

'Chinese arms fuelling conflicts in Sudan, Nepal'

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CHINA'S sales of military vehicles and weapons to Sudan, Nepal and Myanmar have aggravated conflicts and abetted violence and repressive rule in those countries, Amnesty International said in a report released on Sunday.

The London-based rights group's report sheds light on an area of Chinese foreign policy its government doesn't disclose: assistance to regimes embroiled in internal conflicts and often shunned by the

West. In particular, the report said China had shipped hundreds of military trucks to Sudan and the Myanmar military and rifles and grenades to Nepal's security forces.

"China has used the phrase 'cautious and responsible' to describe its arms export licensing, however, its record of trading arms in countries like Sudan and Myanmar show otherwise," Colby Goodman of Amnesty International's arms control campaign said in a prepared statement.

A duty officer in the spokesman's office of the For-

eign Ministry who refused to give his name said on Sunday they would look into the assertion but had no comment.

China rarely confirms sales of weapons and military equipment abroad, a secrecy that is compounding US concerns about how Beijing is using its rapidly rising economic and diplomatic power abroad. Senior Bush administration officials have publicly taken China to task for a robust military buildup at home and a lack of transparency in its defence policies.

The Amnesty report said a

UN investigation in August 2005 showed China shipped more than 200 military trucks to Sudan, where large-scale violence in the Darfur region has claimed at least 180,000 lives and forced more than 2 million people from their homes since 2003.

China was also supplying Myanmar's junta with weapons, the report said, including an August 2005 shipment of 400 army trucks, despite the army's involvement in the "torture, killing and eviction of civilians," Amnesty said.

Taiwan security report angers China

BEIJING, May 31: The so-called "security report", released recently by the Taiwan authorities, exposed the regional leader's obstinate persistence of the "Taiwan independence" stance and damaged the cross-Strait peaceful development.

The remark was made by Mr Li Weiyi, spokesman of the Taiwan Affairs Office of the State Council in Beijing today at a regular press conference. Mr Li said the so-called "security report" systematically assembled the "Taiwan independence" separatist views of the

regional leader, comprehensively slandered the mainland, and intentionally provoked the relationship between patriots across the Strait. The release of the so-called "security report" also exposed the Taiwan regional leader's attempts to mislead the public, so as to alleviate Taiwan public's dissatisfaction on regional economy, people's livelihood and social affairs, said Mr Li.

However, the report had been criticised and denounced by Taiwan public since its release.

■ China Daily/ANN

China – reaching out to the world

Pallavi Aiyar

WHILE THE awakening of the sleeping dragon that was China is usually framed in economic and strategic terms, Beijing's cultural clout or soft power is also on the rise. Soft power, a term coined by Harvard professor Joseph Nye, refers to a country's ability to influence others by the attractiveness of its ideas and values. For decades it was a term primarily associated with the United States, given the ability of Hollywood and Mickey Mouse to attract across borders and the importance of English as a global language.

Gradually, however, the supremacy of U.S. soft power is being challenged by the might of Chinese culture and language. Chinese food has for long been its most successful cultural export: witness wayside dhabas in even small Indian towns proudly serving up chow mein and paner Manchurian. But chapsuey is no longer alone in representing China's cultural currency abroad.

Chinese tourism is burgeoning; visitors from China rather than Japan now constitute the dominant tourist group in Southeast Asia. Chinese cinema, art, and traditional medicine are all booming globally. And Mandarin Chinese, already the world's most spoken language, is gearing up to force English to look to its laurels.

"In the 70s, everyone in Singapore only wanted to learn English because it was seen as the most important language of the future," said Choo Shuo Yen, a Singaporean student who recently completed a degree in International Relations from Beijing University. "But now, it's seen as a disadvantage to not be fluent in Mandarin," he explained. Thus, in 2004 the official language policy of Singapore was reformed to place greater emphasis on Chinese. Shuo Yen added that not only ethnic Chinese, but even Malays and Indians in Singapore were taking a greater interest in learning Mandarin.

According to the National Office for Teaching Chinese as a Foreign Language (NOCFL) in Beijing, there are approximately 30 million people learning Chinese around the world and it is China's stated purpose to ensure that this number grows to 100 million by 2007. It's an audacious goal, and the government is backing it by funding – to the tune of nearly \$25 million a year.

There is a global fascination now for all things Chinese. On its part, Beijing gives due importance to cultivating soft power.

Currently, more than 2,300 universities in about 100 countries offer courses in Chinese and thousands are flocking to China's shores in the hope of mastering the language. There are now more foreign students in China, (estimated at more than 86,000) than Chinese students abroad.

NOCFL statistics show that nearly 800 universities have begun Chinese language courses in the U.S. and that in the ASEAN region Chinese language learners number 1.6 million. South Korea's Seoul National University announced as far back as 2003 that Mandarin had replaced English as the most popular major amongst liberal arts students. Some 40,000 Korean students are currently studying in China. Even in South Africa, Mandarin is making inroads with a major TV company having begun to broadcast Chinese language teaching programmes.

Not surprisingly, interest in the HSK, a standardised exam to test proficiency in Chinese similar to the TOEFL test for English, has surged. From a decade ago when only some 2,000 people appeared for the exam, the number of test takers leaped to 117,600 in 2005. Significantly, the profile of those taking the HSK has also changed from comprising largely academics and linguists to include large numbers of entrepreneurs and white-collar professionals.

Driving this boom in learning Mandarin is the perception of the economic opportunities that China offers and a concomitant sense that the future belongs in the hands of the Middle Kingdom. Multinational businesses across China now routinely require foreign employees to be fluent in Mandarin.

To ensure that the demand for Mandarin continues to grow, Beijing had begun to establish a series of "Confucius Institutes" aimed at promoting the teaching of Chinese abroad. The first of these was inaugurated in November 2004 in Seoul. Agreements to establish institutes have also been reached with countries as diverse as

the U.S., Uzbekistan, Kenya, and Sweden.

Reflecting the manner in which the Chinese have come to use the promotion of their language as a diplomatic tool, China's Education Ministry announced a plan to help train hundreds of U.S. educators in Mandarin just weeks before President Hu Jintao's visit to Washington DC in late April. The initiative will bring more than 150 guest teachers to U.S. high schools from China and immerse nearly 600 American teachers in Chinese culture and language through summer institutes.

Tourist hub

That China's cultural clout is on the ascent is also reflected by its emergence as a tourist hub of significance. In 2004, China received 109 million visitors according to official figures and overtook Italy as the fourth-most visited country in the world after France, Spain, and the U.S. Beijing's Forbidden City and the Army of Terracotta Warriors in Xian now attract more picture-snapping tourists than Florence's Uffizi Gallery or Rome's Coliseum. Moreover, the World Tourism Organisation forecasts that by 2020 China will become the world's most visited country as well as the fourth-largest source of outbound tourists.

For decades, travel for Chinese citizens themselves was restricted. Recent years, however, have seen the acquisition of passports become easier and a growing number of countries being given approved destination status (ADS) by Beijing. As a result, literally millions of Chinese are now travelling abroad, bringing with them an image of a newly confident and prosperous China. According to the National Tourism Administration, close to 26 million Chinese citizens travelled abroad in 2005. Their impact, however, was not just limited to their sheer number but also the liberal amounts of cash they spent.

A Goldman Sachs report published last December concluded that the amount spent by the average Chinese tourist "is already on par with, if

not slightly higher than that of the Japanese."

For Chinese tourists abroad, finding home-style entertainment has also never been easier with directors and actresses from China having taken the world of international cinema by storm. Films such as *Hero* and *House of Flying Daggers* by director Zhang Yi Mou have set box office registers ringing across Europe, America, and Asia. Cementing her status as an upcoming international celebrity, actress Zhang Ziyi, the star of both films, was picked to be an award presenter for the second time running at the Oscar ceremony this year.

This year also saw Hollywood's first mega-production exclusively starring Chinese actresses in all the lead roles, grabbing headlines. The movie version of Arthur Golden's novel *Memoirs of a Geisha*, featured Zhang Ziyi and Gong Li as well Michelle Yeoh, a Malaysia-born ethnic Chinese.

While the choice of casting Chinese actresses to represent Japanese geishas has proved controversial, the filmmakers defended themselves by saying that casting decisions rested on star power and acting ability. In short, no Japanese actress today has the global profile of a Zhang Ziyi.

Chinese influence on directing style and camera work on Hollywood films is also visible from blockbusters such as *The Matrix* and *Kill Bill*. The latter, directed by Quentin Tarantino was in fact partly filmed in Beijing. Almost every fight sequence in an American movie today has undertones of Chinese martial arts. Directors with Chinese affiliations like John Woo and Ang Lee have been amongst the world's most successful in recent years.

According to the Xinhua news agency, China has in fact emerged as the world's third largest film producer following India and the U.S., producing some 260 films in 2005. In 2005, Chinese films earned 1.65 billion yuan from overseas showing, a figure exceeding the revenue of imported foreign movies in China, according to the State Administration of Radio, Film and Television.

