



Hainan helps visitors

Special police target tourism industry irregularities in Sanya

> CHINA, PAGE 4



Table for strangers

An app connects amateur chefs with willing dining companions

> LIFE, PAGE 9

Memory protection

Database to be created on the Nanjing Massacre > p3

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COMMERCE

China to keep watch on TPP

Such trade deals can disrupt non-signatories: official

By ZHONG NAN
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China will conduct comprehensive and systematic assessments of the fallout from the Trans-Pacific Partnership, a broad agreement between 12 Pacific Rim countries, including Japan and the United States, since it believes that such deals have disruptive effects on non-signatory nations, a top government official said.

Commerce Minister Gao Hucheng said China is of the view that changes in the global trade pattern should be decided by adjustments in the industrial structure and through product competitiveness in global markets.

"China hopes that the TPP and other free trade arrangements in the region will boost each other and contribute to trade, investment and economic growth in the Asia-Pacific region," the minister said in a statement posted on the ministry's website on Oct 8.

"We will go ahead with our reform and opening-up policy. At the same time, we will also support global economic integration and the creation of a multilateral trading system," Gao said.

The minister's comments come against the backdrop of claims that the United States and other TPP members are using the TPP to target China, despite statements to the contrary. In addition, the remarks also clear the air on whether the TPP would affect China's foreign trade and two-way investment and if it would be used to contain China's economic influence in the Asia-Pacific region.

Fan Jishe, a researcher at the Chinese Academy of Social Sciences who specializes in US affairs, said it is

highly unlikely that the TPP would lead to the creation of a trade bloc that excludes China.

"The economic development mode in China has already changed from low-end product trade to 'going global' strategies like setting up or moving manufacturing facilities and to more direct investment in overseas markets," said Fan.

Besides the US, other signatories to the TPP are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

China has to date signed bilateral and multilateral free trade agreements with seven TPP members.

China hopes to complete negotiations on the Regional Comprehensive Economic Partnership by the end of this year, which would link the Association of Southeast Asian Nations with China, Australia, India, Japan, New Zealand and South Korea, accounting for one-third of the global gross domestic product.

According to Gao, China believes that the World Trade Organization members will not abandon the existing multilateral trading system, since it brings benefits to the global economy. The minister said it was imperative to have an early conclusion for the Doha round of WTO negotiations.

Ma Jun, chief economist with People's Bank of China, and Xiao Mingzhi, an economist based in Shanghai, said in a report published on Oct 9 that China would lose 2.2 percent of its GDP if all other 15 potential members joined the Trans-Pacific Partnership but China did not.

Zheng Yangpeng contributed to this story.



Musical selfie

Cuban pianist and Grammy winner Chucho Valdes (right), Chinese pianist Lang Lang (left) and American conductor and violinist Marin Alsop pose for a selfie after a concert at the Cathedral Square in Havana, Cuba, on Oct 9. The concert was dedicated to the 500th anniversary of the Cuban capital. Lang and Valdes played pieces by Cuban master Ernesto Lecuona (1895-1963) and other composers from Russia, the UK and the US. The US company Steinway & Sons donated a grand piano valued at over \$148,000, which was given to the Cuban Institute of Music after the concert. "It will be a historic concert as two piano greats performing on the same stage is not an everyday event," said Enrique Perez Mesathe, director of Cuba's National Symphony Orchestra, before the concert. ALEXANDRE MENEHINI / REUTERS

TOURISM

Chinese overseas spending to soar

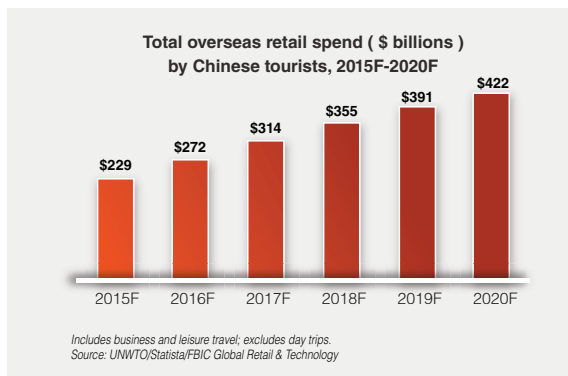
By LIA ZHU
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Retailers are advised to revise their international marketing plans for Chinese tourists, who are projected to spend \$229 billion overseas this year and \$422 billion by 2020, providing a huge potential market for global brands and retailers, according to a recent report.

This year, around 136 million international passenger journeys — the most in the world — are expected to originate in China, up 16 percent year on year, and the number is estimated to reach approximately 234 million in 2020 despite concerns over China's economic growth, says the report published by Fung Business Intelligence Centre (FBIC), a Hong Kong-based retail and technology think tank, and China Luxury Advisors (CLA), a US consulting firm.

"The Chinese consumer has emerged as the most powerful and motivated in the world, especially in the luxury sector," Deborah Weinswig, head of the Global Retail and Technology team of FBIC, writes in the report.

It is based on a survey conducted by FBIC and CLA on more than 1,000 Chinese Internet consumers regarding their travel and spending for the



year ending May 21.

The typical Chinese traveler currently spends an average of \$1,678 on retail purchases per overseas trip, while the US sees the highest retail spend from Chinese travelers.

In the US, the average retail spend per Chinese traveler is estimated at \$2,555 this year, followed by Europe's \$2,548, much higher than in closer destinations such as Hong Kong.

"The greater the distance, the more he or she spends," explained Weinswig. "Spending in some high-profile, long-haul destinations, such as the US, will grow at an even faster pace."

consider their strategy for reaching Chinese travelers, she said.

The luxury goods market has benefited greatly by the growing affluence in China. An estimated 77 percent of \$66 billion of Chinese luxury purchases are made outside China, and the clampdown on corruption is likely to push this number up as domestic luxury demand stagnates, according to the report.

"Active brand management is crucial to capture the global Chinese shopper's attention and projected spend," Sage Brennan, CLA co-founder, said in a press release. "This means that the retailers and brands with the highest consumer awareness will be the long-term winners of the hearts and wallets of the all-powerful Chinese traveling shopper."

A number of retailers and shopping centers in the US have begun marketing to this growing audience by creating Chinese-language websites, launching Chinese New Year campaigns, offering discounts to Chinese tourists and hiring Mandarin-speaking sales staff.

"These retailers and shopping centers are at the forefront of appeal to the next great consumer market," Weinswig said. "No company wishing to remain a vital international force can afford to ignore the Chinese visitor."

ECONOMY

IMF favorable about yuan SDR inclusion

By MAO PENGFEI in Mexico City and PAUL WELITZKIN in New York

International Monetary Fund (IMF) officials expressed support for the Chinese currency's internationalization and confidence in China's economy, pointing out structural transformation and labor productivity growth as keys to its economic growth, during the World Bank Group and IMF annual meeting in Lima.

The IMF will complete an assessment of the Chinese yuan's status as a new currency for Special Drawing Rights (SDRs) before the end of 2015, said the organization's Managing Director Christine Lagarde on Oct 9.

"The review will determine implementation from September 2016 to allow time for central banks to adjust, including their computers," said Lagarde.

In November, the IMF will decide whether to extend the current valuation of the SDR or whether to add the RMB to this basket for five years (2016-2021).

"Whether the RMB can be included in the SDR basket is an important implication concerning the status of the RMB in the global community, which will promote the wide use of the RMB in international trade, adding the RMB to foreign reserves and strengthening China's finance and economy," said Zhu Min, deputy managing director of the IMF.

The SDR, an international reserve asset created by the IMF in 1969 to supplement the existing official reserves of member countries, is a basket of key international currencies, including the euro, Japanese yen, British pound sterling, and US dollar.

The move, he added, would greatly increase the status of RMB in the international arena, allowing the voices of emerging markets to draw more attention and would advance the reform of the IMF as a more inclusive organization.

Also in Lima, Yi Gang, deputy governor of the People's Bank of China, said that China will continue to push ahead financial reforms with the hope that its currency can be included in the SDR basket later this year.

China has opened its interbank bond market and forex market to overseas financial institutions and has been promoting data transparency, following SDR requirements. The central bank has recently further freed the RMB exchange rate through changes to the central parity rate mechanism to make the exchange rate more flexible, Yi said.

The relationship between Latin America and China is entering a new phase where China is increasing its funding for infrastructure development in the region even as it consumes fewer of the area's natural resources.

SEE "YUAN" PAGE 2

In the news

CHINA Killer blast

Seventeen people, including 14 students, die in a fire and explosion at a restaurant in Anhui province caused by a gas cylinder. > p3

LIFE Musical mission

Every summer, opera lovers, especially fans of German composer Richard Wagner, flock to a small village in the Austrian Tyrol for a festival. > p7

AUTO SAFETY

Drivers warned to stay off phones

By WANG XIAODONG
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A 24-year-old man in Hangzhou, the capital of Zhejiang province, drove his car into West Lake after accidentally stepping on the accelerator while searching for his phone in the vehicle.

The man said he had been playing with his mobile phone while driving last month but suddenly dropped the handset, according to the Ministry of Public Security's Traffic Management Bureau.

He escaped from the car through a window and swam back to shore, the bureau said.

The incident was just one example that has prompted traffic

20 percent

of drivers use their phones while driving, according to the Ministry of Public Security's Traffic Management Bureau.

management authorities to warn that drivers risk death or injury if they use their smartphones while on the road.

About 20 percent of drivers use their phones while driving to make calls, send text messages or check their social media accounts, the bureau said on its micro blog during the National Day holiday.

With the number of smartphone users in China estimated at about 500 million and rising, using the

phones while driving has become the second most popular bad habit among drivers after failing to wear safety belts, the bureau said.

Its warning was prompted by the obsession for using smartphones while ignoring the surrounding environment.

The bureau said that looking for mobile phones while driving increases the chances of a traffic accident nine times, while sending a text message increases the chances 23 times.

Zhang Lei, a doctor at Beijing Emergency Medical Center, said the number of injuries caused by the obsession with mobile phone use has risen in the city in recent years.

SEE "PHONE" PAGE 3



2 ACROSS AMERICA

INVESTMENT BANKING

Rising FDI behind bank's foray

China Merchants Bank sees increasing demand

By PAUL WELITZKIN
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As China's economy continues to transition and the country increases its foreign direct investment (FDI), financial institutions will be asked to provide more investment-banking services, according to executives with China Merchants Bank.

"We at China Merchants Bank (CMB) will continue to leverage a favorable environment to move forward in investment banking," Ju Zhao, executive vice-president of CMB, told

an audience in New York on Oct 9 at the bank's China-US Cross-Border M&A Forum.

CMB is also eager to earn the business of overseas companies that want to establish operations or expand their footprint in China, said Chengyue Jiao, the general manager of CMB's New York branch.

He noted that investment banking is becoming a rising priority for Chinese companies. "As the Chinese economy transitions into its next phase which will involve more foreign investment, Chinese companies will need help and we can provide that," Jiao said.

"Chinese companies have gone from operating in neighboring areas like Hong Kong to more competitive markets like the US and Europe," noted Shanjing Zhou, counselor of the Chinese Consulate General in New York.

Jiao said Chinese companies now have the confidence to participate in other markets, particularly in the US. He said CMB is not only increasing its offerings in M&A through its cross-border Yunex M&A platform; the bank is also bolstering its asset-management and private-banking operations. "Chinese businesses and individuals will require advice in managing their money especially when

they go overseas," he said.

Jiao said sectors in the US that look attractive for Chinese investment include agriculture, energy, healthcare, and manufacturing.

CMB is also ready to provide investment banking services to foreign companies like US-based Nanobeak LLC. According to Chairman and CEO Jeremy Barbera, Nanobeak is utilizing technology developed by NASA to advance breath testing which can reveal the presence of cancer and other diseases earlier than traditional testing procedures.

"About 55 percent of cancer patients die because they found out too late that they have

cancer," Barbera said.

Nanobeak, which employs 24 at its New York headquarters and at a laboratory in California, is looking to China Merchants Bank to help the company expand into China.

"We hope to take our company into China next year," said Barbera. "CMB is helping us to raise capital for clinical trials and to set up important relationships for us in China."

Barbera said it was important for Nanobeak to work with a Chinese bank. "They know the area and more importantly they know the strategic players that we need to know in China. It's important to have local representation," he said.

BUSINESS



Workers install the logo of China Resources Corp in Nantong, Jiangsu province. PROVIDED TO CHINA DAILY

China Resources unit to sell 35% Wal-Mart stake

By WANG ZHUOQIONG
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China Resources SZITIC Trust Co Ltd, a subsidiary of China Resources Corp, is to sell its 35 percent stake in 21 Wal-Mart Stores Inc's outlets in China, worth 3.35 billion yuan (\$523.4million).

"Transfer of the minority interest in our joint venture partner will not affect Wal-Mart's operation and development in China," Wal-Mart China said in a statement.

"Wal-Mart respects the investment decision of its partner in the proposed transfer of its minority interests and creditor's rights in the joint ventures."

As the controlling shareholder in joint-venture companies in charge of the management and daily operation of the stores, Wal-Mart said it would continue to develop business opportunities, and implement stringent corporate governance and internal controls, in compliance with the country's laws.

Jason Yu, general manager of market research firm Kantar World panel China, said the selling of the stake by the investment branch of China Resources makes clear that the move is largely an investment decision.

He said potentially the proceeds could help fund further development by CR Vanguard, the company's retail unit, especially store expansions and e-commerce.

Both Wal-Mart and CR Vanguard are experiencing sales slowdowns, as e-commerce competition rises. According to Kantar figures, CR Vanguard claimed a 6.6 percent market share during the second quarter of 2015, slightly behind Sun Art Retail Group Ltd, which leads the China market with 6.9 percent.

CR Vanguard's overall growth remains strong, fueled by store expansion and the development of a multi-format portfolio, Yu said.

This is being offset, however, by a weakening of the

More hypermarket players are actively experimenting with new formats ... to cater to changes in shopping behavior."

Jason Yu, general manager of market research firm Kantar World panel China

Tesco-branded operations it runs jointly with Tesco Plc — the United Kingdom's largest retailer which this week announced a 55 percent plunge in half-year profit.

"We expect more Tesco stores to either close or be converted into CR Vanguard-branded sites in the coming year," said Yu.

According to the China Shopper Report, the country's hypermarket sector remains weak, with smaller supermarkets, convenience stores and e-commerce channels growing faster.

"We expect that trend to continue," said Yu. "More hypermarket players are actively experimenting with new formats and O2O applications to cater to changes in shopping behavior."

Angela Wang, partner and managing director of The Boston Consulting Group, said it is now time for retailers to reconsider hypermarkets as their key formats.

"Hypermarkets have been on the decline in recent years due to their weakening attraction to consumers in first-tier cities, where shoppers are demanding more convenience and a variety of merchandise from online competitors," said Wang.

Yuan: Plays key role in LatAm

FROM PAGE 1

"Even though China's commodities trade with Latin America has peaked at least for the time being, China's development banks continue to provide financing for infrastructure projects. This has helped to replace private-sector funding," Kevin Gallagher, a professor of global development policy at Boston University's Pardee School for Global Studies said in an interview.

Latin America's economic struggles were among the topics discussed last week as Lima hosted the 2015 annual meetings of the boards of governors of the World Bank Group and the International Monetary Fund from October 6-10. The last time the annual meetings were held in Latin America was 1967 in Rio de Janeiro.

"I think the World Bank did want to send a signal to the region that they are interested," said Gallagher. "World Bank lending (in Latin America) has gone down."

Gallagher said Latin America is experiencing an economic downturn now that the economic model between China and the region has changed. "China doesn't need as much copper, oil and other commodities as it did for a 10-year period," he said.

Gallagher said Latin America is expected to produce very little economic growth this year. "It will come in at around 0.3 to 0.5 percent. That compares to growth rates of about 4 percent from 2003 until 2013."

China's demand for iron ore and other natural resources helped fuel much of the growth. China has shifted its economic priorities from building up cities and factories to bolstering its consumers and this had led to a decline in commodity prices that greatly benefited Latin America, said Gallagher.

"China will remain a key source of commodity exports for China for at least the next 20 years," said Gallagher. "There just won't be as much growth as there was in the past."

Last week the US and 11 other countries reached agreement on the Trans-Pacific Partnership (TPP) pact which is designed to encourage trade between the US and Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. The countries account for about 40 percent of the world's economy.



Superheroes to rescue at Comic Con

People dressed as (from left) Thor, Black Widow, Hulk, Scarlet Witch and Captain America pose for photos on day two of New York Comic Con in Manhattan, which concluded Sunday. The event drew thousands of costumed fans, panels of pop culture luminaries and featured a sprawling floor of vendors in a space equivalent to more than three football fields at the Jacob Javits Convention Center. Shanghai had a Comic Con in May, and next year both Beijing and Shanghai will host versions of the increasingly popular event. ANDREW KELLY / REUTERS

DIPLOMACY

Ex-ambassador to teach about conflict

By AMY HE in New York
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A former US diplomat will be training Chinese students in Beijing in post-conflict resolution as part of a program that pairs US technical experts with students in China and teaches them best practices in a number of fields.

Thomas Miller, three-time US ambassador to Greece, Bosnia and Herzegovina and Cyprus, and his wife Bonnie Miller, a social worker and educator, will be in China this week to teach students at the Beijing Foreign Studies University theory and skill-building.

"They will teach courses that draw from examples from Greece's current economic



Thomas Miller

crisis, the war in Bosnia Herzegovina, and the Dayton Peace Accords, which ended the war in Bosnia.

"The

more people you expose to alternative ways of resolving disputes, the better the world will be, and that's not a nationality thing — that's clearly around the world. There's enough conflicts in the world right now," Miller told China Daily.

"I'd rather focus my time on the next generation who are students now and perhaps give

them some tools and equip them in a way where they can approach conflict situations in a way that you don't always have to go to war. You can resolve things," he said.

The assignment is part of a volunteer program administered by the International Executive Service Corps (IESC) in China. The IESC, of which Miller is president and CEO, is a Washington-based non-profit organization founded by David Rockefeller that works to strengthen private enterprises around the world.

It's partnering with AARP (the American Association for Retired Persons), the Chinese State Administration of Foreign Experts Affairs, and the China Association for

International Exchange of Personnel. The program is expanding to provide professional and practical training to Chinese students in higher education, the IESC said.

"It's not just sitting up there and lecturing, there's a lot of stuff we'll be doing. We Americans don't have a monopoly on how to do it right, so I see this as a more interactive type of encounter than just sitting up there like a traditional professor lecturing," Miller said.

China has been expanding its peacekeeping efforts abroad, with President Xi Jinping recently announcing at the UN General Assembly that it would expand its aid on peacekeeping operations.

ECONOMY

Forex-reserves drop may be from investment diversification

By PAUL WELITZKIN
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A desire on the part of Chinese households to diversify their investments may in part be behind the recent declines in China's foreign exchange reserves, according to an economics professor.

The People's Bank of China (PBOC), the nation's central bank, on Wednesday said currency reserves fell \$43.3

billion in September to \$3.51 trillion representing the fifth consecutive monthly drop. However the decrease was far less than the record \$93.9 billion plunge in August.

Wei Xiong, a professor of economics at Princeton University in Princeton, New Jersey, said many factors may have contributed to the declining reserves including concerns from foreign investors about the Chinese economy.

"Another important factor is the increasingly strong motive

for domestic Chinese households to diversify their investment portfolios. Due to the stringent capital controls in China, most households have kept their savings inside China, mostly parked in bank deposit, stocks, and housing.

"Bank deposit pays very low yield; Chinese stocks have been highly volatile this year; there is also growing concern about whether the high housing valuation across China is sustainable," Xiong said.

"These forces all motivate

Chinese households to invest a fraction of their savings abroad," Xiong wrote in an e-mail.

Xiong added that while China has not fully lifted capital controls, it has gradually relaxed the controls such as by allowing each family to exchange \$50,000 each year, and the opening of the direct link between the Shanghai and Hong Kong stock exchanges.

"The declining foreign reserve reflects some domestic Chinese households taking advantage

of the relaxed capital controls. China is likely to further relax its capital controls in pushing for the internationalization of RMB. Consequently, its foreign reserve will become more volatile with the likely inflow and outflow of investment capital by both domestic households and foreign investors across its border," he added.

"Even though the \$43.3 billion fall in reserves seems large, it is less than half of the \$93.9 billion fall in the previous month,

indicating that the PBOC has been intervening less to prevent the yuan value from falling too far and too fast. More importantly, the discrepancy between the offshore and onshore yuan rate, which indicates how much the global market, thinks the yuan is overvalued, has disappeared over the past month.

