

NPC



ISSUE 3 · 2013

《中国人大》对外版

National People's Congress of China

CHINA-RUSSIA: FRIENDSHIP, CONSENSUS, COOPERATION AND COMMON DEVELOPMENT



ISSN 1674-3008



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On September 23, together with Chairwoman of the Russian Federation Council Valentina Matviyenko, Zhang Dejiang (4th R), chairman of the NPC Standing Committee, attends the 7th Conference of China-Russia Parliamentary Cooperation Committee in Moscow. Liu Jiansheng



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COVER: Zhang Dejiang (L), chairman of the Standing Committee of China's National People's Congress, meets with Russian President Vladimir Putin in Sochi, Russia, September 23, 2013. Yao Dawei



General Editorial

Office Address: 23 Xijiaominxiang,
Xicheng District Beijing
100805, P.R.China

Tel: (86-10)6309-8540
(86-10)8308-3891

E-mail: zgrd@npc.gov.cn

ISSN 1674-3008

CN 11-5683/D

Price: RMB35

Edited by The People's Congresses Journal
Published by The People's Congresses Journal

Printed by Beijing Guo Cai Printing Co., Ltd. in China



Zhang Dejiang (R front), chairman of the Standing Committee of China's National People's Congress (NPC), and Ugandan Parliament Speaker Rebecca Kadaga (L front) sign a memorandum of understanding on cooperation between the NPC and the Ugandan Parliament in Kampala, Uganda, September 16, 2013. Yao Dawei

Consolidating friendship, widening consensus, promoting cooperation and seeking common development

NPC Chairman Zhang Dejiang pays goodwill visits to Uganda, Nigeria, Slovakia, Russia and attends the 7th meeting of China-Russia Parliamentary Cooperation Committee

From September 16 to 25, Zhang Dejiang, chairman of the Standing Committee of the National People's Congress (NPC), paid formal goodwill visits to Uganda, Nigeria, Slovakia, and Russia where he attended the 7th meeting of China-Russia Parliamentary Cooperation Committee. The visits were accompanied by Xin Shusen, Chairman Zhang's wife, Wang Chen, vice chairman and secretary-general of the NPC Standing Committee,

Fu Ying, chairperson of the NPC Foreign Affairs Committee, Cao Weizhou and Shen Chunyao, deputy secretaries-general of the NPC Standing Committee, and Zhai Jun, vice minister of Foreign Affairs.

The visits, another important diplomatic action of the new generation of Chinese leadership, took place in the context that the international situation continues to undergo profound and complicated changes, the strength of newly emerg-



Zhang Dejiang (C), chairman of the Standing Committee of China's National People's Congress (NPC), unveils Nigeria's newly-built China Cultural Center in Abuja, Nigeria, September 18, 2013. *Liu Jiansheng*

ing markets and the developing countries keeps growing, and the friendly cooperation between China and these countries faces new opportunities. The four countries Chairman Zhang Dejiang visited are all important cooperative partners that share traditional friendship with China. Uganda is among the first group of African nations to establish diplomatic relations with China, and the bilateral relations enjoyed healthy and stable development in the past 51 years, which is now considered as a role model of south-to-south cooperation. Nigeria is the most populous nation in Africa. Since China and Nigeria forged strategic partnership in 2005, the two countries boasted dynamic pragmatic cooperation which is now walking in the forefront of collaboration between China and African countries. Slovakia is a typical country that well represents East Europe. It joined EU in 2004 and played a significant role in China-East Europe relations and China-EU relations at large. China and Russia are most important strategic partners to each other. The frequent meetings between top leadership of the two countries recently have demonstrated the high level and uniqueness of the bilateral ties. The four countries attached high importance to this visit and Chairman Zhang Dejiang was warmly and graciously received.

Chairman Zhang's visit was of great importance in maintaining a good momentum of exchanges of high level visits between China and the four countries, consolidating the fundamental position of developing countries and newly emerg-

The four countries Chairman Zhang Dejiang visited are all important cooperative partners that share traditional friendship with China.

ing markets in China's diplomacy, strengthening exchanges and cooperation between China's NPC and its counterparts, as well as improving all-around diplomatic deployment.

During the visit, Chairman Zhang respectively met with Ugandan President Yoweri Museveni, Nigerian President Goodluck Jonathan, Slovak President Ivan Gashparovic, Russian President Vladimir Putin, Ugandan Prime Minister Amama Mbabazi, and Slovak Prime Minister Robert Fico, held talks with Speaker of Ugandan Parliament Rebecca Kadaga, President of the Senate of Nigeria David Mark, Speaker of the House of Nigeria Waziri Tambuwal, Speaker of Slovak National Council Pavol Paska, Chairwoman of the Russian Federation Council Valentina Matviyenko and Chairman of the State Duma Sergei Naryshkin, and had in-depth exchanges of views on bilateral relations, parliamentary exchanges and important international and regional issues of common interests. A wide range of consensus has been reached during

the meetings and talks. Zhang also attended the 7th meeting of the China-Russia Parliamentary Cooperation Committee, met with Bamanga Tukur, chairman of the People's Democratic Party of Nigeria; members of Slovakia-China Friendship Group of the National Council of Slovakia; Sergei Yeroshchenko, governor of Russian Irkutsk Region; took part in "A Closer Look at the Chinese Culture", unveiled China Cultural Center, and attended "Understanding China" and the ceremony of donating "China Hall" to the National Library of Nigeria; visited the Victory Memorial on Poklonnaja Mountain and expressed deep respect for the contribution of the Russian People in the Anti-Fascist War; visited the Ugandan government office building constructed with China's foreign aid, Nigerian National Public Security network project contracted by ZTE, Huawei's subsidiary in Russia, Slovakia wine producer Carpathian Pearl Company, Irkutsk Dairy Production Factory in Russia, and met with people from all walks of life in the four countries. Zhang also received the Chinese diplomats and representatives of Chinese companies, overseas Chinese and Chinese students.

Chairman Zhang's visit concluded in a complete success and achieved the goals of consolidating friendship, widening consensus, promoting cooperation and seeking common development.

Strengthen parliamentary exchanges and promote comprehensive development of State-to-State relations

Chairman Zhang's visit to Uganda is the first visit made by chairman of the NPC Standing Committee since the two countries established diplomatic ties 51 years ago, to Slovakia, is the one in 13 years, to Nigeria and Russia, both are right after China-Nigeria and China-Russia summit. One important goal of the visits is to implement the important consensus reached by the heads of State from the parliamentary perspectives, upgrade the friendly exchanges between NPC and parliaments of the four countries in an all-around manner, and inject new vitalities into the State-to-State relations.

During the visit, Zhang stressed repeatedly that parliamentary exchange constitutes a significant part of State-to-State relations and is playing a more and more important role in enhancing political mutual trust, promoting pragmatic cooperation and deepening people-to-people friendship. Both sides should work together to improve the quality and level of inter-parliamentary friendly cooperation. First, we should continue to keep the momentum of high-level exchanges, expand the friendly exchanges at all levels including special committees and friendship groups, improve mutual understanding and deepen political mutual trust. Second, we should press ahead with exchanges, candid dialogues and learn from each other on experiences of national governance, legislative supervision, opening up, economic development and improvement of people's livelihood. Third, we should provide sound legal guarantee to promote pragmatic cooperation and facilitate personnel exchanges from the parliamentary perspective, urge the governments to effectively enforce bilateral agreements and legal instruments that have already been signed. Fourth, we should bring into full play the advantages of parliaments that enjoy extensive connections with and huge influence on the society, promote the local cooperation and people-to-people exchange-



Zhang Dejiang (L), chairman of the Standing Committee of China's National People's Congress (NPC), holds talks with Speaker of Nigerian House of Representatives Aminu Tambuwal in Abuja, Nigeria, September 18, 2013. *Liu Jiansheng*

es, improve mutual understanding and friendship among the peoples, and consolidate the social and public opinion foundation for the development of State-to-State relations. During the visit, Chairman Zhang Dejiang and Speaker of Ugandan Parliament co-signed the MOU on cooperation between the NPC and the Parliament of Uganda.

Leaders of parliaments of the four countries said they sincerely wish to strengthen friendly exchanges at all levels with NPC, carry forward diversified types of exchanges and cooperation, learn from each other's experiences on national governance and building of democracy and legal system, promote pragmatic cooperation in areas including economy, trade, culture and local development, and make contribution to the development of bilateral relations.

It has been a highlight of NPC foreign exchanges for a long time to establish regular exchange mechanisms with foreign parliaments. During the trip, Chairman Zhang Dejiang and Chairman Matviyenko of Russian Federation Council jointly attended the 7th meeting of the China-Russia Parliamentary Cooperation Committee where the former gave an in-depth and thorough analysis to the direction and emphasis of China-Russia parliamentary exchanges in the new context. Chairman Zhang Dejiang stressed that legislative bodies of both China and Russia should better serve the development of relations between the two countries, enhance mutual political assistance, help each other on issues of major concern and core national interests, and support each other's development path based on its own national conditions. Both sides agreed to place the development of China-Russia parliamentary relations as a priority in each other's foreign exchanges.

It is an important cornerstone of China's foreign policy to strengthen unity and cooperation with African countries.



Zhang Dejiang (R), chairman of the Standing Committee of China's National People's Congress (NPC), holds talks with Nigerian Senate President David Mark in Abuja, Nigeria, September 18, 2013. Yao Dawei

Enhance mutual trust, strengthen cooperation with African countries

It is an important cornerstone of China's foreign policy to strengthen unity and cooperation with African countries. In the meetings with leaders of Uganda and Nigeria, Chairman Zhang Dejiang highly appreciated the friendly cooperative relations between China and the two countries. He pointed out that China and Uganda share traditional friendship and brotherhood. In the past half century since the establishment of diplomatic relations, China and Uganda have always adhered to the principles of mutual respect, equal treatment, friendship and mutual trust, maintained frequent exchange of visits at government, parliament, party and local levels, and achieved fruitful results in the cooperation of all areas including economy and trade, two-way investment and culture, etc. China and Nigeria are both developing countries with great influence and newly emerging markets with huge vitality of development. The two countries share important historic responsibilities and extensive common interests which bring about closer bilateral ties and ever-deepening pragmatic cooperation. It is the aspiration of both sides to further increase high-level exchanges, consolidate traditional friendship, deepen political mutual trust, strengthen cooperation in global and regional issues and safeguard common interests. Chairman Zhang Dejiang has repeatedly stressed that it is the long-term and firm



Zhang Dejiang (R), chairman of the Standing Committee of China's National People's Congress (NPC), talks with children as he visits the China Cultural Center in Abuja, Nigeria, September 18, 2013. Liu Jiansheng

strategic choice for China to reinforce unity and cooperation with African countries. The new generation of Chinese leadership attaches high importance to the relations between China and Africa. China is willing to join hands with African countries including Uganda and Nigeria, evaluate and approach China-Africa relations from a strategic and long-term perspective, carry out in an all-around manner the outcome of President Xi Jinping's visit to Africa and the 5th Ministerial Meeting of Forum on China-Africa Cooperation, and promote the further development of new type of strategic partnership between China and Africa.

Leaders of Uganda and Nigeria agreed that China is a reliable friend and sincere partner of African countries, and the development and progress of China provides Africa with unprecedented opportunities. In particular, they expressed gratitude to China for its precious support and selfless help in the long time, and are looking forward to making concerted efforts with China to strengthen cooperation, promote the sustainable and deep-going development of State-to-State relations, and make contribution to the development of new type of partnership between Africa and China.

Cooperation with Central and East European Countries (CEEC) is an integral part of China-EU relations. Slovakia is the only EU member State Chairman Zhang Dejiang visited during this trip. Also, it is the first time for the new generation of central leadership to visit the Central and Eastern European region. Zhang pointed out that China and Slovakia

have neither historical left-over problems nor fundamental conflict of national interests. It is of great significance to accelerate the development of China-Slovakia relations so as to enrich the contents of China-CEEC cooperation and promote more comprehensive and balanced China-EU relations. The new generation of Chinese top leadership cherishes China-Slovakia traditional friendship. China is willing to collaborate with Slovakia and make joint efforts to write new chapters of friendship. Leaders of Slovakia said that China is an extremely important partner, and both sides share same or similar views on many major issues. The fact that Chairman Zhang Dejiang made Slovakia a stop in his very first foreign visit since he was elected chairman of NPC will give a strong push to the development of friendly cooperative relations between the two sides. It is a sincere wish of Slovakia to strengthen its friendly relations with China and play positive role in deepening CEEC-China cooperation and the development of EU-China relations.

China and Russia view each other as the most important strategic coordinative partners. Last March, President Xi Jinping made a significant State visit to Russia, and since then the China-Russia comprehensive strategic coordination partnership characterized by equality and trust, mutual support, common prosperity and traditional friendship has been ushered into a new stage. Chairman Zhang Dejiang stated in Russia that the reinforcement of China-Russia strategic coordination not only serves the interests of both two



Zhang Dejiang (R front), chairman of the Standing Committee of China's National People's Congress, holds talks with Speaker of the Slovak National Council Pavol Paska in Bratislava, Slovakia, September 20, 2013. *Liu Jiansheng*

countries and peoples, but also is important to maintaining global peace and stability. With the unremitting efforts made by both sides, the pragmatic cooperation between China and Russia has reached an unprecedentedly high level. China as always places on top priority China-Russia relations in its foreign policy and proceeds from a strategic height and long-term perspective to handle the bilateral relationship. China is willing to work with Russia to promote the steady development of comprehensive partnership of strategic coordination. Leaders of Russia said that Russia and China are indeed strategic coordinative partners, and with the rapid development of bilateral ties in recent years, the two countries held close cooperation in international issues, firmly promoted the solution process of major international issues, and exerted positive influence on international situation. The Russian side stands firm to further deepen strategic coordination with China.

