.

According to QuestMobile, a business intelligence service provider, the number of female Internet users in China had exceeded 500 million by January. More women above 36 and those living in small cities and rural areas have started to shop online.

Different age groups show differentiated preferences in consumption. Those under 24 are interested in beauty and idol-related products while the 25-35 segment tends to focus on maternity products. Those above 36 like to buy accessories, QuestMobile said.

As many women are appearance-conscious, beauty industries ranging from cosmetics, clothing, luxuries and cosmetology are showing strong growth potential.

According to market research provider Euromonitor, China’s cosmetics market was worth 507.8 billion yuan (\$77.3 billion) in 2020, a year-on-year increase of 6.3 percent. Around 95 percent of domestic cosmetics consumers are women aged between 20 and 40. The market will reach nearly 900 billion yuan (\$137 billion) by 2025, a report released last year by Qianzhan Industry Research Institute, a market research consultancy, said.



Consumers at a cosmetics counter of a duty free shop in Haikou, Hainan Province, on March 25

According to Qianzhan, the dressing style of Chinese women has become more diversified. The value of the women's clothing market exceeded 900 billion yuan (\$137 billion) in 2019.

Another consultancy, iiMedia Research, said women's purchase of luxuries and high-end personal hygiene products has risen steadily while medical cosmetology has gained popularity.

According to medical cosmetology platform SoYoung, there were over 15 million women who availed of medical cosmetology services in 2020, up around 35 percent year on year. Over half of them were born in the 1990s or later.

The leisure and entertainment industries are also attracting more and more female consumers. Data from Travelgo.com showed that in around 70 percent of households, women make the travel decisions. Products such as online games, electrical devices, sportswear and sports facilities, and wines, which used to be mainly consumed by males, have been embraced by more females.

Idol shows, dramas adapted from popular works and programs on women's life and work, are becoming increasingly popular among females of different ages. Since the introduction of *Idol Producer*, the 2018 show featuring Cai Xukun, many video platforms have made similar shows, driving the fan economy. TV drama *Nothing But Thirty*, which followed the lives of three women in their 30s, and reality show *Sisters Who Make Waves*, a contest where 30 female celebrities aged over 30 had to compete to make it to a seven-member band, attracted many female viewers in their 30s and triggered wave of empathy.

At the wheel

The rise of sheconomy can be notably seen in the property and automobile sectors. Traditionally, husbands used to buy the house and car for the family. But now an increasing number of women in their 20s and 30s, who are financially independent, are buying their own homes and cars.

In 2020, in a survey by real estate agency websites Anjuke.com and 58.com, 38.8 percent of the women respondents said they could buy a home on their own; and 81.7 percent planned to buy one in five years. Many planned to buy a house of their own before marriage.

Data from Vanke, a residential real estate developer, showed that the average price of a home bought by a woman was 1.74 million yuan (\$265,100) in 2019, higher than the average price paid by a man at 1.73 million yuan (\$263,600).

According to Yan Jinqiang, a researcher with Beike Real Estate Research Institute, women have higher requirements for housing than men. They care more about factors like commuting time, whether the rooms are sound-proof, how well the kitchen is equipped, and the view from the balconies.

Yan said the increase in the number of female home buyers shows the increasing purchasing power and say of women, who are seeking a sense of ownership and security. "Buying a house is also a good way of wealth management in my opinion," Yao said.

The auto market has more female consumers as well. Last year, more women bought cars than men, a first in a decade. For women, a car accounted for 22.28 percent of their total spending, higher than men's 22 percent, according to a poll by China Central Television.

Lurking sexism

To explore the potential of sheconomy, many retailers have introduced shopping festivals with discounts, invite pop idols to become their ambassadors and use advertising showing female power and independence. However, gender stereotypes and sexism still exist.

The Sexy Tea brand was criticized for an advertisement in February that insinuated women are bargains. Then there was the case of Li Dan, a male comedian and e-commerce seller, who angered netizens by promoting lingerie online with the tagline, "Wear it and you will win easily in the workplace."