The global fascination for all things Chinese also extends to Chinese art and traditional medicine. At Sotheby's first New York auction of contemporary Asian art held in late March, a painting by Chinese figurative painter Zhang Xiaogang almost broke the \$1 million mark when it sold for \$979,200, more than twice the auction house's high estimate of \$350,000. In the U.S., where there are some 12,000 registered practitioners of Chinese medicine, medical insurance policies are increasingly beginning to include acupuncture.

Behind this burgeoning Chinamania is a conscious policy on the part of Beijing, that gives due recognition to the importance of cultivating soft power. Celebrating "friendship and culture years" with other powers like Russia, ASEAN, Italy, Egypt, and India – to name just a few – has become an important weapon in Beijing's diplomatic arsenal.

Of course, China still has a long road to travel before it can hope to match the might of the world's current reigning cultural hegemon: the U.S. It is highly unlikely, for example, that Mandarin Chinese will replace English as a global *lingua franca*. Mandarin has four tones and thousands of characters, making it tortuously difficult to master. And while millions are now learning it as a second language, the numbers pale in comparison to those learning English, an estimated 375 million in China alone.

Nonetheless, the increasing muscularity of China's soft power that both reinforces and results from the country's economic vigour is also undeniable. As France celebrated the official "year of China in France" in 2004, the Eiffel Tower was bedecked with red lights and silk lanterns to celebrate the Chinese New Year. It would require a fertile imagination to conceive of the French feting the Fourth of July with similar enthusiasm. America might still be the world's greatest power, but with its continued focus on the war on terrorism and blunt, "you are either with us or against us" tone, it is China that is being able to project a comparatively soft touch.

CARTOONSCAPE



New great wall of China

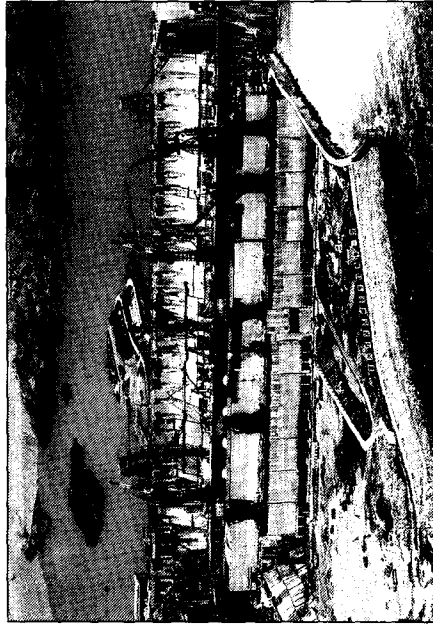
Beijing, May 20 (Reuters): China completed construction today of the giant Three Gorges Dam wall, a milestone in the world's largest hydro-electricity project which is also designed to tame the flood-prone Yangtze river.

Chinese nationalist leader Sun Yat-sen proposed the project as early as 1918, and Mao Zedong once waxed poetic on his hopes for a "great wall of stone" from which "a smooth lake" would arise among the gorges. Workers and officials marked the completion of the massive wall today, in a ceremony broadcast live on state television.

A brass band played and confetti rained over the site after workers poured the last batch of concrete.

In contrast to the launch of work on the dam in 1997, attended by both then-President Jiang Zemin and then-Prime Minister Li Peng, no top officials attended today's event.

State media praised the development company's decision to forego a plan to spend upwards of 1 million yuan (\$125,000) on the ceremony and opt instead for a simpler one that cost only hundreds of yuan, saying the move emphasised that the wall's construction marked only a partial completion of the project.



The Three Gorges Dam in Yichang in central China's Hubei province. (AP)

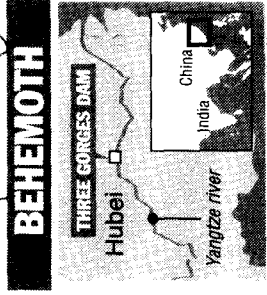
is to make sure the highest safety and quality standards are observed up till the very end of the entire building process," the editorial said.

One of the dam's main functions is to tame the Yangtze's floods, which have drowned countless thousands over the centuries. But the \$25 billion project, which has become a symbol of China's rising power and technological prowess, has been mired in controversy for its environmental impact and its effect on so many people from its conception.

Even when the parliament approved the project in 1992, nearly half of its members voted against the measure — a rare show of opposition in the one-party state.

Many environmentalists say the dam's reservoir, which will reach a depth of 156 metres by October, will become a cesspool of sewage and industrial pollutants and that the creation of such a huge artificial body of water could have unforeseen ecological effects.

Critics also decry the social impact of forcing so many people to leave their homes, as well as corruption they say has kept some of the 25 billion yuan in funds set aside for resettlement from getting to its intended recipients.



● **Location:** Near what was the town of Sandouping in the central province of Hubei on the Yangtze, China's mightiest river

● **Reach:** 600 km of land, including two cities, 11 counties and 116 towns, inundated

● **Displaced:** 1 million people relocated, 1,599 factories submerged

● **Key objective:** To tame the Yangtze's floods

● **Size:** Reservoir is 185 m in height and 2,309 m in length. It can store up to 39.3 billion cubic metres of water

● **Capacity:** 18,200 mw from 26 power turbines

● **Concrete:** 27 million cubic metres of concrete consumed

● **Metal:** 281,000 tonnes

● **Price tag:** Estimated at \$10.8 billion in 1993, expected to reach \$25 billion

21 MAY 2005

China's new push on the African continent

Beijing is making a concerted effort to expand its economic and diplomatic clout.

Pallavi Aiyar

CHINESE PRESIDENT Hu Jintao's three-nation Africa tour to Morocco, Nigeria, and Kenya might have received only a sliver of the international limelight his much-heralded visit to the United States generated a week earlier, but in China itself the trip is seen as having considerable strategic weight.

Since the turn of the century when Beijing established the Sino-African Cooperation Forum, China has been making a concerted effort to expand its economic and diplomatic clout with the raw material rich continent. By combining handouts of billions of dollars in aid and investment with judicious rhetoric that alludes to the spirit of Bandung, Beijing is clearly looking to challenge U.S. leadership in the region. It is within this context that Mr. Hu's recent travels should be viewed.

As he stopped off across Africa last week, Mr. Hu stressed that Beijing wants a "strategic partnership" with Africa, seeking to add a new political dimension to the already blossoming bilateral economic romance. Speaking to Nigeria's Parliament, the Chinese President put forward a five-point proposal for developing ties in the areas of politics, the economy, culture, security, and international affairs.

According to reports in the African media, local analysts say Mr. Hu's stress on the "independence and sovereignty" of Africa is seen to offer an attractive alternative to the U.S.' interventionist and prescriptive foreign policy with its one-dimensional focus on the "war against terror."

Signalling the importance it gives to evolving a coherent Africa policy, Beijing brought out its first ever White Paper on Africa in January this year. It states that if African countries choose to accept the "one China principle as the political foundation for the establishment and development of China's relations with African countries," China will "co-ordinate positions on major international and regional issues and stand for mutual support on major issues concerning state sovereignty, territorial integrity, national dignity and human rights."

Given the economic benefits that trade and investment with China spell combined with the diplomatic weight of Beijing's permanent seat on the U.N. Security Council, it is small wonder that more and more African countries are in fact choosing to ditch ties with Taiwan and recognise Beijing's claim to sovereignty over the island. Thus while in the early 1990s there were still more than 20 African countries that recognised Taiwan, now there are only six.

In October last year, Chinese Foreign Minister Li Zhaoxing attended the official opening of the Chinese embassy in Senegal, which had been closed after it recognised Taiwan in 1996. Following Senegal breaking off relations with Taiwan, Mr. Li announced debt cancellation worth \$18.5 million, with \$3.7 million for the construction of hospitals, roads, and other infrastructure. Liberia, another country to ditch Taiwan in 2003, received \$25 million for reconstruction and the offer of a \$5 million interest-free loan.

Bilateral trade between Africa and China surged to almost \$40 billion in 2005 from \$10 billion at the turn of the century, according to official Chinese statistics. Africa enjoyed a trade surplus of \$2.38 billion. By the end of last year, some 750 Chinese enterprises had invested a total of \$1.25 billion in the continent.

From Senegal to Ethiopia, China's "goodwill" gifts and cheap products are proving a hit with both the people and their politicians. According to reports in African media, even in the fabled trading town of Timbuktu, the moped of choice for young men is the Chinese "Jin-Cheng."



MAKING FRIENDS: Chinese President Hu Jintao and his wife Liu Yongqing observe Kenya's Rift Valley at a viewpoint 2,438 metres above sea level, some 50 km west of Nairobi on Saturday. - PHOTO: REUTERS

Mr. Hu has been stressing the "complementarities" of the Chinese and African economies that promise much scope for the "win-win" situations so often touted by Chinese leaders.