"This signals that the market has gained confidence in the current yuan value, reflecting diminished concern about an accelerated slowdown in

the Chinese economy," said Taitian Chi, a professor at the University of Kansas School of Business.

The PBOC has taken steps to increase economic liquidity.

"The question is whether the PBOC sees an accelerated slowdown and whether the previous monetary easing is expanding lending sufficiently. I think that the PBOC is cautious about excessive credit expansion that can create round of growth in asset bubbles," Chi said.

WAR ARCHIVES

China to establish Nanjing Massacre database

By XINHUA in Nanjing

China will set up a special database and upgrade the protection of documents regarding the Nanjing Massacre after files relating to the atrocities were listed in UNESCO's Memory of the World Register.

A number of domestic archives will jointly establish the database, which will be open to the public at home and abroad, a source with the Second Historical Archives of China, who asked not to be named, said on Sunday.

The database can help people learn more about the historical calamity caused by the war, the source said.

Lasting more than six weeks, from Dec 13, 1937, until January 1938, the massacre perpetrated by Japanese troops resulted in the deaths of 300,000 Chinese civilians and unarmed soldiers, by some counts, after the city fell into the hands of the Japanese.

“China will ensure these valuable documents are protected ... safeguarding human dignity.”

Hua Chunying, Foreign Ministry spokeswoman

On Friday, 11 sets of Nanjing Massacre files, including film, photographs and text created between 1937 and 1948, were listed in the UNESCO register, despite Japan's protests.

There are large amounts of material on the slaughter, including from the aggressor, the victims and third parties, said Guo Biqiang, a researcher with the Second Historical Archives of China.

The amount and variety of the documents were unmatched compared with similar heritage events, he said.

Nanjing Massacre documents are mainly housed at the Second Historical Archives of China, the Nanjing Municipal Archives and at the Nanjing Massacre Memorial Hall.

On Saturday, China welcomed UNESCO's inscription of the documents.

“China will ensure these valuable documents are protected and circulated, and make them play a positive role in remembering history, cherishing peace, looking into the future and safeguarding human dignity,” Foreign Ministry spokeswoman Hua Chunying said.

The inscription was met with criticism by Japan, with the Japanese Foreign Ministry questioning the authenticity of the documents. It called on UNESCO to be neutral and fair and for changes to be made to the process.

Hua dismissed Japan's protest, saying, “The Nanjing Massacre was a severe crime committed by the Japanese military during World War II and is a historical fact recognized by the international community.”

Inside

Editorial > p11



Opening up

Tourists visit a newly opened area inside the Palace Museum in Beijing that runs from the Meridian Gate to the Donghua Gate. A number of areas in the museum, also known as the Forbidden City, including the Hall of Consolation of Mothers, opened to the public for the first time on Sunday. This increased the area available to visitors from 52 percent of the historic site to 65 percent. JIANG DONG / CHINA DAILY

TEACHER SHORTAGE

Demand for Chinese language soars

By HU MEIDONG in Xiamen, Fujian and HENA in Beijing

A shortage of Chinese language teachers has become an increasingly urgent problem worldwide, as more and more countries and regions have established frequent and close trade and personnel exchanges with China, according to participants at the Eighth Global Fujian Fellow Convention.

The convention, held in Xiamen, Fujian province, on Friday attracted around 640 businesspeople, along with scholars and professionals from 54 countries and regions whose ancestral home is Fujian.

Didi Dawis, president of the Indonesia Fujian Association, said Indonesia has only about 1,000 Chinese teachers, far too few to meet demand.

“With increasing trade and communication between China and Indonesia, more and

more companies from the two countries have established joint-ventures or liaison offices. These new companies and institutes need a large amount of talent skilled in Chinese,” he said.

“With Chinese language playing an increasingly important role in employment, many local high schools and universities have started Chinese courses. And we estimated that we still need some 80,000 Chinese teachers.”

Didi Dawis hoped that China would take Indonesia's language needs into consideration and send more Chinese teachers.

In recent years, the Chinese language has become increasingly popular worldwide. Convention participants from other countries echoed Indonesia's assessment.

“The first-generation Chinese overseas are still fluent, but for our second and third generations, command of the

language is really worrying,” said Jimmy Cheng, president of the United Fujianese American Association.

According to Cheng, the United States government also noticed the importance of the Chinese language, and in such populous places as New York and California many high schools have launched Chinese courses. It has become the second language of many students.

“In the future, more and more schools and communities will open Chinese courses, so we also are in urgent need of high-level Chinese teachers,” he said.

He also pointed out that many overseas Chinese are eager to establish their own businesses in China, so they want to improve their language skills.

In Spain, the number of people taking Chinese language tests has ranked first in Europe

for three years, and more than 25,000 people are taking courses. In 15 schools, Chinese has become compulsory.

Data from the headquarters of the Confucius Institute show that the number of teachers of Chinese overseas is increasing yearly. By the end of 2012, China had sent a total of 18,000 teachers abroad. The number is expected to reach 50,000 by 2020.

China is working out many ways to meet surging global demand. President Xi Jinping said during his visit to the US in September that in the next three years, China will support the studies of 50,000 Chinese and US students in both countries, and the US will provide opportunities for as many as 1 million students to learn Chinese by 2020.

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WUHU TRAGEDY

Most victims of restaurant blast were students

By LUO WANGSHU luowangshu@chinadaily.com.cn

Among the 17 dead in an explosion and fire at a restaurant in East China's Anhui province at around noon on Saturday, 14 were students aged 15 to 20, local authorities said.

The Jinghu district fire department in Wuhu said that nine females and eight males died, mostly students from a nearby school. Three other men, including a father and his son, were also killed.

An initial investigation indicated a gas cylinder exploded and started a fire at the restaurant at 11:57 am.

According to State broadcaster CCTV, the restaurant opened on Aug 18 and did not have a business license.

A gas cylinder at the restaurant caught fire, and the explosion followed six minutes later, according to investigators. A witness said he heard at least



Firefighters put out the blaze at a restaurant in Wuhu in East China's Anhui province on Saturday. The fire killed 17 people, among which 14 were students aged 15 to 20. XINHUA

two explosions. The fire was put out in half an hour, and the 17 bodies were recovered.

Restaurant owner Zhang Baoping, 38, from Hanshan county, Anhui province, is under investigation. Zhang and his wife ran the restaurant, and both of them were

slightly injured in the blast.

Zhang said he and his wife rented the restaurant more than two months ago to sell snacks, including fried noodles. When the fire broke out, Zhang told authorities, he tried to put it out with water and a fire extinguisher.

More than 30 firefighters participated in the rescue work. An investigation into the incident continues.

Two videos purporting to show the tragedy went viral online, showing that many people tried to extinguish the fire but were unsuccessful. Flames climbed to the second floor quickly.

The restaurant is near Wuhu Vocational Middle School.

After the blast, the Wuhu education bureau's micro blog account posted an alert requiring all education institutions to conduct safety drills.

The bureau also asked parents to warn students, hoping to keep them away from small diners with potential safety hazards.

More than 30 students from the school flocked to a medical facility in the city to donate blood on Saturday.

Xinhua contributed to this story.

Phone: 'Lives are more valuable than gadgets'

FROM PAGE 1

Cases include pedestrians bumping into other people, falling over and breaking their bones while walking and using their smartphones.

Zhang said he once arrived at the scene of a car accident on a highway in the capital, but the car driver, who was

stuck under a heavy truck, was already dead.

“We found he was still clutching his mobile phone,” Zhang said.

He added that as more people become reliant on or addicted to using smartphones, safety has become an increasing problem.

“There are more valuable

things in our lives than electronic products, and we should not become slaves to them,” he said.

According to a report by Internet search giant Baidu in May, the mobile Internet has become the main means of communication and information source for young people in China.

The report, based on a survey of more than 11,000 people of various age groups, found that 75.5 percent of those born after 1995 said mobile phone-based chat apps were the most common means of communication with others, followed by phone calls and face-to-face conversations.

ENGLISH PROFICIENCY

Examiners get tough on students who cheat

Experts say test takers should stop memorizing answers and polish their language skills instead

By ZHAO XINYING zhaoxinying@chinadaily.com.cn

“This may reflect the IELTS authorities' resolution to stamp out rule-breaching actions.”

Some students who took the International English Language Testing System exam in August and September have had their results “withheld permanently”, sending a strong signal that the examiners intend to stamp out cheating, some senior language tutors said.

Yang Yuting, chief language training tutor at Amber Education, an overseas studies consulting agency, said there have been a few cases in which candidates' IELTS results were canceled in recent years, leaving the students with no qualification.

But this is the first time he has heard that results, including those of some of his students, were “withheld permanently”, meaning IELTS will not give the students their results, nor will they give them to others.

“This may reflect the IELTS authorities' resolution to stamp out rule-breaching actions like memorizing questions and reciting essays,” Yang said.

Wang Xin, a senior student at the Communication University of China in Beijing, took an IELTS test on Aug 1 and the results were due within 10 working days. But she was then notified that her results were undergoing routine checks.

Soon after that, she received an e-mail informing her that “a decision has been made to withhold this result permanently” and alleging that Wang had “breached IELTS test rules and regulations”, without elaborating which rules Wang allegedly had violated.

A number of students who took the test during the past two months in cities that include Nanjing, Changsha and Guangzhou, have had the same experience. Many test takers said they were confused because they didn't know how they had breached the rules and regulations.

IELTS authorities said in an e-mail to China Daily that IELTS takes the responsibility of providing test results very seriously.

Yang Yuting, chief language training tutor at Amber Education

Results are only withheld in cases where there is strong evidence to suggest that the candidates have not complied with IELTS regulations.

“In these cases, we are unable to guarantee that their result is a true reflection of their English language skills,” they said in the e-mail, although they gave no figures of how many students were involved.

“We regret any inconvenience this may cause, but these measures are essential to protect the value of the results for more than 2.5 million test takers every year. Hundreds of thousands of people take IELTS in China every year and the number of results which are permanently withheld is a tiny proportion,” they said.

Hu Min, president of New Channel International Education Group, an English-language tutorial agency in China, said a major cause of results being withheld might be an extreme imbalance in performance levels in the four sections of the test.

“For example, if a student scores very high in the reading and listening sections while performing poorly in writing and speaking, IELTS authorities may suspect that the test taker has memorized the reading and listening questions — a practice that is very popular among Chinese test takers,” he said.

“IELTS authorities discourage such a practice and would determine that the scores can't reflect the real English level if test takers do so.”



First snow

A mother and a daughter play in the snow in Dashanbao county, Zhaotong, in Southwest China's Yunnan province. Dashanbao Mountain had its first snowfall of the year after the National Day holiday. ZHANG GUANGYU / CHINA DAILY

CHINA

中國日報 CHINA DAILY USA » CHINADAILYUSA.COM

EDUCATION

Bazaar helps teachers in remote areas

Embassies participate in charity event outside Bird's Nest hosted by foreign minister's wife

By WANG XU
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The seventh Love Knows No Borders international charity bazaar opened outside National Stadium, also known as the Bird's Nest, in Beijing on Sunday. The event, with the theme "A Tribute to Rural Teachers in Yunnan", was hosted by Qian Wei, the wife of Foreign Minister Wang Yi.

"The funds raised will go to helping teachers working under harsh conditions at primary and secondary schools in Jinping and Malipo counties of Yunnan province," Qian said.

"Such assistance will help to ease the pressure on teachers working in remote, poor and mountainous areas and encourage them to continue their contribution to the cause of education for all."

More than 60 foreign embassies, representative offices of international organizations and companies from both home and abroad participated in the event.

"Many embassies in Beijing gather today at the National Stadium, which represents the spirit of the Olympics and harmony, to call for our entire society to offer compassion and support for social relief and welfare programs in poverty-stricken areas in China," Victor Sikona, Madagascar's ambassador to China, said at the opening ceremony.

"The charity sale is great in that it is attached to assisting education in disadvantaged, mountainous areas," said Filip Vandembroeke, counselor for the economic section of the Belgian embassy.

The Belgian embassy's stall provided copies of *The Adventures of Tintin*, a comic series created by Belgian cartoonist Georges Remi in 1929. The series features Tintin, a young Belgian reporter exploring the world aided by his faithful fox terrier dog, Snowy.

The charity sale was also an occasion for cultural demonstrations and exchanges. "Selling our artifacts and food is a way to introduce Chinese people to our culture," said Dhanushka Karunaratne, the third secretary for tea promotion with the Sri Lankan embassy.

"My kid grows up in Beijing and gets to experience different cultures today, but children in the poverty-stricken areas in Yunnan province don't," said Hua Ning, a Beijing resident.

"I believe that it is of great importance to break the circle of generations of poverty, so that children in different parts of the country can enjoy relatively equal access to education."



Robo-lion

A small robot performs a lion dance during a robot competition at the University of Science and Technology of China in Hefei, Anhui province, on Sunday. The annual event attracts many students. DOU NIU / FOR CHINA DAILY

CRIME PREVENTION

Sanya creates police unit to aid tourists

By HUANG YIMING and LIU XIAOLI in Sanya, Hainan

Sanya, a coastal resort city in Hainan province, has established a special police force targeting irregularities in the tourism industry.

The move came after a series of scandals elsewhere in China were exposed by the media during the National Day holiday from Oct 1 to 7.

A tourist's complaint of being overcharged for a seafood dinner at a restaurant in Qingdao, Shandong province, triggered public concerns.

The tourist was asked to pay 1,520 yuan (\$240) for a dish of prawns.

He had been assured by a waitress while ordering that the price was 38 yuan for the

dish, but was later told that the price was per prawn.

It was not an isolated case. Scandals have been reported from time to time in Sanya by media for the past decade, but tourists had nowhere to complain.

Over the years, this has resulted in a loss of trust, which has affected the resort's development.

The newly founded tourism police unit, the first of its kind in the country, will be in charge of tourists' security and safety.

The unit was first proposed in November last year by the Sanya government, which went on to form the team a month ago. Twenty-two tourist police officers now have responsibility for security and

maintaining order in the tourist sector in Sanya.

Tourists visiting Sanya can ask the police for help if they have been the victims of fraud, have discovered their guide is unlicensed, have been offered tickets to tourist attractions at black market prices or for other tourism-related crimes.

The team is in charge of supervision and inspection of security at tourist attractions, as well as providing suggestions for improvements.

More than 30 cases involving crimes against tourists have been investigated since the team formed, and officers have arrested 32 offenders. Thirty people have been punished with detention and paid a total of 5,000 yuan in fines in the past month.

The tourist police unit is also expected to help to establish a mechanism for institutions and businesses to work together in developing Sanya's tourist industry.

Yang Zhekun, professor of Hainan tourism research and director of the Hainan Tourism Research Institute of Hainan Career Technology College, said that the police team demonstrates the Sanya government's determination to build the city into an international tourist city.

It will help the city further improve tourism while benefiting tourists and setting an example for other tourist destinations, he said.

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Briefly

BEIJING

10,000 companies launched per day

China sees more than 10,000 companies launched every day amid government support for entrepreneurship, a vice-minister said on Saturday. Most are small enterprises. Data was collected from March last year through the end of August this year, when about 6 million companies were registered, said Xin Guobin, vice-minister of Industry and Information Technology.

Fugitive back from Malaysia

A Chinese corruption suspect who fled to Malaysia in 2012 has been repatriated to China, the top anti-graft body said on Sunday. Zhan Zaisheng was on a list released in April of the 100 most-wanted Chinese fugitives abroad. He was captured by Chinese police in Malaysia and was transferred home during the National Day holiday, said the Central Commission for Discipline Inspection.

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Alternate realities

Visitors try virtual-reality headsets at the International 3D Virtual Reality, Industrial Simulation Technology and Products Exhibition in Beijing on Friday. About 50 businesses displayed their newest intelligence products at the event.

CHEN XIAOGEN / FOR CHINA DAILY

WILDLIFE TRAFFICKING

Arrest of China's 'Queen of Ivory' welcomed

By JACK FREIFELDER

in New York
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Wildlife activist groups around the world are applauding the arrest of a Chinese woman by Tanzanian authorities in connection with a notorious ivory-trafficking ring.

A 66-year-old Chinese woman named Yang Fenglan was charged Wednesday in Dar es Salaam, Tanzania, along with a pair of Tanzanian men — Salvius Matambo and Manase Philemon. All face charges of involvement in organized crime.

Yang, known colloquially as the "Queen of Ivory", has been accused of trafficking 706 ivory tusks totaling nearly 2 tons between 2000 and 2014, the World Wildlife Foundation (WWF) said in a release on Oct 8. It's worth \$2.7 million in total.

The case was postponed until Monday, according to an Oct 8

report by the Associated Press.

Andrea Crosta, executive director and co-founder of the Elephant Action League, said this arrest is very important, but it's also important to stress that ivory is not just pulled out of Africa by Chinese consumers and traders.

"It's also actively pushed out by African traffickers, businessmen and corrupted government officials," she said.

Iris Ho, wildlife program manager at the Humane Society International, told China Daily that activists around the globe support the high-profile arrest. She added that the development sends a clear warning that the "days are numbered" for poachers and traffickers.

The illegal ivory trade is a public relations disaster, not only for China but also for Africa, Ho said. "More importantly, combating wildlife trafficking is as much a national interest to the US as it is to China.

President Obama and President Xi's joint pledge to stem the ivory trade underscores that realization."

In September, US President Barack Obama and President Xi Jinping agreed to end commercial ivory sales in both the US and China. The move also was seen as a way to bolster China's promise to crack down on the domestic ivory trade.

Amani Ngusaru, the WWF country director in Tanzania, said "Tanzania's elephants have long been an easy target for poachers and traffickers."

Tanzania's elephant population has dropped from a total of nearly 110,000 in 2009 to slightly more than 43,000 in 2014, according to figures from the Tanzanian government.

Elisabeth McLellan, co-head of the WWF's Wildlife Crime Initiative, said: "The arrest of the 'queen of ivory' will send shockwaves through the organized criminal networks

driving the global poaching crisis. Law enforcement agencies are now targeting the kingpins behind the illegal wildlife trade, not just the foot soldiers."

Hua Chunying, a spokeswoman for China's Ministry of Foreign Affairs, reiterated the Chinese government's stance on fighting the ivory trade.

"We believe that it is the common responsibility of all countries to protect endangered wild species, including elephants, and the international community needs to tackle the problem with concerted efforts," Hua said. "The Chinese government underscores the importance of preserving wildlife, and will earnestly fulfill its international obligation by stepping up legislation and education to clamp down the smuggling of related items."

In January, China destroyed 6.1 metric tons of illegal ivory seized over the years in Guangdong province.

ANTI-GRAFT

CPC expels media exec for 'green card'

By HU YONGQI

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Tang Dongning, former deputy president of Science and Technology Daily

A State newspaper manager has been found to have permanent residence in the United Kingdom along with his family, violating China's regulation that official media management are not allowed to obtain such status in other countries.

Tang Dongning, former deputy president of the Beijing-based newspaper Science and Technology Daily, has been expelled from the Communist Party of China and removed from his post, according to the CPC Central Commission for Discipline Inspection. The paper is affiliated to and administered by the Ministry of Science and Technology.

He was found by discipline officials to illegally have gained permanent residence in the UK. He has also helped his spouse and children obtain residential status.

The CCDI, China's top graft-buster, revealed the case on Friday on its website. The case will be investigated further, the website said.

The statement said Tang had seriously violated Party discipline for not reporting his UK status to his supervisor and the ministry. In addition, he concealed the residential status of his spouse and children even though the newspaper requires its management to report all

information about their families. Moreover, Tang did not get permission to go abroad on several occasions.

The CCDI has sent discipline officials to ministries and departments under the State Council in an anti-graft campaign that has cracked down on a large number of corrupt officials during the past two and a half years.

Tang had an official status and enjoyed treatment similar to government officials. His case was discovered by the discipline authority the CCDI dispatched to the Ministry of Science and Technology.

China doesn't recognize dual citizenship for its residents and the CPC prohibits its members from dual citizenship to show loyalty to the Party and the country. "Maybe Tang is the first one to be found having residential status although many other officials have helped their families get overseas IDs in previous cases," said Xia Xueluan, a visiting professor at Sanya University in Hainan province.