Zhuang Yuxia, a researcher with the Shanghai Academy of Social Sciences, told *International Financial News* that marketing that invites women to shop can lead to irrational consumption, waste of resources and an excessive focus on appearance. "Instead of stressing the benefits of physical beauty and objectifying women, sheconomy should focus more on encouraging women to keep fit, improve themselves through knowledge and develop hobbies," she said. **BR**

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A New Frame of Mind

Psychological health is gaining more attention, especially among China's urban population By Lu Yan

A couple of months ago, Wu Miao found herself trapped in a bout of depression whilst on maternity leave. On the one hand, she and her husband were strapped for cash as raising a baby turned out to cost a lot more than they had initially expected, and she was earning much less during the leave. On the other hand, her mother-in-law was temporarily staying with them to help take care of the baby, but this resulted in the occasional bickering over household trivialities.

The sleep deprivation that comes with nursing a newborn only added to Wu's moody blues. She then felt the urge to buy pretty, but unnecessary things like fancy clothes and jewelry to bring herself a sense of joy, but doing so only worsened the family's financial situation—as well as her anxiety.

Wu's friend worried that she might be suffering from postpartum depression and suggested that she see a therapist. "But I didn't think this was necessary. I could get better on my own," the 31-year-old told *Beijing Review*. "Every family has their skeletons in the closet, and everyone has their gloomy days."

Mental sub-health

Today, the average indexes measuring Chinese people's capability in dealing with emotions, and their self-knowledge, interpersonal communication as well as adaptability to change are lower than those of 2008, according to a mental health development report released by the Institute of Psychology of the Chinese Academy of Sciences (CAS) and China Social Sciences Press in March. The blue book, entitled *Report on National Mental Health Development in China (2019-20)*, was based on over 60,000 survey samples collected from different provinces across the country.

It seems that mental health problems are becoming more prominent, with healthy lifestyles being compromised, and the pressure from all aspects of life on the rise, says Chen Zhiyan, a professor at the



Institute of Psychology of the CAS and deputy editor in chief of the blue book. Nevertheless, Chen added that people's awareness of mental health problems should be improved so that they will take the problems more seriously.

"Nowadays, an increasing number of people know what depression actually is, while years ago the disorder might be simply regarded as neurasthenia rather than a psychological problem," Chen told *Southern Weekend*.

She went on to explain that one of the main reasons for someone to feel dejected is sleep disturbance, resulting usually from an overall lack of sleep. With the pressures of daily life, such emotions may develop into a full-blown depressive disorder.

"I'm a habitual late sleeper. I'm reluctant to go to sleep because I feel the time before bed is the only me-time that I can enjoy after a whole day of working and taking care of my family. If I go to sleep early, then another long and hard day of struggles will arrive in a blink of the eye," Wu, who has by now completed her maternity leave and resumed working, said.

This lack of sleep is also bothering today's teenagers. The report shows that young students today are sleeping far less than a decade ago. Only 46.4 percent of Chinese adolescents slept for eight hours or more on school nights in 2020, down 1 percent from 2019. Meanwhile, the average sleep time for Chinese teenagers in 2020 was about 7.8 hours, 0.3 hour less than in 2019. In 2020, primary and middle

school students got 40 minutes less sleep than a decade ago, while high school students got 10 to 20 minutes less.

Xu Ruobing, a sixth-grader in Beijing, said that she is especially sleepy during the weekends as she needs to attend drawing classes and other special training classes during the day and interact with her schoolmates and friends throughout the evening, sometimes via online games, before going to bed.

Chen said COVID-19 may have added to the worsening sleeping problem, as students had to use electronic devices to attend online courses, among other things. It is hard to control the time they spend on these devices and some students have a tendency to stay up very late on their phone.

A lack of sleep for elementary and middle school students may set off a chain reaction, in turn affecting their academic and physical health, according to Cheng Pingyuan, a professor at the School of Social Development of Nanjing Normal University. He believes that this may even lead to psychological depression and suicidal thoughts.

The blue book also shows that the average level of anxiety among people aged 18 to 34 is higher than that of other age groups in adulthood. The result echoes a survey report on the prevalence of mental disorders among Chinese adults conducted by Huang Yueqin, a professor of the No. 6 Hospital of Peking University, which showed that among all age groups, people aged 18 to 34 have the highest incidence of alcohol, insomnia or pain medication disorders. The report was published in the international journal *The Lancet Psychiatry* in 2019.

Chen said the anxiety partly stems from an overload of information. In addition, more life choices and the urge to compare themselves with other people may lead to a sense of self-loss and anxiety.