In this case, however, there appears to be much truth underlying the diplomatic-speak. Africa provides rich pickings — particularly oil — for raw material hungry China while the Chinese can offer the expertise and investments much needed by African nations to develop infrastructure and kick-start industry.

Africa's Gulf of Guinea coastline has in particular attracted China's attention given that it is one of the world's oil exploration hotspots. With an economy that has been growing at around 10 per cent for years on the trot, China has emerged as the second largest oil importer after the U.S. Wooing Africa, even those countries shunned by the West such as Sudan, is thus a priority.

So far Beijing's Africa strategy has met with considerable success. During Mr. Hu's Nigeria's visit for example, China was awarded preferential rights in bidding for four oil-drilling licences in exchange for \$4 billion in infrastructure investments, anti-malaria drugs, and training for health officials. A few days before the President's trip, China National Offshore Oil Corporation (CNOOC) finalised a payment for \$2.7 billion for a 45 per cent stake in an oil block in Nigeria that is due to start producing in 2008.

This is not the first time China has sought oil in exchange for investment or aid as India has learnt by experience. In 2004, the Oil and Natural Gas Corporation's bid to purchase a block auctioned by Shell in Angola was topped by the Chinese, who used a \$2 billion aid package to convince the Angolan Government at the last moment, to go with China instead. China also struck a deal with

Gabon to buy oil in 2004 and in 2005 Nigeria agreed to provide 30,000 barrels of oil a day to PetroChina in an \$800 million deal.

The China National Petroleum Corporation (CNPC) is the largest investor in the Sudanese oil industry. The decision of the U.S. Government to cut ties with Sudan in the mid-1990s pressured Western oil companies to withdraw and opened new opportunities for Chinese investment.

CNPC, in a joint venture with the Greater Nile Petroleum Operating Company has invested over \$8 billion in Sudan, including the 1,500 km pipeline to transport oil to the Marsa al-Bashair harbour terminal near the Port of Sudan. By 2005, China was purchasing between 50 per cent and 60 per cent of Sudan's crude production. In total, Africa accounts for about 28 per cent of China's total oil imports.

But beyond petroleum Chinese state companies have invested in African mines, fishing, and telecommunications. Over 60 per cent of Gabon's and a large part of Equatorial Guinea's timber production is purchased by China. China, the world's largest consumer of copper, has invested \$170 million in the Zambian copper mining sector. The Chambezi copper mine, which was purchased in 1999, is now its largest mining operation in Africa. China is increasingly involved in the Democratic Republic of Congo, investing in cobalt and copper mines as well.

Although resource extraction is the centrepiece of China's new Africa push, non-resource based investments have not been ignored. In Ethiopia, China is involved in telecommunications, in Ghana in dam construction, and in Kenya in road building. It is even helping Nigeria to launch its first space satellite. China has also constructed a new Foreign Affairs Ministry building in Uganda and Djibouti and built a sports stadium in

Mali that enabled the country to host the African Nation's Cup football tournament.

In the cultural sphere, China recently started up a Confucius Institute to promote the study of Chinese language and culture in Nairobi and designated eight African countries as official tourist destinations to encourage Chinese tourism in the region. The Chinese government's African Human Resources Development Fund pays for 10,000 Africans to be trained in Beijing.

Finally, China is also increasingly getting involved in peacekeeping operations across the continent. In 2004 the mainland contributed more than 1,500 troops to the U.N. presence in Africa.

All across Africa, Chinese state-owned companies are outbidding Western contractors on infrastructure projects while Beijing provides soft loans and aid as a means to increase its competitive advantage in acquiring natural resource assets. Moreover, its policy of non-involvement in the domestic politics of African countries makes China an attractive partner for those nations marginalised by the Western powers.

Beijing's commitment to Africa has been backed up by a succession of high-level visits to the continent. Chinese Foreign Minister Li Zhaoxing kicked off 2006 by a tour of African countries including Cape Verde, Liberia, Mali, Senegal, Nigeria, and Libya. In 2004, Mr. Hu visited Egypt, Gabon, and Algeria.

China's aggressive African safari certainly has traditional Western powers with stakes in Africa such as the U.K., France, and the U.S. sitting up and taking notice. But India too, would do well to pay some attention. Mr. Hu is the second Chinese President to visit Nigeria in about four years. The last Indian Prime Minister to have paid an official visit to Nigeria, the most populous African country, was Jawaharlal Nehru in 1962.

Hu reaffirms China's ties with developing nations

Chinese President begins tour of African countries

BEIJING: Chinese President Hu Jintao's visit to four Asian and African nations signifies China's intention to maintain its strong ties to the developing world despite its own economic rise, an expert said.

"Hu's visit to developing countries is aimed at reinforcing traditional ties with old friends and discussing with them new areas, ways and subjects of cooperation in a bid to inject new energy into their cooperation," Yu Wensheng, a research fellow with the China Institute of Contemporary International Relations, wrote in Monday's *China Daily*.

Following his state visit to the United States, Mr. Hu began a

• **Hu's tour aimed at reinforcing relations**

• **Morocco, Nigeria and Kenya in itinerary**

• **Beijing keen on relations with African nations**

four-nation tour on Saturday, taking in Saudi Arabia, Morocco, Nigeria and Kenya. Visiting the United States and the four nations on one tour was a clear message to the rest of the world, Mr. Yu said. This year is the 50th anniversary of diplomatic relations between the People's Republic of China and African

countries. Mr. Hu would exchange ideas with the leaders of his host nations on bilateral and China-Africa ties, in addition to jointly planning the future of Sino-African relations. They would also prepare for a fruitful "Asia-Africa Co-operation Forum" and Beijing Summit later this year.

Leaves for Morocco

Mr. Hu concluded his three-day state visit to Saudi Arabia and left Riyadh on Monday for Morocco in north Africa.

During the visit in Saudi Arabia, Mr. Hu held talks with Saudi Arabian King Abdullah bin Abdul-Aziz and other Saudi leaders. — Xinhua

25 APR 2009

THE NEW YORK TIMES

BEIJING PLEASED WITH COLOMBO'S TAIPEI STAND

China promises to 'safeguard' Lanka

Press Trust of India

BEIJING, April 22. — China today praised Sri Lanka for supporting its "core interests" in issues like Taiwan and Tibet and promised to support Colombo in safeguarding its territorial integrity.

At a meeting with Sri Lankan Prime Minister Mr Ratnasiri Wickramanayake on the sidelines of the Boao Forum for Asia annual conference, Chinese vice-president Mr Zeng Qinghong said the two countries had enhanced political trust, expanded trade and economic cooperation and promoted friendship between their people since they forged diplomatic ties

in 1957. Mr Zeng appreciated the stance of the Sri Lankan government to adhere to the one-China policy and support China on the issues of Taiwan and Tibet, which concern Beijing's core interests, Xinhua news agency reported from Boao, a small town in China's southernmost province of Hainan.

China also understands and supports the Sri Lankan government's efforts to preserve national unification and territorial integrity.

Mr Zeng suggested the two countries should further understanding and friendship between the two governments and peoples,

and promote exchange and cooperation in all fields for a win-win prospect.

He also proposed the two sides take care of each other's concerns on major issues which involve national interest and continue coordination on international and regional issues.

Mr Wickramanayake also praised the positive trends in bilateral ties, noting the two countries will celebrate the 50th anniversary of the establishment of diplomatic relations soon.

"It is our hope to further exchange with China in all fields and strengthen bilateral ties via celebration activities," Mr Wickramanayake said.

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Bush-Hu Meeting To Highlight Role That China Plays

Iran, North Korea at Top of the Agenda

By Glenn Kessler
 Washington Post Staff Writer
 Thursday, April 20, 2006; A20

When President Bush sits down with Chinese President Hu Jintao this morning in the Oval Office, some of the biggest foreign policy challenges facing the United States will be on the table, including the nuclear ambitions of Iran and North Korea.

Increasingly, administration officials believe, the key to these issues and other overseas problems may lie in Beijing, a reflection of the pivotal position China has come to play on the international stage.

China, consumed with domestic problems at home and eager for stability overseas, has long resisted playing a leading role in foreign policy. But, especially in the past year, the Bush administration has pressed China to shed its traditional neutrality and take a more aggressive stance against governments that U.S. officials believe could potentially threaten U.S. interests and, more broadly, the international system.

"In both Iran and North Korea, China has a very serious role to play, and in some ways is the pivot for whether we're successful in dealing with those problems," said Michael J. Green, until December senior director for Asia policy at the White House and now senior adviser at the Center for Strategic and International Studies. "Hu will be under some pressure to say something and to signal, not only domestically here but to those countries, that China's patience is wearing thin."