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JUDICIAL SYSTEM

Reforms spark legal brain drain

Judges and officials are stepping down in some of China's largest cities as changes designed to streamline the courts prompt concerns about long hours, low pay and the pressures of work. **Cao Yin** reports.

Jiang Yangbing was a judge at an intermediate people's court in Zhanjiang, Guangdong province, until June last year, when he quit his post because of stressful working conditions and concerns about new guidelines related to independent verdicts.

The 33-year-old lawyer said a number of cases related to administrative procedures or property disputes had left him with the double challenge of trying to quell dissent that could have sparked a mass incident, such as public protests, while also combating interference from the government departments involved.

"I was so worried when the litigants argued or even fought in front of me. It always upset me. I was desperate to escape," he said.

Jiang resigned just a month before the July implementation of a series of pilot programs to reform the judiciary, initiated by the central leadership in 2013.

He is the tip of an iceberg: Since January, 50 judges have voluntarily left the Shanghai judicial system, according to reports in Yangcheng Evening News. The resignations followed the departures of 105 judicial officers, including 86 judges, in the city last year, a rise of 90 percent from 2013.

Mu Ping, president of the Beijing High People's Court, confirmed the talent drain, saying that more than 500 legal officers in the capital have resigned in the past five years.

Some insiders accepted that more judges will resign as the reform process deepens, but insisted that the changes will prove beneficial in the long run.

He Xiaorong, director of the Judicial Reform Office under the Supreme People's Court, China's top court, said the pain caused by the process will be temporary, and urged judicial officials to view the reforms through a long lens.

In September, President Xi Jinping ratified higher salaries for court officials and prosecutors, and also signed off on new administrative procedures to ensure greater independence for judges and legal officers and challenge the widely held misconception that they are little more than low-level civil servants.

Zhang Xiaojin, a judge at the Beijing Intellectual Property Court, said reform always impinges on someone's interests, "but I strongly feel that the aim is to provide us (legal officials) with more protection and benefits. That's why I intend to stay in my post."

"I've witnessed the achievements fostered by the reforms, including the setting up of the IP court last year, which has made the conduct of cases more professional," he said. "I'll carry on, and I hope the reforms will prove positive and successful."

Independent oversight

In 2009, Jiang, who is quitting, was excited to be appointed as a full judge, qualified to oversee disputes independently. The promotion meant he was freed from the constraints of the "judicial panel" system, under which a team of judges who may not have even been present in court presided over verdicts and sentencing.

However, a year later he found himself deeply depressed because of interference by litigants, who often refused to accept his verdicts and lobbied against them, and, occasionally, from governmental departments that pushed for retrials if they were dissatisfied with the outcomes of cases.

"That interference made it hard for me to do my job properly," he said. "Some litigants didn't understand the law and attempted to overturn my verdicts by threatening and harassing me."

"I was concerned that the litigants' extreme behavior could spark a mass incident, but the worst thing was that I didn't know what to do," he said. "I was deeply concerned about my personal security, and I was also being pressured by some government departments that were unhappy with my rulings."

Lin Jinbiao, a judge at the



A judge helps a primary school student to use a gavel at an open day event at the No 1 People's Court in Fengjie county, Chongqing, in May.

RAO GUOJUN / FOR CHINA DAILY



The Supreme People's Court's No 1 circuit court hears the first case in Shenzhen, Guangdong province, on March 2 after it started operations in February. MAO SIQIAN / XINHUA

The changing face of China's legal system

An overview of some of the reforms undertaken since pilot programs were introduced last year:

In November, the Beijing Intellectual Property Court was established. One month later, IP courts were also established in Shanghai and Guangzhou, the capital of Guangdong province.

In late January, two circuit courts were opened under the Supreme People's Court — one in Shenyang, Liaoning province, the other in Shenzhen, Guangdong. Residents of

the regions and areas under the courts' jurisdiction can lodge appeals with them instead of traveling to Beijing, where the country's top court is located. The new courts will also help to spread the workload for top judges.

In March, a pilot program signaled the start of a program to reduce the number of judges serving at Shanghai's courts. The program aims to streamline the judicial process and improve the quality of decisions handed down. The number of judges will be lowered

and some current judges may be reassigned to work as assistants, helping judges with legal research and administration, but will not be allowed to decide verdicts.

Since May, all courts have been obliged to file and process cases without delay. Moreover, under the new case-registration system all appeals that fulfill legal and evidentiary requirements must be accepted immediately, without prior review.

CAO YIN

Guangdong Provincial High People's Court, said that he was pleased to see that measures to eliminate outside interference are among the top priorities of the reform.

The top court now requires every court to collate and record all evidence and legal advice submitted during cases as a means of maintaining impartiality and ensuring independent verdicts.

"It is progress, but outside interference is a stubborn disease in our courts. It will be difficult to cure, but we'll just have to follow developments and see if the new rules are effective. After all, independent assessment of cases is the key to ensuring fair verdicts," Lin said.

More cases, fewer judges

In May, China's courts adopted a new system of accepting appeals. Before the reforms, appeals were assessed by a panel that then either accepted or rejected the case, but now litigants can register their suits without prior review. The result has been an explosion in the number of cases, further increasing the pressures on judges.

Jiang Ying, a chief judge at the Beijing IP court, said the large number of new cases means her working day has been extended, and she often works in her chambers until after midnight. The workload has left her exhausted and concerned about the accuracy of her judgments. "Working overtime adds an element of pot-luck for me," she said.

"Before the reforms, I heard 60 cases a year, but this year I've already ruled on more than 50 disputes. It's an honor to hear cases in the court because it was set up in November to make IP trials more professional, but the number of disputes is beyond expectation. That's making life a struggle for the limited number of judges employed by the court," she said.

The reforms established a quota for top judges to ensure they receive assistance that frees them from administrative and research work, and helps them to produce impartial, well-considered judgments. Some critics have complained that the quota has drastically reduced the number of judges on the bench, while case numbers soar. The IP court in

Beijing has 25 judges, but by Aug 20, it had accepted 6,595 cases.

Zhang Xiaojin, a chief judge at the court, said the seemingly endless number of cases has increased the judges' workloads, resulting in delays and leaving litigants in legal limbo as they await verdicts. "I'm 45. It's hard for me to stay up to work late," she said.

She has been heartened by the creation of a new post — legal assistant — which will see junior lawyers, many of them prospective judges, shouldering some of the burden. They will prepare case notes, conduct research, offer legal advice and draft, but not decide on, verdicts.

"Assistants will improve the efficiency of court hearings because they will handle administrative and related matters, and that will take the pressure off the judges to some extent," Zhang Xiaojin said.

"In the long run, the assistants' work will be invaluable to the court, and it's good for young judicial officials to gain experience before they are given the right to hear cases themselves. The move will help the judges



I'll carry on, and I hope the reforms will prove positive and successful."

Zhang Xiaojin, a judge at the Beijing Intellectual Property Court

conclude disputes more quickly," she said.

"The burdens imposed by the rapid rise in the number of cases will be temporary," she added. "I'd like to see the new mode of working result in more-efficient resolution of cases."

High expectations, low pay

Last year, Zhang Wei resigned his post as a judge in Beijing. He was unhappy with new rules that require judges to accept lifelong responsibility for the verdicts they hand down. The changes — intended to ensure that judges consider cases from every legal angle to avoid miscarriages of justice — have left many of his former colleagues uneasy.

"I have some sympathy with the requirement, but it is far too harsh," he said. "After all, we are only human. Sometimes mistakes occur."

Some judges have expressed concerns about facing retrospective legal action if a verdict is shown to be incorrect, even many years after the decision was made and when the laws and public attitudes may have changed, according to the former judge.

"If we're retired and such a situation arises, will we still be expected to shoulder the blame?" he asked, pointing out that judges' salaries are not commensurate with the pressures they are expected to shoulder.

"I earned less than 5,000 yuan (\$788) a month as a judge. In Beijing, that made it really hard to feed my two sons. Making a living must come first," he said.

He welcomed the news that the central leadership passed proposals in September to raise the salaries of judicial officers, saying the development would encourage people still working in the system. In September, the SPC issued a guideline clarifying judicial officers' responsibilities, and stipulating that judges will be offered protection if they are threatened, slandered or libeled.

The guideline also pledged that judges will face heavy punishments if they are found to have accepted bribes, acted corruptly or handed down intentionally incorrect verdicts.

"Better protection and a more-transparent approach will set the minds of judicial officials at rest," Zhang Wei said.

Contact the writer at caoyin@chinadaily.com.cn

FIRST PERSON

Life was too tough, so I quit

He Wei, 33, a former court official who faced an uphill battle to become a judge, resigned in June.



He Wei now runs his own legal practice

In 2011, along with seven other law graduates, I was excited to start work at the court. I had to pass a civil service exam and then a judicial exam. They are two of the toughest tests in the country and many

people fail them several times.

Newcomers are required to undertake a one-year qualification period and then a further year of training.

Before the judicial reforms, potential judges were required to work as engrossment clerks, who are responsible for recording the details of trials, for more than three years before they were deemed qualified to hear cases. Even then, they still had to be named as a judge by the president of the court.

Under the reforms, that decision will be taken by the local legislature, but it seems that it will be harder to become a judge and will take longer to reach that level.

Now, the position of legal assistant has been created. The assistants will help judges research materials, prepare trials and draft judgments, but they will not have the right to decide verdicts.

I often worked overtime. I spent a lot of time studying complicated cases and even gave advice in court, but I was not a judge and I had no real status.

Even more annoying, seniority was a key factor in the appointment of judges at grassroots courts. Before the reforms, judges could be promoted to chief judge or president as a result of seniority, and that's still the case.

I can understand why the reforms state that the best qualified or most experienced people will be the first to be appointed as judges, but I cannot accept that some people — officials, for example — will get the same employment status because of their long service in the court.

I had no idea how long it would take before I became a judge, even though I was qualified to be one. I had to spend time maintaining links and good relations with the court's leaders and those who were allowed to appoint judges. I was exhausted and my career was foundering.

Before I began at the court, I believed I would simply pronounce verdicts in line with the law, but the reality shook me and led me to an employment cross-road.

I'm sure that the reforms are aimed at solving the problems in China's judicial system, especially by ensuring that the best judges hear cases and by preventing local authorities or government departments from interfering in the process or verdict, but I couldn't wait to see how they would pan out.

The economic pressure and other factors didn't allow me to wait. I was paid about 3,000 yuan (\$472) a month, and that's not enough to get married on.

Life was too tough. That's why I left my dream job.

He Wei spoke with Cao Yin.

Salaries of judges

Average monthly salaries of officials at grassroots courts in Beijing

Engrossment clerk: less than 3,000 yuan (\$472)

Assistant to the judge: 4,000 yuan

Judge: 4,000 yuan - 6,000 yuan

Chief judge and deputy chief judge: 5,000 to 7,000 yuan

President and deputy president: 7,000 to 9,000 yuan

Average monthly salaries of officials at grassroots courts in Guangdong province

Engrossment clerk: less than 3,000 yuan

Assistant to the judge: 3,000 yuan

Judge: 3,500 yuan - 4,000 yuan

Chief judge and deputy chief judge: 4,000 to 4,500 yuan

President and deputy president: about 6,000 yuan

Source: China Daily LIU CHEN / CHINA DAILY

GROUND LEVEL: PEOPLE

Targeting fake goods for profits

An industry built over 20 years focuses on making producers pay for counterfeiting

By XU WEI
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Wang Hai shies away from family gatherings, wears sunglasses as often as possible, and avoids appearing in front of cameras.

The 42-year-old consumer activist is well aware of the risks involved with his trade — purchasing brand name products he knows to be counterfeit then going after the manufacturers to seek financial compensation. He also helps companies pick on their competitors.

“This is all about risk management. The more companies I target, the more risks I am faced with. I need to minimize the risks to me and my family,” he said.

Wang currently has four companies based in Beijing, Tianjin, Nanjing and Shenzhen, all of which specialize in turning a profit through compensation from counterfeit product producers.

His company also buys and tests products, and matches product details with advertisements to find discrepancies.

In 2014, his four companies spent 2.02 million yuan (\$317,800) to purchase 1,444 batches of fake goods, and with that made a profit of more than 4 million yuan.

The fight against counterfeit products “has nothing to do with justice. It is a noble act only because you can make money. The more money you can, the better job you are doing,” he said.

“I like targeting big compa-



Wang Hai often wears sunglasses in an effort to protect his identity and reduce the risks associated with his career of profiting from exposing the producers and sellers of counterfeit goods. TONG YIBO / FOR CHINA DAILY

“The more companies I target, the more risks I am faced with. I need to minimize the risks to me and my family.”

Wang Hai, consumer activist

4 million yuan

The profit Wang Hai's four companies made in 2014 by challenging fake goods.

nies because they can be more deceitful to the consumers, and the harm of their counterfeiting behaviors could be more far-reaching,” Wang said.

A native of Qingdao, Shandong province, Wang started his professional career against counterfeit products in March 1995, when he sought to purchase two headsets at a shopping mall in Beijing before he realized they were counterfeits.

He went on to purchase another 10 headsets, and later tried to get double what he paid from the shopping mall under the consumer rights protection law.

“I am the sort of person who always wants to see things through. The process is filled with challenges, and I enjoy those challenges,” he said.

Wang's profit-driven motives have long been con-

troversial and critics have accused him of choosing targets that provide big revenue potential while deliberately ignoring small counterfeiters.

In 2009, an online post in the Tianya Club forum accused him of blackmailing major industry brands. Wang file a libel lawsuit against the forum in the Beijing Chaoyang court, but the court rejected his claim, ruling the post was removed in a timely manner, the Beijing-based Legal Mirror newspaper reported.

Wang has lost at least a dozen lawsuits over the years, including some filed against industry giants P&G, Coca Cola and China Mobile.

After two decades, he said there has been barely any improvement in the country's consumer rights protection.

“Consumer rights groups still barely make their voices

heard,” he said. “Trade unions representing the interests of companies are drafting laws and regulations that ignore consumer rights.”

Meanwhile, there are few independent agencies that test products and can present objective and impartial test results for consumer goods, he said.

“It is increasingly difficult to get the products tested by third-party agencies. Many agencies are bankrolled by companies and present fake test reports for them,” he said.

Two decades later, Wang is not the only one in the game. There are now hundreds of other companies doing the same, trying to make a profit through the purchase of counterfeit products. But Wang said he has never felt the pressures of competition.

“It is a good thing. They are virtually supervisors of consumer rights for free. They can spur the enterprise to expand their business through innovation, rather than unfair competition,” he said.

China's legislators have stepped up efforts to protect consumer rights, including a newly amended consumer rights protection law and advertisement law.

Wu Jingming, an associate professor of consumer rights law at China University of Political Science and Law, said the establishment of a nongovernmental consumer rights group in China remained a remote possibility.

Wu said there is still much to do legislatively and in law enforcement procedures to crack down on counterfeit products. The gaps in the law have enabled individuals such as Wang to flourish.

“Their actions are protected by the law as long as they are not violating the law,” he said.

Around China

HUBEI Cigarette put in baby's mouth

A baby attracted attention among netizens when a photo showing the 8-month-old holding a cigarette between his lips was posted online. The mother, surnamed Tao, said her son was given the cigarette by his uncle as a joke on Sept 15. The photo was also put online by the uncle. Tao, who was not with her son that day, was angry. Experts on young children say such jokes are misplaced.

WUHAN EVENING NEWS

LIAONING Widow paid in 1 yuan notes

A traffic victim's widow was angered when she received sacks filled with 1 yuan (\$0.16) notes as compensation from a bus company responsible for the accident in which her husband died. Li Sufen, from Shenyang, lost her husband in June and the local court ruled the bus company should pay her 200,000 yuan in compensation. The bus company paid the money in installments, always in 1 yuan notes. Recently, Li received the last 40,000 yuan, which weighed 20 kg and was delivered in two sacks.

HUASHANG MORNING NEWS

JIANGSU Bank 'pays' for slow service

A senior citizen surnamed Sun decided to make things difficult for a bank after he had waited more than 40 minutes for his turn to withdraw money in Shuyang county. Sun, in his 60s, planned to withdraw 25,000 yuan (\$3,900) from the bank last week. But when it was his turn he withdrew

only 100 yuan at a time — 16 times — to “let the bank pay the price for wasting my time”, he was quoted as saying. After Sun made 16 withdrawals of 100 yuan, he withdrew the rest money at one time after he was persuaded by the bank clerk not to continue. When Sun left the bank, he found he had been given an extra 5,000 yuan due to the clerk's carelessness. Sun returned the extra money to the bank.

YANGTZE EVENING NEWS

CHONGQING Wasp stings hurt pocketbook

A man suffered serious injuries after being stung by wasps in a hotel room in Beibei district. An Yongwen, who found a big wasp nest in the window of his hotel room, was stung on his head and arms and had to be sent to a nearby hospital for treatment. An said he had spent more than 3,000 yuan (\$470) on his treatment, but the hotel boss refused to see An or pay his medical bills. Relevant departments and local lawyers said the hotel should bear the responsibility for An's injuries.

CHONGQING MORNING POST

SHANDONG 3 men detained for poaching lizards

Three men have been detained by police for illegal poaching after they caught and sold more than 1,000 geckos. The three farmers, in their 20s, went to Liangshan county to catch the wall lizards in June and were seized by police recently. They told police they did not know the geckos were State-protected animals. The case is under investigation.

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The number of finless porpoises in Yangtze River

Year	Number
2006	1200
2012	500

The number of finless porpoises in Dongting Lake

Year	Number
2006	200
2012	100

WAR ON DRUGS

Thai temple fighting addiction



By **MARION THIBAUT**
in Mae Chan, Thailand
Agence France-Presse

Every morning in Thailand's far north, a convoy of orange-robed Buddhist monks and novices riding on horseback leave their mountaintop temple in the kingdom's notorious Golden Triangle region to collect alms.

At first glance these equestrian ascetics look like a throwback to a forgotten era—but they are in fact part of an innovative drive to help young boys in this drug-ravaged region escape addiction through horses, Thai boxing and meditation.

Once famed for its opium and heroin, now the main substance manufactured and trafficked through the Golden Triangle—and the main source of addiction in the area—is methamphetamine.

"I barely had food to eat because my dad was a drug addict and didn't work," said Ponsakorn Mayer, known by his nickname Tawan, one of the novices who rides along the steep slopes surrounding the monastery every day.

Like many young boys in this mountainous region where rampant drug-trafficking has decimated successive generations, Tawan sought refuge at the "Temple of the Golden Horse".

Now, his days are packed with meditation, horse riding and traditional "muay Thai" boxing.

Perched on a lush, green

mountain in the kingdom's northernmost Chiang Rai province, the temple sits in the heart of the so-called Golden Triangle — an area comprising parts of northern Thailand and neighboring Myanmar and Laos.

The temple's monks have become social workers of a sort in the isolated region where few government services reach.

With a Thai boxing champion to provide instruction and a stable of horses to be cared for and exercised, the monastery aims to stimulate the young boys who come from local families hit by drug addiction, alongside the more mainstream classes provided by the temple.

"Without this temple, I wouldn't have seen how vibrant life can be...my small village is full of drug problems," said 19 year old Tawan.

The majority of novices, who often suffer from malnutrition when they arrive at the temple, are orphans or were abandoned there by their drug-taking parents.

"Hill tribe people have tough lives, it's partly why they often take drugs and struggle to care for their kids," said Pra Sutipong, the principal monk at the temple.

The United Nations Office on Drugs and Crime (UNODC) estimates that each year in this area more than 1.5 billion yaba pills — the Thai name for a tablet containing methamphetamine and caffeine — are manufactured in the vicinity.

This happens mostly in small



From top: Monks riding horses collect alms along the steep slopes surrounding the 'Temple of the Golden Horse' in Mae Chan, in Thailand's northernmost Chiang Rai province; Buddhist novices cultivate vegetables. CHRISTOPHE ARCHAMBAULT / AFP

mobile laboratories in isolated jungle areas in Shanstate in neighboring Myanmar.

Ever-younger customers "Drugs are the big problem in the northern region of Thailand... there are not enough rehab centers," said Apisak Wittayanookulluk, deputy director of Thanayarak rehab centre in Chiang Mai.

"Prevention needs to be developed especially in schools as nowadays users and dealers are getting younger and younger," he said.

Many kids who emerge from the temple's education system, like Tawan, want to take what they have learned back to their communities.

"At first I just wanted to stay here, but there are many

problems in my home," he said, adding he would like to help local children avoid falling into the drug trap.