During the visit, Chairman Zhang Dejiang had an in-depth exchange of views with leaders of the four countries on international relations and global issues of common concern. Zhang pointed out that today's world is undergoing complicated and profound changes, yet peace, development and win-win cooperation remain tides of the current times. Nevertheless, the world is far from being tranquil. Problems governing development remain outstanding. The global economy is experiencing deep-going restructuring. All countries encounter major tasks to safeguard global peace and stability, and to realize common development. There is still a long way to go. Zhang stated that China will stick to the path of peaceful development, firmly pursue the independent foreign policy of peace, and respect the road of development chosen by people of their own countries. Zhang stressed that all countries, big or small, rich or poor, strong or weak, are all equal members of the international community. China stands consistently for peaceful solution of international disputes and is strongly opposed to hegemony, power politics and interfering in internal affairs of other countries.

When talking about Syria, Chairman Zhang Dejiang stated that the chaos and conflicts in the Middle East have brought tremendous disaster to the people in this region. China sincerely wishes that peace and stability in the Middle East can be achieved as soon as possible. China stresses from the very beginning the importance of a political solution. China firmly supports in maintaining the international principles to prohibit the use of chemical weapons, and opposes the use or the threat of use of military forces in international relations. We wish the countries concerned will cooperate closely and handle this issue properly within the framework of UN Security Council.

While paying the visit to the Victory Memorial on Poklonnaja Mountain in Moscow, Chairman Zhang Dejiang expressed profound respect to the great contributions the Russian people made in the anti-fascist war, and emphasized that the victory of World War II must be cherished and allow no distortion and denial.

Leaders of the four countries viewed China as a well-respected major power in today's world whose positions and opinions on international affairs have huge influence. They stand ready to further strengthen consultations and cooperation with China in multilateral framework, support China to play a more important role in the international arena. They

believe that China will make even greater contribution to global peace and development.

Promote pragmatic cooperation and people-to-people exchanges

Uganda and Nigeria boast of abundant energy, resources and prominent geographic advantages. Although comparatively small in scale, China-Uganda trade cooperation has huge potential. Nigeria is the largest project contracting market, the second largest export market and the third largest trade partner of China in Africa. To strengthen bilateral pragmatic cooperation, Chairman Zhang Dejiang pointed out that based on enhanced political mutual trust and government aid, the two countries should give full play to market mechanism and encourage enterprises' initiative for win-win cooperation; seek areas of converging interests and cooperative breakthrough, strengthen cooperation on major projects including infrastructure, energy and resources exploration, and advance investment and cooperation in light industry, textile, and other areas closely related with people's livelihood in accordance with each other's demand of social and economic development; explore new ways and channels of financing to create new highlights of bilateral trade cooperation. As to concerns of leaders of the two countries, Zhang said that China develops foreign trade relations in the principle of mutual benefit and win-win outcome. China will further expand import from Africa and support Chinese enterprises to "go abroad" with emphasis on quality, creditability, and brand, to employ more local workforces, and to improve personnel training, so as to boost local employment and social and economic development. Leaders of the two countries agreed that bilateral cooperation of mutual benefit with China has become an important factor in advancing economic development and improving people's livelihood and that they will take an active part in implementing agreements reached by the two sides, make great efforts to push forward key and prioritized projects, expand cooperation of mutual benefit in such areas as agriculture, communication, human resources and training.

Slovakia is China's important trade partner in Central and Eastern Europe. Chairman Zhang Dejiang hoped that the two sides further broaden ways of and enrich ideas and substance of cooperation, make full use of major measures proposed by the Chinese side to promote friendly cooperation with countries of the region, give full play to the major role of market, strengthen cooperation on major projects in the area of transportation and infrastructure, coordinate overall planning and pre-feasibility study, improve the scale and level of bilateral trade cooperation, in a bid to transform great potential of economic cooperation and political advantage of traditional friendship between the two countries into tangible result of cooperation. Slovak leaders congratulated China on its achievements in social and economic development and pledged to work with the Chinese side to step up exchanges and cooperation in all fields including trade, science, technology and tourism. The Slovak side welcomed increasing investment from Chinese enterprises in construction of power plant, railway, highway, and other infrastructure and is ready to provide favorable conditions in this regard.

In Russia, Chairman Zhang Dejiang highly appreciated the sound momentum of steady and rapid development of China-Russia trade cooperation. He had an in-depth exchange of views with Russian leaders on local cooperation between the two countries and paid a visit to Irkutsk, an important industrial center of Russia. Zhang pointed out that local cooperation is a new driving force as well as highlight for the development of China-Russia relations. High level State-to-State relations between China and Russia and efforts made by top leaders of the two countries have provided solid and reliable guarantee for local cooperation. The two countries have established regular mechanism of meeting between local leaders, mechanism of regional cooperation, and more than one hundred sister states and sister cities, providing important platform for local cooperation. Regional development strategies of the

two countries, especially China's strategy of Revitalizing Northeastern Old Industrial Bases and Western Development Strategy and Russia's Development Strategy of Far-Eastern and Siberian Region, create valuable opportunities for local cooperation between the two countries. China and Russia are each other's largest neighbor with 4300 km common border, which is a natural advantage for local cooperation especially cooperation in border areas. Russian State leaders and relevant local leaders said that the Russian side is confident about the future of Russia-China local cooperation which has great potential and hopes to further advance pragmatic cooperation in trade, agriculture, science, technology, tourism, and other fields. Russia is ready to create better policy and legal environment for people-to-people exchanges between the two countries so as to safeguard life safety and to protect legitimate rights and interests of both countries' citizens.

Zhang highly values people-to-people exchanges and cooperation. During the meetings with leaders of countries he visited and the cultural activities he attended, Zhang repeatedly stressed that the overall and in-depth development of State-to-State relations ultimately depends on friendship between the peoples. He hoped that the two sides attach great importance to exchanges and cooperation in culture, education, tourism and other fields from strategic height, encourage friendly exchanges between people at different levels in all fields, carry out rich and colorful activities, promote understanding and friendship between the two peoples, bring more and more young people into the cause of friendship between the two countries, and to consolidate social and public foundation of bilateral relations.



Zhang Dejiang (L), chairman of the Standing Committee of China's National People's Congress, holds talks with Valentina Matviyenko, chairwoman of the Russian Federation Council, in Moscow, Russia, September 23, 2013. *Liu Jiansheng*

Introduce China's development path to enhance mutual understanding

At various meetings, Chairman Zhang Dejiang introduced to his audience China's development path, democratic political system and the Chinese Dream of rejuvenating the Chinese nation. He pointed out that since the 18th CPC National Congress, CPC Central Committee headed by General Secretary Xi Jinping has enhanced national cohesion by Chinese Dream and mobilized the whole Party by improving work style. With a series of major policies and measures introduced and put in place, we made new progress in reform, development and social stability, in domestic and foreign affairs and national defense, and in governance of Party, country and army. The new central leadership enjoys the support and trust of the Chinese people of all nationalities.

When talking about China's development path and democratic political system, Zhang said that socialism with Chinese characteristics and democratic political system are the historical choices made by the Chinese people. Since the founding of New China more than 60 years ago, especially since reforms and opening-up more than 30 years ago, China has achieved dramatic development attracting worldwide attention. In 2012, China became the world's second largest economy with total volume of \$8.2 trillion. During the first half of 2013, although China's economic growth slowed down, its 7.6 percent growth rate was rarely seen among major world economies. More importantly, China regards improving quality and efficiency of economic development as the central task and accelerates its transformation of economic development mode. The underlying

State leaders of the four countries spoke highly of Chairman Zhang Dejiang's remarks which they considered to be objective, vivid, and explaining profound issues with simple words.

realize the Chinese Dream we must follow the Chinese path, namely socialism with Chinese characteristics, carry forward the Chinese spirit, namely the national spirit centered on patriotism and the spirit of our times centered on reform and innovation, pull all forces together, namely the power of great unity of people of all ethnic groups. All in all, the Chinese Dream is a dream of the people, and we must rely on the people to create tangible benefits for them to enjoy.

While in Uganda and Nigeria, Zhang stressed China's readiness to combine its development with the development of Africa, combine the Chinese Dream of national rejuvenation with the African dream of self-development and revitalization, and provide mutual support and close coordination to achieve common development.

Zhang repeatedly emphasized that China's remarkable achievements rely on CPC's strong leadership and the realization of the Chinese Dream of national rejuvenation must adhere to CPC's leadership. He pointed out that since its founding 92 years ago, CPC has united and led the people of all ethnic groups of the country in overcoming numerous hardship and difficulties and creating miracles one after another, changing the future and destiny of the Chinese people and the nation. The great power of our Party comes from adherence to emancipating the mind, seeking truth from facts, keeping up with the times, being realistic and pragmatic and following the guidance of Marxism

in practice, creating Mao Zedong Thought, Deng Xiaoping Theory and the important thought of Three Represents, and Scientific Outlook on Development. It comes from giving top priority to development in governing and rejuvenating the country, making the strategic choice of regarding economic development as the central task and sticking to reforms and opening-up. It comes from upholding the value of building the Party for public interests and governing for the people, always maintaining close ties with the people and representing the fundamental interests of overwhelming majority of the Chinese people. It comes from upholding the principle that the Party should supervise its own conduct and run itself with strict discipline, always maintaining the advanced nature and purity of the Party, continuously strengthening the Party's leadership and governance capacity, and unswervingly improving the Party's conduct by upholding integrity and vigorously cracking down on corruption.

State leaders of the four countries spoke highly of Chairman Zhang Dejiang's remarks which they considered to be objective, vivid, and explaining profound issues with simple words. They admired China's development since reform and opening-up, saying that rich experiences of China are invaluable and of great significance for many other countries to learn from. ■



Zhang Dejiang (L), chairman of the Standing Committee of China's National People's Congress, holds talks with Sergei Naryshkin, chairman of the Russian State Duma, in Moscow, Russia, September 23, 2013. Yao Dawei

reason for the hard-won achievement is socialism with Chinese characteristics.

Zhang emphasized that there is no universally applicable democratic political mode. Development of democracy depends on the economic, social and cultural foundation of a country and is determined by the country's reality and national condition. China's system of People's Congress is the supreme form to ensure that people are masters of the country, demonstrating constitutional principle that all State powers belong to the people. As proven by practices, the socialist political system with Chinese characteristics is created by the Chinese people through a long time of exploration and practices, and is in line with China's national conditions. It serves as the guarantee for the prosperity of the country, rejuvenation of the nation, and happiness of the people. The Chinese people are confident about upholding and developing socialism with Chinese characteristics.

Regarding the Chinese Dream of national rejuvenation, Zhang pointed out that the Chinese Dream of national rejuvenation initiated by General Secretary Xi Jinping maps out a blueprint for China's development. The Chinese Dream has very rich connotation. It is a dream of nation-building, prosperity and rejuvenation. It is a dream of people's happiness. Also, it is a dream of peaceful development of the world. To



Chairman of the NPC Standing Committee Zhang Dejiang presides over the meeting on August 29, which conducted special inquiries on the State Council's handling of infectious diseases and on the implementation of the Law on Prevention and Control of Infectious Diseases. *Liao Pan*

NPC Chairman hosts special inquiry

“It is required that each member of NPC Standing Committee finish the inquiry within three minutes and each responsible person of Ministries and Commissions has 10 minutes to respond. Questions and answers shall be concise and targeted. The inquiring person or other members of the committee can ask follow-up questions if they think the replies are not clear enough. The inquired person can submit a written report afterwards.”

“You will be reminded by the staff or interrupted by me if time is up for both questioning and answering. If the answer is not to the point, I may suggest you modify it.”

On the morning of August 29, before the first special inquiry of 12th NPC Standing Committee started, Chairman Zhang Dejiang who presided over the meeting made the opening remarks, underlying the importance and seriousness of the special inquiry to the newly-elected members of the Standing Committee and the inquired persons of relative government departments.

Zhang said that “the prevention and treatment of infectious diseases is related to people’s health and life security, the economic and social development as well as national security and stability. Great importance needs to be attached and work needs to be done in a down-to-earth manner. Making



The special inquiry is the first one conducted by the 12th NPC Standing Committee. *Li Jie*



inquiry is one of the legitimate ways for NPC Standing Committee to fulfill its obligation of supervision, and special inquiry is a significant measure to facilitate and intensify supervision. Therefore, in order to further promote the prevention and treatment of infectious diseases, and safeguard people's health and life security, the NPC Standing Committee holds a joint meeting to open an inquiry on issues related to the prevention and treatment of infectious diseases."

The special inquiry was held in the golden hall of the Great Hall of the People. Zhang commented on the inquiry and response from time to time.

Prevent and control the infectious diseases, safeguard life security of the people

"The question asked by Member Ren Maodong is clear, data-based, targeted and challenging." Chairman Zhang made the comment as soon as Ren finished his inquiry. Then the floor was given to Li Bin, minister of National Health and Family Planning Commission.

"Tuberculosis (hereinafter as TB) has been seen for many years and becomes a major public health issue confronted by the whole world. China, one of the TB-prone countries, has over one million cases every year since 1980s. We have successively carried out three 10-year plans for TB prevention and treatment, and the fourth one is underway."