The mental health status of the urban population is better than that of the rural population; mental health problems are more prominent in low-income, less educated, and unemployed people, according to the report.

The report also shows that people's mental health awareness has increased significantly, and the convenience of mental health services has also greatly improved, according to the report. The survey shows that compared with the previous year, more people feel that their own mental health and that of those around them has become better, and more people are feeling optimistic about the future.

Positive measures

Mental health work is receiving more attention from the government, said Fu Xiaolan, head of the Institute of Psychology of the CAS, adding that mental health work is now better organized and professionalized than ever before.

According to a policy document jointly issued by the National Health Commission and eight other departments, China plans to set up mental health outpatient services in a number of general hospitals in pilot areas by the end of 2021. Moreover, in-school psychological counseling will be provided to all primary and middle schools in pilot areas. It also called for in-time psychological counseling and intervention for COVID-19 patients and their relatives, people in quarantine, as well as medical staff.

In 2019, an action plan was rolled out offering suggestions on how individuals and families and all sectors of society can work together to improve the people's overall mental health, such as by using more scientific methods to ease daily pressure, making sure people get enough sleep, giving full play to the role of mental healthcare institutions, and enhancing mental health education among new employees and students.

Companies, too, have given prominence to the mental health of their employees by inviting specialists to give lectures, providing regular psychological counseling and organizing interactive events.

In 2020, JD Health, a large online healthcare platform in China, launched an online free clinic through a dedicated app in cooperation with a number of major hospitals, offering online inquiry and psychological counseling services. Lu Lin, Director of the No. 6 Hospital of Peking University, said convenience and confidentiality are the main advantages of such online platforms. Furthermore, as there are no digital boundaries, patients are able to consult specialists from all over the country.

Despite the promising progress, the supply of mental health services is yet to fully meet the demands of the public, forewarned the report, stating that the geographical discrepancy in this regard is obvious.

The blue book calls for the improved regularization of mental health services and advises more attention be paid to the mental health status of the undereducated population and those residing in underdeveloped areas. **BR**



A medical worker informs residents on the prevention and control of mental health disorders in Xingtai, Hebei Province, on October 10, 2020



Critical Makeover

China advances medical reform to substantially lower drug prices By Hu Fan

Representatives of over 100 pharmaceutical companies gathered in a hotel in Shanghai on February 3. Documents in hand, they were there to attend a centralized procurement session organized by China's health authority.

This was the fourth time such a centralized procurement took place. The organizers had collected the information on the needs of public hospitals across the country for 45 kinds of drugs. They invited pharmaceutical companies there to bid for procurement contracts.

The competition was fierce. At the end of the meeting, 158 products were chosen with price cuts of 52 percent on average and a maximum of 96 percent.

The meeting was part of a reform aimed at lowering medicine price by eliminating the need for pharmaceutical companies to promote drugs to individual hospitals. First trialed in 11 cities in 2018, the reform has now expanded nationwide. The four rounds of national centralized procurement involved 157 kinds of drugs, with an average price cut of 50 percent.

Reform underway

The mechanism works through combining needs of public hospitals across the country for a particular medicine into one order for qualified pharmaceutical companies to bid for. Bidders with the lowest prices will share the order. Since a considerable amount of sales is guaranteed, pharmaceutical companies can offer lower prices and still earn money.

To ensure quality despite price cuts, conformity evaluation is performed before centralized procurement and only those that meet the standard become candidates for the bids. More measures are being developed to ensure both quality and reasonable profit in special cases such as a price rise of raw materials after winning the bid.

On January 28, the State Council accelerated the reform by issuing guidelines. The guidelines stated that the reform will first focus on drugs frequently used and then expand to include all reliable drugs sold in China and necessary in clinical practice, and that all public hospitals in the country should participate in centralized procurement.

The new system is being embraced by pharmaceutical companies operating in the country. In the fourth session of centralized procurement that came one week after the issuance of the guidelines, the procurement of all target drugs was completed, with no failure in bidding as found in the first three sessions.

The reform has also expanded to the medical device sector. In November 2020, people were startled by the news that coronary stents previously sold for 13,000 yuan (\$1,998.1) on



A medical worker picks up patients' medicines at a community hospital in Weifang, Shandong Province, on November 11, 2020



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average were included in the health insurance directory for a median price of around 700 yuan (\$107.6).