"There are still not many alternative jobs. Most people sell and traffic drugs," he said.

Tawan says that tending the animals and Thai boxing helped keep the kids happy and engaged, in a way that traditional classroom learning alone might not have.

At the temple, the novices spend much of their time on routine daily tasks: feeding and caring for the animals, especially the horses.

They also study the basics of agriculture and cultivation, and help manage several hectares of cultivated vegetables that feed the residents of the

monastery.

The ultimate goal of the program, temple monks say, is to provide a sense of discipline and help the children see they are responsible for their own lives.

And the local community seems to approve of the results. "The temple helps and supports poor children," said Suk Namsaeng, 39, who lives in a village just a few kilometers from the complex where the monks come every morning to ask for alms.

"Most of the villagers don't know how severe and harmful drugs are. Their parents have been drug addicts, so their children in the next generation think that it is normal," he added.

HEADLINE EVENT

Festival gift for Wagner fans in China

By **CHEN NAN**
chennan@chinadaily.com.cn



Gustav Kuhn, the Austrian conductor

Erl is a small village in the northern part of Tyrol, Austria, which is more renowned for its cows than for double bass. But every summer, opera lovers — especially fans of the German composer Richard Wagner — from all over the world flock to the village for its Tyrol Festival, which is conducted by maestro Gustav Kuhn.

"It's my personal dream to launch my own festival. My credo is to create a production from the music, from the musical idea of the composer, respecting his work and dealing with it to fulfill the composer's wish," says the 70-year-old Austrian conductor, adding that audiences return every year to the distinctive Alpine surroundings of the small village with 1,500 inhabitants, some cows and two festival halls.

The "Wagnerians" in China can savor the festival's essence because Kuhn is in China this month with the whole cast, 280 members in total featuring orchestras, singers and chorus.

From Oct 9-11, they performed at the 18th Beijing Music Festival, in the Chinese capital's premiere of two Wagner operas: the only comic opera piece of the composer, *The Master-Singers of Nuremberg* and a love tragedy, *Tristan and Isolde*. From Oct 16-18, he will stage Wagner's four-opera cycle *The Ring of the Nibelung* in Shanghai.

In 2014, Kuhn and the festival made headlines by giving that entire four-opera cycle within 24 hours, which the conductor says challenged both the orchestra and the audience.

Based on characters from the Norse sagas and the German epic poem, *The Song of the Nibelungs*, the libretto and music were written by Wagner over the course of 26 years, from 1848 onward. During the upcoming performances, the four operas, including *The Rhine Gold* and *The Valkyrie*, will be presented on four consecutive days.

Kuhn adds that this is the only festival in the world presenting Wagner the way the German master had envisioned it — by having the orchestra on stage and the singers acting in front of it.

"For the audiences, the easy way to understand the mysteries of Wagner's incredible works is to listen more," says Kuhn, who staged Wagner's 10 greatest operas at the same festival in 2012.

"He is just a genius. He is a man who had to struggle a lot with his social and political environment, but a real genius. That's it."



Wagner's operatic piece *The Master-Singers of Nuremberg* highlighted the 18th Beijing Music Festival. JIANG DONG / CHINA DAILY

If you go

The Ring of the Nibelung
7:30 pm, Oct 16; 5 pm and 11 pm, Oct 17; 11 am, Oct 18.
Shanghai Symphony Hall, 1380 Middle Fuxing Lu (Road), Shanghai.
400-821-0522

"Every time I conduct Wagner's pieces, I feel like I am having a conversation with him. If I could have a real talk with him, I think I would ask many detailed technique questions about his works," says Kuhn.

"Music is the voice of the composer. I think that Wagner and I share some similarities. For example, we go through similar inner struggles about making music, the tears and the laughter. It takes years to finish a work and because sometimes the idea goes left or right, we always have to stay focused."

Kuhn came to China in 1996 for the first time and he was invited by Chinese conductor Yu Long to conduct Wagner's last opera, *Parsifal*, during the Beijing Music Festival two years ago with the China Philharmonic. He was impressed by the Chinese musicians, noting that music is a bridge that bonds two cultures together.

"Twenty years ago when I was in China, I could never imagine the country would develop so fast and have so many great musicians today," he says. "I think opera will become an important part of a new Chinese culture."

A native of Salzburg, Kuhn began his musical career by studying the violin and piano. He says that he was a born music producer but "people told me that conducting is my best talent".

With teachers such as Hans Swarowsky and Bruno Maderna, Kuhn studied at universities in Salzburg and Vienna, earning degrees in composition and conducting. He was awarded a doctorate in philosophy and psychopathology in 1970.

Besides Wagner, one of Kuhn's biggest obsessions is riding his motorcycle: He bought his first Harley 45 years ago and now owns four of them. "I enjoy the speed and the freedom. The sound of the motorcycle, for me, is as great as Wagner's music."

BREAD BOOM

Bagels are suddenly on a roll as France's latest foodie trend

By **AGENCE FRANCE-PRESSE**
in Paris

The bagel is rolling into the hearts of French foodies who see the New York culinary icon as a healthy alternative to pizza and burgers.

And what could be a more natural showcase for the bread with a whole in the middle than the food truck — itself a Johnny-come-lately to French eating habits?

Arnaud Peyrolles, who owns three food trucks dubbed Le Bagel Qui Roule (The Rolling Bagel), expects his turnover to treble or even quadruple

to 500,000 or 600,000 euros (\$675,000) this year.

"The bagel is really appreciated as a high-quality alternative to street food," he said. "It's healthier and fresher than the burger, for example."

Ilan Wegh of the fast food chain Bagel Bagels, which has two outlets in Paris, recalling the bagel's roots in eastern Europe, said: "It's coming back across the Atlantic."

Wegh also touted the nutritious upside of his bagel sandwiches, noting that women make up the bulk of his clientele — 80 percent — "because the bagel enjoys a 'lite' image."

The head of the French

“The French are big bread-lovers and appreciate the chance to choose their bread.”

Bernard Boutboul, head of the French restaurant industry council Gira

restaurant industry council Gira, Bernard Boutboul, said that five years ago the bagel was "virtually nonexistent".

Some 100 million were sold in 2013, and the figure is expected to rise to as many as 250 million this year, he said.

Four chains currently dominate the French bagel market, led by Bagelstein with around 60 outlets across the country.

Sales are brisk, with Bagelstein's 284 employees baking and serving some 18,000 bagels a day. The company's website says it will add some 40 shops by 2017.

Gira's Boutboul says the freshness and sheer variety

offered by bagels — onion or plain, studded with poppy or sesame seeds, and so on — helps explain the trend.

"The French are big bread lovers and appreciate the chance to choose their bread," he said.

Michael and Carole Benchemoun, who opened a bagel bakery in 2011 called Authentic Bagels, today supply around 150 supermarkets in the Paris region and around 40 restaurants, with a clientele that has doubled in the past year.

"With a fresh bagel, a good product, customers come of their own accord," says Michael Benchemoun.

THEMATIC VACATIONS

TO RUSSIA, WITH LOVE

China's northern neighbor is cashing in on 'red routes' as the Middle Kingdom becomes central to its inbound tourism. Yang Feiyue reports.

Russia is turning red into gold, as its revolutionary-tourism pitch tapping Chinese nostalgia for the former Soviet Union has proven its Midas touch.

In the recent past, Chinese visitors have surged making it the top source of inbound tourism to Russia.

That's following the recent development of "red routes" catering to Chinese, relaxed visa policies and the yuan's surge against the rouble.

Bookings via China's biggest online travel agency, Ctrip, to Russia over the weeklong National Day holiday more than doubled over the same period last year.

More Chinese booked earlier than in previous years, Ctrip's publicity manager Yan Xin says.

Over 200,000 visited Russia in the first six months of this year, the Agence France-Press reports.

About 410,000 arrived in 2014, according to Russia's tourism authority.

Tour groups with more than five members don't need travel visas. Russia is planning to decrease the minimum numbers of people to three, say media reports.

Visitors must merely submit a copy of their passport's first page before departure, Yan says.

Also, more Russian hotels and restaurants are enabling Chinese tourists to use UnionPay — China's only domestic banking-card industry network — and provide such Chinese-language materials as maps and newspapers, Russian media reports say.

Russia's currency has plunged nearly 50 percent against China's compared to its strongest period last year. This makes consumer products at least 30 percent cheaper, according to Ctrip.

Liu Dan went on a shopping spree during her eight-day trip to Russia in July.

The 40-year-old from Hunan province's capital, Changsha, bought beeswax, gold and chocolates in Russia.

"They were really cheap," she says.

Liu's trip was organized by China's national red tourism coordination office and the Hunan tourism bureau.

Russian tourism officials say most Chinese come to visit sites related to revolutionary history, especially in St Petersburg. Other draws include shopping, ballets and natural landscapes.

Over 40,000 Chinese may visit St Petersburg by the year's end, the Russian tourism industry union estimates.

Many Chinese feel particularly sentimental about the Soviet Union this year when the 70th anniversary of victory in the War of Resistance against Japanese Aggression (1937-45) is being celebrated, Yan says.

While such wistfulness has traditionally been ardent among older generations, Chinese visitors are getting younger.

Most Chinese visiting Russia were



Chinese visitors pose for a group photo in Moscow's Red Square. The Chinese have become the No 1 source of inbound tourism to Russia. PHOTOS PROVIDED TO CHINA DAILY



Clockwise from above: Staff members of the tourism department in Lenin's hometown of Ulyanovsk welcome Chinese travelers. Visitors wait in lines to enter the Kremlin in the heart of Moscow. Among the top tourist destinations is Moscow State University.

older than 60 until last year, but travelers in the age group 30-50 have overtaken them as a "major force", Yan says.

Russia hopes to draw 1 million Chinese over the next two years,

Deputy Prime Minister Olga Golodets told media earlier.

One of the best-developed red tourism routes stretches from Moscow to Vladimir Lenin's hometown Ulyanovsk and Kazan,

ending in St Petersburg.

The journey enables Chinese to learn about the Soviet Union while experiencing contemporary Russia, Ulyanovsk's government says.

Lenin's body is preserved in a

mausoleum in Moscow's Red Square, while St Petersburg hosts the Winter Palace, the opulent abode of the czars before the revolution.

Nearly all Ctrip packages include St Petersburg, Yan says.



Revolution and the people's fight for independence, and even the Great Patriotic War are important themes for the Chinese, just as they are for us."

Sergei Lakovsky, tourism department head, Ulyanovsk city

Items Lenin used when he studied in Kazan have been preserved and are worth viewing, says the Russian tourism agency's head, Safonov Oleg Petrovich.

"Revolution and the people's fight for independence, and even the Great Patriotic War (World War II as fought by the Soviets from 1941), are important themes for the Chinese, just as they are for us," the AFP quotes Ulyanovsk's tourism department head, Sergei Lakovsky, as saying.

The China National Tourism Administration and Russia's tourism authority have signed an agreement to jointly promote red tourism for the 2015-17 period.

Liu's tour was part of such an exchange program between the two countries.

Travel agencies on both sides are developing routes, says Hunan tourism bureau's deputy director Wang Chaoxiang.

Russia will design five popular revolutionary itineraries, according to Luo Dihui, deputy director of China's coordination office for red tourism.

The country may also construct leisure zones around Soviet-themed museum clusters.

Classic routes take about a week. Trips from Beijing cost roughly 5,000 yuan (\$790) off-season — from November to April — and are usually just shy of 10,000 yuan in the peak season, Yan says.

Liu says she made the trip because she's fascinated by Soviet history, and other dimensions of Russia also impress her.

She adored the "extravagant" old churches festooned with real gold. Gifts from other countries displayed at the Winter and Summer palaces also intrigued her, and ballet performances delighted her.

She describes St Petersburg's Novodevichy Cemetery as "breath-taking". The abode of the dead in Russia reminded her of life at home.

"It was spectacular to see the tombs of 26,000 historical figures," she says. "Including some Chinese."

Contact the writer at yangfeiyue@chinadaily.com.cn

PASTORAL PLEASURES

Rural tourism gives economic boost to villages

By XINHUA

While most Chinese were relaxing during the recent weeklong National Day holiday, Wang Zaolin was seeing his busiest time of the year.

The peak travel week brings hordes of city dwellers to his hotel to seek pastoral pleasures. The rustic hotel in Hongcun, an ancient village in East China's Anhui province, has 20 beds and can accommodate 100 people.

"Both visitors and revenue have surged nearly 50 percent this year," says Wang, adding that he is seeing the best business since the hotel opened in 2000.

Wang attributes the boom mainly to a nearby high-speed railway line, which started operation in June, and the Internet.

The Hefei-Fuzhou high-speed rail line stretches for about 800 kilometers through southeastern China and has substantially cut travel time in the mountainous region.

Wang began to advertise his hotel on a tourist website earlier this year, and visitor numbers are rapidly increasing. He calls his hotel "a small example of 'Internet Plus' tourism", referring to a government plan to link traditional industries to the Internet to fuel growth.

Wang earned 200,000 yuan (\$31,500) last year, and he is expecting "a better harvest" this year.

In China's southern island province of Hainan, Wang Liqiang, a newcomer to the village hotel business, is also benefiting from blossoming rural tourism.

Wang's village, Beireng, became famous after it was visited by the wives of state leaders during the annual Boao Forum for Asia in March. He sensed a business opportunity and opened a hotel called Nostalgia.

During the National Day holiday, known as the "golden week" for travel in China, Wang served visitors vegetables and fowl that he grows

and raises on the seaside property surrounded by coconut trees and bamboo fences.

Wang and 35 fellow villagers recouped their investment of 1.2 million yuan in May and have begun to turn a profit.

"We are embracing a golden chance to shift from traditional farming to the modern service sector with much higher returns," says Wang.

According to data released by the China National Tourism Administration, China has more than 1.9 million village hotels, where city dwellers can have a taste of rural life, such as feeding livestock, picking pumpkins, or just enjoying the fresh air and the chirping of birds.

Last year, 1.2 billion trips were made to village hotels, accounting for about one-third of China's total tourism. Revenue from the sector surged 15 percent to 320 billion yuan.

"About 70 percent of tourist trips

on the weekends are now made to the countryside around cities," says CNTA director Li Jinzao.

In China, agriculture is becoming increasingly mechanized, requiring less manual labor. Young farmers move to cities to become migrant workers or stay in villages to seek jobs with higher returns.

"Through rural tourism, farmers can reinvigorate their idle agricultural resources. The economic structure in the countryside will also improve," says Li.

International hotel giants, including Hilton, Four Seasons and Banyan Tree, have entered China's rural tourism market to grab a share of the lucrative business.

"Rural tourism has helped to change the backwardness of many remote rural areas," says Li, adding that over 10 million people have emerged from poverty in the last five years thanks to rural tourism.

According to him, at least 50 per-



Road signs for hotels in Tangkou township near the rural areas of scenic Huangshan Mountains in Anhui province. PROVIDED TO CHINA DAILY

cent of China's 128,000 impoverished villages have the potential to develop rural tourism, and the industry will be "one of the government's main approaches for poverty alleviation".

China aims to increase the number of village hotels nationwide to 3 million by 2020, and lift 2 million

people out of poverty every year, according to guidelines released by the central government in August.

"Rural tourism can provide new business opportunities, help preserve beautiful scenery and push forward urbanization," says Dai Bin, head of the China Tourism Academy.

CHEFS ON CALL

Farewell to the drudgery of the industrial kitchen

Mobile app Idachu helps chefs break free of routine by connecting them to families directly

By LIU ZHIHUA

Families are enjoying the treat of having their own chef, and chefs are enjoying the freedom of being their own bosses.

First it was the Internet service that delivered fresh food to your door; then came the taxi app that got you home quickly so you use that food to cook a great dinner for your family; now you can simply forget the first two and have a chef come over and whip up a taste sensation that makes you wonder why this kind of thing was not invented years ago.

Welcome to the world of chefs for hire, something families in big cities all across China are latching on to as an alternative to heading out to packed and noisy restaurants.

Two months ago, a Beijing resident, who wanted to be identified

only as Mr Yan, says he used an app called Idachu (literally love great chefs) to book a chef to cook for his family for the first time, and that has grown into a once-a-week ritual.

"Using such an app to reserve a chef is just as convenient as using Uber to call for a car," Yan says.

"It feels great to have a chef working in your own home because the whole cooking process takes place before your very eyes, and you don't need to worry about kitchen hygiene or food safety issues."

Good restaurants are either too pricey or are too cramped and noisy, but dining at home means a cozy and quiet environment, he says.

Yan, who likes cooking, says it also means he can get a few pointers from an expert.

He is one among many people using such online-offline apps that allow people to hire professional chefs to cook a dinner in their hous-

es or for a party.

Apps such as Idachu, based in Beijing — another well known one is Haochushi, based in Shanghai — are very user-friendly, Yan says. He can choose a chef from listings based on ratings and distance in different cuisine categories.

The location-based service can also assign a chef automatically to fulfill the task, if Yan tells the app the service address, time, numbers of expected courses and other requirements. The cost is reasonable, especially compared with fancy restaurants, Yan says.

Users can buy ingredients themselves or ask chefs to buy them and then reimburse them.

Usually you will pay a chef 69 yuan (\$15.60) to cook a four-course dinner, 99 yuan for a six-course dinner, and 129 yuan for a 12-course dinner. Each additional dish costs 15 yuan.

After submitting an order, users can communicate with chefs directly by e-mail or phone about their preferences or dislikes. There are also set menus, which often are for eight to 12 diners, that cost between



Xue Jiao, one of the founders of Idachu. PROVIDED TO CHINA DAILY

1,600 yuan and 10,000 yuan.

Hou Pengfei, co-founder of Idachu, believed to be the first app in China to provide such a service, says the startup was established in late 2012, and the app went online about a year later.

The app has a total of more than 1,600 chefs in Beijing, Shanghai, Guangzhou and Shenzhen in Guangdong province, and more than 500,000 users, he says.

People can also book Idachu chefs through its website, WeChat or by phone.

"There is huge, unmet market demand," Hou says. "Chefs are also keen to make money through the kinds of apps," Hou says.

Chefs in China are usually poorly paid, even if they work for big restaurants or hotels, he says.

Many of the chefs who make their services available through the app also work in restaurants or hotels, he says, and about 10 percent work full time using the app.

Qin Zhanwen, 28, of Guangdong province, says he has been a full-time chef using Idachu for about a year. He specializes in Cantonese and Sichuan cuisine, and has more than 12 years' kitchen experience, he says.

The app not only gives him income but has opened up a new world for him, he says.

"Working in a hotel, everything

in my career path seemed to be very predictable, and there was no excitement. Working through Idachu has a completely different feel. I'm able to look after various people, including celebrities, and can deal with them directly, so I know what they like and don't like in my cooking."

He gets great satisfaction from customers complimenting him on his cooking and thanking him — a direct human touch that was impossible when he worked in a restaurant kitchen.

However, the thing he values most about his new life is the freedom to manage his own time.

He often needs to use public transport to get to his places of work, which can sometimes be time-consuming and tiring, but he prefers that to staying in a kitchen all day, as he used to.

Hou says the company has yet to make a profit but hopes eventually to do so by selling food ingredients, cooking education and personalized set menus, instead of just being a chef service agency.

HOME-TO-HOME DELIVERY



Qiao Biyun, one of the most popular home chefs on Home Cooked. PROVIDED TO CHINA DAILY

Where the heart and best cooks are

By LIU ZHIHUA

Gone are the days when the only solution if you wanted anything like a replacement for your mother's irreplaceable cooking was a top-class restaurant. These days, thanks to technology, the finest home-cooked meal can be placed on your table, and if you are a half-decent cook you can place the same on someone else's table.

In China, this is being made possible by mobile apps including Mama Weidao (which means mom flavors), Cengfan (cudge a meal) and Home Cooked, whose Chinese name is Huijia Chifan (go and eat at home).

Many of the apps allow people to sell their home-cooked dishes to others, and usually the app proprietors handle the delivery and logistics.

The proprietors of Mama Weidao and Cengfan say 10 million yuan (\$1.57 million) has been invested in each of them, and Home Cooked, the most widely recognized one, has \$10 million invested in it, Chinese media reports say. Home Cooked is now said to have 4,000 kitchens at its service.

On Home Cooked, each kitchen has an introduction page, including the owners' photos and descriptions of food offered and cooking methods.

Customers can browse the home kitchen listings rated by distance from the customer's choice of location and then click on a kitchen for details. The customer can either pick up the meals, have them delivered at extra cost or in some cases eat them at the home of the cook.