After Li finished her answer, Chairman Zhang said: "Li's answer is clear-cut and I think there are a few key points. Firstly, we need to strengthen publicity and let more people know how to prevent drug-resistant TB. Secondly, we need to improve scientific research on medicines which can better prevent and treat the disease. Thirdly, we need to care about the children, taking schools and kindergartens as key targets for better prevention and timely treatment once any symptom is discovered. Fourthly, we need to pay more attention to the peasants, especially those who are either poor or disabled. If they are infected by drug-resistant TB, the trouble is more than bad health and labor loss, probably the whole family may fall into poverty. Accordingly, the drug-resistant TB treatment has been attached great importance and incorporated into new rural cooperative medical system. TB prevention and control is a major concern of people's health and life security, thus all walks of life should be keenly aware of it, in particular, the competent departments shall spare no effort to address the issue."

"We have vast land, long border line and many ports. It is a tough and lasting task to prevent overseas infectious diseases from coming to China. We have to work harder!" After Zhi Shuping, minister of General Administration of Quality Supervision, Inspection and Quarantine, finished his answer to Member Zhao Baige's question on prevention and control of trans-border transmission of infectious diseases, Chairman Zhang made the comment.

"As global climate changes, regional environment changes consequently. It may change the migration of animals and



Medical workers from the Beijing First Aid Center participate in a drill to rescue patients suffering from infectious diseases on April 15. CFP

Firstly, we need to strengthen publicity and let more people know how to prevent drug-resistant TB.

the distribution of pathogens, increasing the possibility of infectious diseases outbreak. It is not rare to see that during recent years many new infectious diseases, for example, the bird flu, emerged because of the social and economic development as well as the changing of life style."

Member Xie Xiaojun expressed the concern about new areas where infectious diseases emerged, new ways through which they transmitted, and whether China has accordingly established monitoring and early-warning system. Chairman Zhang instantly said: "I'd like to add a few points. China is a poultry-raising country and suffers from bird flu every spring during recent years. The bird flu this year caused devastating consequence to the poultry industry and the constant mutation of virus from H1N1 to H7N9. The most worrisome thing is whether the people infected by virus-carrying poultry may transmit the virus to other people. I personally believe that we cannot wait until the outbreak of bird flu next year and take temporary response. On the contrary, we need to start from now on and take measure as early as possible to prevent the possible happening of bird flu next year, mitigating the damage to the lowest level."

Great importance attached to western poor areas

Wang Bao'an, vice finance minister, and Xie Zhenhua, vice-chairman of NDRC gave a detailed answer to the question raised by Member Liu Depei on special policies taken by the State to prevent and treat infectious diseases in western poor areas. After that, Chairman Zhang affectionately commented: "I've been to many places in western China and

worried about the poverty there. Through the years, the CPC Central Committee and the State Council focused on the all-around development of poor areas and put a lot of major initiatives into effect, bringing about tremendous changes to the social development and people's livelihood in western poor areas. However, compared with developed coastal areas in eastern China, there are still a large number of poor people in the western part of the country."

"The poorer the people become, the more vulnerable they are to the diseases, and vice versa, thus a vicious circle. For whatever reason, we need to pay high attention to western development, especially people's health and life security, making sure the infectious-disease-infected people can recover as early as possible and enjoy a moderately prosperous life like people in the other parts of the country." Regarding to the lack of capital support as complement to the programs in western areas, Chairman Zhang suggested that it would be better to fundamentally resolve the problem of capital support.

The audience burst into applause when Chairman Zhang finished his words. He modestly said: "I'm sorry that I break the 5-minute limit. I believe your applause is not for me, but for the people in western areas." Again there was another round of applause.

"According to the 12th Five-Year Plan, we will resolve the problem of drinking water safety in next two years, involving 110 million people who are not guaranteed with safe drinking water and 15.35 million faculty and students in rural areas." Li Guoying, vice minister of Water Resources, answered the question put up by Member He Yehui on how to improve the safety of drinking water so as to prevent infectious diseases. Chairman Zhang said that the answer is basically clear-cut. The problem we are facing is not only lack of water, but also severe water pollution in many areas. We've promised to address the safe drinking water issue for 110 million people by 2015. It is an arduous task which requires boosted fiscal input and mobilized social forces. When we are dealing with drinking water problem, we also need to pay special attention to the prevention of water pollution. We can not look for the development at the moment at the expense of the future; if so, what we are going to have is undrinkable water at all, or even spending a lot more money to purify the water until it is drinkable. The State Council, competent departments and the whole society should concentrate the effort on guaranteeing safe drinking water for the health of people.

Upon the answer given by State Commission Office for Public Sector Reform and Ministry of Human Resources and Social Security to the question raised by Member Zhu Jingzhi on enhancing team building of infectious diseases prevention and control, Chairman Zhang said that to better build the team of infectious-disease-prevention, we need to focus on the training of grassroots professionals. He added that the quota of staff and budget are there, but we still have to make sure they are qualified, otherwise, the quota is wasted and the payment is undervalued, finally an unwanted result.

Member Zhu Jingzhi continued to ask about whether there was any plan in place for training grassroots professionals of public health prevention and control. Xu Ke, vice-minister of National Health and Family Planning Commission responded immediately.

The question put forward by Member Chen Weiwen was about the measures taken by the government to develop tra-

ditional Chinese medicine which could play a bigger role in preventing and treating infectious diseases. Chairman Zhang supported Chen's proposal right away, which was an endowed right for a Standing Committee member.

During the inquiry process, Chairman Zhang also invited Li Liguo, Civil Affairs minister, and other responsible persons for relative ministries and commissions under the State Council to answer specific questions.

Special inquiry is more about content than form

During the special inquiry of more than two hours, there are 10 members who expressed their views and put up inquiries on issues including TB prevention and control, rural water system reform, prevention and control of trans-border transmission of infectious diseases, medical care for disadvantaged people who are infected by new infectious diseases, supporting policies for infectious diseases prevention and control in western poor regions, publicity and education of related knowledge, team building, infectious diseases of animal origin, the role of traditional Chinese medicine in prevention and control of infectious diseases, etc. Responsible persons of relative ministries and commissions responded to the above questions one by one.

After the Q&A session, Chairman Zhang said that through over-two-hour special inquiry, we updated our minds about how to strengthen the enforcement of related laws and address the prominent problems of infectious diseases prevention and treatment. It echoed the general concern of the public and helped the State Council improve the plan for the next phase, as to better safeguard health and life security of the people.

On how to improve quality and effectiveness of special inquiries, Chairman Zhang said that we must avoid emphasizing only on form and procedure. Members of the Standing Committee should stand in the shoes of the people, think what people think and concern what people concern. A satisfactory special inquiry is punchy, fact-based and caring about overall interests. Members should make most of their professional knowledge, research and inquire in an active, pragmatic, objective way, catching the principle and hitting the mark, putting up issues of general concern and urgent needs for solution. The special committees should do research in advance and offer sufficient background materials for the Standing Committee to carry out the inquiry. The competent departments which are required to respond should answer the questions in a pragmatic, frank and modest way, striking the point, digging the fact and speaking for the people. The Standing Committee needs to work hard to make it better organized, more interactive, transparent and effective, making the NPC deputies more participative and improving the work of competent departments.

After the meeting, NPC vice chairman Chen Zhu who once participated in special inquiries when he served as Health Minister thought highly of the inquiry, saying that "it is a targeted inquiry with thought-provoking questions and well-prepared answers. No problems are begged." "It is an inspiring inquiry," said Chen when interviewed by NPC magazine journal. (NPC) ■

Inquiring on behalf of the **people**



On August 29, the 4th Session of 12th NPC Standing Committee convenes at Great Hall of the People in Beijing. The meeting conducts special inquiries on the State Council's handling of infectious diseases and on the implementation of the Law on Prevention and Control of Infectious Diseases. Zhang Dejiang, chairman of the NPC Standing Committee, presides over the meeting. *Liao Pan*

A Special inquiry, presided over by Chairman Zhang Dejiang of the Standing Committee of the 12th National People's Congress of China, attended by 12 vice chairpersons of the Standing Committee, was held on the morning of August 29 during the bimonthly session of the Standing Committee of the 12th National People's Congress of China. The focus of the inquiry was on the situation of the prevention and treatment of infectious diseases in China and the law enforcement in this area. During the inquiry which lasted for more than two hours, 10 members of the Standing Committee, such as Ren Maodong and He Yehui, inquired about the prevention and control of Tuberculosis (TB), monitoring and early-warning system, supporting policies on the prevention and control of infectious diseases in western China. The leading officials from 12 governmental departments including National Health and Family Planning Commission, National Development and Reform Commission (NDRC) answered the inquiry.

As the first ever special inquiry held by the Standing Committee of the 12th NPC, it impressed the outside world deeply. Some scholars pointed out that, the high level of this special inquiry, the wide range of issues it touched upon, the strong and active interaction among participants have all presented an entirely new and refreshing appearance to the people.

At 8:30 am in the morning of August 29, half an hour before the opening of the special inquiry, although the major lights of the Golden Hall of the Great Hall of the People have not been turned on, Li Bin, head of the National Health and Family Planning Commission of the State Council and one of the major officials to be inquired had already been seated,

looking through materials and exchanging views with her assistants from time to time. Other responsible officials of government departments were more or less doing the same thing. Looking around the entire Golden Hall, all the attendants had already appeared including Standing Committee members, members from special committees of NPC, deputies to the National People's Congress, some responsible officials from provincial people's congresses, as well as those to be inquired such as leading officials of government departments and working staff. There were no empty seats in such a large hall. People were waiting earnestly for the first special inquiry, hoping to get more information about the performance of the duty of supervision by the Standing Committee of the 12th NPC.

Nearly 9 am, Chairman Zhang Dejiang and 12 vice chairpersons: Li Jianguo, Wang Shengjun, Chen Changzhi, Yan Junqi, Wang Chen, Shen Yueyue, Ji Bingxuan, Zhang Ping, Qiangba Puncog, Arken Imirbaki, Zhang Baowen, Chen Zhu arrived at the hall and took their seats. Such a large lineup surprised all the attendants. At the very beginning of the opening remarks, Chairman Zhang spoke straight to the point that participants in the inquiry should strictly comply with the time, answers should be relevant to the questions and formalism should be avoided. He also added that in case the question raiser or other members of the Standing Committee consider the answers provided are not understandable or clear, follow-up questions are allowed.

An inquiry based on full study

The first inquirer was Ren Maodong, a member of the

Standing Committee. He raised the issue of TB, a very infectious disease. He asked: "According to the Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases, what effective measures have been adopted by the government to curb the spread of TB and protect people's health?" His sonorous and forceful voice attracted the attention of the whole audience. As a matter of fact, he was very well prepared before attending this inquiry. In April and May this year, he led or joined several special study groups on the prevention and treatment of infectious diseases. Such groups were organized by the Committee on Education, Science, Culture and Public Health of the National People's Congress. On-the-spot studies were carried out in Beijing and Jiangsu on the work related to the prevention and treatment of infectious diseases and the law enforcement in this area. Such experience enabled him to raise targeted and sharp questions. He said: "Currently, human beings are still facing severe challenges brought by multiple types of infectious diseases. TB is one of them. China is a major area of TB infection. The total number of people infected with TB in China is the second largest in the world and the number of MDR-TB cases in China is probably the largest." He even introduced specific statistics to illustrate the severity of the situation as such: "Every year in China, around 1 million new cases of TB are reported, in another word, two persons are infected with TB per minute. This has strongly affected people's health and life security, causing great concerns from the people."

"This question goes to the National Health and Family Planning Commission of the State Council," said Chairman Zhang. Li Bin, head of the National Health and Family Planning Commission of the State Council, immediately took this question. After introducing the result on the prevention and treatment of TB in China in recent years, she stated: "The National Health and Family Planning Commission of the State Council will continue to enforce the Law

of the People's Republic of China on Prevention and Treatment of Infectious Diseases. Further efforts will be made to strengthen the capacity of government in the prevention and control of TB and the quality of work related should also be improved. In the meantime, the Commission will enhance the education and publicity on the prevention and treatment of TB, strive to make breakthroughs in the research on the treatment of drug-resistant TB so as to limit the harm of TB to people's health to a minimum level."

Another member of the Standing Committee named Liu Depei also raised a fact-based question: "What supporting policies have been carried out by the government on the prevention and treatment of TB in the undeveloped regions in western China? Are there any special fund provided by the government? How to strengthen the support to these regions?" Liu, a medical expert, had carried out field studies in several places. He is very much concerned about the prevention and treatment of infectious diseases at grassroots. In line with his study, he said: "According to Article 60 and 61 of the Law of the People's Republic of China on Prevention

and Treatment of Infectious Diseases, the Central Government shall offer subsidies to financially difficult areas in their efforts to prevent and treat deadly infectious diseases. The State shall strengthen the establishment of the system for the prevention and treatment of infectious diseases at the grassroots and provide assistance to the poverty-stricken areas and areas inhabited by ethnic minorities in their efforts to prevent and treat infectious diseases. However, the situation is that the overall level of economic and social development of western China is still relatively low and the financial capacity of local governments is weak. So governments cannot independently support the system of prevention and treatment of infectious diseases and respond to the severe situation of the spread of infectious diseases."

In response, vice minister of Finance Wang Baoan and Vice Minister of NDRC Xie Zhenhua provided detailed answers. Xie stated: "At the next step, more central fund should be appropriated to western China. Governments at county level should not be required to finance the matching fund. Priority will be given to western regions in arranging programs."