Besides providing help on Iran and North Korea, China could assist in a range of other administration priorities, including ending the deadly conflict in Sudan's Darfur region and putting pressure on the military dictatorship in Burma. But Chinese support for U.S. goals has thus far fallen short of the administration's expectations, in part because China's urgent energy needs have often trumped any concerns about the unsavory nature of other governments.

"While they recognize they are a growing international force, I believe the Chinese of today are pretty absorbed with their domestic development." Deputy Secretary of State Robert B. Zoellick, the administration's point person on China, told a small group of reporters last week. "Will the China of 10 to 15 years from now have a similar view? I can't say."

China's foreign policy has traditionally stressed maintaining the status quo. But in recent months, administration officials have begun to emphasize to the Chinese that with greater economic power comes greater international responsibility. Zoellick, in a major speech last September, said that though the United States had once tried to rein in the Soviet Union, it now wanted to draw out China and integrate it into the international system.

China, Zoellick said, should become a "responsible stakeholder," willing to tackle broad international

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concerns as any great power would.

Zoellick's phrase at first thoroughly confused the Chinese leadership because it could not be easily translated into Chinese. Officials nervously approached White House officials to understand whether Zoellick's speech was positive or negative, U.S. officials said. The Chinese now appear to realize that Zoellick's speech was intended to be positive -- but with an edge.

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"They finally understand what Zoellick was getting at, and that it is the new benchmark for the relationship" said David L. Shambaugh, director of the China policy program at George Washington University. "Sitting on the fence will be judged negatively by the United States."

The Chinese have made it clear that "this is their most important foreign policy relationship," a senior U.S. official said. Administration officials hope to exploit that sentiment as they try to prod China to work with the United States on a range of issues.

Hu, who toured a Boeing Co. aircraft plant yesterday in Everett, Wash., will be greeted with a 21-gun salute on the White House lawn this morning and feted by Bush at a lunch for 200 guests. When he arrived in Seattle on Tuesday, Hu said China and the United States "share common strategic interests in a wide range of areas, particularly in maintaining world peace, promoting global economic growth, combating terrorism and preventing the proliferation of weapons of mass destruction."

In the case of Iran, China has frequently joined with Russia to thwart the tougher action sought by the United States at the United Nations. Chinese Vice Foreign Minister Dai Bingguo, standing on the same stage as Secretary of State Condoleezza Rice at a news conference in Berlin, rejected the idea of sanctions last month, saying that "there has already been enough turmoil in the Middle East."

The U.N. Security Council demanded that Iran halt its uranium enrichment activities by April 28, and instead Iran's president announced last week that the Islamic republic had reached a new technological milestone. Talks held in Moscow this week by diplomats for the permanent members of the council and Germany yielded no consensus on the next steps.

The U.S. official, speaking on the condition of anonymity, said the discussions today will be an "opportune moment" for the two presidents to discuss Iran, with Bush planning to outline to Hu how he hopes to proceed against Tehran. Speaking to reporters Tuesday, Bush stressed that "we want to solve this issue diplomatically," but he pointedly refused to rule out using nuclear weapons to destroy underground Iranian nuclear facilities if diplomacy failed.

In his talks with the Chinese, Zoellick has suggested that Iran's acquisition of a nuclear weapon would destabilize the Middle East and would probably raise the cost of crude oil, directly affecting Chinese interests. Chinese officials privately told Zoellick in January that they share with the United States the same principles on Iran but that they may differ on tactics. Now, U.S. officials are hoping that Hu will publicly declare this week that China wants to work cooperatively with the United States to stop Iran from obtaining nuclear weapons.

On North Korea, China remains Pyongyang's key economic and political patron and has played a crucial role in hosting six-nation talks to resolve the impasse over that country's nuclear programs. But the talks have stalled, and U.S. officials have felt frustrated that China has been reluctant to use its leverage to force North Korea to return to the talks. Generally, China -- concerned about the potential collapse of North Korea -- has enticed Pyongyang with inducements, such as a new glass factory, rejecting U.S. efforts to cut off oil supplies or take other negative measures.

"What we are urging the Chinese to recognize is that they need to be more than a mediator" on North Korea, Zoellick said at a public forum on Monday.

Hu is very formal, but U.S. officials hope to build on his personal relationship with Bush.

In April 2003, shortly after Hu ascended to the top post, Bush ended a phone conversation by telling him he was a strong leader and doing a good job. It was one of Bush's standard lines -- later made famous when he used it to laud one of his top aides after the Hurricane Katrina disaster. But White House officials were later told by Chinese officials that Bush's comment made a deep impression on Hu, who had never heard such praise from a world leader.

Hu, White House officials were told, decided that Bush really wants him to succeed.

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China's choice

Dalai Lama Tests Beijing's Credentials

China proclaims it is one nation with two systems. It is also one government with two faces. So does it have two heads that work sometimes in conflict and sometimes in concert? Or is it simply double-faced?

China's policy towards India has been covertly hostile. For years India has been encircled by South Asian neighbours that are either unstable or hostile. The government's inept diplomacy was only partly responsible. China's role in creating these conditions was no less the cause. Evidence of this needs no reiteration. But recent gestures suggest China may change course eventually. China's latest utterances on Nepal coincided with India's stated interests. Recently Begum Khaleda Zia visited Delhi to confer with Prime Minister Manmohan Singh. Both leaders resolved to fight terrorism. Would Begum Khaleda have defied Beijing to do this?

Sour note

Only Pakistan struck a sour note. Peeved over the Indo-US nuclear deal President Musharraf said if America would not sign a similar deal with Pakistan he had the Chinese option. Pakistan's foreign minister added: "The NPT will be finished. The US should be conscious of the sentiments of this country. People compare US to China and feel it has not been a constant friend the way China has." Did these words reflect a Chinese assurance? Or was it whistling in the dark? Is China changing or is it still following the Maoist dictum: "Fight, fight, talk, talk?"

Thanks to the Dalai Lama we may soon find out. Tibet was an independent nation forcibly annexed by China while India watched impotently. The voluminous historical and legal data that exists to vindicate this does not bear repetition. Currently China draws its legal claim from the Agreement signed between China and Tibet in 1951. That Agreement lacks legal validity. It was signed by Tibet under duress while Chinese forces occupied Tibet and China threatened a further advance to Lhasa if the Treaty was not signed. A treaty imposed by force is illegal unless force is used against an unlawful aggressor, or force is used to implement

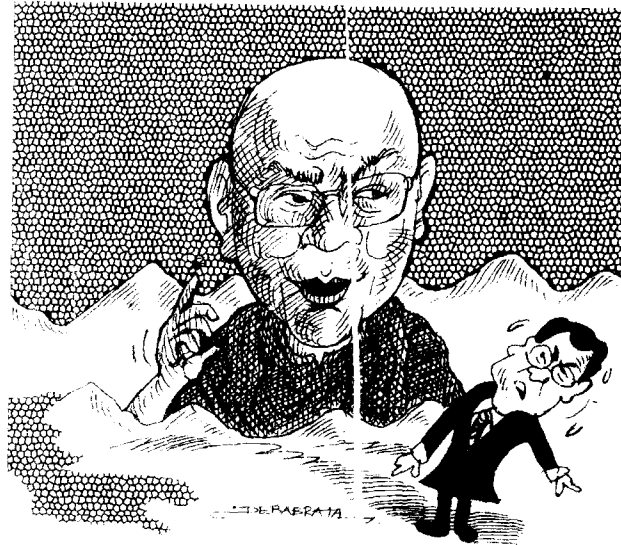
The author is a veteran journalist and cartoonist

Rajinder Puri

a UN resolution. Neither condition was fulfilled. China "peacefully liberated" Tibet which it claimed had always been part of China. So from whom was it liberated? From the Tibetans themselves?

However all this is water under the bridge. The Dalai Lama made a huge com-

promise in search of a settlement. Young Tibetans would call it surrender. In a press conference in Israel last February 15 Dalai Lama said he was seeking only genuine autonomy for Tibet, not independence or separation from China. Perhaps wisdom dictated him to say this. In a changing world sovereignty is rapidly diluting while human rights and open societies are becoming global imperatives. Whatever the reason, the Dalai Lama has moved more than half-way to address China's concerns. So how will President Hu Jintao react?



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By the time this appears in print President Bush and President Hu will be meeting in Washington. America and China have a symbiotic relationship going back decades. It is sealed by a 200 billion dollar trade surplus for China which has accumulated foreign exchange reserves of 853 billion US dollars by 2006. Both nations have been described as Siamese twins joined at the hip. Discussions between both Presidents will doubtless revolve on trade and energy needs. But they may also touch on human rights and the future of Tibet. Despite Beijing's protests Washington will host a meeting bet-

ted in 2002.

So, will China reasonably settle the Tibetan question? There are powerful reasons for it to do so. Behind the glitter of China's economic miracle there lurk critical problems. To fulfil WTO commitments China must open its banking sector to unrestricted foreign investment by this year end. Chinese banks are a mess. Damage control measures are already under way. Their failure could result in economic catastrophe.