Ly, a host in Shanghai. PROVIDED TO CHINA DAILY

Wu Qiong, 28, who works for an international company in Beijing, says that these days she often orders meals from Home Cooked, especially during workdays.

"I've had enough of restaurants near work, and meals from Home Cooked are different."

It is too much hassle to cook at home and take food to work with her, she says, and the mildly flavored and healthy meals she has had from Home Cooked contrast sharply with the greasy fare loaded with sugar and flavoring agents in restaurants.

In addition, because the quantity of dishes that cook-at-home chefs prepare is limited, she believes the ingredients they use are similar to those that would be used in normal family cooking.

"After all, no one uses digouyou (gutter oil) to cook their own meal." Li Sha, 27, of Beijing, who comes

from Hanzhong, Shaanxi province, says the home kitchen apps offer her a wide variety of choice, and she has even found food typical of her hometown through one.

Since moving to Beijing 10 years ago to attend university, she had been unable to find authentic rice noodles common in her hometown, even though there are a few Shaanxi-style restaurants in the capital, she says.

She recently struck gold on Home Cooked, discovering an amateur chef from Hanzhong, and now she is a regular customer.

"It is great to eat authentic hometown food and to be able to talk in my own dialect."

A lot of what is being offered on Home Cooked seems to be reasonably priced, presumably because chefs are not burdened with heavy outlays, such as for rent, she says.

The kitchen owner is a fulltime

housewife who says she sells her dishes not only to make money, but also to get a feeling of being appreciated by people beyond her family.

Qiao Biyun, 56, a Beijing retiree, says she signed up with Home Cooked in April after seeing a promotional leaflet. Before that, she says, she killed time by attending classes on cooking.

Home Cooked has given her group training with other home chefs, and helped her set up her online kitchen, she says, and she is now one of the platform's most sought-after chefs.

For her a typical day starts about 7 am, when she gets up to buy vegetables, meat and sometimes seafood. Then, as orders flood in, she cooks. She cooks lunches only and takes up to 15 orders a day, she says.

"I would be lying if I said I don't care about making money. Of course I do, but for me the main thing is having something to do. I don't want to get tired, but I don't want to be useless to others, either."

Most of the Home Cooked chefs she has got to know are, like her, retirees, she says, and the rest are full-time homemakers or people who want to work part time.

Zhou Tong, operations director of Home Cooked, says home kitchen platforms are yet another example of the sharing economy and of how to use resources that once went to waste.

Home Cooked has regulations and safeguards on food safety, and will not tolerate anyone who seriously breaches them, he says.

COOKING

The strangers I invite to my dinner table

By LIU ZHIHUA in Beijing
liuzhihua@chinadaily.com.cn

When Yu Xin's food lover friend told her about a service through which users can essentially invite themselves to private dinners in other people's homes, the urge to give it a try was overwhelming. The mobile app Huoli offers amateur cooks who fancy themselves as professional chefs an outlet to entertain others, and at the same time the chance to meet people and make a bit of money on the side.

Each chef has an introduction page on the app in which they say something about themselves, their values relating to food and life, the food they specialize in and anything else they think potential diners will want to know, as well as photos and menus of the food they plan to serve.

Generally between four and eight guests will attend the dinners — although sometimes there can be more than 10 — and those who wish to attend make reservations by paying through the app.

Yu, 27, of Beijing has taken part in several such dinner parties since May, and the experience is fabulous, she says.

The choices for different cuisines are abundant on Huoli, and chefs all seem to be engaged in cooking their version of delicacies to satisfy strangers' palates, rather than being in it simply to make money, Yu says.

"I wouldn't say the chefs on Huoli are all better than chefs in expensive restaurants, but they're definitely much better than chefs in run-of-the-mill eateries. The ingredients are all high quality and fresh, and you can sense their passion for cooking and sharing good food with others. Making money is not the main thing."

For Yu, these dinner parties go far beyond enjoying food that is delicious and healthy; they also present the chance of meeting interesting people. Diners who come to the dinners are strangers to one another beforehand, but often end up being firm friends.

Yu says that because her job with an Internet company keeps her so busy, her circle of friends is small, but in attending these dinners she has extended that.

Most of the diners are gastronomes who have a zest for life, irrespective of their age, so they often have similar values and get on well with one another, she says.

Sometimes before a dinner the host will invite diners into a WeChat group where they can introduce themselves, giving everyone a glimpse of the kind of people they will meet at the dinner. Some of the dinners or afternoon teas on Huoli have a certain theme, which naturally attract people who have common interests, Yu says.

Some get-togethers include wine matching, food made with organic

ingredients, vegetarian food, or varieties of cheese, meats or seafood. In some gatherings the ingredients will go well beyond food, including, for example, fortunetelling and relationship counseling.

Guang Ming, chief executive of Huoli, says the app, which went public about six months ago, now has nearly 50,000 active users, and more than 1,500 hosts.

Most big cities and popular tourist destinations, such as Xiamen in Fujian and Chengdu in Sichuan, are among the locations where the app is most used because its target users include travellers, he says.

Huoli is one of many private kitchen Internet platforms that have sprung up in China in the wake of social dining that began to catch on in the West several years ago.

The most well-known include Woyoufan and eatwithchina, and the startup companies that put these out are often said to be part of what has come to be called the sharing economy or collaborative consumption.

Guang says the sharing economy is reshaping China's food scene by liberating people who truly enjoy cooking to prepare food in their spare time for those who are looking for an experience different to that of restaurant dining, and to make money as well.

He is confident that more and more people will use such sharing-economy-based private kitchen apps, either as hosts or diners.

A Shanghai host, who wanted to be identified only as Ly, says she regards herself as a food addict and that Huoli has broadened her outlook on life.

Now a freelance artist in Shanghai, the 36-year-old has a knack of cooking that is rooted in her worldwide travels. Since she was six, she says, she has been to 36 countries and regions. Ly says she can tell how to cook a dish once she tastes it, and the numerous dishes she has eaten on her travels are the source of her inspiration, allowing her to create new ones.

Her most recent creation is sushi that uses noodles, instead of rice, which she says looks good and has a distinctive taste.

About four years ago she started catering for friends and charging 500 yuan (\$79) to 1,500 yuan a person. The ingredients are obtained mostly from her family's organic farm. She enjoys bringing joy to diners and being appreciated, she says.

On Huoli she charges 350 yuan a person for a dinner for six, and is amazed at the diversity of the diners, she says. They are from all walks of life but share a passion for food. She likes conversing with them, as if offers her a glimpse into worlds that are different from hers.

"It feels like a journey, and you never know who you are going to meet next."



Celebrating Xinjiang

1955 - 2015

Marking the 60th anniversary of the autonomous region's founding

When amateur boxer Kurbanjan Samat bought his first camera, he never expected that he would one day use photos to fight the stigma surrounding people from his native Xinjiang, his fellow Uyghurs in particular.

"You're thought of first and foremost as a barbecue operator, nut cake vendor, thief or terrorist if you're from Xinjiang," the 33-year-old photographer and documentary filmmaker says, referring to perceptions of people from this restive northwest corner of China.

Following a number of terrorist atrocities in Xinjiang and some perpetrated by Xinjiangers elsewhere, people like Kurbanjan are trying to address these stereotypes.

"If you don't stand up to fight the labels, they may stick to you sooner or later. What happened to Henan 10 years ago (when the province came to be thought of as the center of Chinese counterfeiting) is now happening to Xinjiangers," he says. "Applying labels to whole groups of people reinforces irrational behavior."

We meet Kurbanjan, dressed like a typical young stylish Chinese man in a fitted black shirt, cream rayon pants and black sneakers, as he is giving interviews about his photo essay, *I Am from Xinjiang*, which tells the stories of 100 Xinjiangers of various ethnicities and professions across China.

Its Chinese and English versions have been well received, and Arabic, Turkish, and Japanese translations are on the way.

Kurbanjan is now raising money to turn the work into a documentary film.

Explaining his motivation for the project, he points to an online comment by a child from Henan who wrote that he has never been to Xinjiang but supports what Kurbanjan is doing because he knows what it is like to combat stereotypes — in his case, that the people of Henan are liars.

"People are often biased and have a tendency to label a certain group after a certain incident," he says. "The stories I told have nothing to do with ethnicity, religion and region. We are the same."

Critics have said that besides Kurbanjan's images what impressed them were the stories behind the pictures. While each image is accompanied by a biography of the subject, Kurbanjan's backstory is no less interesting.

He was born in Hotan prefecture, the source of a type of jade known for its soft and warm characteristics.

However, Kurbanjan's character is just the opposite.

Even from a young age, he would stand up for his principles, often with violence. He believed then that fists could conquer all.

Kurbanjan started learning to box at 16. "I trained for four months and beat up a guy who had slapped me in front of some girls," he says laughing.

Love at first buy

His love of photography began in 1999, "accidentally".

Planning to spend his savings of 3,000 yuan (\$484) on a guitar to charm the girls at school, he was instead captivated by a camera shop's display on his way to the guitar store.

Kurbanjan went in and bought his first SLR.

He has been obsessed with taking pictures of beautiful landscapes and the diverse cultures in Xinjiang ever since.

In 2006, he came to Beijing, in search of a job and a better life.

Here he met his wife, a Beijing-born Uyghur, held a number of award-winning photo exhibitions and participated in the shooting of documentary films, but he was troubled by one thing — people's lack of understanding of Xinjiangers.

When he first arrived in Beijing, the quick-tempered Kurbanjan preferred to use his fists when he heard anyone speaking ill of people.

But he was shocked by the rioting in the regional capital Urumqi on July 5, 2009.

"I came to realize that fists cannot solve all problems," Kurbanjan says.

Several months after the July 5 incident, as mistrust of Xinjiangers grew, his landlord kicked him out of his rented apartment in Beijing. Standing in the street, he was angry but helpless.

He had no place to go, no friend to turn to for the night.

He bought his first pack of cigarettes and puffed away through the depressing night.

"Why can't people understand that a few bad apples cannot represent all Uyghurs, and Uyghurs cannot represent all of Xinjiang?" he asks.

Xinjiang, which just celebrated the 60th anniversary of its founding as an autonomous region on Oct 1, is home to various ethnic groups including Uyghurs,



Photographer and documentary filmmaker Kurbanjan Samat. WEN CHIHUA / FOR CHINA DAILY

FIGHTING STEREOTYPES WITH A CAMERA

As Xinjiang marks the 60th anniversary of its founding as an autonomous region this month, one Uyghur is using photography to paint a different picture of the place, report **Cheng Lu** and **Wen Chihua** from China Features



Kurbanjan Samat believes pictures and real stories are the most eloquent way to talk about Xinjiangers. The pictures above are some of the Xinjiangers he has taken photos of, and they are active in all walks of life across the nation. PHOTOS PROVIDED TO CHINA DAILY

Kazaks, Mongols and Tajik, though 40 percent of its population is Han.

Kurbanjan then decided to do something using his lens.

"Pictures and real stories are the most eloquent way to talk about Xinjiangers," he says.

The terrorist attack at Kunming Railway Station in March 2014 boosted his resolve. He traveled to 20 cities to photograph and interview about 500 Xinjiangers including doctors, celebrities, street vendors and thieves.

In one of the more striking stories in the photo essay, a Uyghur thief told Kurbanjan how, aged nine, he was sold by his father to a modern-day Chinese Fagin in the southern city of Guangzhou. His owner beat him on one occasion after he took pity on a female victim and gave her back the money he had stolen from her.

"I tried to make my photo essay objective, covering different types of people from Xinjiang and their stories," Kurbanjan says. "We are all Chinese no matter where we are from — Xinjiang, Beijing or Guangdong."

Kurbanjan's name means "sacrifice". It was chosen as he was born during Islamic festival called the Feast of Sacrifice.

He needs plenty of this spirit to face up to the bias that he encounters.

Misconceptions

He finds misconceptions about Xinjiang and China exist abroad too. Last year, he visited the Indonesian island of Bali. An immigration officer at the airport questioned his Chinese identity due to his Uyghur appearance.

"The officer thought I was either from Turkey, India, Iran or Mexico, but not from China," Kurbanjan says. "I cannot speak English. The officer tried to speak Chinese, but it was very bad and I couldn't understand him. He took this as evidence that I was not Chinese."

Fortunately, a Chinese tourist behind Kurbanjan in the line intervened.

"He told the officer that China has 56 ethnic groups with diverse cultures. No single group alone can represent China." It is these kinds of misunderstandings



People are often biased and have a tendency to label a certain group after a certain incident. The stories I told have nothing to do with ethnicity, religion and region. We are the same."

Kurbanjan Samat, photographer and amateur boxer

abroad that have encouraged Kurbanjan to accept invitations from overseas Chinese students and academics to do a lecture tour at US universities.

He plans to speak on "Promoting exchange with love: I am from Xinjiang." "Love" was the first Chinese character he learnt to write at school.

Love and its usefulness in countering xenophobia stands in contrast to other things Kurbanjan remembers learning about Xinjiang at school. He believes that the Chinese education system puts too much emphasis on the differences between ethnic groups.

One textbook used by Kurbanjan as a youngster depicted Han people as wearing white towels tied around their heads and a with drum hanging from their waists, and Uyghurs as dancers with flowery hats.

Kurbanjan says he has never seen any of his Han friends don a white towel. His Uyghur friend Perhat Halik, a Chinese celebrity who won second place in the reality show *Voice of China* 2014, is not good at dancing.

Kurbanjan is no a paragon of virtue. He has how own prejudices.

He seems to have a romanticized view of Uyghur thieves, claiming they have "professional ethics" and those plying their illicit trade outside of Xinjiang won't steal from other Uyghurs.

He talks in a roundabout way when asked why he thinks he has found success despite many professionals having shot photos and films about Xinjiang.

Some would say his ethnic identity makes him stand out, but Kurbanjan says: "I don't represent any group or region. I represent myself."

"When I take pictures and shoot films, I'm trying to make myself better and understand the real nature of human beings," he said.

COMMENT

EDITORIAL • OPINION

中国日报
China Daily USA
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EDITORIALS

Japan should respect UNESCO's decision

Among 47 new inscriptions, UNESCO added documents of the Nanjing Massacre to the Memory of the World Register on Friday. International recognition of the documentary heritage that testifies to the atrocities committed in the city is an important part of international efforts to preserve the collective memory of mankind and promote peace and justice.

Given the repeated denials and whitewashing of their country's past by Japanese nationalists, UNESCO's inclusion of the materials as part of the world's memory is an authoritative international refusal to condone the lies of Japanese far-rightists. From now on, any denial of the massacre is futile.

As a country that has yet to sincerely own up to its history of aggression in World War II, Japan tried to block the UNESCO move. Japan's foreign ministry said it was "extremely regrettable" and questioned the world body's neutrality and fairness, and even called for the process to be reformed.

Such comments are based on neither fact nor reason, as both the iron-clad historical facts about the massacre and UNESCO's process of nomination and inscription are beyond question.

The Japanese far-rightists can try and deny the facts all they want, but now the rest of the world has a clearer picture of what really happened in the Chinese capital at that time, when the invading Japanese army killed 300,000 civilians and unarmed combatants over the course of six weeks.

The event, often referred to as the "Rape of Nanjing", was reported worldwide, witnessed by journalists from Western media including the New York Times, the Associated Press and the Chicago Daily News. No respected historians and mainstream academics in the world doubt that the massacre took place.

As to the UNESCO decision, it was made following a two-year process as part of the 2014-2015 nomination cycle during which 88 submissions from 61 countries were examined. The Japanese accusation is a desperate attempt to discredit its decision.

If Japan still deems itself as a responsible member of UNESCO, it should respect the world body's decision and use it as a mirror to correct its own perception of history.

Japan's unwarranted accusations also evidence its intention to impose its own flawed values of justice and twisted perception of history on others.

Including the documentary heritage submitted by China in the world's memory will play a positive role in cherishing peace and safeguarding human dignity.

A warning to scenic spots

The cancellation of the 5A-rated accreditation for Shanhaiguan Pass, a scenic spot in Qinhuangdao, Hebei province, while indicating the authorities' resolve to promote standardized management of tourist attractions, also serves as an explicit warning that such a qualification is not a once-and-for-all honor.

The National Tourism Administration made such a decision after an inspection team found that the Shanhaiguan Pass scenic spot has a series of problems including price frauds, bad sanitation, poor facility maintenance and degraded services as a result of understaffing.

This is the first time that a 5A-rating scenic spot has been deprived of such a title since the appraisal standards were adopted for the grading of tourist attractions nationwide in 1999.

Another six popular 5A tourist attractions, including the well-known Lijiang ancient town, in Yunnan province, have also been given a warning and urged to rectify their failings.

To acquire the top honor, which helps attract tourists, it is common for scenic sites to focus on the building of hardware facilities, but then ignore the necessary after-appraisal upkeep of their facilities, management and services. This is why the authorities often receive complaints from tourists about poor services and malpractices from 5A-rated scenic attractions.

The removal of the top rating for Shanhaiguan Pass scenic spot should sound an alarm bell to its counterparts that continuous attention to ensure good-quality facilities and services is essential if they are to keep the coveted honor.

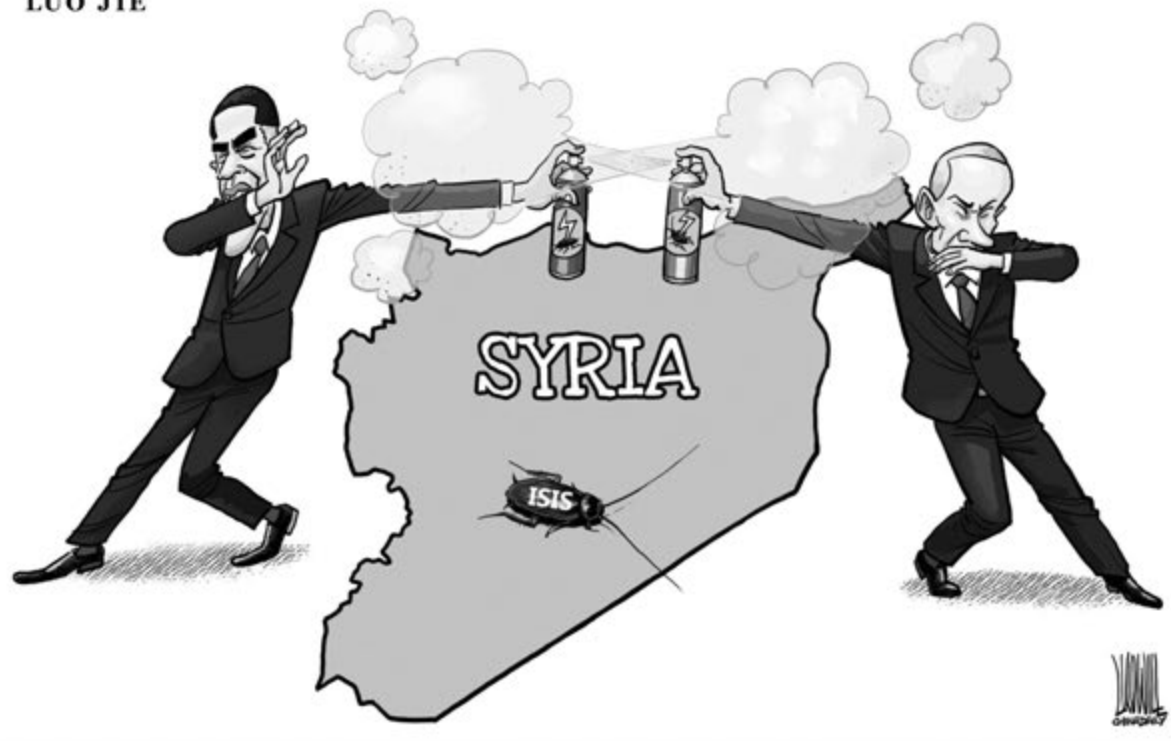
Creating a good tourist environment is indispensable at a time when an increasing number of people are choosing travel as part of their lifestyle and when the country is making unremitting efforts to build a consumption-led economy.