An inquiry closely related to the current situation

Ever since the outbreak of SARS in 2003, some new types of infectious diseases have spread in China from time to time. Take the bird flu as an example, it breaks out in China every spring, the virus has mutated from H1N1 into H7N9. More seriously, some cases of bird-to-human being infection have

been reported. Under such circumstances, how to prevent emerging viruses from spreading became a hot topic constantly raised by members of the Standing Committee. "Currently, the trend of globalization has enabled cross-border infection, some diseases spread with no boundary, the SARS is the most typical example." Member Zhao Baige raised three questions: "At present, what are the features of the cross-border infection

in China? What measures have been taken by ports and border regions on the prevention and treatment of such infection? How to establish an effective mechanism among departments responsible for quality inspection and quarantine, health, agriculture, customs?"

Questions raised by Xie Xiaojun, a member of the Standing Committee, were even more straightforward. He asked: "As infectious diseases always have new origins and new channels of transmission, are there any monitoring and early-warning systems being established" He added: "The recent years have seen large scale epidemics breaking out from time to time, are there any risk assessment being carried out by government departments or institutions on the new situation?"

His voice was closely followed by Cong Bin, who is also a member of the Standing Committee, with a series of questions: "What methods have been applied to predict new infectious diseases based on the variation of pathogens? Are there any scientific means for prediction? What kind of epidemic will appear next year and the year after? What's more, in terms of environmental protection, what preventive and con-

Further efforts will be made to strengthen the capacity of government in the prevention and control of TB and the quality of work related should also be improved.

trol measures have been adopted?”

At this stage, government departments had to face another test. “May I answer the question first? Then other departments can give their answers afterwards.” The voice came from Li Bin, head of the National Health and Family Planning Commission of the State Council. She said: “In recent years, the Commission has strengthened risk assessment. By using remote sensing technology, assessments on latent risks brought by the plague epidemic on the ecological environment are carried out. Meanwhile, an early warning system has also been set up. Once epidemics are detected, measures will be adopted on a timely basis.” She stated: “More efforts are needed to strengthen the work in this area.” After that, heads from ministries of agriculture, finance, water resources answered the inquiry respectively.

At this crucial moment, the host of the inquiry gave comment. Chairman Zhang pointed out that measures should be taken at present time to respond to the bird flu which would probably break out next year. Preventive measure should be taken at an early time so as to reduce the harm to a minimum level. He emphasized that early prevention and responding measures should be adopted.

An inquiry responding to the demands of people

During each annual session of the National People’s Congress held in recent years, one of the major focuses of the deputies is the safety of drinking water supply in western China and some rural areas in China. He Yehui, a member of the Standing Committee who is familiar with the work related to deputies, raised her question to respond to the demands of people. She said: “As everybody knows, guaranteeing safety of drinking water in rural areas is not only a major issue of people’s needs, but also a key link to prevent and control the spread of infectious diseases. Currently, in some rural areas, the drinking water is still unsafe. According to preliminary in-

vestigations carried out in 12 provinces selected by the Committee on Education, Science, Culture and Public Health of the National People’s Congress, 22 percent rural population as well as 54 percent teachers and students in rural schools in these provinces have no access to safe drinking water.” Her question went to the Ministry of Water Resources was: “What has been done by the Ministry to improve the safety of drinking water in rural areas? Are there any specific targets and concrete measures been taken in this regard?”

Li Guoying, vice minister of Water Resources is not a new comer as he already attended the special inquiry held in June last year. He spoke with fervor and assurance. He gave detailed introduction to the planning and measures taken by the State Council from the 11th Five-Year Plan to the 12th Five-Year Plan in the approach to address the unsafe drinking water problem faced by all rural population in China. He answered within time limit and got comment from Chairman Zhang: “Answers provided by vice minister Li Guoying are basically clear.” Zhang said emotionally: “China is a water-scarce country. Some places not only face water shortage but also serious water pollution. Water in some places is even undrinkable.” Zhang suggested that efforts should be made in the future to mobilize the public to safeguard the drinking water safety in rural areas as well as save water, and prevent water pollution in particular.

Another concern from the people is the spread of infectious diseases by the live poultry sold at markets. Feng Changgen, a member of the Standing Committee, brought this concern to the inquiry. He said: “At present, live poultry is constantly sold in the markets in rural and urban areas. This is a dangerous factor for causing epidemics with animal origin. For instance, a majority of cases of H7N9 which broke out this year have the experience of exposure to poultry. Virus was detected in the live poultry sold in some places.” After stating facts, Feng asked two questions consecutively: “What concrete measures have been taken to prevent and control the zoonotic diseases in the urban markets selling live poultry? How to further improve the regulation and management?” Zhang Yong, head of China Food and Drug Administration, and Zhang Mao, head of the State Administration for Industry and Commerce, gave detailed introduction to their work and future targets.

After Wang Guoqiang, vice minister of the National Health and Family Planning Commission, answered the last question raised by member Chen Weiwen of the Standing Committee, time had passed 11:30 am, marking a complete conclusion of the first special inquiry of the Standing Committee of the 12th National People’s Congress. In the end, Chairman Zhang made his remarks. He said: “The special inquiry has deepened the understanding about the enforcement of the Law of the People’s Republic of China on Prevention and Treatment of Infectious Diseases as well as some outstanding problems in the relevant work carried out by the government. The inquiry has made a good response to the wide concern from people. This will play a good role in pushing the State Council to set a clear goal in their future work and guarantee people’s life and health.” Zhang raised further requirement for improving the quality and result of special inquiries. With this, people are in full expectations for the supervision work of the Standing Committee of the 12th National people’s Congress. (NPC) ■



Li (2nd L), an H7N9-bird-flu-infected patient, recovers and leaves hospital after being treated at Bozhou People’s Hospital, Anhui Province on April 19, 2013. CFP

In recent years, infectious diseases such as bird flu and bilharzias have frequently occurred and become major factors endangering public health and safety, and greatly affected people's health and life security. As a result, the subject on how to better prevent and control infectious diseases has become a major task for China. To fulfill this target, the 4th session of the Standing Committee of the 12th National People's Congress (NPC) reviewed the Report on the Prevention and Treatment of Infectious Diseases and the Implementation of the Law on Prevention and Treatment of Infectious Diseases submitted by the State Council. The following are the excerpts of suggestions from eight participating members.

Attach importance to the prevention and control of the source of infectious diseases



Luo Qingquan

Member of the Standing Committee of the National People's Congress
Vice-Chairman of the Environmental Protection and Resources Conservation Committee of the National People's Congress

We should attach more importance to the prevention and control of the source. Otherwise, the problem would not be solved fundamentally. To solve the source problem, there remain lots of issues to be dealt with. Currently, we should make decision to prevent and control surface pollutants such as garbage in rural areas which cause not only land pollution, but also underground water pollution. In many rural areas, the situation of village surrounded by garbage is quite serious. Large varieties of hazardous materials and germs in the garbage would spread over everywhere with the rainwater after storms. We should attach great importance to this kind of problem, and make our decision to carry out plans for effective control. During the past years, over 300 million people in China have got access to safe drinking water, which is a great achievement of our country. However, we should also notice the fact that the number of people who did not have safe drinking water exceeds 300 million. In addition, because of the shortage of financial resources, the standard of performance evaluation in lots of areas is comparatively low. If we do not solve the problem, our people's health will be jeopardized and the prevention and control of infectious diseases would encounter great difficulty.

Strengthen the role played by medical institutions to prevent infectious diseases



Ren Maodong

Member of the Standing Committee of the National People's Congress
Vice-Chairman of the Education, Science, Culture and Public Health Committee of the National People's Congress

We should strengthen the role played by medical institutions to prevent infectious diseases. Medical institutions refer to hospitals. On the problem of iatrogenic infectious diseases, relevant departments of the State Council have formulated two methods, namely, Norms for Sterilizing Technology of Medical Institutions, and Norms for Administrating Hospital Infection. However, medical institutions do not have a thorough understanding of hospital infection, and there remain serious problems. According to investigation and research, some medical institutions just turn a deaf ear towards these facts, and their range of quality control does not include hospital infections at all. Some medical staff in many medical institutions lack basic knowledge of laws, and a great number of stomatology institutions in the country conduct no sterilization or artificial sterilization towards medical instruments. Besides, many medical institutions do not thoroughly sterilize the tubes used for stomach check or even without sterilization, which has caused the spread of infectious diseases such as hepatitis B and C, etc. Because a great number of people with hepatitis B and C are infected in hospitals, we suggest that administrative organs should attach more importance to the management of sterilization, quarantine and waste disposal in the medical institutions.

Strengthen researching efforts of newly emerged infectious diseases



Cong Bin

Member of the Standing Committee of the National People's Congress
Vice-Chairman of the Law Committee of the National People's Congress

SARS that broke out in 2003 has given us an important lesson, which taught us that newly emerged diseases would have more impact and would cause severer damage to a country and a nation than other infectious diseases, and sometimes the consequence could be very serious indeed. As a result, while approving scientific research project, our country should give more support to the work on newly emerged infectious diseases, and encourage scientists to carry out research on the variation pattern of causative agents, and also the research on its relationship with biological environment change and species balance disorder. According to the information we have, the variation and mutation of causative agent have very close relation with environmental change. The point is that we should dig out the inner relationship and explore the pattern of the variation. In this way, we could also be provided with scientific methods and basis for early warning of newly emerged infectious diseases. Through the research work, we could have scientific knowledge towards the diseases, which would enable us to conduct early prevention, research and produce vaccines, so as to protect susceptible population.

Support medical colleges and universities to educate and train preventive medical students



Maimaitiming YASHENG

Member of the Standing Committee of the National People's Congress

From the perspective of the whole country, there are about 6 million personnel in the health system, and the number of personnel in the field of disease prevention and control at various levels only reaches about 193,000, accounting for less than 3 percent of the total. Objectively speaking, the major problems faced by the disease prevention and control centers at various levels are the lack of people, low quality and standard, no successors and new personnel shortage. To solve these problems, we should have an overall consideration from the national perspective in the aspects as policy-making, mechanism condition, remuneration, development space and staffing management, etc. We should have overall consideration over relevant policies, especially policies for recruiting new students by medical colleges and universities. Currently, medical colleges and universities focus much more on recruiting medical subject students than preventive medicine subject students, which caused the lack of preventive medicine students. If no special measure is applied, there will be more serious problems in the future. We'd better figure out some special methods to face the situation, such as adjust recruitment admission line, and remuneration and other conditions. Besides, preventive medicine students should be recruited from grass-roots units, because the preventive medicine students in medical universities are not willing to work in the disease prevention and control centers at prefecture or county levels after graduation. We should give support from the national perspective to adopt methods in such aspects as policy, mechanism, conditions, remuneration and development space, so as to establish a sanitary and anti-epidemic crew qualified for a long term. Otherwise, the disease prevention and control institutes would face the problem as no successors and new personnel shortage in the future with the current crew number and training speed.

Enhance social responsibility



Zheng Gongcheng

Member of the Standing Committee of the National People's Congress

Member of the Internal and Judicial Affairs Committee of the National People's Congress

The situation for us to prevent and control infectious diseases is very serious, and if the situation is not well handled, it will not only threaten our health, but also become a major source of social risk. As a result, we should enhance social responsibility while proceeding to the next step. In the past, we emphasized on the unit's responsibility, including on the work of prevention and control of infectious diseases. However, the unit is only a working place. Nowadays, adults are under the socialized administration, and juveniles have no relationship with units. Currently, many social problems are actually social administrative issues, and social problems are fundamentally caused by the low degree of community organization. People live in the city, but they do not have close relations with the community they belong to. Especially hundreds of millions of migrant workers bring their children and parents into cities nowadays, without integrating into city communities. It is indeed difficult for us to carry out the prevention and control of infectious diseases and other social administrative work when we are facing this kind of situation. Thus, we should strengthen community's responsibility to prevent and control infectious diseases. However, community shoulders much more function other than the above responsibility, e.g. social security. As a result, it is highly crucial for us to make community to play its role, enhance community service and organization, and make it the cornerstone of the role that it should play in social life.

Increase investment into public health



Zheng Kuicheng

Member of the Overseas Chinese Affairs Committee of the National People's Congress

During this round of healthcare reform, various departments focus on the difficulties faced by the public in receiving medical service and the high cost of medical service. Most of their energy has been put into the hospital reform, especially public hospital reform. However, the disease prevention and control centers are usually neglected. We basically feel that this kind of public health institutions is marginalized during this round of health reform because there is no investment in this field from the national level. Despite the investment in constructing the system of disease control institutions after SARS in 2003, there was no investment afterwards. We have discovered that the most serious problem currently is indeed the weakness of the basic-level disease prevention and control institutions, and the weakness is shown through the professional personnel, their ability building and the infrastructure. What I suggest is that our government should pay special attention to public health and increase investment during the coming rounds of health care reform in the new situation. Although the report from the Finance Ministry says that the per capita basic public healthcare service funds is increased by RMB 30 this year, as far as we know, this RMB 30 is allocated into the health centers of counties and villages including their community health centers, and many of which have distributed the funds as salaries. As a result, the disease prevention and control institutions have actually received no funds. We strongly suggest that our government increase the funding into public health institutions.