With a monopoly on deposits China's state owned banks have accumulated huge capital. Substantial amounts never to be returned were lent to losing State Owned Enterprises (SOEs). This was necessary to keep 60 per cent of China's urban population employed. If Chinese banks collapse and SOEs close down massive urban unemployment could ignite an uprising. This economic strategy was initiated by Deng Xiaoping and pursued by Jiang Zemin. They unleashed unrestricted growth and rapid urbanization to make China a major economic power. They believed continuous rapid economic growth could hold social instability at bay. This strategy suited the Shanghai bankers and

South China's prosperous coastal region. But it resulted in huge disparity, corruption and rebellions in the interior.

Last year there were 84,000 demonstrations against the government. Two were particularly serious. In one the villagers of Huaxi in the Zhejiang region protested against a corrupt official constructing a chemical plant; 20,000 villagers seized control of the town and burnt state property. Last December protests erupted against another corrupt official in Shanwei who pocketed money meant for displaced farmers. Government forces opened fire in the worst confrontation since the 1989 Tiananmen Square incident.

Well-entrenched

Unlike their predecessors, President Hu and Premier Wen do not belong to the Shanghai group. They hail from peasant regions in the interior. They are attempting to reverse economic strategy. To do so they must curb the country's local and regional leaderships. Local leaders will not easily discard the status quo. They are so well entrenched they can often ignore the central government. At the same time rich businessmen of the prosperous coastal regions are alienated.

The central government attempts to squeeze money out of them to pay for reconstructing the interior.

It is during this domestic tight-rope walk that President Hu confers with President Bush. This is a time when America also attempts a nuclear deal with India. In the latest National Security Strategy paper in March 2006, President Bush said: "India is a great democracy, and our shared values are the foundation of our good relations. India, a major power, shares our commitment to freedom, democracy, and rule of law."

In the same paper President Bush said: "China's transition remains incomplete. China has gone from poverty and isolation to growing integration into the international economic system. China's leaders must realize, however, that they cannot stay on this peaceful path while holding on to old ways of thinking and acting that exacerbate concerns throughout the region and the world." So, will China change its ways? The Dalai Lama and Tibet will provide a litmus test.

Hu brings deals and promises for US

REUTERS
Beijing, April 18

CHINESE PRESIDENT Hu Jintao arrived in the United States on Tuesday bearing business deals and soothing words intended to allay US fears about China's ambitions, but he faces a US audience keen for more results.

The highlight of Hu's four-day trip will be a summit on Thursday with US President George W. Bush. But his first stop was Seattle, where he toured a production plant of Boeing Co., whose business has boomed on the orders from China.

Hu, whose entourage includes his foreign and trade ministers,

will also dine at the \$100 million home of Bill Gates, the chairman of Microsoft Corp. and the world's richest man.

China sought to quell US trade complaints by signing contracts worth \$16.2 billion while Vice Premier Wu Yi visited the US last week, an editorial in the state-run China Daily said on Tuesday. "Hu's trip is set to clear US minds of doubts and suspicion about China," the newspaper said.

But on Monday, US deputy Secretary of State Robert Zoellick said Beijing had been "agonisingly slow" in reforming its currency. Many say China's yuan is undervalued, making Chinese exports artificially cheap.

In Washington, Hu will have lunch at the White House, although not the state banquet China had pressed for. China insists Hu's trip is a fully fledged state visit but the White House has said it is not.

Analysts on both sides have said the White House meeting is unlikely to produce major breakthroughs on trade and diplomatic strains, which include differing approaches to the crises over the nuclear ambitions of Iran and North Korea.

"I intend of course to bring the subject up of Iranian ambitions to have a nuclear weapon with Hu Jintao this Thursday," Bush told reporters on Tuesday at the

White House. "We'll continue to work diplomatically to get this problem solved."

Each leader will be looking for general commitments that address his own concerns. Hu wants to ensure stable relations with Washington as he prepares for a major Communist Party congress in 2007 and then Beijing's 2008 Olympics.

He also wants Bush to offer some assurance that the United States will give no leeway to Taiwan's independence-leaning President Chen Shui-bian.

Beijing says the self-ruled island must accept reunification with the mainland after over half a century of separation.



Hu Jintao (above) and George W. Bush



No fullstops in foreign investment: China

REUTERS

BEIJING, APRIL 17

CHINA will keep encouraging foreign investment despite criticism of foreign influence and concerns that inflows are swelling the country's currency reserves, a senior official said in comments published on Monday.

The reaffirmation of China's long-standing policy of attracting foreign investment by Hu Jingyan, head of the Commerce Ministry's foreign investment office, feeds into an increasingly vibrant debate on the direction of China's economic reforms. "China will not change the policy of encouraging foreign investment," the China Securities Journal cited Hu as saying.

China drew \$60.3 billion in FDI in 2005 and \$60.6 billion in 2004. The inflows have contributed to what some analysts say is an excessive rise in China's currency reserves, which grew \$56.2 billion in the first quarter to a world-beating \$875.1 billion.

But Hu said the foreign exchange reserves, per head of China's 1.3 billion population, were still relatively low. "We can't say that foreign investment in China has already become saturated," he said. China drew in \$14.25 billion in foreign direct investment in the first quarter.

In a report issued in Bei-



Chinese president Hu Jintao will kick off his visit to the US this week by meeting with two major corporations—that embody both the difficulties and the opportunities for US companies in China—Microsoft and Boeing

jing on Monday, the Organization for Economic Cooperation and Development chimed in by saying China—not a member of the Paris-based club—gets much less FDI per head than any of the OECD's 30 members except for Turkey.

The report examined China's policy toward mergers and acquisitions, which form a relatively small part of FDI flows. China would benefit from the faster growth and greater economic efficiency that M&A generates, the OECD said.

To that end, it urged Beijing to ease foreign ownership curbs; make regulations more transparent; improve corporate governance; and

Shanghai & Shenzhen stock exchanges to resume fund-raising

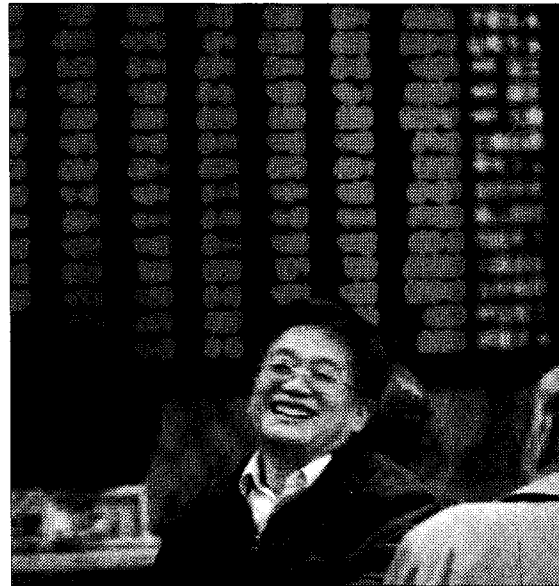
SHANGHAI: China's stock regulator said it would soon allow the resumption of fund-raising on the Shanghai and Shenzhen stock exchanges after an 11-month suspension, as the country's reforms to float non-traded government holdings in listed companies had seen some success.

The China Securities Regulatory Commission said the sequence for the resumption would be private placements, rights shares and then initial public offerings, according to a statement published on its Web site (www.csrc.gov.cn).

China suspended all fund-raising on domestic bourses in May to support a programme to convert \$250 billion in non-traded state shares in listed companies into regular traded shares.

Chinese shares rose 1.4 per cent to close at their highest level in more than 17 months on Monday after news that China would soon let companies resume capital raising on domestic exchanges.

The benchmark Shanghai composite index finished at 1,378.614 points, its highest



A shareholder smiles at the Shanghai Stock Exchange

closing level since November 22, 2004, when it ended at 1,383.02 points.

"Sentiment is bullish, helped by the fund-raising news and a recent market rally," said Orient Securities' Cao Jianming, forecasting the index could rise to test 1,400 points in coming weeks.

The index has jumped 25 per cent since December 1, 2005, buoyed by strong technical buying after a four-

year market slump that was triggered by fears of a possible deluge of new shares from the proposed flotation of government holdings in listed companies.

Top Asian refiner Sinopec was the session's second-most active stock, rising 6.38 per cent to 5.5 yuan.

Shares in Sinopec have soared 34 per cent since December 1, leading the recent broader market rally. —Reuters

fully open China's capital markets to foreign investors.

The swelling FDI, especially that parked in China's big state banks and companies, has handed ammunition to critics who say China is ceding too much influence to foreigners, potentially loosening the Communist Party's grip on power.

Hu dismissed the concerns, saying foreign investment did not play a dominant role in any individual sectors of the economy.

"And generally speaking, no individual country or any particular multinational company investing in China has grabbed a monopolising role in any sector," he argued.