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LUO JIE



OPINION LINE

Regulating of car-hailing services needs to be done in the right way

CHINA'S MINISTRY OF TRANSPORT on Saturday disclosed its draft regulations on car-hailing services. According to the draft rules, the companies, such as Didi Kuaidi and Uber, will hold the major responsibility for any disputes or accidents during operation. Vehicles for non-commercial use will be banned from offering such services. *Comments:*

In fact, by regulating the standard of vehicles hailed online and their drivers, the draft regulations are primarily concerned with passengers' safety. Basically, the draft recognizes the positive role of Internet-based car-hailing to provide high-end services, and is poised to make it a legal business. But the service providers' responsibilities have to be made clear in terms of disputes and accidents.

Wang Limei, secretary-general of the China Road Transport Association, *Caixin.com*, Oct 10

Given the embedded conservative managerial mentality, the Ministry of Transport's new draft is likely to cause a regression in the emerging "Internet Plus" initiative, instead of regulating the online taxi-hailing services. Up to a point, it aims to place the non-traditional taxis under traditional management, and force their operators to apply for local administrative licensing, when no relevant laws and administrative regulations are available.

Zhu Wei, an associate professor in communications law at the China University of Political Science and Law, *Hexun.com* Oct 10

Taking the third-party information platforms, which do not directly provide the taxi-booking services as traditional operators, the Ministry of Transport's newly released draft not only ignores some basic facts, it also goes against the prevailing division of labor in the industry. The draft is hardly in line with the demand for streamlined and decentralized administration should it require all car-hailing service providers to apply for local licensing in every city in which they operate.

Fu Weigang, a researcher with the Shanghai Institute of Finance and Law, *Sina.com*, Oct 10

The new draft regulations on car-hailing services deserve no praise, because they fail to meet the increasing demand for a shared economy, which can significantly reduce social costs by breaking the boundaries between private and public resources. The transportation authorities should innovate their management to cooperate with the car-hailing service providers.

Wang Junzhi, a researcher at the China Information Economics Society, *Caixin.com*, Oct 10

Stealing of poverty alleviation aid is a crime

MORE THAN 3,000 WELL-OFF RESIDENTS in impoverished Mashan county, in South China's Guangxi Zhuang autonomous region, were "mistakenly" qualified for the local poverty alleviation fund, said the National Audit Office on Oct 8. *Comments:*

As a part of public finances, the poverty alleviation fund is not only a lifesaver for those in abject poverty, but also a boost to rural development and the integration between urban and less developed areas. It is therefore an unshirkable responsibility for governments at all levels to assign the money to people in need, which has a lot to do with the social justice, efficient governance, and the governments' credibility.

Beijing News, Oct 10

To prevent a similar farce from happening again requires the well-targeted allocation of the local poverty alleviation fund and stricter supervision, which is why all the departments concerned should double-check the recipients' qualifications and punish those who violate the rules in an efficient manner. Also, projects affecting people's well-being should be more transparent to fulfill the public's right to know and supervise.

gmo.cn, Oct 10

For people with even just a rudimentary understanding of how governments work, it is not too difficult to come to the realization that the scandal in Mashan involves more than one department and official. It is no doubt a severe dereliction of duty and a collective crime.

rednet.cn, Oct 10

The poverty alleviation corruption in Mashan should serve as a wake-up call for all that targeted support to the poor is far from secure, which explains why the old tricks like cheating on the number of people living in poverty and the misappropriation of national resources keep happening. Even targeted poverty alleviation can be a hotbed of corruption without strict supervision. On the one hand, all involved officials have to be held accountable, and on the other, it calls for more efforts to make sure the country's poverty-relief aid is put in deserving hands.

Southern Metropolis Daily, Oct 10

Exorbitant wedding by stars is not a good example

ACTOR HUANG XIAOMING and actress Angelababy (Yang Ying) became an Internet sensation this week, when they held a grand and exorbitant wedding, reportedly costing nearly 200 million yuan (\$31 million), at the Shanghai Exhibition Center, with at least 100 Chinese celebrities attending. *Comments:*

As public figures, actors and other entertainers have notable impact on society, especially their die-hard fans who blindly follow them and see them as role models. There are no specific regulations over their social responsibilities, which is basically related to morals, but showbiz stars are closely watched and their every little move put under a microscope. That being said, they are obligated to act as role models for the public and promote the correct values, given their extensive social influence.

People's Daily, Oct 11

A country is only able to enjoy a better future when its civil society has abundant positive energy, and social organizations and influential individuals should shoulder their due responsibility in creating this. Although the extravagant weddings of celebrities are not a legal concern, they are under public scrutiny and extravagance may give rise to people obsessing about having such a luxury lifestyle. It is highly doubtful that some of Huang's fans are crazy about his wedding, which is not supposed to be a gimmick-like reality show and a display of commercial sponsors.

cnhubei.com, Oct 10

Huang and his wife are not the first couple to use their wedding for commercial promotions, and more celebrities will follow their example. Of course, we cannot judge the newlyweds' feelings about one another by all the hype, which the public, including their fans, should not take too seriously.

Yanzhao Metropolis Daily, Oct 10

HOT WORDS

Ballast for growth

增长压舱石 (zēngzhǎng yācāngshí)

Entering the last quarter of 2015, China is facing great pressure from the global economic downturn and striving to achieve its growth target of 7 percent for this year.

Investment is the ballast for economic growth, thus the key to stabilizing economic growth is stabilizing investment. In the first eight months of this year, the growth rate of fix-asset investment grew by 10.9 percent, a decrease of 0.5 percentage points over the first half of the year, and the central government has taken a series of measures to promote investment.

From Sept 7 to Sept 15, the National Development and Reform Commission, the coun-

try's top economic planner, approved 19 projects, including infrastructure projects such as highways and urban rail transits.

On Sept 14, the commission introduced 10 new measures including establishing a special construction fund to expand investment through precise control. It is expected that these policies will be conducive to expanding the investment needed for the expected growth rate and thus be the ballast for next stage of development.



The license given to the Shanghai online tax-hailing service is the first-ever of its kind. It will be a milestone for the development of urban transport and the Internet."

Cheng Wei, CEO of Didi Kuaidi, a pioneer online car-hailing firm.

The opinions expressed on this page do not necessarily reflect those of China Daily USA.

LOUIS KUIJS

China at the end of the 12th Five-Year Plan

Moving to the end of a difficult year for China's economy and the end of China's 12th Five-Year Plan (2011-15), three questions are on many people's minds: What is the outlook for economic growth, what has been the performance in terms of the objectives of the 12th Five-Year Plan and what does this mean for economic policy?

China's stock market volatility and the August exchange rate move scared financial markets globally. However, changes in the dynamics in the real economy in recent months have been less drastic than the financial turbulence suggests.

Nonetheless, downward pressures on growth persist as the real estate downturn continues to weigh on China's economy. Housing sales have recovered. But, amid still high inventories of unsold housing, housing construction remains in the doldrums.

The impact of the real estate downturn is particularly severe in mining and heavy industry, where



Review of 5-year plan 2011-2015

it has exposed major excess capacity and weak sales growth, falling output prices and the financial strain on highly indebted companies.

Fortunately there is another side to China's economy. Robust consumption growth is an important cushion, supported by still solid wage growth. The labor market is not immune to the slowdown but the labor demand-supply situation remains favorable to employees.

The current pattern of growth has ramifications for the rest of the world, since the weakness in real estate and corporate investment has depressed imports while the strength of consumption does not support imports much, as most of the domestic consumption is produced in China.

There has been a lot of scrutiny of China's data lately. Often the criticism is ill-informed and

unconvincing. However, the Oxford Economics bottom up indicator on growth in industry suggests that overall GDP growth in the first half of 2015 could possibly have been overestimated by 1 percentage point. Fortunately this does not really change the picture on growth as much as some observers have concluded.

Looking ahead, the growth outlook remains subdued, with growth likely to soften further in 2016. Thus, further macroeconomic easing is likely to follow, although we do not expect major stimulus plans. Measures are likely to continue to be focused on supporting domestic demand, while the role of fiscal policy expansion should grow.

China's five-year plans are very broad. However, the 12th had two main objectives: First, rebalancing the pattern of growth towards more consumption and services, away from the traditional emphasis on investment and industry, and second, upgrading the industrial structure.

From 2010 to 2015, China has

already seen significant rebalancing of its economic structure, with a rise in the share of services from 44.2 percent of GDP in 2010 to 48.2 percent in 2014.

However, there is a catch. A major proportion of this shift has been because of heavy declines in output prices in industry, which are at least in part due to major excess capacity in heavy industry.

The price falls have made it increasingly unattractive to invest in industry. However, too many firms in heavy industry have ignored these price signals and have continued to expand capacity, often with local government involvement and support from banks. As noted, the overcapacity, price pressure and weakened profitability have become major problems, not just for these firms themselves but also for the sectors overall and the financial system.

This points to the need to speed up reforms to improve the responsiveness of companies and the financial system to price signals. Specifically, reforms are needed to harden budget con-

straints, improve the allocation of capital and increase the role of markets and the interest rate in the financial system, reform the governance of SOEs and level the playing field between them and other companies, raise SOE dividends, and reform the fiscal system. Also, local governments should be incentivized to stop supporting unviable loss-making local industries.

Meanwhile, there has been a promising increase in the share of consumption in GDP, although the share of investment has not come down much, which poses challenges as China's trend growth is decelerating.

More progress with raising the share of consumption in GDP calls for making more headway with reforms, particularly the ones noted above, but also reform of the rural land arrangements and the fiscal system, to support improvement in the quality of urbanization.

The author is head of Asia economics at Oxford Economics

TPP a key component of Japan's deepening alliance with the US



CAI HONG

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When US Commodore Matthew Perry steamed into Japan's Edo (now Tokyo) Bay with his "black ships of evil mien" on July 8, 1853, he forced open Japan, which the Tokugawa shoguns had run for 250 years as a reclusive feudal state.

The country is opening up again 162 years later, this time to another 11 countries, with an agreement reached on the Trans-Pacific Partnership free trade initiative.

For some of the countries, though, the TPP is more than just a trade deal. The United States and Japan have made no secret of its geopolitical implications for competing with, if not confronting, China.

Shortly after the broad agreement on the TPP was reached, the White House declared that the US does not want competitors, such as China, who don't share its values, to write the rules of the global economy.

The US wants to ensure that Washington, not Beijing, has the leadership in the development of trade rules governing the Asia-Pacific region.

The US wants to ensure that Washington, not Beijing, has the leadership in the development of trade rules governing the Asia-Pacific.

Japanese minister of economic revitalization Akira Amari, who took charge of the country's TPP negotiations emphasized the significance of the trade deal to keep the US pegged to East Asia so that its continued presence will prevent China's military buildup from destabilizing the region.

Participants in the TPP talks account for a combined 40 percent of the world's gross domestic product. Joining a free trade regime of such a scale would be significant for Japan. Japan's government estimates the economy will expand by 0.66 percent as a result of the elimination of tariffs. When non-tariff deregulation is included, the economic benefits would be larger, probably to the tune of 2 percent of GDP.

This requires a long-overdue opening and restructuring of Japan's protected but lackluster economy.

To stoke its economic growth and promote the interests of domestic consumers, Japan needs to liberalize trade and investment to capitalize on the economic vigor of other nations, especially those in the fast-growing Asian region.

For Abe, the TPP provides a geopolitical counterweight to a rising China. The Abe administration, which plays up China's growing threat in East Asia, views the TPP as a key component of deepening Japan's alliance with the US alongside closer bilateral security ties.

It is obvious that the pact is an alliance in which some nations build to isolate two Asian powers — China and Russia.

Japan's Diet or parliament has approved the new security-related bills giving the cabinet the authority to send troops overseas despite Article 9 of the country's pacifist Constitution banning the settlement of international conflicts by force.

On top of economic interests, the Abe administration has pursued the TPP deal with an eye on aligning Japan's position with the US strategy vis-a-vis China.

The American nuclear-powered aircraft carrier *USS Ronald Reagan* docked at its new home in Japan's Yokosuka naval port on Oct 1 just as Tokyo is seeking to deepen defense ties with the US under new security laws. With a crew of 5,000 and up to 90 aircraft on board, the largest vessel in the US Navy replaced the *USS George Washington*, which was the first US nuclear-powered warship based in Japan. The US Navy plans to deploy 60 percent of its 300 vessels in the Pacific by 2020.

The TPP, the US economic pivot to Asia, will be a shot in the arm for Japan. The country, however, will cause tension in the region if it overplays its hand geopolitically.

MEI XINYU

TPP no better than 'imperial preference'

The US and 11 other countries in the Pacific Rim reached a basic agreement on the Trans-Pacific Partnership on Oct 5.

The motive of some decision-makers involved in the TPP is to seek political gains by writing new global trade rules. Since US President Barack Obama might become one of the US presidents with least political legacy, no wonder he is in urgent need of political achievements.

Moreover, the latest poll in Canada shows that as the Oct 19 election approaches, the ratings for the Conservatives, the New Democratic Party and the Liberal Party are all close. Given the increasing pressure Prime Minister Stephen Harper and his Conservative government have faced over the past nine years, it is no wonder it hopes to reach a basic agreement on the TPP before the election to bolster its support.

There is no chance of the TPP isolating China from international trade and blocking its economy as some have stated. Not only because there will be long legislative procedures in the countries concerned to ratify the agreement, but also because there is a long interim period before the zero tariff in the agreement comes into effect.

As China has become the world's largest manufacturing country and the only country pos-

sessing all industrial sectors categorized by the United Nations, the size of the 11 countries involved in the TPP, excluding the US, determines they cannot drain China's industrial chain. Also, China rather than the US is the biggest trade partner of most of the TPP member countries.

Apart from integrating the domestic market and launching the Belt and Road Initiative, China has also initiated and deepened negotiations on regional free trade. These include the China-ASEAN Free Trade Area, the China-South Korea Free Trade Area, the Regional Comprehensive Economic Partnership and the Free Trade Area of the Asia-Pacific. It has also established domestic free-trade zones in Shanghai and Tianjin, and Guangdong and Fujian provinces. For the aforementioned reasons, it is the mainstream proposition of the Chinese government to adopt an open attitude and respect the co-existence of the TPP and other regional free trade arrangements under WTO rules.



LI FENG / CHINA DAILY

One thing that should be noted is whether the TPP is a new form of "imperial preference", which was established by the United Kingdom in the 1930s when it lost its ambition to maintain global free trade and resorted to regional economic integration and preferential trading arrangements within the Commonwealth. Although this eventually failed.

Be it launching the negotiations on the TPP, or reaching agreement on the Transatlantic Trade and Investment Partnership with Europe, all the US' moves have the intention of maintaining its hegemony in international trade rule making while excluding China. But while they are attacks in tactics they are contractions in strategy from a long-term strate-

gic perspective, considering the circumstances in initiating them has been the global economic downturn that originated from US subprime crisis, which weakened both its soft and hard power. Other countries, including China, that have been less affected and experienced a relative rise on the international stage. These countries are mostly located in Asia. They are viewed as "alien" to the US in terms of political systems, cultural traditions and ethnic composition.

Because of this, the TPP is to a considerable extent similar to the "Imperial Preference" established by the UK.

However, the TPP, if it doesn't violate the current WTO rules, will only have slight impact on China if any, and China will certainly hold an open attitude to it. If it is designed with the purpose of edging China out, it will end up no better than the "imperial preference".

The author is a researcher at the Ministry of Commerce's International Trade and Economic Cooperation Institute.

XIN ZHIMING

Tu's Nobel not an achievement of the TCM

Chinese scientist Tu Youyou, together with Irish-born William Campbell and Japan's Satoshi Omura, won the 2015 Nobel Prize for physiology or medicine. While it marks the international recognition of the country's scientific accomplishments, some people have wrongfully attributed Tu's feat to Traditional Chinese Medicine.

Admittedly, Tu won the prize mainly for her success in obtaining the pure substance of *qinghaosu*, later known as artemisinin (now a standard drug for malaria) from sweet wormwood, a traditional Chinese herbal medicine. But since its extraction method is poles apart from the typical TCM methodology of mixing various herbs, it can hardly be seen as an achievement of TCM.

In other words, TCM practitioners may still use dried sweet wormwood to treat malaria patients today, but few of them

would consider using artemisinin.

However, TCM methodology certainly contributed to Tu's findings. Tu said she drew inspiration from the fourth-century Chinese pharmacist Ge Hong, who suggested in a book that drinking the juice obtained from sweet wormwood soaked in water can treat malaria.

"It occurred to me that high temperatures could have destroyed the (anti-malaria) activity," Tu told the Associated Press.

Before Tu, researchers had tried to extract something from the same herb to treat malaria, but failed since they had done that at high temperatures. Tu switched to using ether at lower temperatures and succeeded in extracting artemisinin.

Despite this, extracting artemisinin is purely modern pharmaceutical method and the product is no different from other chemical medicines in terms of production methodology.

Some people may have attempted to promote the role of TCM by attributing Tu's findings to it and portraying her winning of the Nobel Prize as a sign of its international recognition. While it is understandable, such a stance will only backfire and do harm to the healthy growth of TCM.

TCM is starkly different from modern medicine in terms of both analytical methodology and medicines used for treatment. Primarily, it aims to restore the inner physical balance of a patient instead of killing any specific viruses or illnesses (the modern way of treatment). For patients with the same illnesses, TCM practitioners may prescribe very different medicines because the causes, according to the TCM theories, may differ. Generally, a group of herbs are used in TCM treatment to bring out the combined force of the mixture.

For many trained physicians of

modern medicine, such a methodology is hard to understand. They often shrug it as a proof of the irrationality and even absurdity of the TCM.

But for patients, it is always a treatment's effectiveness that matters the most. There have been reports and medical records of cases in which some experienced TCM practitioners have successfully cured some chronic diseases and even fatal diseases, such as cancer, that are seen as incurable using modern medicine.

How can TCM practitioners achieve this? It is a consensus among TCM practitioners that it is not because of any single magical herb, but because of the proper mixing of herbs in accordance with classical TCM theories.

There are many advocates in China for the modernization of the TCM. They argue that TCM should be reformed by using modern medicine methodology. The coun-

try has spent a lot of money on that drive in the past decades, which mainly involves the exploration and extraction of effective ingredients from the various herbs and the standardization of TCM prescriptions so that TCM can be utilized in a "scientific" way. The idea sounds attractive, but it has turned out to be largely ineffective in curing diseases.

If Tu's winning of the Nobel Prize is taken as an achievement of the TCM, as some have recklessly interpreted, it may do more harm than good to TCM, since there would be more people pushing for modernizing the TCM, possibly leading to the loss of its unique analytical and treatment methodologies, without which TCM would no longer be as effective in curing diseases.

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BUSINESS

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FOOD

Bakers cater to changing tastes

Major international groups are beefing up their operations here as consumer demand in the bread and cake sector expands rapidly

By WANG ZHUOQIONG
wangzhuoqiong@chinadaily.com.cn

You have to whip up something extra special to make an impact in China's bakery business.

When Rich Products Corp arrived here 25 years ago, the multinational firm based in the United States was surprised by one suggestion from a Chinese company.

Specializing in providing varieties of dough, whipped toppings and non-dairy frozen food products to retailers, bakeries and stores, Rich was asked to roll out a different range of ingredients for the "mix-and- whip" process here.

In the US, bakery groups tend to blend their food products by using medium-speed mixers. In China, some bakeries are used to a faster technique.

"One bakery turned to me and said, 'I don't want medium speed, I want high speed,'" William Gisel, now president and CEO of Rich, recalled. "They felt high speed produced better products."

Taking onboard the advice, the Rich team went back to the US and worked on "high speed" techniques to produce food ingredients for the Chinese market.

"We wanted to get the quality just right," Gisel said. "We are a global company, but we need to be very local in different countries. We also need to

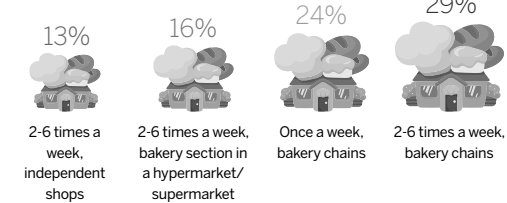


A woman shows off a newly baked cake at her home in Beijing. More and more Chinese people, especially those from the middle class, are willing to try Western culinary recipes. PROVIDED TO CHINA DAILY

Shopping trips

82 percent of 3,000 Chinese consumers surveyed by Mintel, aged between 20 and 29, visit bakeries on a regular basis.

(January-March, 2015)



Source: QQSurvey / Mintel

SU JINGBO / CHINA DAILY

understand our customers' tastes and everything about them in different parts of the world."

The group has come a long way since branching out into international markets back in 1988. It now operates in 100 countries from Asia to Africa, and Europe to Latin America.