New expectations on prevention and treatment of infectious diseases

Interview with Chen Zhu, vice chairman of the Standing Committee of the 12th National People's Congress



Chen Zhu, vice chairman of the Standing Committee of the 12th National People's Congress CFP

Chen Zhu, vice chairman of the Standing Committee of the 12th National People's Congress (NPC), witnessed and was deeply involved in the work on preventing and controlling infectious diseases in China and the enforcement of the Law on the Prevention and Treatment of Infectious Diseases.

When SARS just broke out in 2003, Chen Zhu, then vice president of Chinese Academy of Sciences (CAS), organized scientists to study the new disease. He put forward a lot of valuable suggestions when the National Leading Group for SARS Prevention and Treatment Research was established. Therefore, he was appointed as the vice-chair of the group. On May 13, 2003, Chen led 12 experts to Guangzhou and Hong Kong. There, he experienced the anti-SARS campaign which was unforgettable in his life.

In the morning of Aug 29, in the Golden Hall of the Great Hall of the People, the 4th session of the NPC Standing Committee made an inquiry into the work in preventing and treating infectious diseases and the enforcement of the Law on the Prevention and Treatment of Infectious Diseases. There, NPC magazine journalist interviewed Chen who attended the session, asking for his opinions, feelings and expectations on the work in preventing and treating infectious diseases.

Chen Zhu emphasized that the Chinese government should increase its investment in the medical and healthcare field including the prevention and treatment of infectious diseases. The ministries concerned should aim at achieving practical results and offer more support to the work of preventing and treating infectious diseases. Health of 1.3 billion people cannot rely on hospital or medicine. Prevention and environmental preservation are of fundamental significance.

Marked progress has been made in the past 10 years

Asked about his reflection and comments on the inquiry, Chen told the journalist: "The inquiry today is encouraging. It has a clear goal. Members of the NPC Standing Committee raised high-quality questions and the departments made good preparations. Neither members nor the departments tried to evade problems." Chen said it is the anti-SARS campaign he experienced 10 years ago that gave him an in-depth understanding on the investment and progress China made in prevention and treatment of infectious diseases.

"The work of preventing and treating infectious diseases

in China experienced an arduous time and made marked progress in the past 10 years.” Chen stressed that in the past 10 years, China has been actively implementing the Law on the Prevention and Treatment of Infectious Diseases and strengthening the relevant work. Unprecedented great changes have taken place in system construction, ability enhancement and efficiency improvement.

“The past 10 years witnessed the most intensive efforts made in preventing and treating infectious diseases and the most rapid improvement in the overall ability of prevention and treatment.” “The subsidies allocated by governments at different levels for public health in 2012 were 10 times those in 2003.” “China has finished building up the world-largest system of directly reporting infectious diseases online.” “In the first half of 2013, facing human infections of avian influenza A (H7N9), related localities and departments acted quickly, cooperated very well with one another and conducted scientific responses. As a result, the infectious disease was controlled successfully, on which WHO and OIE positively commented.” Chen pointed out that the achievements mentioned by Li Bin, head of National Health and Family Planning Commission, in her report, vividly showed the progress China made in the work of preventing and treating infectious diseases.

‘None of us will forget that period of history’

Chen Zhu said that this year not only marked the 10th anniversary of the promulgation of the Law on the Prevention and Treatment of Infectious Diseases, but also marked the 10th anniversary of the great victory of anti-SARS campaign. Looking back at the past 10 years, we could find that the victory over SARS played an important role in promoting steady and healthy social and economic development as well as improving the governing concept of the State.

“All workers in the field of public health feel close to Scientific Outlook on Development because the governing concept of putting people first was established in the process of dealing with SARS. Confronting SARS, the huge challenge, all Chinese people united as one under the leadership of CPC Central Committee and the State Council, made legal and scientific response to the situation and defeated the infectious disease coming unexpectedly. To some extent, the formation of Scientific Outlook on Development has something to do with the victory over SARS since many concepts were bred in the campaign against SARS.” Chen said.

In fact, as Chen said, China took the anti-SARS campaign as an opportunity to rebuild the public health emergency response system which made great contribution to the successful and calm response to bird flu and H1N1 later. The “short boards” in society management and public health were exposed in anti-SARS campaign. The government rethought and strengthened them. The process improved the governing concept to some extent.

Chen believes that anti-SARS campaign released enormous positive energy to optimize government action. “The disease then was a huge pressure which forced us to recognize that making the information public was the best way to prevent and control the disease. So the work of preventing and treating infectious diseases has comprehensive significance.”

Chen Zhu mentioned a detail. In 2003 when SARS was epidemic, Xu Guanhua, then minister of Science and Technology and chairman of the National Leading Group for SARS Prevention and Treatment Research, took some photos, one of which showed the empty Chang’an Avenue in Labor Day holiday. He saw a photo taken by Zhong Nanshan showing the kids dancing ballet with masks in Guangzhou. “Those made people know that public health, especially the prevention and treatment of infectious diseases have gone beyond the scope of medical technology, and they are directly connected to national security, social stability and economic development.”

“It is fairly safe to say that the huge progress we have made in prevention and treatment of infectious diseases is the epit-

The victory over SARS played an important role in promoting steady and healthy social and economic development as well as improving the governing concept of the State.



The photo taken at 6:30 am on April 21 shows that ambulance vehicles get ready to set off at Dahongmen Railway Station in Beijing. Dispatched by the Beijing Municipal Bureau of Health, a medical team of infectious diseases control rushed to the quake-stricken Ya’an in Sichuan Province after receiving a notice from the National Health and Family Planning Commission. CFP

ome of the enormous achievements we obtained in economic, political, cultural, social and ecological construction under the guidance of Scientific Outlook on Development. None of us will forget that period of history,” Chen emphasized.

Three expectations on the prevention and treatment of infectious diseases

When asked about the challenges and problems of preventing and treating infectious diseases, Chen talked about a problem which needs to be solved quickly—lack of workers.

Chen said that in the inquiry, many members mentioned the problems existing in the prevention and treatment of infectious diseases in western China. Human resource is the weak

link in the backward areas. Therefore it is our first need to get enough workers to prevent and treat infectious diseases. The people involved in preventing and treating infectious diseases are amiable and respectable, but earn a very low salary. The government should consider their demands for living and development. The entire system of preventing and treating infectious diseases face problems such as personnel shortage, heavy load and low salary, etc.

“In the inquiry, did you hear any new policies the government is to carry out?” Chen told our journalist that Wang Xiaochu, vice minister of Human Resources and So-

More efforts should be made in intensifying the cooperation among relevant departments to prevent, control and make scientific response to infectious diseases.



An inspection and quarantine worker participates in an infectious diseases drill at Qingdao Liuting International Airport in Shandong Province on April 17. *Li Ziheng*



On July 31, a medical worker from the Nanniwan Central Health Center in Yan'an, Shaanxi Province, conducts a routine fumigation at a settlement place for Nanniwan Central Primary School students, who were evacuated due to flood. *Li Yibo*

cial Security said in the inquiry that special subsidies have been allocated by the government for the medical staff on preventing and treating infectious diseases. In 2004, full time on preventing and treating infectious diseases and parasitic diseases were also subsidized. Additionally the subsidy was increased by a large margin. At present, nearly 200,000 people are subsidized. “From the inquiry, I found everybody has noticed this problem. I hope the efforts can be intensified.”

Chen Zhu put out his 3 expectations on the prevention and treatment of infectious diseases in the future. First of all, the system building, especially the team building should be strengthened. Over the 10 years, the system and working mechanism of the prevention and treatment of infectious diseases have been improved constantly. However, compared with the increasingly severe situation for preventing and treating infectious diseases, there is a lot to do. What we did before was to strengthen the “hardware” construction. Next, we should focus on the team building, combining professional team with the efforts of “strengthening grass-roots level” in medical-care reform.

Secondly, more efforts should be made in intensifying the cooperation among relevant departments to prevent, control and make scientific response to infectious diseases. “The inquiry today shows that the related departments have reached consensus. We need to transform the consensus into practical results. When we face new challenges or problems such as avian influenza infecting both human and animals caused by the changes of people’s lifestyle and environment, it is impossible to rely on any single department to make a solution. Coordination and cooperation among relevant departments is greatly needed.”

“The medical insurance shows the importance of coordination and cooperation. Minister Li Bin mentioned in her report that rural patients can get reimbursement for treatment of AIDS opportunistic infection and multi drug resistant tuberculosis treatment from the new rural cooperative medical system. However, these diseases not only occur in rural areas. So the medical insurance system in cities should refund the patients treated for major infectious diseases. In the future, we should boost the reform of medical insurance management, putting ‘three insurances’ (medical insurance for urban workers, medical insurance for urban residents and new rural cooperative medical system) into one management system. It is also significant to solve institutional problems under the framework of medical service, medical insurance and medicine work in a coordinated way.” said Chen Zhu.

Thirdly, the government functions should be transformed and the social forces should be fully utilized. Health is everybody’s concern and also it is everybody’s responsibility. The government is bound to safeguard the public health. But it is far from sufficiency to rely merely on the government and professional institutions. Take the prevention and treatment of HIV/AIDS for example, many social grass-roots organizations can get access to offering services to the particular group of people thanks to their unique living environment, which may not be done by professional institutions. Therefore, social forces should be fully utilized to prevent and treat infectious diseases.

“It is of great significance. With the development social



A teacher from Shenyang Zhenxing No. 2 School teaches students how to thoroughly wash their hands on April 9. Starting from the day, primary and secondary schools in Shenyang were required to report on daily basis on infectious diseases with the aim to prevent the spread of the bird flu. Zhang Wenkui

networking online, more guidance and instructions should be given to social grass-roots organizations in order to help them become positive energy. The government should take the comprehensive responsibility, relevant departments should take their own responsibilities and the social resources should be effectively mobilized.” Chen Zhu told our journalist, “The public education on the prevention and treatment of infectious diseases, ranging from school education for kids to knowledge popularization for the society, is the key fundamental work. It also needs the active work of social forces.”

‘The prevention and treatment of infectious diseases must be interdisciplinary’

“The SARS in 2003 and the avian influenza later urged us to attach importance to the diseases infecting both human and animals.” “Infectious diseases may have new origins and new route of transmission. How should we build up and improve the monitoring and warning mechanism to deal with that?” When talking about the issues the members are interested in, Chen Zhu stressed that the prevention and treatment of infectious diseases must depend on science and technology. We should not only pay attention to pathogen, but also attach importance to mode of trans-

mission, route of transmission and the protection of vulnerable people.

Chen Zhu said the prevention and treatment of infectious diseases must be interdisciplinary. An opinion in the academic circle says ecological environment, animal world and human beings should enjoy the same health. If animals’ health cannot be safeguarded, human health is unlikely to be guaranteed. Quite a few members mentioned more than 40 new infectious diseases emerged throughout the world in the recent 30 years. 3/4 of them are the diseases infecting both human and animals or birds. Actually they are the diseases originated in animals. Human activities damaged the ecological environment. Those diseases are the retaliation taken by the nature to human beings in some way. So it is not enough to master the knowledge on preventing and treating infectious diseases. We are supposed to understand and study the objective rule of the whole ecological system. Only interdisciplinary research could find effective preventing and monitoring measures, e.g. ecological prevention and protection, vaccination and treatment for both human and animals, etc. In the research, we should make full use of Chinese herbal medicines which enjoy some advantages in improving human immunity and may contribute a lot to the prevention and treatment of infectious diseases. (NPC) ■



Visitors pass a logo wall of famous software producers in Nanjing, Jiangsu Province on September 6, 2012. CFP

China passes **new trademark law** to curb infringements

China's top legislature on August 30 passed a new trademark law to crack down on infringement and ensure a fair market for Chinese and foreign trademark holders.

After three readings over the past two years, the revised law was passed at the bimonthly session of the Standing Committee of the National People's Congress (NPC), China's top legislature.

The new law, which goes into effect May 1 of next year, raises the compensation ceiling for trademark infringement

to 3 million yuan (about \$500,000), six times the previous limit.

The revision was based on comments from lawmakers, experts and representatives of businesses and trademark agencies from China and abroad, said Wang Qing, an official with the Legal Affairs Commission of the NPC Standing Committee.

The law treats Chinese and foreign enterprises equally, said Xu Ruibiao, director of the Trademark Bureau under the State Administration for Industry and Commerce.



1. Tianjin Customs destroys confiscated wine that has violated intellectual property rights on April 23. The customs seized a total of 18,600 bottles of imported vodka with fake Stolichnaya trademark, which is worth of 228,000 yuan in total. It was the largest freight of copy right violation seized in Tianjin in recent years. *Liu Xiaochuan*
2. Receiving a tip-off from local residents, law enforcement officers from Fangchenggang Bureau of Industry and Commerce seized a number of mountain bikes that have infringed the "BMW" trademark on April 8. *CFP*
3. Officers of industry and commerce administration introduce to local residents knowhow on trademarks on April 26, 2011, which marked the 11th World Intellectual Property Right Day. Officials from industry and commerce administration, culture, science and technology departments in Huairou district issued pamphlets and leaflets among citizens to arouse their awareness of copyright protection and against the illegal activities. *Bu Xiangdong*

"Based on the amendments, it will become easier for foreign trademark holders to protect their rights in the case of infringement," he said.

"We have provided protection for nearly all the well-known foreign brands in China," Xu said. "Foreign enterprises should be confident in the fairness of trademark protection in the Chinese market."

The law adopts the principle of good faith during the registration and use of trademarks. Infringement of the trademark rights of others could result in fines worth five times the sales volume resulting from illegal business.