Benefiting people

The price cuts have brought immediate benefits to patients, especially frequent users of previously expensive drugs. For example, gefitinib, a cancer drug prescribed three boxes per month, was previously sold at 2,280 yuan (\$350.4) per box. Patients had to pay over 3,000 yuan (\$461.1) a month despite insurance coverage, which was a heavy burden, especially for the low-income population. The price of the drug has now dropped by 76 percent and the patients pay only around 700 yuan (\$107.6) each month.

By the end of 2020, the first three sessions of centralized procurement have brought over 100 billion yuan (\$15.37 billion) in savings for patients, as well as for the health insurance fund, according to the National Healthcare Security Administration.

Apart from a smaller medical bill, the reform has brought other important benefits. The traditional way of drug marketing allows for a profit for hospitals stemming from drug prescriptions. As a result, hospitals may prescribe more drugs than needed and prefer the expensive ones. This not only increased the economic burden for patients, but also wasted medical insurance funds. With the new reform squeezing out that part of profits, hospitals will have no motive to overuse the drugs from centralized procurement. This helps solve the problem of overtreatment, which has long been a hot spot of public discontent.

It also helps improve patients' access to medicine. Besides, the money saved allows more drugs to be included in the health insurance directory.

Multiple measures have been taken to ensure preferred use of the medicine from centralized procurement. Hospitals are encouraged to adjust the prices of medical services provided by

Workers package medicine at a pharmaceutical plant in Nantong, Jiangsu Province, on March 15

doctors so that they are less dependent on drug sales for income. They are also rewarded with part of the money saved for the medical insurance fund from prescriptions.

Reshaping the industry

Hu Hao, Marketing Director of a leading pharmaceutical manufacturer in China, called the reform “groundbreaking.”

“It can be seen as the most powerful reform in decades that may bring fundamental changes to China’s pharmaceutical industry,” he told *Beijing Review*.

In his opinion, the direct effect is that the low prices of the drugs may lead to a new way of marketing, which is no marketing at all. “We simply won’t have the money to do marketing,” he said.

And they don’t need to now. The centralized procurement has eliminated the need for pharmaceutical companies to promote their products to individual hospitals, which constituted the major part of their marketing activities. The focus of the company now is to win bids for its products in centralized procurement, as it is a do-or-die game.

The reform is targeted at established drugs no longer protected by patent rights. These drugs can be easily developed and approved, and are usually produced by multiple manufacturers. New drugs, on the other hand, will not be affected by the policy.

Hu said very few Chinese companies can develop new drugs. Considering the expertise required, the huge investment, and the duration and chance of failure, it is a difficult decision to make to initiate new drug programs, even for leading companies.

China’s insufficient capacity in drug research and development is no secret, although it is the world’s second largest pharmaceutical market and has over 6,000 pharmaceutical companies. Hu believes that the reform will weed out most of the players in the pharmaceutical sector, leading to the development of Chinese medical giants that have strong capacities to develop new drugs. “We will face a difficult time, but we are on the right track,” he said. **BR**

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CHINA MOSAIC

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Scenes From Xinjiang

A group of photographers made an art odyssey to Xinjiang Uygur Autonomous Region last year, exploring its natural beauty and the colorful lives of the people there.

Fifty-six ethnic groups, including Uygur, Han and Kazak, live in Xinjiang, making it one of the regions with the most ethnic groups in China.

About 100 photographs from the trip were exhibited at the headquarters of the China Federation of Literary and Art

Circles in Chaoyang District in Beijing. They showed diverse lifestyles, local culture, and the progress made in environmental protection and poverty alleviation.