During the decades that have followed, Rich has honed its business model. "Our products here are not just the same as those sold in the US," Gisel

said. "They are produced specifically for the Chinese market."

The group has three factories here in Shanghai, Suzhou, a major city in Jiangsu province, and Tianjin, which borders Hebei province, employing 10,000 workers.

Rich's product line has been expanded to 150 brands, including a variety of dessert toppings and doughs, to cater for the booming bakery market. It is also recognized as a food service provider to retailers.

"We believe there are great opportunities for growth, although it's difficult to predict what that growth will be. But we will be increasing our investment here," Gisel said, without disclosing detailed financial figures, revenue or sales numbers in China as the company is privately owned.

Fueling that growth will rest with the country's middle class shoppers and their passion for tasty treats.

In a survey released in August by Mintel Group Ltd, the privately owned market research firm in the United Kingdom, China's bakery market was worth 113.3 billion yuan (\$17.81 billion) last year, an increase of 23.6 percent compared to 2013.

Mintel has also predicted that the sector will reach 139 billion yuan by the end of this year and top 253 billion yuan in 2020.

As the industry increases, bakeries and suppliers are rolling out new products to tempt customers.

"Chinese consumers are willing to try new ideas and that is what the food industry needs," Gisel said. "It keeps customers coming back to the stores."

SEE "BAKING" PAGE 14

Companies cash in on the trend for Western cooking

By WANG ZHUOQIONG

Liu Nan plans to quit her job as a secretary at a public institution in the Jiangsu provincial capital of Nanjing and open a bakery business later this year.

The 35-year-old mother and budding entrepreneur has taken cooking courses, and has spent 70,000 yuan (\$11,290) to deck out a professional kitchen with a state-of-the-art oven and mixer.

She will also use only imported ingredients from established local retailers.

"I want more people to taste handmade fresh bread," Liu said.

"Safe food with a novel twist is what my friends are looking for."

Liu will run the fledgling business from her home and pick up orders online. But then, she is part of a growing group of fresh bakery fans in China who have been enticed by Western culinary recipes, ingredients and even kitchen equipment.

This trend has created business opportunities for local companies that specialize in the market.

Pantry (Beijing) Investment Management Ltd is one of them. The small but select kitchen equipment firm has three stores in Beijing and Tianjin, and is growing fast because of the boom in Western-style breads and cakes.

Known as *Pin Chu* in Mandarin, Pantry Beijing started trading in 2011 and originally targeted the expatriate community.

But it quickly realized that white-collar Chinese customers, many with an overseas education, were eager to buy culinary equipment from major Western brands.

"In the past two years, baking has taken off in Chinese homes," Liu Yanyan, general manager of Pantry

“In the past two years, baking has taken off in Chinese homes.”

Liu Yanyan, general manager of Pantry Beijing

Beijing, said. "Now most families in big cities bake at home."

Nearly 90 percent of the kitchen equipment, such as mixers, blenders and ovens, are imported from overseas, and are used mainly in Western cooking.

A mixer retails for 6,980 yuan, while a blender costs 349 yuan.

The privately owned company has yet to release detailed sale figures, revenue or profit.

"Chinese customers have higher incomes and they are looking to make something exotic, which looks good in the kitchen," Liu, at Pantry Beijing, said. "Baking offers them such opportunities."

In addition to kitchen equipment, the homemade bakery trend has generated traffic online.

Xiachufang.com, a mobile app launched in 2011, focuses on recipes and baking techniques, and has 100,000 active users every day.

"Recipes are naturally commercialized," Wang Xusheng, founder of Xiachufang.com, said, referring to the different brands of ingredients that are used.

Another major element of the app is an online market, which shows different baking ingredients and where to buy them.

One collaborator is Wal-Mart China's high-end retailer, Sam's Club.



Xiachufang.com's users share their love of bakery at a brunch, with each one holding a pancake made in their image. PROVIDED TO CHINA DAILY

Do-it-yourself bakery equipment



Regency wraps grease-proof baking cups

The non-stick, grease-proof standard baking cups are designed to keep homemade products fresher for a longer period of time.

Price: \$5.52 (@Amazon.com)



ChefLand 8-piece deluxe stainless steel measuring cup and measuring spoon set

Made from heavy-duty stainless steel, this spoon set will stay rust free, and can be used for liquid and dry ingredients.

Price: \$6.99 (@Amazon.com)



KitchenAid tilt-head stand mixer

This is ideal to mix the ingredients for your favorite cake and will also produce multiple batches of cookie dough. The five-quart stainless steel bowl is easy to handle. With 10 speeds, the mixer can be used for a variety of ingredients.

Price: \$279.99 (@Amazon.com)



Vitamix standard blender

With a powerful motor and a variable speed control system, this blender can create various textures. It will simplify the process of preparing ingredients — from chopping to pureeing fruit and vegetables. A universal tool for the kitchen.

Price: \$299 (@Amazon.com)



KitchenAid 2-slice toaster

You can use the toaster's extra-wide slots for bread and bagels. It can also be used to defrost and toast certain frozen foods.

Price: \$55.70 (@Amazon.com)

Source: Amazon.com

AGRO

Dairy farmers in New Zealand hit by China's slowing economy

By ASSOCIATED PRESS
in Wellington, New Zealand

When China's economy was growing in double digits, dairy farmers more than 9,600 kilometers away in New Zealand felt like they had won the lottery.

They were getting record prices for their milk and it seemed there was no slaking

China's thirst for premium New Zealand infant formula, especially after a tainted milk powder scandal made Chinese shoppers wary of domestic brands.

Now, it's as if farmers have discovered the lottery ticket was not valid. A world milk glut and a decline in Chinese demand for imported dairy products have sent prices

down by 50 percent. Many farmers are borrowing to stay afloat and rural suicides have increased.

Dairy exports in the year that ended June totaled NZ\$12 billion (\$7.6 billion), down from nearly NZ\$16 billion a year earlier. Dairy trade to China has proved particularly volatile, rising from NZ\$2.8 billion in 2013 to NZ\$6 billion

last year, then plunging to NZ\$2.3 billion this year.

"We saw it happening on the cash-flows way back in April-May, and could see well ahead that there was going to be just massive deficits," Chris Engel, a farmer with 400 cows in Wairarapa, a region of quaint towns, rolling green pastures and a striking backdrop of snow-

peaked mountains, said.

Engel, who has been farming with his wife Jude for more than three decades, said there have been droughts and other challenges in the past, but never such bleak pay days. "We just had to be in constant contact with the bank, updating them regularly, to get their support to pay the bills."

The financial dilemma for

New Zealand's dairy farmers, and the economy they help power, underscores that China's quarter century of supercharged growth has given it enough global weight to create not only winners, but losers too.

China's growth last year of 7.4 percent was its slowest in more than two decades, sending ripples around the world.

The forecast is for 7 percent or less this year.

Australia, which boomed for a decade on Chinese demand for its vast reserves of iron ore and coal, is grappling with a painful transition after those sources of growth shriveled.

Last month, Tony Abbott

SEE "RURAL" PAGE 14

GOING GLOBAL

AVIC works to make Africa soar

The Chinese giant with roots in aviation is looking to help the continent with its technology advantages

By HOU LIQIANG

in Libreville, Gabon
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Energy shortages and the lack of technical training in Africa are two problems that are dragging down the continent's ability to take off industrially. Both areas are being addressed by China's AVIC International Holding Corp.

Liu Jun, executive vice-president of the State-owned firm, talked about the company's plans in an interview with China Daily at the New York Forum Africa, which was held in Libreville, Gabon, in August.

Liu said that the company will make it a priority to help the African countries better prepare to receive industrial capacity transfers from China, which is seen as an important way to boost growth in Africa.

AVIC International is well-equipped to handle the challenges ahead.

It has more than 80,000 employees in more than 180 countries and regions, and is controlled by the giant Aviation Industry Corp of China, an aerospace and defense company.

AVIC has been in Africa for 30 years and has diversified its businesses there to include infrastructure and livelihood projects.

China has gained experience and developed high-end technology, Liu said.

However, considering the high cost and the lack of support from African governments, he said it is still challenging to promote new energy in the continent.

Major power cuts are still happening in some African nations due to shortages, but power is a must for the development of these countries, and making industry transfers from China is a practicable solution.

"Power to those countries is just like blood to human bodies. It will make those countries energetic," he said.

"Not only does China have advanced technology in the energy industry, including coal-fired and gas power generation, but it also has lots of experience and great capability in manufacturing and operations.

"If our capability is used here in Africa, it would have



A MA700 jet model at a civil aviation fair in Shanghai. AVIC International Holding Corp has been in Africa for 30 years and has diversified its businesses there to include infrastructure and livelihood projects. PROVIDED TO CHINA DAILY

excellent opportunities to develop," Liu added.

The competitiveness of China's power generation industry is shown by AVIC International's participation in an engineering, procurement and construction project in Turkey to build two 600,000 kilowatt power units, he said.

The two units are now up and running and have yielded excellent profit for the owner.

The company is now preparing to invest in the energy industry in Turkey instead of being involved only in an EPC project.

With approval from Turkey's government, the company plans to work with China Power Investment Corp and a Turkish partner to build two 600,000 kW power units. The total amount of investment may reach \$1.4 billion, he said.

The company is now hoping to replicate this experience in Africa. "We tried several times in Kenya to bid for coal-fired and gas power generation projects two years ago," Liu said.

"The bids are still in process. We have done market research into hydropower and coal-fired power in Zambia, gas power in Gabon and Egypt, and oil-fired power and gas power in Ghana."

While many banks are willing to offer financial support



Liu Jun, executive vice-president of AVIC International, said his company is ready to help the African countries develop their power generation industry. PROVIDED TO CHINA DAILY

for those projects because of good design and economic feasibility, the company can also obtain strong support from China Exim Bank's concessional loan and preferential export buyer's credit.

Liu pointed out that the development of new energy in Africa is still restricted by cost, though his company is prepared for that.

"Actually, we have done some new-energy projects in Europe and the United States. It's government subsidies that make those new-energy projects there practicable," he said.

"In Africa, however, many governments are still drafting a subsidy policy for new energy, so we are still observing

the market. New energy could be quite prosperous if African governments had clear policies."

While energy can be a problem for many Chinese companies in Africa, a lack of talent can be another hindrance. There is a large population in Africa, but very limited talent, making technical and vocational education and training urgent as well as necessary.

"The population in Africa is increasing, but there is a big problem as many youths are unemployed and lack skills to make a living," said Liu.

"Since (vocational training) is seriously needed ... this offers a good business opportunity to AVIC International.

"If our capability is used in Africa, it would have a good opportunity to develop."

Liu Jun, executive vice-president of AVIC International Holding Corp.

"We have training contracts in about six African countries, including Kenya, Gabon, Zambia and Uganda. We bring into consideration both different countries' developmental orientation and the skilled labor Chinese companies there need, and design different training programs accordingly."

In Gabon, for example, AVIC International has set up not only machining and electronic training programs, but also training programs for the country's petroleum and timber industries.

The company also rolled out aeronautical maintenance training programs to fuel the country's hope of becoming a regional aviation hub.

Civil engineering programs are expected to help relieve Chinese companies' problems with the shortage of tal-

ented employees for their infrastructure projects, Liu said.

In Kenya, the company has launched Africa Technical Challenge, which aims to cultivate a spirit of entrepreneurship and facilitate self-employment among young people.

Winners were awarded cash last year, but the three outstanding participants also received scholarships to study at engineering universities in China.

As for the top two teams, they signed a spare parts manufacturing contract worth \$100,000.

Liu said the spare parts the top two teams made will be used in the company's equipment in Kenya, so as to encourage young people to obtain more skills and find their professional directions.

"We have gained some experience from Africa Technical Challenge and would like to promote the experience to more African countries," Liu said.

"While equipping young people with skills, which can be used in their work and promote their countries' development, our (training) program can also help the young lead a better life.

"This can sometimes be even more significant than the upgrading of the countries' hardware facilities," he said.

Baking: Market demand swelling

FROM PAGE 13

Bread is still the most popular product in bakeries and supermarkets, with upmarket chains such as Paris Baguette and Tous Les Jours expanding their operations in tier-one and tier-two cities such as Shanghai, Beijing, Guangzhou and Shenzhen.

"Consumers see bread and sweet bakery products as an increasingly common treat, while closely tied to the desire for a healthier choice," Esther Lau, a research analyst at Mintel, said.

Tous Les Jours arrived here in 2005 and now has 46 stores and 30 licensed outlets. Paris Baguette set up shop in China in 2003 and has 118 stores.

Still, bread remains a snack product in Asia with afternoon tea, unlike in the West, where it is a staple food item.

For the market in China, perfecting a range of sweet bread products, such as chocolate-flavored loaves, has proved popular.

These variations are enticing younger shoppers into bakeries.

About 43 percent of Chinese consumers in their late 20s visit a bakery between two and six times a week, Mintel research highlighted in its report.

"We see a lot of young consumers in bakeries and cafes," Gisel, president and CEO of Rich, said. "The Chinese sector is heavily influenced by markets in Japan and South Korea. So what we focus on here is to look at what's happening in those markets."

As bakery groups and cafe chains scramble to attract customers, store design has become important. Relaxing in a cool environment appeals to younger customers, while comfort has become a major priority.

Data from the Mintel report showed that 57 percent of those people polled preferred to visit bakers with seating areas. Only 26 percent opted for the self-service format.

Looking ahead, the move toward healthier bakery products will help drive growth.

"Gourmet bakery chains are using the effective marketing mix of innovation and social media to develop convenient and healthy food choices for modern Chinese consumers," Lau, from Mintel, said.

Rural: Recovery in China's milk industry hurts dairy imports

FROM PAGE 13

was toppled as Australia's prime minister by a challenger from his ruling Liberal Party, in part reflecting dissatisfaction with waning economic growth.

Abbott's inability to successfully articulate a new strategy for the \$1.5 trillion economy just increased his problems.

But the challenge from China is not only its slowing economy.

In some industries, its domestic companies are becoming more effective competitors to foreign exporters who had visions of unlimited

growth in the market of 1.4 billion people.

The government is encouraging many Chinese dairy producers to combine into financially stronger entities. Domestic dairies struggled to recapture market share after the 2008 scandal over tainted milk and prompted many shoppers to switch to expensive imported products.

But they have recently been successful in launching new brands, including yogurt products by Mengniu and Yili, two leading dairies, according to Euromonitor food analyst Lianne van den Bos.

China's Agriculture Ministry figures showed a recovery in milk production last year from 2013 and a substantial drop in total dairy imports in the first half of 2015.

In August, South Korea reported its biggest monthly drop in exports for six years that was both a sign of weak global demand and a shift in the type of goods China needs to import.

Chinese leaders are trying to give consumer spending a bigger role in the economy, weaning it from overreliance on trade and investment in real estate and heavy industry.

19 kilograms

per capita consumption of dairy products in China last year, according to Euromonitor International

"South Korea exports are mostly intermediate goods to China (such as computer chips and auto components)," Jung Kyu-chul, a fellow at Korea Development Institute, said. "If China reduces investment and boosts consumption, that's not good for us."

Experts also believe Chinese companies are gaining competitiveness against South Korean exporters partly because of strong support from the government.

"Televisions, communications devices and components are the areas of strength for South Korea but China is likely to catch up," Jung said.

In New Zealand, the country's central bank is trying to prevent a farming-led recession. It has cut benchmark interest rates three times this



A woman with a baby selects imported infant formula in a Beijing supermarket. PROVIDED TO CHINA DAILY

sells most of the country's milk, said China is very serious about developing its own supply.

But Spierings does not believe China will be able to produce enough on its own to meet the rising demand, and there will still be a place for foreign suppliers.

Chinese dairy consumption per person nearly tripled from 7 kilograms in 2004 to 19 kilograms last year, according to Euromonitor International, a research firm based in the United Kingdom. Sales should rise by at least 10 percent a year in the long term, Euromonitor predicted.

To help keep farmers solvent, Fonterra has offered hundreds of millions of dollars in interest-free loans, repayable only when the price of milk rises.

Engel, the Wairarapa farmer who is also local chairman for advocacy group Federated Farmers, is among many who are operating at a financial loss this year. "Do you buy food for that cow? Or, you have to fix the tractor. Do you just not fix it?" said Engel.

year, as it seeks to give farmers and other exporters a boost by lowering the value of the country's currency.

Reserve Bank Governor Graeme Wheeler said last month that if drought conditions develop this summer, as some forecasts predict, it could prompt further rate cuts.

Statistics released last month show 27 New Zealand

farmers and farm workers committed suicide during the past year, the most in five years. The rate of suicide tends to be higher in rural areas than in cities, even during prosperous times. The isolation of farm life may be one factor.

Theo Spierings, the chief executive of New Zealand's Fonterra, which collects and

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PEOPLE

Amazon's global approach has helped entice local shoppers

Company's president in China talks about his strategy to expand brand

By MENG JING
mengjing@chinadaily.com.cn

Doug Gurr shops almost entirely online. During the last Black Friday and Christmas holiday seasons, the president of Amazon China set himself the target of trying to buy everything on the Internet.

Naturally, it had to be purchased through Amazon.com Inc, the largest Web-based retailer in the United States. Gurr nearly succeeded.

In the end, two items proved difficult to find on Amazon — a bottle of Tommasello wine and a hiking jacket. Immediately, he sent his team out to search for the products.

After all, Amazon has built its reputation on being the "everything store" and is seen as the original model for online sales across the world. "That's why I sent the team out to look for the items," Gurr, who was born in the United Kingdom and is married with two children, recalled.

It is this attention to detail that has made him successful. At Amazon China, his biggest achievement since taking over a year ago has been to "refocus the business" as a cross-border e-commerce site as well as helping Chinese brands gain global exposure.

"There are two parts," he said in Beijing. "One is helping customers in China get access to the very best products around the world. The other is helping businesses in China become global brands through Amazon's platforms."

As the Chinese economy enters a slower but more sustainable growth phase, e-commerce will play a crucial role. This in turn will open up opportunities for global companies such as Amazon.

"We see a lot of opportunities in e-commerce, particularly cross-border e-commerce, as the Chinese economy moves from low-cost manufacturing to creating brands," he said. "The new economic trend actually fits our agenda."

Dressed in a plaid shirt and a pair of jeans, Gurr looks like a typical Chinese tech entrepreneur. But away from the office, he is very much the outdoors-type, having competed in 12 triathlons, which involve swimming, cycling and running.

Endurance and innovation are part of his makeup, and this came to the fore when he took over Amazon in China. Last November, the company made its first foray into cross-border e-commerce by launching its global store service.

By doing this, Chinese customers were able to buy goods directly from Amazon's online shopping platforms from other countries. Then in August,

when the company celebrated its 11th birthday in the market here, Gurr introduced a new concept, "Cross-border 2.0".

The term describes Amazon China's updated cross-border online shopping service, which includes faster delivery, a better experience for customers and a greater selection of overseas products for Internet consumers. Other major e-commerce players have been quick to follow, fueled by growing demand from the country's affluent middle class.

"China will become the largest cross-border business-to-customer, or B2C, market by 2020, with the transaction volume of imported goods purchased online reaching \$245 billion," a report released in June by global consulting firm Accenture and AliResearch, Alibaba Group Holding Ltd's research division, said.

With those sort of numbers, China's leading e-commerce companies Alibaba and JD.com Inc have been quick to roll out cross-border e-commerce services. Smaller Internet firms have also jumped on the bandwagon.

But Gurr is unfazed by the competition. He pointed out that Amazon runs 14 online shopping sites across the world and has the edge in cross-border e-commerce.

"If you are the largest player, if you have scale, people will come to you simply because you are the biggest," he said. "But if you are not the largest, you have to do something that is different."

"It has to be something that only you can do. The thing we can do that is different is the relationship we have with hundreds of thousands of vendors around the world."

To illustrate the point, he highlighted Amazon's "relationship" with Manhattan Toy Co, a toy manufacturer based in the US.

"We are their biggest customer in the US, but they were not available in China," Gurr said. "Then we worked to bring them here, initially through the Amazon Global Store service. Now through direct imports, Chinese customers can get products faster and cheaper."

Enticing one foreign brand to China might not be a big deal, but attracting 36,000 labels to the country in six months underlines the pull of Amazon, Gurr added. "That is what we can do."

Since Amazon China launched its cross-border e-commerce service, there are now more than 3 million different overseas products available to shoppers on its site, an increase of 40 fold.