The new law also mitigates trademark holders' responsibility in providing proof of infringement, saying the alleged offenders shall provide their account books or other materials for investigation. Otherwise, compensation amounts could be determined according to the amounts proposed by trademark holders.

This could reduce litigation costs for trademark holders and increase the costs and penalties infringers have to pay, said Li Shunde, an intellectual property professor with the Chinese Academy of Social Sciences.

The new law also says that trademark agencies cannot

accept entrustment if they know or should know that their clients are conducting malicious registration or infringing on the trademark rights of others.

Agencies violating the law will face fines and credit score penalties filed by industrial and commercial authorities. Those involved in serious cases will have their businesses suspended.

The new law offers protection for well-known trademarks, giving owners the right to ban others from registering their trademarks or using similar ones – even if similar brand names are available. However, the words "renowned trademark" shall not be used in promotions or advertising.

The amendment also changes clauses regarding the examination period for trademark applications to make the process more efficient.

China adopted its Trademark Law in 1982 and made amendments in 1993 and 2001 respectively.

As of June this year, China held the world's largest number of registered trademarks and valid trademark registrations, at 8.17 million and 6.8 million respectively, according to the latest official statistics. (Xinhua) ■

The revision of Trademark Law presents six highlights

By Mao Lei and Xu Jun

With the development of China's socialist market economy, some provisions of the current Trademark Law have failed to meet the actual needs. Under the current law, for example, the trademark registration process is cumbersome, the period of time granting and confirming trademark rights is too long, the phenomenon of maliciously registration is common, and trademark infringements have not been effectively curbed.

Provision on the time limits for trademark examination added

The current Trademark Law requires a prompt review of trademark registration and reexamination applications, with no deadlines specified. "In soliciting opinions on the draft revisions of the current Law, a large number of companies suggest deadlines be specified. They hold that the time that the current review cost is too long. As a result, the trademark rights and benefits of companies are left in a long period of undetermined and unprotected state and their corporate brand strategies are affected," said Wang Qing, deputy director-general of the Office for Economic Law of NPC Legislative Affairs Commission.

According to Wang, to ensure that the added time limits are practical, the revision takes reference to the average review time in practice. Time limits for trademark examination are added to the new trademark law: nine months for a trademark bureau to conduct a preliminary review; 12 months for the investigation to verify a reconsideration application; 9 months for the Trademark Review and Adjudication Board to reexamine the decision by the trademark bureau of refusing and deciding not to announce an application; 12 months for the Trademark Review and Adjudication Board to reexamine the decision by the trademark bureau that a reconsideration is justified and the relevant registration is rejected. In case of special circumstances, the

time limit may be extended 3 months or 6 months respectively. Time limits for the examination of the nullification or the cancellation of a trademark are also set up accordingly.

The trademark registration opposition system improved

Under the current Trademark Law, after a trademark registration application passes the preliminary review and gets announced, an opposition can be put forward by any person for any reason. The opposition shall be adjudicated first by the Trademark Bureau. A reexamination application may be filed by the opposition applicant to the Trademark Review and Adjudication Board. He may also file a lawsuit when he receives the unfavorable reexamination ruling.

"The current opposition procedure is too complicated and the review period is too long, affecting the applicant to get the trademark registered timely. In practice, some units and individuals put forward malicious oppositions, delaying the applicant to get the trademark registered and thus obtaining improper benefits. Many applicants were forced to pay in property or in money terms in exchange for the other party not to issue an opposition or draw back an opposition which has been raised," Wang says.

"To cope with problems in practice, the new Trademark Law simplifies the opposition procedures and cancels the procedure by which the Trademark Bureau examine and adjudicate an opposition. It provides that the Trade-

mark Bureau can issue a direct decision to grant or reject a registration application. The party may ask for the nullification of the registered trademark if the Trademark Bureau consider the opposition unjustified. The party against which the opposition is raised may apply for an reexamination if the opposition deemed justified.

According to Wang, in order to reduce malicious oppositions, the new Trademark Law also provides that only the prior right owner or the interested party can raise an opposition that claims the prior right is infringed.

Well-known trademark protection system clarified

"In 2001, provisions for protecting well-known trademarks are added to the Trademark Law to fulfill China's obligations under the international conventions which it has joined. In practice, there exist false assumptions of well-known trademarks as an honorary title, which lead to blind pursuit of well-known trademark identification and even fraud practices," says Xu Ruibiao, chief of SAIC Trademark Office.

To clarify the well-known trademark protection system, the new Trademark Law follows the principle of "identifying the individual case and providing passive protection". It clearly provides that the Trademark Office, the Trademark Review and Adjudication Board and the People's Court shall not take the initiative to apply the provisions of protecting well-known trademarks. Those provisions can only be applied after the relevant party in trademark

cases apply for it. It also provides that the identification is only applied to the relevant case.

“To avoid misleading consumers, the new Trademark Law prohibits advertising in the name of well-known trademarks. The wording of ‘well-known trademark’ shall not be used on goods, their packages and containers, or used for advertising, exhibition and other commercial activities. In case of violation of the above provisions and advertising goods by promoting the trademark as ‘well-known trademark’, the local industrial and commercial administration shall issue a correction order and fine a penalty of 10,000 yuan.” Xu Ruibiao says.

Protection of the exclusive rights of trademark strengthened

Under the current Law, there are trademark infringement cases in which the victim party win the case but pay a high price. A punitive penalty provision is thus added to the new Law, and the amount of the infringement penalty has been lifted. It stipulates that the penalty can be 1 to 3 times the loss that the infringement costs, the benefits accrued from the infringement, or the trademark license fee. The statutory infringement penalty of “under 500,000 yuan” is amended as “under 3,000,000 yuan”, which means that the People’s Court can issue a ruling of fining a penalty under 3,000,000 yuan depending on the severity of the infringement act when it is difficult to determine the loss that the infringement costs, the benefits accrued, or the trademark license fee.

According to Zhang Hui, chief of the SAIC Legislative Office, the new Trademark Law reduces the burden of proof on the trademark holders and adds the provisions of providing documents and papers. When the trademark holder has exhausted his burden of proof and the tort-related documents and papers are in the possession of the infringer, the People’s Court can order the infringer to provide the relevant documents and papers. If the infringer fails to provide the relevant documents and papers, the People’s Court can determine the

amount of penalty based on the right owner’s claim and the proof which he provides. “This provision will to some extent alleviate the burden of proof on the right holder, conducive to solving the problem of the compensation claims based on insufficient proof”.

Registration of trademarks held by other parties banned

“There are cases in which some companies or individuals take advantage of their special relationship with the trademark prior owner and make malicious registration. For example, the infringer could make preemptive registration of an trademark of the other party which he learn that the trademark has not been registered yet during negotiating a contract with the other party, which brings about serious damage to the trademark prior owner and is not conducive to creating a fair and competitive market environment.” According to Wang Qing, the acts mentioned above is prohibited by the new Trademark Law.

By Wang Qing, some people take others’ famous brands as their own company name and conduct unfair competition. The new Law stipulates that the act of using others’ registered or unregistered trademark as his company’s name, misleading consumers and constituting acts of unfair competition shall be dealt with by the provisions of the Law on Unfair Competition.

Trademark agency activities standardized

“Some trademark agencies violates the principle of good faith, by using its business advantage, helps his clients to make malicious trademark registration, and even make malicious registration of others’ trademark on their own.” Xu Ruibiao said. The new Law clearly stipulates that a trademark agency shall follow the principle of good faith to comply with the laws and administrative regulations to conduct business and shall bear the confidential liability.

The new law also provides that a trademark agency shall give a clear notice to his client if the trademark registration application is not in conformity with the Trademark Law. A trademark agency shall not accept the consignment if he knows or should know that his client’s application is malicious registration of others’ trademark or infringe upon others’ prior rights.

“Under the new Trademark Law, liability shall be investigated if a trademark agency is found in violation of the Trademark Law and his act will be kept on record by the industrial and commercial administration. In case of severe violations, the Trademark Bureau and the Trademark Review and Adjudication Board may decide to stop the relevant agency’s business and make a public announcement.” Xu Ruibiao says. (People’s Daily)



Customers purchase soft drinks at a supermarket in Xinjiang county, Shanxi Province on August 30, 2013. CFP



Growth range leaves leeway for restructuring, reforms

Chinese Premier Li Keqiang delivers a speech on the opening ceremony of 2013 World Economic Forum, which was held in Dalian International Convention Center on September 11. *Sheng Jiapeng*

While the world watches for recovery signs in the world's second-largest economy, Chinese Premier Li Keqiang's emphasis on "reasonable range" growth underscored the government's resolve to push forward reforms and balance growth speed and quality.

At the opening ceremony of the Annual Meeting of the New Champions 2013, also known as Summer Davos, Li described the reasonable growth range he first proposed in July as a benchmark for policy adjustments. This range is marked by a lower limit designed to ensure steady growth and job creation and an upper limit meant to avert inflation.

"As long as the economy runs within the reasonable range, we will keep macroeconomic policies generally stable and focus on shifting the growth model and structural readjust-

ment," Li said.

His remarks assured the outside world that China's economy is not losing control and underscored the government's intent to capitalize on a slowly stabilizing economy in order to carry out restructuring and reforms for the long-term good, analysts said.

"Pure pursuit of a high growth rate is not conducive to economic transformation. If the economy goes beyond the upper limit, China should rethink its policies," said Zhang Yansheng, secretary-general of the Academic Committee of the National Development and Reform Commission, adding that a range between 7 to 7.5 percent would be ideal for China's balancing act.

In his speech, Li Keqiang said China's current growth is at a "medium to high rate," recognizing that China has entered



Chinese Premier Li Keqiang picks up questions after delivering a speech at the opening ceremony of the 2013 World Economic Forum in Dalian, Liaoning Province on September 11. Pang Xinglei

a new stage divorced from the double-digit expansion of the past decade.

The focus now should turn from headline growth to other detailed economic indicators measuring quality and efficiency, Zhang said, arguing silver linings can be found in last year's growth, even though the economy is at a 13-year low.

He cited fast employment growth, the greater role of consumption, and steady growth of the service sector as evidence of a gradually transforming economy.

At the Summer Davos Forum, Dr. Hans-Paul Burkner, chairman of the Boston Consulting Group, said China needs more balanced growth between the different parts of society and more consideration for people's well-being, such as health, environment and services.

"In general, it is about opening up the economy further, so

that there are more opportunities for private initiatives. Given the enormous talents China has, this is going to create further strong momentum for the whole country and economy," said Burkner.

China's economic growth eased to 7.5 percent in the second quarter, down from 7.7 percent in the first three months.

Instead of initiating a massive stimulus program to lift the economy, authorities are moving cautiously by speeding up shantytown renovation, accelerating railway and infrastructure investment, and reducing taxes for small businesses to steady growth while driving through reforms.

The efforts have gradually worked, Li said, citing August's improving economic indicators, such as the Purchasing Managers' Index, industrial profits and power consumption, as evidence of a firming economy.

"Such momentum of steady progress gives us confidence that we can meet the economic and social development goals set for the year," Li said.

Zhang Xiaojing, an economist with the Chinese Academy of Social Sciences, raised caution over underlying risks, including possible capital outflows triggered by U.S. tapering of quantitative easing and the financial hazards of China's deleveraging process.

"The biggest challenge for China is resolving financial risks while driving through reforms," he said, naming local government debts and shadow banking as the most concerning.

"Economic upgrading is a long-term task that requires coordinated efforts at various levels, and we hope the upcoming Third Plenary Session of the 18th Communist Party of China Central Committee will offer more detailed reform plans," he added. (Xinhua) ■



Chinese Premier Li Keqiang addresses the opening ceremony of the Annual Meeting of the New Champions 2013, also known as Summer Davos, in Dalian, northeast China's Liaoning Province, September 11, 2013. *Pang Xinglei*

The Chinese economy: Reform and innovation for sustained and healthy development (excerpts)

Delivered by Chinese Premier Li Keqiang at the World Economic Forum Annual Meeting of the New Champions 2013 on September 11, 2013

Seven years ago, when the Davos Forum came from the high mountains in Switzerland to the shore of the Bohai Bay in China, I was working in Liaoning and was personally engaged in the launch of the Forum, and my memories of the event are still vivid today. I am truly happy that the Forum, which has been held in Dalian and Tianjin in rotation since then, is gaining greater influence, and I find the theme of this year's Forum, "Meet-

ing the Innovation Imperative," a forward-looking one that points the way to the future.

Five years have passed since the outbreak of the international financial crisis in September 2008. Yet the world economy still faces a complex situation. Just as developed economies begin to show some signs of improvement, emerging economies are confronted with rather serious downward pressure. As we often say in China, "Hardly has one wave

subsidized when another wave rises.” Affected by a multiple of factors, economic growth in China has slowed down to some extent. Yesterday, Professor Schwab and I had an exchange of views with some of the business representatives. They all showed a keen interest in the state and prospects of the Chinese economy. For some time now, there have been many comments on the Chinese economy, wondering whether it may slow down too early, like in some other countries, or even encounter a hard landing. What I would like to say is that the Chinese economy, which is at a crucial stage of transformation and upgrading, is moving forward in a steady way and its fundamentals are sound.

Economic growth in China went down from 7.9 percent in the fourth quarter of last year to 7.7 percent in the first quarter and 7.5 percent in the second quarter of this year with a reduced increase in consumption, investment and foreign trade. There was a registered negative growth in the central government revenue, which has been rarely seen for many years. Confronted with downward pressures, we stayed committed to the overall policy of seeking steady economic progress. We took a host of innovative policies and measures with a holistic approach to pursue steady growth, conduct structural readjustment and promote reform, which served to ensure a smooth economic performance.