Hu also said China was working on its proposed anti-monopoly law and would issue it very soon.

Kenneth Davies, an OECD economist, said he fully expected the new law to end discrimination against overseas companies in the area of merger notification procedures.

At present, in contrast to domestic companies, foreign firms are obliged to notify a merger, depending on their market share.

"We don't expect the discrimination to continue. That would be a major step forward," Davies, who said the OECD had been consulted on the draft legislation, told reporters.

China plays yuan diplomacy in Pacific

Wen Offers \$374M Loan To Island Nations

Nadi (Fiji): China will provide \$374 million in loans over the next three years to its Pacific allies to boost economic development and cooperation, Chinese Premier Wen Jiabao pledged on Wednesday to leaders of several South Pacific countries that have diplomatic relations with Beijing.

The loans would target various industries including mining, agriculture, forestry, fisheries and aviation, Wen said.

Wen said China was "ready to provide assistance without any political strings attached."

"China has

The agreement gives China 85% equity in the Ramu nickel and cobalt mine in exchange for 100% financing of the project.

It comes in addition to \$370 million China has already invested in Papua New Guinea for other projects, Somare said outside the meeting. "It's a great achievement for Papua New Guinea," Somare said. "The recent \$651 million investment... means that construction (on the mine) will start toward the end of the year."

Francis Kaupa, the managing director of the Mineral Resources Development Co, a joint venture partner in the project, lauded China's generous financing terms.

"In today's age it's very difficult to go and get financing like that for a major resource project," he said, adding, "You don't get too many better deals."

Wednesday's summit included only those South Pacific countries whose governments have diplomatic relations with China—the Cook Islands, Fiji, Micronesia, Niue, Papua New Guinea, Samoa, Tonga and Vanuatu.

The decision to exclude the six countries that have relations with Taiwan—Kiribati, the Marshall Islands, Nauru, Palau, the Solomon Islands and Tuvalu—is the latest round in what experts sometimes refer to as "dollar diplomacy" between Beijing and Taipei.

Taipei seeks diplomatic recognition from Pacific islands and other nations to shore up its status as a sovereign government. Beijing wants to deny the self-ruled island such ties in order to back its claim that Taiwan, split from the communist mainland since 1949, is part of its territory.

Some critics have said the rivalry between China and Taiwan has resulted in a Pacific bidding war, in which diplomatic recognition is tied directly to aid. But George Maniuri, the director general for foreign affairs in Vanuatu—which also signed economic and trade agreements with China on Wednesday—said Beijing's growing influence in the region made it a natural ally.

"China is becoming a big player in the world market so I think it's normal that its presence in the region is somehow facilitated," he said, adding the United States, Japan and the EU had also held such talks with Pacific island countries. AP



China has funding and technical expertise. The island countries are rich in natural resources. Herein lies the potential for bilateral ties

funding and technical expertise," he said. "The island countries are rich in natural resources. Herein lie huge potential for bilateral cooperation," he said.

Wen earlier signed a multimillion-dollar mining deal with impoverished Papua New Guinea on Wednesday.

Making a one-day stopover in Fiji, Wen on Wednesday met leaders of several South Pacific countries that have diplomatic relations with Beijing—including Papua New Guinea's Prime Minister Sir Michael Somare.

The two leaders shook hands and smiled after government and mining officials signed a deal that will deliver \$651 million of nickel and cobalt revenue to the impoverished nation over the next three years.

06 APR 2006 THE TIMES OF INDIA

China to open Nathu La by June for trade links

PRESS TRUST OF INDIA

BEIJING, APRIL 6

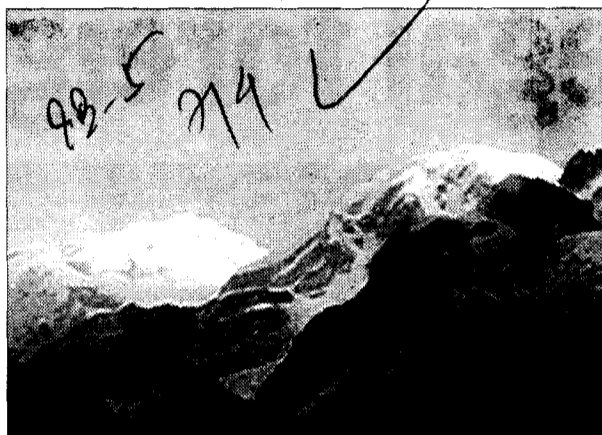
CHINA today announced that a vital trade market on the strategic Sino-India border along Sikkim would open twice a week from June, setting up the first direct trade link through land between the two countries since the 1962 war.

"The 6,400-sq-mt market, named Dongqinggang, is located by the mountain road 16 km from the 4,545-mt high Nathu La (pass), where Yatung county of China's Tibet Autonomous Region and India's Sikkim state meet," the official *Xinhua* news agency reported, signalling that China has recognised Sikkim as part of India.

According to the plan, the market would open twice a week from June for four hours a day after its construction is completed, the report from Lhasa, Tibet's capital, said.

"Construction is going on at a brisk pace and 60 per cent of it has been completed. Everything should be finished before the deadline," said Basang Cering, an official of Yatung county, also the chief director at the construction site.

Construction of roads leading to Nathu La is also under way, but is often clogged by heavy snow. A total of 1,550 workers are



The pass in Sikkim will open twice a week from June

now at the site trying to finish it in time.

Nathu La, which used to be a hot spot for trade between China and India, took over 80 per cent of their total border trading volume at the beginning of the 20th century. But trading over the pass was suspended in 1962. Four decades later, China and India signed a memorandum in 2004 to resume trading at the Nathu La, in the ensuing year, China's State Council, the cabinet, approved the construction of a trade market near the pass.

The decision to resume trade between India and China through Nathu La was first taken in 2003 during the historic visit of former Prime Minister Atal Behari Vajpayee to Beijing. South Block had interpreted Nathu La's acceptance as the Indian trade point to be Bei-

jing's first step towards fully recognising Sikkim as an integral part of India.

Later, in 2003, during the ASEAN summit in Bali, attended by both Vajpayee and Wen, Beijing had informed India about Sikkim's removal from the Chinese foreign ministry's website. This was a significant step as it meant China no longer regarded Sikkim as a "separate country".

Sikkim became India's 22nd state in 1975 and merged with the Indian Union after a referendum overwhelmingly supported the move. But China, which took over Tibet in 1959 and regarded Sikkim as part of Tibet, saw the merger as an "annexation". The two countries went to war in 1962 on the boundary issue. India and China now agree that Sikkim "has ceased to be an issue" in bilateral ties.

09 10 2006 INDIAN EXPRESS

Australia, China sign uranium deal

No merit in China containment policy: Howard

P. S. Suryanarayana

SINGAPORE: China and Australia on Monday signed a major agreement, complete with safeguards, for cooperation in the nuclear energy sector.

The accord was signed in Canberra in the presence of Australian Prime Minister John Howard and his Chinese counterpart Wen Jiabao.

Hailing the upswing in Canberra's ties with Beijing, Mr. Howard said, "We do not see any merit at all in any policy of containment towards China."

The pact provides for the supply of Australian uranium to China to meet the requirements of its nuclear power sector.

Mr. Howard later told journalists in Canberra that he was "satisfied that the safeguards that are there [under the international non-proliferation regime] will be enforced."

He emphasised that "it is on that basis that the [latest] agreements [with China] have been signed."

During the same media inter-

• **Agreement consists of safeguards**

• **Uranium for nuclear power sector**

• **Non-peaceful purposes ruled out**

action, Mr. Wen said: "Today, while we signed the agreement on nuclear cooperation between China and Australia, we also put in place a mechanism for safeguards. We believe that this safeguards mechanism will ensure that the nuclear cooperation will not be used for non-peaceful purposes."

He was answering a question how to ensure that the prospective supplies of Australian uranium would not be diverted by China towards its "ongoing weapons programme."

Mutual respect

Maintaining that Australia and China must proceed "on the basis of mutual respect, mutual

benefit and equality" in implementing this accord, Mr. Wen emphasised that Beijing is a member of the International Atomic Energy Agency and a signatory to the Nuclear Non-Proliferation Treaty.

Mr. Wen said: "China's foreign policy is open. China does not draw a line on the basis of ideology and China does not enter into alliance with any other country or any other group of countries."

He said, "a very important common understanding" was now reached with Mr. Howard that "China and Australia should work together to build a relationship of all-round cooperation for mutual benefit and win-win outcomes in the 21st Century."

Mr. Howard later said at a luncheon in honour of Mr. Wen, "the strength and depth" of Canberra's relations with the United States would "in no way affect the capacity of Australia to interact with and form a close and lasting partnership and friendship with China."