While the company declined to reveal revenue figures for its

"If you are the largest player, if you have scale, people will come to you because you are the biggest."

Doug Gurr, president of Amazon China



BIO

Doug Gurr
President of Amazon China
Born: Leeds, England, United Kingdom
Education
1983-1986: Bachelor degree in mathematics from University of Cambridge, England, UK
1986-1987: Master degree in mathematics from University of Cambridge, England, UK
1987-1990: PhD in Theoretical computing, University of Edinburgh, Scotland, UK
Career
September 2014 to present: President of Amazon China
December 2011-August 2014: Vice-president of hardlines at Amazon.co.uk, the company's UK division
2006-December 2011: Senior executive and board member at Wal-Mart Stores Inc's UK operation, Asda Stores Ltd
April 2001-July 2006: CEO and founder of Internet startup Blueheath
1995-2001: Partner with McKinsey & Co, a multinational management consulting firm in the US

SOURCE: DOUG'S LINKEDIN PROFILE

business here, the company did report that orders from Chinese customers hungry for high-quality foreign products topped 5 million during the past nine months.

But then, Amazon China has a solid infrastructure system. Employing 5,000 staff and based in Beijing, the online giant has 13 centers scattered across major cities in the country that deal with quality control issues, shipping and delivery services.

Still, data from iResearch Consulting Group, a market research and consulting firm, showed that the company accounted for just 1.1 percent of China's B2C market in terms of revenue in the first quarter of this year. During the same period in 2014, the figure was 2.1 percent.

"I am genuinely not worried because we are not chasing

market share," Gurr said. "We have no problems at all saying the business isn't working ... we will simply move to other businesses. In the areas we genuinely want to play, we will see triple digit growth."

This style of management will be key to the company's success although there will be challenges ahead. One is the length of time it takes to make a decision here. "Sometimes, you just need to make one and move on," Gurr said.

Indeed, under his management, Amazon China's global sales business has taken off and it will expand even further after clinching deals to bring more US labels here, such as Rebecca Minkoff handbags and Enfa-grow baby products. "This will ensure Chinese customers can buy authentic overseas products that are delivered to their doors," he said.

Understanding what customers want is crucial in this market, so Gurr is improving his Mandarin. Yet, he does not believe there is a great deal of difference between online shoppers here and those in Western countries.

"They care about getting the products they want at fair prices," he said. "They are all looking for a good shopping experience. Those things don't really change."

As for the future, Gurr does not see Amazon China becoming a totally localized version of the parent company here.

"I think for our organization, if you launch a purely local version, you can move fast, but you will throw away your advantages in scale and technology," he said. "It would be a mistake for us to run a completely isolated business in China."

On the move

Xie Ping to leave China Investment

Xie Ping has stepped down as deputy manager of China Investment Corporation, the country's sovereign wealth fund, according to a statement from CIC's official website. Born in 1955, Xie previously worked for the People's Bank of China, or the central bank. In 2003, Xie served as a director of the PBOC financial stability board and president of Central Huijin Investment Ltd. In 2007, he became deputy manager of CIC, in charge of the overseas investment business. Ju Weimin will take over Xie's job at CIC.



Huang Guobin joins JPMorgan Chase

JPMorgan Chase & Co has hired Huang Guobin from Goldman Sachs Group Inc to run its China investment banking operations, people familiar with the matter said. Huang, 45, who was head of the China industrial group at Goldman Sachs, resigned last month after more than four years with the United States-based firm, sources said. He will start in his new role at JPMorgan toward the end of the year, the sources added. Huang resigned after Goldman Sachs appointed Zhu Hansong and Hong Ning as co-heads of China investment banking.



Chen Xuefeng is new Jaguar vice-president

Chery Jaguar Land Rover Automobile Co Ltd has announced that Murray Dietsch will succeed Chris Bryant as president. Chen Xuefeng will replace Zhu Guohua as executive vice-president of the company. They will move into these roles later this year when the former leadership finishes its terms. According to the notification in the company's official website, Bryant will return to the United Kingdom to take up a senior position at the company. Zhu will move to the role of vice-president of business alliance, Chery Automotive.



Baidu's Zeng Liang joins Qunar's board

Three senior executives from Baidu Inc have joined the board of Beijing Qunar Information Technology Co Ltd, according to an official statement published by the company last month. The three executives are Bai-



du's vice-president Zeng Liang, Chief Financial Officer Wei Fang and He Yuming, director of the strategic investment department. The changes reflect Baidu's strengthening control of the online travel operator, and it will accelerate the integration of its group-buying business Nuomi.com and Qunar, experts said.

Chris Delaney to run Goodyear's Asia unit

Goodyear Tire & Rubber Co has announced that Chris Delaney will take over as president of its Asia Pacific business unit. He joined the company on Aug 24, and will assume full responsibility for the unit on Jan 1 next year. Daniel L. Smytka, president of the company's Asia Pacific business since 2011, will work closely with Delaney on the transition before moving to another leadership role, reporting to Goodyear Chairman and CEO Richard J. Kramer. Delaney comes to Goodyear with more than 30 years of global leadership experience in Asia Pacific, North America, Europe and the Middle East.



Beijing airport chief Shi Boli steps down

Beijing Capital International Airport Co has reported that Shi Boli has resigned as general manager and executive director. The announcement from the Hong Kong Stock Exchange on Sept 24 came after a company statement saying it was verifying media reports that Shi was being investigated as part of the government's anti-corruption drive. The company denied that Shi had fallen out with the board of directors. Chairman Liu Xuesong will take over as acting general manager until a replacement for Shi is appointed, according to the company.



Lin Zhan resigns as Soho China CFO

Lin Zhan, executive director and chief finance officer of Soho China Ltd in Beijing, has resigned a year after taking up the position, according to a statement released by the company last month. He is the fourth CFO to resign from the largest prime office property developer in China since the company was listed nine years ago. The board of directors will now look for a replacement. Until the post is filled, Soho China President Yan Yan will serve as CFO. Soho China is still in a transitional period after a series of staff changes.



— CHINA DAILY, BLOOMBERG

NEWSMAKER

Liu stays on at Didi Kuaidi despite battling breast cancer

By MASI
masi@chinadaily.com.cn

Liu Qing, one of the most powerful businesswomen in China, has been diagnosed with breast cancer.

The president of Didi Kuaidi, a mobile car-hailing platform, will continue to work at the company after having a tumor removed.

Liu, 37, was ranked last month as one of the most influential business people in the world under the age of 40 by Fortune magazine. Just days later, she revealed she was being treated for breast cancer in an internal e-mail to staff on Sept 30. "I had a small



Liu Qing, president of Didi Kuaidi. PROVIDED TO CHINA DAILY

surgery several days ago and a tumor was removed," she said in the e-mail. "It turned out to

be malignant, namely, breast cancer."

Liu has since been discharged from hospital and will continue to serve as president of Didi Kuaidi.

"I am now feeling good," she said in the message. "The doctors and I are optimistic. The cancer won't have too much impact on my life and work."

Liu underlined that point by attending a US-China Internet forum in Seattle a week before she sent out the e-mail.

After working for Goldman Sachs Group Inc for 12 years, she joined Didi Kuaidi in 2014. By using her experience in investment banking, she

helped the Beijing-based company raise \$3 billion from investors in the latest round of financing.

"In the near future, I will have to work at home, especially when I'm having treatment," she said.

After the e-mail was made public, Didi Kuaidi that senior executives will visit her to discuss important business issues.

"I have been at Didi Kuaidi for 14 months," Liu said in the e-mail. "Even though I have cancer, it will not stop me from leading what I consider to be a great company."

"I will continue to support Cheng Wei (CEO of Didi

Kuaidi), and everyone in the company. Like the brightest star in the night, I will continue to shine — we will all continue to shine."

Didi Kuaidi claims to have 99 percent of China's taxi-

hailing market, and 82 percent of the country's chauffeur-booking service. It is also rapidly expanding abroad through investments and global partnerships.

Liu is well-known for her

work ethic. When the Harvard graduate was at Goldman Sachs, she worked up to 140 hours a week.

She once said: "I looked like 42 years old when I was only 24."

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MERGERS

Boutique lender brokers \$15b deal

By BLOOMBERG

This week's \$15 billion merger of two Chinese startups stood out for a number of reasons. It is the largest-ever combination in the nation's Internet industry, it forms a dominant player in the booming local services market — and just one bank brokered the deal.

Boutique investment bank China Renaissance Partners advised both discount site Meituan.com and restaurant-review service Dianping.com on their merger this week, earning fees from each of the two companies backed by rival tech billionaires.

It is the second time this year Beijing-based China Renaissance, which has focused on Internet deals since its 2004 founding, has worked both sides in a multi-billion-dollar transaction.

Such dual mandates leave less room for the bulge-bracket investment banks in an industry populated with the nation's most active acquirers.

China Renaissance worked on more Internet transactions in the country than any other adviser since the start of 2013, surpassing far larger Western competi-

tors like Goldman Sachs Group Inc and Morgan Stanley, data compiled by Bloomberg showed.

"Our role is as a middleman, as a moderator, more of a mediator — and sometimes it is as a judge," Fan Bao, the founder of China Renaissance, said on Thursday.

"The banker's role is less to negotiate a great deal for one side, than it is making sure the deal gets done."

A commercial agreement between Meituan and Dianping had been broadly worked out in advance, allowing transaction details to be ironed out in just two-and-a-half weeks, according to Bao.

The banker gave up tickets to the Singapore Formula One Grand Prix race, canceling his plans at the last minute to lead the deal negotiations, he said.

Bao's advisory firm had to help the two competitors, locked in a costly battle to attract customers, come up with a governance structure both sides could agree on. Meituan is part-owned by billionaire Jack Ma's Alibaba Group Holding Ltd, while Dianping is backed by Alibaba's biggest rival, Tencent Holdings Ltd.

HIRING

Ferrero creating hundreds of jobs with new plant

By ZHU WENQIAN

In Hangzhou
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Ferrero International SA, the world's third-largest chocolate maker, expects to create 500 to 700 jobs next year in Hangzhou after launching its first East Asian factory, the biggest investment ever, in the capital of Zhejiang province.

Giovanni Ferrero, the family-owned company's chief executive, said China now represents one of the world's most promising markets for chocolate.

The new plant, its 21st worldwide, he said, would allow it to deliver fresher products to Chinese and other Asian consumers.

"We are investing \$300 million in Hangzhou, the biggest investment we have ever made. The shift from 'sold in China' to 'made in China' will be a turning point in the next five-year plan," he said.

The manufacturer of a range of products including the popular Nutella chocolate spread and Kinder Surprise brands, Luxembourg-based Ferrero currently claims an commanding 24 percent of the Chinese chocolate confectionery market, employing 300 staff in the country, according to The Nielsen Co, the global marketing research firm.

But the domestic chocolate market is still seen as having significant room for growth, with consumption falling well behind the global average.

Consumers here eat 40-70 grams of chocolate annually per capita, compared with 4.3 kilograms in the United States and 9 kg in Switzerland, the highest in the world, according to research company Euromonitor International.

Zhang Hongming, the mayor of Hangzhou, said the city offers rich potential to foreign investors such as the famous chocolatier, as does the wider Yangtze River Delta area and the Asian market.

Jason Yu, general manager

\$4.3 billion

expected sales of chocolate in China by 2019

of Kantar Worldpanel China, a market research firm, said establishing local production means foreign brands such as Ferrero can create and launch products that are more appealing and relevant to Chinese consumers rather than relying on imports.

"Chocolate is not a native category in China, so substantial market-development efforts are still required to build relevance to everyday life.

"Families have previously bought chocolate for indulgence and enjoyment. It is important now to grow the product's penetration and introduce more usage occasions," Yu said.

Ferrero marketing of its flagship ball-shaped chocolates typically targets middle-class shoppers, who can afford quality products and who have strong aspiration for Western lifestyles, said Yu.

"We see strong growth momentum in third-to-fifth-tier cities, indicating huge white space to grow business if a brand is closer to consumers in those cities.

"They usually buy Ferrero chocolate for gifts, during wedding occasions and holidays, he said.

"The competition for gifts is fierce. Foreign chocolate brands are not just competing with one another, but also with other players for gifting occasions, for example premium wine, biscuits and snacks.

Bert Alfonso, the president of US confectionary industry giant Hershey's International Inc, forecast at the Consumer Analyst Group of New York conference earlier this year that chocolate sales in China are expected to expand to \$4.3 billion by 2019, about 60 percent increase from \$2.7 billion in 2014, lifted by strong demand from the growing urban population.



Fighting a treaty

Consumer rights activists take part in a march to protest against the Transatlantic Trade and Investment Partnership (TTIP), mass husbandry and genetic engineering, in Berlin, Germany on Oct 10. The European Union is pursuing a trade accord with the United States, called the Transatlantic Trade and Investment Partnership (TTIP), that would encompass a third of world trade and nearly half of global GDP.

FABRIZIO BENSCH / REUTERS

MEDICAL

Putian hospitals plan multinational challenge

Fujian private firms considering IPOs

By BLOOMBERG

In 2003, when Lin Yuming, a seller of medical equipment in Putian, Fujian province, watched expectant mothers in endless queues and delays at China's overburdened public hospitals, he spotted a business opportunity. He launched Harmonicare Medical Holdings, a chain of women's hospitals complete with pink decor and pianos in the foyer.

In July, now Beijing-based Harmonicare Medical was listed in a HK\$1.6 billion (\$206 million) public offering in Hong Kong and is ramping up its expansion.

Its 2014 revenue was 936 million yuan (\$146 million).

About 15 other companies running private hospitals from Putian are in early stages of considering initial public offerings, says the Putian Health Industry Association, a group representing local businesses.

Baijia International, a

women and children's hospital business that Morgan Stanley's Asia private equity business has invested in, "is planning IPO matters but it's inconvenient to reveal specific timetable and details", it said in an e-mailed response to questions.

Once known primarily for making knock-off Adidas and Nike sneakers, Putian has emerged as home to one of China's most influential groups of private investors. Beijing encourages private investments to curb surging healthcare costs.

Putian had a strong tradition of folk medicine, often practiced by traveling doctors. In the 1980s, doctors in and around Putian earned their livelihood treating conditions like sexually transmitted diseases and skin infections that were neglected by public hospitals, said Eric Chong, a former deputy secretary-general of the Chinese Hospital Association.

Some had limited training, Chong said, but patients kept trickling in. Over time, despite ordinary ethics and

sub-optimal practices, the local businesses became national and grew into accredited hospitals offering everything from plastic surgery to cancer care.

According to one estimate, over 60,000 people from Putian are in the health sector and they run over 8,000 hospitals nationwide. By that measure, they would have control of more than 70 percent of the country's private hospitals.

In a sign of the region's clout, shares of US-listed Baidu Inc fell in April after the association of Putian hospitals announced a boycott on advertising on the Chinese search engine.

Baidu at the time said the boycott was triggered by a crackdown on what it described as false medical advertising on its site by some Putian hospitals.

But such issues are minor against the backdrop of surging incidences of diabetes, cancer and heart disease in China, which are creating demand for healthcare.

In June, the government

said it would provide support for share listings and bond sales for private hospitals to lure investors.

Frost & Sullivan estimates that total revenue from China's private hospital industry will triple to \$90 billion by 2019. Even international players such as Harvard-affiliated Brigham and Women's Hospital are eyeing opportunities in China.

To compete with international chains, Putian hospitals will need to build trust with patients, said Alexander Ng, an associate principal at McKinsey & Co.

The younger generation of Putian businessmen are better educated and want to reform the healthcare sector, said Steven Wang, founder of High-Light Capital, a private equity fund focused on healthcare.

Before the 2003 SARS outbreak, private healthcare was not very organized as regulations were lax, but there are standardized operations and branded franchises, said Wu Xidong, a spokesman for the Putian association, in a text message.

INDUSTRY

Marks & Spencer to launch flagship store in Beijing

By WANG ZHUOQIONG

British retailer Marks & Spencer Plc is setting up a new flagship store in Beijing this winter to further expand its presence in China.

The store, expected to be located at The Place, a leading shopping mall in the capital, will spread over more than 1,500 square meters and include women's wear, menswear, lingerie and kids wear. The Food Hall will include Marks & Spencer's unrivaled quality food and wines, as well as an in-store bakery and coffee-to-go station.

"The move is in line with Marks & Spencer's growth plans for its China business and builds on the growing popularity in Beijing for Marks & Spencer products through its online sites on leading Chinese websites like Tmall and JD," the company said in a statement. The British retailer had closed some stores in Shanghai and other

neighboring cities earlier this year

Marks & Spencer launched its online store on Tmall in January 2013 offering clothing and food products. This was followed by the launch of its wine e-shop on JD in May 2014.

Earlier this March, Marks & Spencer announced its plan to enter key cities such as Beijing and Guangzhou this year and the next. Plans also include continuous investment in its existing stores on West Nanjing Road in Shanghai during the autumn.

It had closed five of its supporting stores in Shanghai by August and reviewed its head office resource structure in line with growth plans.

The retailer, which opened its first store in the Chinese mainland in 2008, has more than 840 outlets in the United Kingdom and more than 480 in other countries and regions.

Matthew Crabbe, director



Customers stop for clothes in a Marks & Spencer store in Brussels, Belgium. REUTERS

of research, Asia-Pacific at Mintel Consulting, said M&S has struggled in the past to get its message across, and to establish its brand as a distinct experience for Chinese consumers, despite the good quality of its products.

"The opening of the Beijing store does make sense in that the capital is a good potential market for M&S, given that there are plenty of well-off consumers," said Crabbe. "I like the idea of incorporating an in-store bakery and coffee-to-go station. This gives consumers more of an incentive to venture in, and once in store, for the retailer to grab consumer attention with well-conceived

in-store marketing."

Angela Wang, partner and managing director of the Boston Consulting Group, said hardly any foreign department store has survived in China so far due to the difficulties in getting a good location, which matters significantly for the development of the store in a saturating market. But the diversity of the department stores in China is still low, creating room for those who are unique and specialized, she said.

In addition, strong purchasing power of the Chinese middle class is boosting sales of quality food and apparel products, despite the economic slowdown, said Wang.

INVESTMENT

Network firm to get more State support

By BLOOMBERG

China Reform Holdings Corp, an investment firm charged with revamping State-owned enterprises, plans to buy a stake in China Tower Corp, valued at more than 10 billion yuan (\$1.6 billion), people with knowledge of the matter said.

The Beijing-based company aims to buy about 6 percent of China Tower, which is being set up to own the wireless infrastructure of the nation's major mobile carriers, according to the people. A deal could be signed as soon as this month, the people said, asking not to be identified as the information is private.

China Reform's investment would help China Tower pay for construction of a network of electric-car charging stations, the people said. The government wants to boost availability of the facilities, which are key to the adoption of such vehicles, and assigned China Tower to build out the network because it already has a nationwide footprint with its telecommunications assets, they said.

The central government is seeking to overhaul China's bloated \$16 trillion State-owned enterprises as the world's second-largest economy heads for its slowest growth in a quarter century. China Mobile Ltd and its two smaller rivals announced plans last year to create China Tower by pooling their wireless tower assets and reduce investment duplication as the country rolls out faster networks.

A final agreement between government-run China Reform and China Tower has not yet been completed, and details could change or the deal could be delayed. Wireless market leader China Mobile, China Telecom Corp and China Unicom (Hong Kong) Ltd aim to inject a combined 300 billion yuan of assets into the tower venture this year, people with knowledge of the matter said in July.

INTERNET

Alibaba opens 2nd California data center

By BLOOMBERG

Alibaba Group Holding Ltd opened its second data center in Silicon Valley in the United States as it invests \$1 billion in its cloud computing business globally to compete with Amazon.com Inc for clients.

The facility will target customers on the US West Coast in the next three to five years, said Ethan Yu, who is leading the AlCloud unit's international expansion. Alibaba is planning its first data center in Europe in the first half of 2016.

Alibaba is betting on Internet-based computing and big data to boost growth in the next decade, tapping into demand for processing and storage from governments, finance and online gaming companies. AlCloud could account for more than \$1 billion of Alibaba's revenue by 2018 and public cloud presents a \$120 billion global market opportunity, according to research by SunTrust Robinson Humphrey Inc.

"In our expansion we run into Amazon Web Services frequently as we both are addressing a fast-growing market," Yu said. "As a competitor there are a lot of things we could learn from them, but there's also a lot of ways we can differentiate ourselves."