First, keeping the macro economic policy stable with consideration given to both immediate and long-term needs. In the face of economic downturn, a short-term stimulus policy could be one way to drive up growth. But after weighing the pros and cons, we concluded that such an option would not help address the underlying problems. Hence, we opted for keeping the macro economic policy stable, which we believe served both the immediate needs and long-term interests of the economy. With respect to fiscal policy, we introduced policy measures that kept deficit from expanding, readjusted the expenditure structure, cut down administrative expenditures, accelerated spending, increased support for the central and western regions as well as for structural readjustments and for improving people’s wellbeing, and granted preferential tax treatment to small and micro businesses. In terms of monetary policy, we stayed focused, responded calmly and met difficulties head-on. We did not relax or tighten the monetary policy in spite of the short-term fluctuation in the money market, and properly managed liquidity. We supported the real economy mainly by making good use of both the stock and the increment. At the same time, we strengthened supervision and improved regulation to prevent and defuse potential risks in the fiscal and financial sectors. Regarding the local government debt issue, which has become a source of concern, we are taking pertinent measures to regulate and address it in an orderly fashion. Here, I can say with certainty that the situation is on the whole safe and manageable.

Second, steadfastly pursuing reform and opening-up with priority given to the stimulation of the market. Reform and innovation provide an inexhaustible driving force for a country’s development. What this government has done first is to vigorously reform the administrative system with focus on transforming government functions. Since the beginning of this year, we have abolished or delegated to lower levels the conduct of administrative review and approval for over 200 items. By streamlining administration and delegating power, the government aims to delegate power to lower levels as

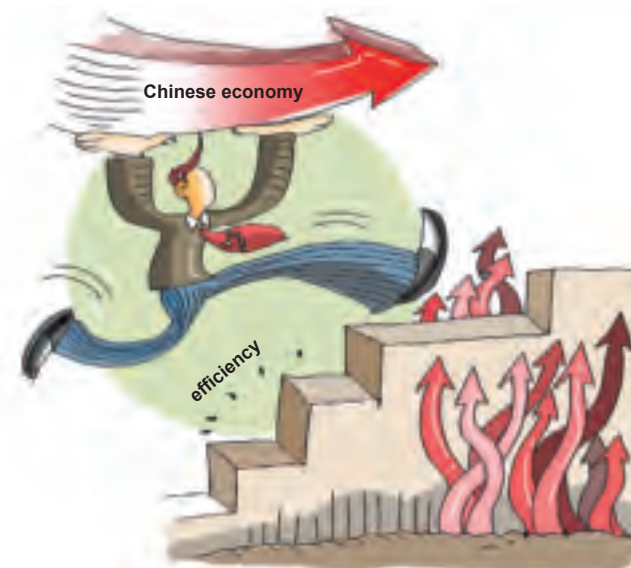
much as what is necessary and appropriate while effectively managing all the matters within its purview so as to provide a level-playing field for all enterprises and stimulate the creativity of market players. We have expanded the scope of the business-to-value added tax pilot reform, and advanced reforms relating to market-based interest rates, the investment and financing system for the construction of railways and other infrastructure, pricing of resource products and government procurement of public services. We have accelerated the reform of economic structure, endeavored to develop a mixed economy, relaxed market access in the financial, oil, electricity, railway, telecommunications, resources development, public facilities and the services sector, encouraged more investment of the non-public sector, and provided greater space for business of various ownerships.

China’s modernization will not be accomplished without reform, nor will it be achieved without opening-up. We have explored new ways to open China wider to the outside world. In the first half of this year, we signed FTA agreements with Switzerland and Iceland, and we have recently discussed with ASEAN leaders on how to upgrade the China-ASEAN Free Trade Area. In our effort to build a pilot free trade-zone in Shanghai, the negative-list approach will be explored and priority will be given to easier investment access and greater openness in trade in services. We have also adopted measures to facilitate foreign trade and promote a steady growth in import and export.

China’s modernization will not be accomplished without reform, nor will it be achieved without opening-up.

Third, readjusting and optimizing the structure with emphasis on transformation and upgrading. China is now at such a crucial stage that without structural transformation and upgrading, we will not be able to achieve a sustained economic growth. In readjusting the structure, the most important aspect is to expand domestic demand, and a major task is to pursue a balanced development between urban and rural areas and among different regions. We will rely mainly on industrialization, new type of urbanization, IT application and modernization of agriculture and focus on developing the service sector which is of strategic importance. We are cultivating new growth areas of consumption and implementing the “Broadband China” strategy. We will enhance the weak links and invest more in energy conservation and environmental protection, redevelopment of shantytowns, infrastructure in urban areas, and railways in the central and western regions. We are stepping up support for contiguous and concentrated poverty-stricken areas. We have adopted special policy measures to promote old age care, health, cultural, educational and other services. We are implementing the strategy of innovation-driven development at a faster pace, aggressively promoting technological innovation and deep integration of science and technology with the economy and building a social environment friendly to innovation and business start-up activities.

Since the start of this year, China has been rather success-



China's economic miracle enters second season, demanding higher quality and efficiency. During the 2013 World Economic Forum, Premier Li Keqiang delivered a keynote speech, calling to seek a lasting and healthy economic development through continuous reform and creation. Li's remarks on policy change have aroused extensive attention among all trades of life. CFP

ful in coordinating efforts to seek steady growth, conduct structural readjustment and deepen reform, and this is mainly attributable to innovation in macro management. Seizing the growth potential and acting to address the need in reality, we have set a reasonable range of economic performance with a lower limit designed to ensure steady growth and job creation and an upper limit which is meant to avert inflation. The limits are also seen as benchmarks for anticipatory regulation measures. We have also developed a macro policy framework in keeping with the reasonable range of economic performance. As long as the economy runs within the reasonable range, we will keep the macro economic policy generally stable, and focus on shifting the growth model and on structural readjustment. In this connection, what is essential is to advance reform and innovation, tap potential domestic demand, and unleash innovation motivation and reform dividends in order to boost market vitality and the internal driving force for growth and upgrade the Chinese economy.

These measures have brought about a sound momentum of stable economic performance in China. In July and August, PMI, PPI, industrial value added, import and export, power consumption, freight volume and other major indicators all rebounded; the real economy was active; urban employment situation continued to improve and prices were generally stable with enhanced market confidence and growing public expectations. Such a development momentum of steady progress gives us the confidence that we will meet the economic and social development goals set for the whole year. Having said that, we must see that the foundation for economic rebound is still fragile with many uncertainties ahead. We cannot and will not slacken our efforts. We must be prepared to tackle more difficulties and challenges.

The fast growth of the Chinese economy over the past 30-odd years is a miracle in the history of development of the world. The Chinese economy has entered a phase of medium

to high rate growth. Though lower than the near double-digit rates seen in previous years, a growth in the neighborhood of 7.5 percent is still considered high for any major economy in the world. China's economic size is considerably bigger than before. As the economy enters a phase of transformation, the slowdown of its prospective growth and moderation of the Chinese economy from a high speed to a medium to high speed are only natural. Moreover, China's growth in the coming years should be predicated on higher quality and efficiency, bolstered by resource conservation and environment protection, and driven by technological innovation and advance. It has to be a growth with sufficient employment and growing household income. In other words, we need to ensure the fruits of reform and development benefit as many people as possible.

Looking ahead, I see bright prospects for China's development. We are well placed to sustain a healthy economic growth in the long run. The process of industrialization and urbanization is far from being completed in China, which promises a big room for regional development and huge market potential; reform, an overriding trend that is irreversible, is bound to unleash fresh institutional vitality; and the hard work, talent and perseverance of the Chinese people will always provide the most important support for development. We will continue to grow the economy, improve people's living standards, uphold social justice, stay firm on the path of reform and opening-up and advance the cause of building socialism with Chinese characteristics. As long as we remain committed to long-term goals and focus on addressing immediate challenges, the giant vessel of the Chinese economy will break waves and sail far. And we will achieve the sustained and sound growth of the Chinese economy.

In the world today, the trend towards economic globalization, a multi-polar world and IT application is gaining momentum. We live in a global village. No country can live in isolation of others like Robinson Crusoe. Over the years, the Chinese economy has benefited enormously from its opening-up policy. At the same time, China has become a major engine driving world economic growth and played an important role in responding to the international financial crisis. In the next five years, China is expected to import 10 trillion US dollars of goods, invest 500 billion US dollars overseas and send over 400 million tourists abroad. China, with its economic structure transformed and upgraded, will contribute more to the prosperity and development of the world economy. China is ready to share this huge business opportunity with the rest of the world and hopes to have a better cooperation environment for its development.

As a major developing country, China is ready to take up its responsibility in international affairs. As its economy expands, China will play an increasingly bigger role in international affairs. As an ancient Chinese saying goes, "A gentleman is always ready to help others attain their goals." We believe that only by helping each other can we all attain our goals. We are ready to take a more active part in international governance and do our best to provide international public goods. We are ready to share our poverty reduction experience with and offer more assistance to fellow developing countries. We will share responsibility for and make our contribution to a strong, sustainable and balanced world economy. However, China is still a developing country. Over

We live in a time of fast changes. Changes call for innovation and innovation leads to progress.

100 million people still live under the poverty line according to international standards. China's modernization will be a long and arduous process. The international responsibilities and obligations China undertakes must be commensurate with both the level and approach of its development.

In view of the difficulties and setbacks in the global economic recovery, members of the international community should increase coordination on macro economic policies as well as the readiness to cope with the cross-border financial risks and help speed up the reform of the global economic governance. Developing countries should have greater representation and bigger voices in international affairs so as to minimize the adverse impact of the change of macro economic policies by some countries on the entire world economy, especially on emerging market economies. All countries should open wider to other countries, take a clear-cut stand against all forms of protectionism, and work in concert to en-

large the pie of the world economy.

China will continue to encourage foreign companies to make investment and do business in China. We will create a more investment friendly environment, intensify IPR protection, and provide an environment in which all players have equal access to factors of production, market competition and legal protection while taking up social responsibilities together. Facts will continue to prove that to come and do business in China is a wise decision for multinationals to grow their business.

We live in a time of fast changes. Changes call for innovation and innovation leads to progress. Reform and innovation is the running theme and spirit of the policies adopted by the Chinese government, and it is the banner that we will always hold high. I hope you, new champions of the world economy, will become indeed champions of reform and innovation in your respective areas. Over the years, the Summer Davos has played a unique role and served as an important platform for discussions on the Chinese economy. Now the new season of the Chinese economic miracle, one of better quality and higher efficiency, is unveiled, and I guarantee you even more exciting stories to come. I am sure that the Summer Davos Forum will achieve greater successes, presenting to the world new progress of the Chinese people in building a modern country, and contributing more wisdom and strength to the common prosperity of China and the world. (Xinhua) ■



Photo taken on August 15, 2013 shows the Yangshan Free Trade Port Area in Shanghai, east China. *Chen Fei*

Shanghai Pilot FTZ plan announced, five tasks listed

By Cao Shaonian

The General Office of the State Council issued the “Notice of the State Council on the Printing and Distribution of the Overall Plan of China (Shanghai) Pilot Free Trade Zone” on September 27, and published the “Overall Plan of China (Shanghai) Pilot Free Trade Zone.” The plan lists five major tasks, namely to accelerate the transformation of government functions, expand the opening up of investment, promote the transformation of trade and development mode, deepen the opening up and innovation of financial sector and improve the legal system.

According to the plan, Shanghai FTZ should meet the strategic requirement of facing the world and serving the nation, and accomplish the strategic task of building Shanghai into “four centers” through piloting, risk control, and step-by-step improvement, combining opening up with institutional reform and cultivation with policy innovation, forming the basic institutional framework of international investment and universal trade rules.





The entrance to the China (Shanghai) Pilot Free Trade Zone in Shanghai. *Chen Fei*



Pedestrians walk in China (Shanghai) Pilot Free Trade Zone in September, 2013. *CFP*

Accelerate the transformation of government functions

Accelerate the transformation of government functions, reform and innovate administration, and actively explore ways of establishing administrative system in accordance to high-standard international trade and investment rules, and make government focus more on supervision and regulation during and after the deal rather than approval before that. We need to establish services model with comprehensive approval and efficient operation, improve the information network platform, and achieve collaborative management mechanisms within different sectors. We should also set up a comprehensive evaluation mechanism of information tracking, monitoring and collection, and strengthen the tracking, management and supervision of activities beyond the test area carried out by enterprises in the area. A centralized and comprehensive law enforcement system for market supervision is required to achieve efficient supervision and management of quality and technical supervision, food and drug regulation, intellectual property, taxation and other management areas, and mobilize social forces to participate in market supervision. There should be a more transparent administrative process and an information disclosure mechanism in line with international rules and allowing investors to participate. Mechanism should be improved to effectively protect investors' rights and interests, to achieve fair competition for all types of investors, and allow qualified foreign investors to freely transfer their investment benefit. There should also be an institution for arbitration and assistance of intellectual property disputes.

Expand opening up of investment

Expand opening up of services industry. We should expand opening up of service areas involved with finance, shipping, business and trade, professional services, culture and social service, suspend or cancel the access restrictions of investors' qualification, equity ratio limits, and business scope (exception for banking institutions, information and communication services), and create equal market environment conducive to the access of various types of investors.