04 APR 2008

THE HINDU

China ready to meet Australia's N-terms

Canberra-Beijing Uranium Sale On Track



Chinese Premier Wen Jiabao handles a formation of stable natural gas hydrate at the Woodside Hydrocarbon Research Facility in Perth on Sunday

Perth: Chinese Premier Wen Jiabao said on Sunday that China was prepared to meet Australian safeguard requirements for the purchase of uranium. Australia, which has about 40% of the world's known uranium reserves, is ready to supply uranium to meet China's energy needs as long as China adheres to strict criteria.

"In our bilateral cooperation we should establish a long-term, stable and fundamental institutional and systematic safeguard," Wen said in Perth on the first day of a four-day visit to Australia. Wen and Australian Prime Minister John Howard will meet on Monday in Canberra and are expected to announce a deal that will enable China to import uranium for power generation but prohibit military use or resale to a third country.

"Our energy and resources cooperation is ensured by such a safeguard and during my visit to Australia this time the two gov-

ernments are going to sign the agreement for peaceful use of nuclear energy and safeguards of nuclear energy," he said through an interpreter.

Australia requires countries to have signed the nuclear Non-Proliferation Treaty and to agree on separate nuclear safeguards deal with Canberra before it will export uranium.

In a TV interview on Sunday, Howard said he was confident Australia would be able to enforce safeguards it places on the agreement. "China is wanting world acceptance in many ways," Howard said. "China sees herself as projecting influence and authority in the region. That's understandable, given her size and I don't think she's going to lightly give up the fairly hard-won reputation that's she's trying to get."

Howard repeated his government's position that it had no present intention to change its policy on uranium trade to allow exports of the mineral to India. Yet, Australia is sending officials to India to find out more about a US deal that would see India receive US nuclear technology in return for separating military and civil facilities and opening civilian plants to inspections. Howard said he supported the US deal, but that didn't mean Australia was considering a policy change.

China is expected to build 40 to 50 nuclear power plants over the next 20 years, while India is looking to boost its nuclear power industry, which currently accounts for only 3% of energy production. Australia has 19 nuclear safeguard agreements, covering 36 countries, including the US, France, Britain, Mexico, Japan, Finland and South Korea. Reuters

Fuelling Friendship

Russia, China fuel stronger ties

Beijing: Russian President Vladimir Putin arrived in Beijing on Tuesday for talks centering on energy matters, including a pipeline to deliver Siberian oil to fuel China's booming economy. With China's wealth and might on the ascendancy, Putin's meetings with Chinese President Hu Jintao—the fifth between the two leaders in under a year—and other officials are expected to be spectacles of symbolism and overtures to Russia's gigantic neighbour.

The Russian leader, accompanied by top ministers and the country's most powerful industrial figures, was scheduled to meet Chinese President Hu Jintao. About 15 agreements are likely to be signed on a range of bilateral issues, including Iran's nuclear programme

and the North Korean N-talks.

On the agenda are a deal for Russia to supply electricity to China, a partnership between Russian state oil firm Rosneft and the Chinese Development Bank and a pact on gas delivery.

The two leaders were also to oversee the launch of "The Year of Russia in China", followed on Wednesday by the inauguration of the Russian-Chinese business forum. Putin was also due to meet on Wednesday with Chinese Premier Wen Jiabao before leaving Beijing. Officials in both Moscow and Beijing are looking to spur new investment between the former Cold War adversaries and double last year's \$29 billion in trade by 2010. Both Tokyo and Beijing have manoeuvred hard for the

best routing of the 4,100-km East Siberian-Pacific pipeline. For now, China imports all Russian oil via rail. China is also Russia's top customer for military weaponry and equipment.

The two Asian giants have also moved to deepen political ties following years of Cold War suspicion. Both have pledged commitment to a "multipolar world" and last year warned other nations against attempts to dominate global affairs and interfere in sovereign nations' domestic matters.

In an interview with China's official Xinhua News Agency, Putin gave a veiled warning over US policies to encourage democracy in the former Soviet republics, saying that attempts to "forcibly export democracy and im-

pose cultural standards and values" result in conflicts. "We do not impose our viewpoints by force, we never 'flex our muscles', but instead we consistently advocate political and diplomatic approaches to the settlement of conflicts," Putin was quoted as saying.

China and Russia are also building cooperation with each other and several other important countries in a new regional security body that they jointly lead—the Shanghai Cooperation Organisation—a body in which the United States is glaringly absent. Last week, the US released a major foreign policy review that expressed dismay at rollbacks in democratic reform in Russia and warned China against denying personal and political freedoms. Agencies

THE HONG KONG TIMES

Our time has come: Wen to India, China

Calls For Asian Powers To Develop Economically, Grow Closer

By Saibal Dasgupta/TNN

Beijing: The 21st century will truly come to be regarded as an "Asian century" if China and India continue to develop on the economic front and achieve their potential, Chinese Premier Wen Jiabao said on Tuesday.

He also predicted that the "fraternal friendship" between the two countries would become stronger and more vibrant.

While discussing China's role in the world community, he said, "We have not taken a single inch of foreign land." No Chinese soldier apart from those working with United Nations peacekeeping forces is on foreign land, he said.

"Even if China becomes strong one day, it will not interfere in the affairs of other countries," he said during his annual press conference at the end of this year's session of the National People's Congress (NPC), the Chinese parliament. However, Wen, did not comment on the seventh round of boundary talks that took place recently between the special representatives of India and China in New Delhi and Kumarakom, Kerala.

Speaking on China-India ties, Wen said that increasing cultural exchanges between the two countries was high on the agenda for this year. 2006 is being celebrated as the Year of Friendship between the two countries.

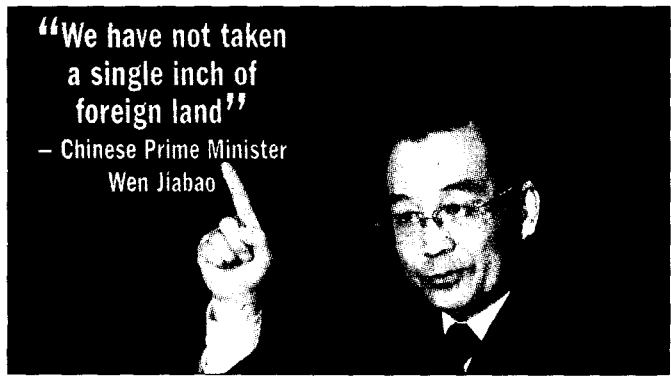
Recalling his successful visit to India in April last year, Wen said that the relationship between India and China has reached a "historic stage". The two countries reached a strategic partnership for peace and prosperity, agreed on a political principle to guide the settlement of the border issue and worked out a five-year plan for Indo-China trade and economic development, Wen pointed out.

The Premier holds only one press conference every year—at the end of the annual session of the NPC. This year's press conference lasted two hours and was nationally televised.

► China plays \$10 billion aid diplomacy, Page 17

"We have not taken
a single inch of
foreign land"

— Chinese Prime Minister
Wen Jiabao



Welcome to Wen's world

Beijing: It is not often that Chinese Premier Wen Jiabao fields critical questions. He went through the ritual when the parliament session ended on Tuesday. He sat smugly between government media officers after sailing through the 10-day parliament session. The parliament deputies are not known to be openly critical of the government.

Facing him were some 1,500-odd journalists, but Wen had little to worry about as the local media asked him "leading questions", which helped him expound on his theories on development, Taiwan and Japan. The only source of unease was the foreign journalists, but only a handful raised questions for want of time. They quizzed him on internet censors, farmer rights, industrial pollution and trade unions.

The questions from foreign journalists have a political importance, because the press meet is televised across the nation. Wen justified net censorship. He said land grabbers would be punished, but rejected a suggestion that workers did not have their own trade unions. He said his government had met all the targets in the 10th five-year plan, except for environment protection. He promised to correct this failing.

A journalist asked what were the issues that touched him. He said he was touched to see the people's support for his government and saddened by being unable to reduce the cost of health care, education and housing. TNN

NUKE-TALKS ■ Beijing urges countries to consider the Russian compromise

China opposes sanctions against Iran

CHRIS BUCKLEY &
LINDSAY BECK
BEIJING, JANUARY 26

CHINA opposes sanctions against Iran's nuclear ambitions and urges countries to consider a Russian compromise, a Chinese spokesman said on Thursday, as Tehran's nuclear negotiator held talks in Beijing.

"We oppose impulsively using sanctions or threats of sanctions to solve problems. This will complicate problems," Foreign Ministry spokesman Kong Quan told a news conference.

In Moscow on Wednesday, the Iranian negotiator Ali Larijani said referring Iran's nuclear activities to the UN Security Council would prompt Tehran to start uranium enrichment. But he also signalled interest in a Russian proposal to enrich Iranian uranium on Russian soil—a compromise backers say would give Iran nuclear power but restrain any moves to make weapons.