These are some images from the exhibition which took place from March 22 to 31, hosted by the federation and China Photographers Association. **BR**

(Text and Photos by Wei Yao)

Copyedited by Sudeshna Sarkar
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1. A show of solidarity among ethnic groups in Xinjiang Uygur Autonomous Region at a Xinjiang-themed photo exhibition in Beijing

2. Children look at a photo of their Xinjiang peers playing the strategic board game Go

3. Photographs of beautiful landscapes printed on tapestries with local characteristics

4. Livestock grazing in the grassland

5. Women dressed in traditional ethnic attire pose at a vineyard in Awati County



Encountering the Palace Cats

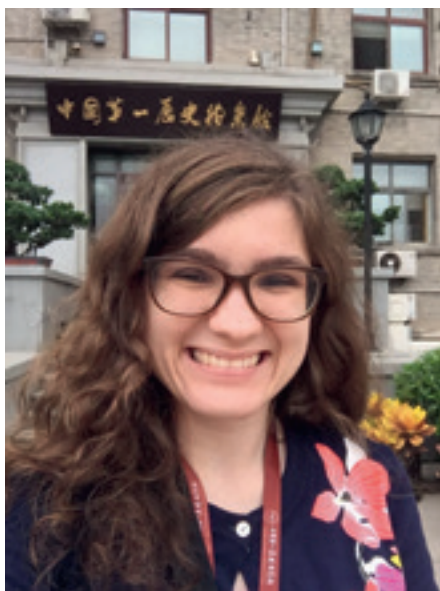
By Sophia Dooly

Since 2009, certain furry occupants in the Forbidden City, or the Palace Museum, have been receiving global social media attention: the palace's small army of stray cats. Some descendants of imperial pets, others wandering in from other parts of the city, these diligent feline guards are allowed inside the museum walls for the primary purpose of defending its wooden structures and priceless relics against mice and rats.

Today they number between 180 and 200, according to a census taken in 2016. The cats receive healthcare, housing and cat food as well as lots of free love from tourists.

When I visited the Forbidden City in the summer of 2018, however, my itinerary was a bit different from that of the average American tourist: I stayed in one of Beijing's ever declining *hutong* areas, living by myself in a small hotel for a whole month to research the history of Qing Dynasty (1644-1911) palace maids, whose lives were immortalized in the wildly popular 2018 TV series *The Story of Yanxi Palace*, especially in the plucky character of Wei Yingluo.

The grueling 20-minute walk to the museum every morning through Beijing's stifling heat involved picking up a breakfast of rice chips at a nearby convenience store, buying freshly squeezed orange juice from a street vendor no more than 10 feet away from the Eastern Prosperity Gate, and trekking through the crowds along the palace moat and past the front Meridian Gate for tourists. I would check in at the small staff entrance and, once signed in, would scoot along the wall of the road passing under the ancient Western Prosperity Gate; once the entryway for entertainers to enter the palace to



The author in front of the First Historical Archives of China

perform. Nowadays, it is a slightly intimidating checkpoint for museum officials' cars, staff and visiting researchers—such as myself.

As soon as I got through the gate, I would make my way over to the First Historical Archives of China, located alongside the outer wall of the palace and containing almost all the historical records of the Imperial Household Department of the Qing emperors. Before setting out to the capital, I had already conducted some background research on the history of the Palace Museum itself and to my delight managed to retrieve a BBC article about the famous palace cats. I was determined to spot at least one of them during my stay there.

I was two weeks into my journey when I passed under the Western Prosperity Gate, decidedly disappointed that I had failed to catch a glimpse of these slippery felines. I began to fight

self-doubt that I would ever so much as see a tuft of fur. In the third week, however, as I was walking through the western gate yet another time, I was surprised to spot not one, not two, but three slightly disheveled cats reclining majestically on the corner of a porch in front of an office. Like any mature young historian, I let out a squeal of excitement and in a high-pitched voice cooed to the furry guards in Chinese, "Hi kitties!" Needless to say, these pampered royals ignored me, preferring the shade of a window ledge or a resting on tarp right next to their white painted cat houses lined up neatly on the porch.

Eventually spotting three more cats outside the front gate to the archives, and even inside the bamboo garden of the employees' exercise grounds, it wasn't until my second to last week in Beijing, that I finally got to pet one. The slightly plump, fluffy cat looked like the real "boss" of the palace as he made his way over to me in imperious fashion, staring with his sharp yellow and blue eyes and letting out short, loud meows demanding attention. Despite his intimidating appearance, he was very friendly and content to be scratched behind the ear and even given a belly rub. Nevertheless, like a petulant little prince he got mad and indignantly objected when eventually I got up and left him to walk back out of the Palace Museum.

For those cat enthusiasts planning on taking a trip to China's capital, these slightly unkempt, but absolutely adorable security guards are definitely worth spending a day in the palace looking for. **BR**

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