Chinese spokesman Kong said Russia's offer should be seriously considered. "We think the Russian proposal is a good attempt to break this stalemate," Kong said. He said Larijani held morning-long talks with Foreign Minister Li Zhaoxing. The Iranian



Chinese Foreign Minister Li Zhaoxing with Iranian nuclear negotiator Ali Larijani in Beijing on Thursday. Reuters

diplomat was to meet State Councillor Tang Jiaxuan in the afternoon and hold a news conference in the evening.

Russia and China—who wield veto power in the UN's Security Council along with the three other permanent members—have urged other solutions to the standoff. The other members are the US, Britain and France. China is also hosting stop-start six-party talks, including Russia and the US, aimed at ending North Korea's nuclear

weapons programme. Kong said all the countries involved should "intensify diplomatic efforts" to broker a solution before the IAEA meets on February 2 to debate sending Iran to the Security Council.

The Council's veto-wielding permanent members plus Germany plan to meet in London on Monday to try to resolve differences over what to do about Iran. Analysts say despite its objections, China would be more likely to abstain from a vote than use its

US may use force against Tehran

PRESS TRUST OF INDIA
WASHINGTON, JAN 26

THE US has said it will "exhaust all diplomacy" while working with international leaders to make Iran abandon its uranium enrichment programme but has kept the option of using force open.

In an interview with *The Wall Street Journal* US President Bush said while his desire is to "exhaust all diplomacy," he will not take the option of use of force away from the table.

He said he is looking in particular to a proposal by Russia which would enrich nuclear material on behalf of Iran adding his goal is to work with France, Germany, Britain and Russia, to "present a unified front" and convince Iran to abandon its uranium enrichment programme that

could produce the material necessary for nuclear arms.

The US and its allies are seeking to push for a resolution at the IAEA in February that will criticise Iran for its nuclear activities. This resolution would then refer the matter to the Security Council for a debate.

He said that he is working with allies on a strategy to deal with the issue once it reaches New York adding that he has doubts about his ability to work Iran's President Mahmoud Ahmadinejad after his call for eliminating Israel.

"I am very concerned about a president of a great country like Iran declaring his intent, or his interest in the destruction of one of our closest allies. And that should be of concern to people who care for the peace around the world," he said.

veto. But Kong said Iran should have the right to peaceful nuclear power.

Iranian Foreign Minister Manouchehr Mottaki said

that if sent to the Council, Iran would immediately halt voluntary dealings with the IAEA, which include snap checks on its atomic sites. —Reuters

27 JAN 2006

As Beijing cashes in on Africa's natural resources and markets, and lays foundation for military, political influence, India as usual is caught sleeping

Losing Africa to China

CRAJA MOHAN

THAT China's White Paper on Africa, released last week in Beijing, got no attention in India reflects the familiar but sad story of Beijing racing ahead of Delhi in yet another frontier.

As on energy security, so in Africa, India sleepwalks through new opportunities. China, meanwhile, has put the continent at the top of its strategic priorities. The White Paper provides a larger political framework for China's rapidly expanding commercial, cultural and military profile in Africa, which has ended years of economic sluggishness and started growing at a clip.

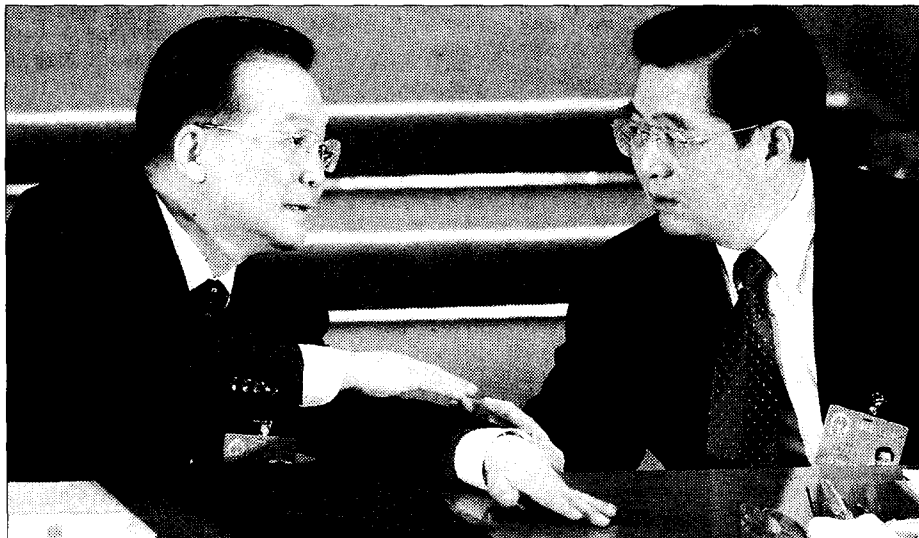
Western analysts of China describe China's vigorous African diplomacy as a rising great power's attempt to gain control of Africa's natural resources and markets, and lay the foundation for enduring political and military influence.

Just consider China's recent economic performance in Africa. Its trade has grown by leaps and bounds to about \$37 billion last year. Africa supplies nearly 30 per cent of China's hydrocarbon requirements. A few days ago, China's top offshore oil producer CNOOC agreed to pay \$2.3 billion for a stake in a Nigerian oil and gas field—its largest overseas acquisition. Looking beyond petroleum, China is consolidating its hold on the rich mineral resources of Africa.

One of the biggest Chinese mining operations on the continent is the Chambishi copper mine in Zambia. Its interest covers the entire range of African minerals. Chinese-funded enterprises in Africa increased by 77 in 2004 to 715. The new companies invested \$135 million with plans for investment of \$432 million, according to Chinese officials.

Flag follows trade

HOURS after the White Paper was released last week in Beijing, Chinese Foreign Minister Li Zhaoxing set out on a nine-day tour of Africa that will take him to six countries



The Chinese leadership has made it a tradition to begin a new year with an extended trip to Africa

including Nigeria and Senegal. It has now become a tradition for Chinese foreign ministers to begin every new year with an extended trip to Africa. For some time now, Beijing has been hosting an annual ministerial meeting of the

Chinese TAKEAWAY

The last Indian prime minister who travelled on a bilateral visit to Nigeria, the largest African country, was Nehru in 1962. Our leaders tend to limit their African visits to either South Africa or Mauritius, thanks to the allure of the *chai-samosa* gatherings of the diaspora

China-Africa Forum. During his Africa trip, Li will prepare the ground for the first China-Africa summit that is slated to be held at the end of this year in Beijing.

Thanks to the recent robust economic growth in Africa, India has not done too badly on the trade front. Although a fraction of China's commerce with Africa, India's non-oil trade with the continent has grown from \$914 million in 1990-91 to a little over \$9 billion in 2004-05. Unlike China, India has been unable to lend a strategic purpose to its Africa policy.

Lack of high-level visits from India has been a big diplomatic failing. Last year alone, two members of the Chinese Communist Party's Politburo, the foreign and defence ministers, and two vice-premiers visited China. Even if we take the span of two decades, high-level Indian visits have been too few and far between. The last Indian prime minister who travelled on a bilateral visit to Nigeria, the largest African country, was Jawaharlal Nehru in 1962. Atal Behari Vajpayee was barely there for a day to

attend the Commonwealth Summit in 2003. The last prime ministerial visit to Angola, which is emerging as one of Africa's leading oil producers, was Rajiv Gandhi in 1986.

Our leaders tend to limit their African visits to either South Africa or Mauritius, thanks to the allure of the *chai-samosa* gatherings of the diaspora. Africa is long way from becoming "sexy" for the Indian diplomatic corps, which is severely under-represented in the continent in comparison to China. There are countries in Africa where even secretary-level officers have not visited for decades. For now it is only China's flag that follows trade.

Military diplomacy

WHILE it was India which set up national military academies in a number of important African countries, it is China which now has a purposeful military diplomacy on the continent. Although the Indian Army's peacekeeping contingents have been going to Africa for decades, China is now injecting a long-term vision into its security cooperation with Africa. The White Paper promises to intensify arms sales and military training in Africa, expand intelligence sharing, and deepen cooperation between Chinese and African law enforcement agencies.

'Asiatic Imperialism'

AS CHINA looms large over Africa, Western analysts have already begun to accuse it of "neo-colonialism". As India follows China in Africa, it too will be accused of 'Asiatic imperialism'.

China and India's search for energy and minerals in Africa does surely remind one of the "scramble for resources" that led to western colonialism during the second half of the 19th century. This precisely is the reason why the White Paper underlines Beijing's emphasis on "political equality" and "mutual benefit". Chinese analysts say Beijing's economic presence has reduced African dependence on the West and given the continent more economic options. As India figures out a strategy to deepen its engagement with Africa, it must offer a radically different model of aid and economic cooperation that focuses on capacity building and technology and skill transfer to Africa. If Delhi does pay serious strategic attention to Africa and takes advantage of the huge goodwill for India, it could yet become the tortoise that beat the Chinese hare in Africa.

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