Explore the establishment of a negative list management mode. According to the international rules, we apply national treatment to foreign investment before their access, formulate a negative list of inconsistencies between test-area foreign investment and national treatment, and reform foreign investment management pattern. For areas beyond the negative list, following the rule of equality between domestic and foreign investment, we need to authorize Shanghai Municipal Government to replace the verification system of foreign investment projects with filing system (exception for the domestic investment projects needs to be verified as stipulated by the State Council). We are going to replace the approval system of foreign invested enterprise contract with filing management conducted by Shanghai Municipal Government, followed by relative procedures. Industrial registration and business registration reform should be connected to gradually optimize the registration process. We also need to improve the national security review system, and carry out foreign-investment-related national security review in the test area,



An inauguration ceremony is held for the operation of the China (Shanghai) Pilot Free Trade Zone at the Waigaoqiao Bonded Area in Shanghai on September 29, 2013. *Chen Fei*

We will push forward pilot project of international trade settlement, and expand cross-border account payment and financing for trade and services of special accounts.

building a safe, efficient and open economic system. On the basis of pilot experience, we are going to gradually form a foreign investment management system of international standard.

Improve outbound investment services. We will reform outbound investment management, applying filing system to enterprises or projects with outbound investment. Shanghai Municipal Government will be responsible for it so as to facilitate foreign investment. It is imperative to innovate the mechanism to promote investment services, and strengthen post-management for outbound investment, and forming information monitoring platform shared by various sectors, and improve the statistics and annual inspection work of outbound direct investment. We support all types of investors in the test area to be engaged in various forms of foreign investment, encourage the establishment of specialized companies in the test area dealing with outbound equity investment, and support qualified investors to initiate foreign investment fund.

Promote transformation of trade and development mode

Promote trade transformation and upgrading. We will actively cultivate new format and function of trade, and form

new competitive advantages in terms of technology, brand, quality and service, making China play a bigger role in global trade value chain. We encourage multi-national companies to set up Asia-Pacific headquarters and an integrated operation center with functions of trade, logistics and settlement. We will push forward pilot project of international trade settlement, and expand cross-border account payment and financing for trade and services of special accounts. We support enterprises in the test area to develop offshore business, encourage enterprises to carry out both domestic and international trade, achieve integrated development. In the test area, we will try to establish the platform for international commodity trade and resource allocation, and carrying out international trade of energy products, basic industrial raw materials and agricultural commodities. We need to expand pilot projects of futures bonded delivery and improve functions including warehouse receipt financing, accelerate building outbound culture-related trade base, promoting development of outsourcing business of bio-medicine,

software information, management consulting and data services, allow and support a variety of financial leasing companies to establish subsidiaries and carry out domestic and overseas leasing services in the test area. We encourage the establishment of third-party inspection and appraisal institutions, whose test results will be admissible in accordance with international standards, carry out pilot projects of domestic and overseas high-tech, high value-added repair service, encourage cross-border e-commerce services, and pilot the establishment of corresponding support systems of customs supervision, inspection and quarantine, tax, cross-border payments and logistics.

Enhance the international shipping services. We need to activate the role played by Waigaoqiao port, Yangshan Deepwater Port and Pudong International Airport hub, try to build a shipping operation system with international competitive edge. Shipping finance, international shipping transportation, international ship management and international shipping brokers should be intensified and trading business of shipping freight index derivatives accelerated. We need to give priority to the development of transit container business, allowing Chinese companies to own or control the share of non-five-star flag ships, and pilot the Cabotage business of import and export containers between domestic coastal ports and Shanghai port, encourage Pudong Airport to increase international transit cargo flights, make most of Shanghai's regional advantages, apply preferential tax policy of Chinese-funded "convenience flag" ship to encourage qualified ships to register and settle in Shanghai. The international ship registration policy which has been on trial in Tianjin is now implemented in the test area. We should also simplify international shipping licensing process, making ship registration system more efficient.

Deepen opening up and innovation of financial sector

Accelerate innovation of financial system. with the pre-condition of controllable risk, we could do pilot projects in

the test area to create the conditions for convertibility of RMB capital account, marketization of financial interest rate and cross-border use of RMB, achieving market pricing on the asset side of financial institutions in the test area, explore the reform of international-oriented foreign exchange management, and establish foreign exchange management system suitable to the free trade test area, thus facilitating trade and investment. We encourage enterprises to make full use of domestic and foreign resources and markets to achieve the liberalization of cross-border financing, deepen the reform of foreign debt management and facilitate cross-border financing, intensify pilot project of centralized operation and management of multi-national company headquarters' foreign exchange funds, encourage multinational companies to establish regional or global fund management center, and launch linkage mechanism of financial reform and innovation and the construction of Shanghai international financial center in the test area.

Enhance financial services. We should push forward the opening up of financial services to qualified private capital and foreign financial institutions, support the establishment of foreign banks and joint venture banks in the test area, allow the financial markets to establish international-oriented transaction platform, gradually permit foreign enterprises to participate in commodity futures transaction, encourage financial market product innovation, support equity trustee-trading institutions to set up integrated financial ser-

vices platform in the test area, support cross-border RMB reinsurance business, and foster the development of reinsurance market.

Improve institutional guarantee for legal system

Improve legal protection. We encourage the establishment of high-standard investment and trade rules system as required by the test area's further development. For the pilot projects, we stop the implementation of the related administrative regulations and some of the provisions of the State Council's documents according to the prescribed procedures when it is needed. Among them, the Standing Committee of the National People's Congress authorized temporary adjustment of "Law of the People's Republic of China on Foreign-Capital Enterprises", "Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures" and its relevant provisions of administrative examination and approval, which will be implemented on trial for three years from October 1, 2013. All departments should support reform pilot in the test area in terms of opening up service sector, applying national treatment before access and negative list management mode, and promptly address institutional guarantee issue when the projects are on trial. Through local legislation, Shanghai will establish the flexible management system in the test area. ■



Delegates from a French company in the China (Shanghai) Pilot Free Trade Zone meet the press during its inauguration ceremony at the Waigaoqiao Bonded Area in Shanghai on September 29, 2013. The China (Shanghai) Pilot free Trade Zone started operation on September 29, launching a test bed for the Chinese leadership's drive of deepening market-oriented reforms and boosting economic vigor. *Chen Fei*

Decades-long reforms pave way for **Shanghai FTZ**

By Zhu Shaobin, Zhang Xu and Yao Yujie

Standing on giants' shoulders to see further, China's metropolis Shanghai now tests and spearheads the nation's reform and opening-up drive, after an economic miracle created through such efforts spanning more than 30 years.

Aiming to further facilitate trade and investment as well as to fully deepen reforms and widen opening up, the world's second-largest economy has set a new experimental field through the establishment of a pilot free trade zone (FTZ) in Shanghai, which began operation on September 29.

The Chinese government said the initiation of the FTZ is a national strategic necessity in that it will help speed up the government's functional change toward less market intervention and explore innovation and management methodology.

"The inauguration of the Shanghai FTZ is not without a reason. It is built on a mutually boosting mechanism between opening up and reform for nearly 35 years," said Zhou Hanmin, vice chairman of the Chinese People's Political Consultative Conference Shanghai Committee.

Unlike previous special economic zones launched by China, the Shanghai FTZ stresses the service sector, rather than export-oriented manufacturing.

Lowering tariffs and introducing favorable policies in selected economic zones used to be the hallmark of opening up; however, the FTZ is different in that it does not emphasize

reduction of tariffs, but rather convenience for trade and investment, said Zhang Youwen, a researcher on world economy at the Shanghai Academy of Social Sciences.

"The Shanghai FTZ represents the highest opening standard so far in China. It has marked the fourth step in the country's reform and opening up in the past 35 years," added Chang Xiuze, a researcher with the National Center for Economic Research at Tsinghua University.

Previous reforms included the founding of the special economic zone in Shenzhen of south China's Guangdong Province in 1980, the confirmation on China's socialist market economy status in the early 1990s, and China's entry into the World Trade Organization in 2001.

Chang said that these efforts and trials had brought about huge transformations to China's economic, political, cultural and social fields, and continuously revitalized China out of its rigid systems.

"China's reforms in the past 35 years, including the establishment of special economic zones in Shenzhen and Pudong, have provided a large quantity of experiences for the FTZ," according to Tan Yalin, president of the China Forex Investment Research Institute.

They also provided references to China for further refining reforms and risk control in the FTZ, Tan said.

For Sun Lijian, a Fudan University professor, the launch of the FTZ is a response to economic problems at home, such as excessive production capacities and a growth model that relies heavily on government-led investment.

The FTZ is also a decision made as developed economies are accelerating efforts in reshaping global trade rules through trade agreement talks such as the Transatlantic Trade and Investment Partnership and Trans-Pacific Partnership that excludes China, Sun said.

A blueprint released on September 27 by the State Council, the cabinet, revealed a detailed list of tasks such as widening investment options via opening up the service sector, pushing forward trade upgrading, and deepening financial reforms including testing a convertible yuan and market-setting interest rate in the zone.

Experts pointed out that development in the past 30-odd years has seen China catapulted from 10th position in the world's economic rankings in 1978 to second position today. However, they warned that the old growth model driven by heavy reliance on resource consumption and extensive development is hard to sustain and China urgently needs a "baptism" to induce new vigor for future growth.

Zhang Youwen said the essence of the FTZ is institutional innovation and reform in finance, fiscal matters, trade and governance, the success of which will serve as an exemplary case for the whole nation, as mandated in the cabinet's blueprint for the zone. (Xinhua) ■



Photo taken on September 28, 2013 shows a general view of the Waigaoqiao Bonded Area (L) and the Waigaoqiao Bonded Logistics Park of the China (Shanghai) Pilot Free Trade Zone in Shanghai, east China. Xinhua

Policies to boost Shanghai FTZ capital market

The China Securities Regulatory Commission (CSRC), the country's top securities regulator, has issued a package of policies to support the capital market in the Shanghai Pilot Free Trade Zone (FTZ), officials said on September 29.

Qualified individuals and units, including financial institutes and companies, in the FTZ will be allowed to invest in both domestic and foreign fund markets, said Dai Haibo, deputy director of the zone's administrative committee, citing a CSRC statement.

The CSRC has also approved a plan to build an international crude oil futures trading platform, while foreign companies in the zone will be allowed to issue Renminbi bonds.

Other measures include allowing securities and futures companies in the zone to set up subsidiaries and do over-the-counter trading in staple commodities and financial derivatives for domestic customers, Dai said.



The State Council approves the establishment of Shanghai pilot free trade zone. *CFP*

China on September 29 opened a pilot free trade zone in Shanghai, which will be a test bed for a wide range of market-oriented reforms, including easing restrictions on finance, investment and trade, a move widely hailed as a crucial step in the country's reform and opening up. (Xinhua) ■

Shanghai FTZ to boost China's competitiveness in global industry chains

The Shanghai Pilot Free Trade Zone (FTZ) started operation on September 29 in China's largest economic and financial hub Shanghai.

The zone will give Chinese policy makers the opportunity to experiment with corporate deregulation and liberalization of services in one of the country's most important economic regions.

The 29-square-kilometer zone along Shanghai's coastline includes the existing free trade port areas and the Pudong airport and will combine the free movement of goods associated with a FTZ with the policy-driven initiatives of a free trade area.

China aims to lift the zone up to international standards featuring convenient investment and trade, free exchange of currencies, efficient supervision and a sound legal environment in two to three years, according to a detailed plan published on the government's website on September 27.

Wang Xinkui, director of Shanghai Municipal Government's counselor office, said China's megacities lag behind in their capacity to add value when compared to cities like Sin-

gapore and Tokyo.

"With the establishment of the pilot FTZ, Shanghai will be an even more powerful magnet for multinational corporations to set up offices, and that will boost China's competitiveness in global industry chains," said Wang, who helped draw up the draft plan for the FTZ.

Wang also said the FTZ is another stage in the national strategy of reform and opening-up, which started more than three decades ago.

The FTZ is important for China to cope with the new trends in globalization. "The goal of the pilot scheme is to create a replicable and flexible area instead of a traditional zone only with special policies specific to it," Wang said.

With "Chinese characteristics," the pilot zone is expected to become a milestone in China's economic growth and a touchstone of its future reform.

The government and the public are to view the FTZ as a new type of special economic zone and will work to facilitate its development by fostering an accommodating environment in various ways. (Xinhua) ■



The 1,956-kilometer-long Qinghai-Tibet Railway, which connects Xining and Lhasa, is opened to traffic on July 1, 2006. The completion of the railway is regarded as one of the milestone projects in China's western development strategy. *CFP*

Qinghai-Tibet Railway expands its reach

Seven years after the Qinghai-Tibet Railway went into operation, the “roof of the world” is about to see more railways connecting it to other parts of China.

Several new railway lines are either under construction or being planned to form a rail network in the sparsely populated Qinghai-Tibet Plateau in western China, according to the Qinghai-Tibet Railway Company, the operator of the world's highest railway.

During China's 12th Five-Year Plan (2011-15) period, the Qinghai-Tibet Railway will branch out in all directions, ending the history of no railways in the southern part of Tibet Autonomous Region and strengthening its ties with neighboring provinces.

The Qinghai-Tibet Railway, which spans 1,956 km from Xining, Qinghai Province, to Lhasa, regional capital of Tibet, carried 10.76 million people and 56.06 million tons of cargo in 2012. With these new extension lines in place, the company estimates that its passenger and cargo loads will increase to 14 million and 90 million tons, respectively, in 2015.

The railway has led to a boom in tourism in Tibet. In 2012, more than 10 million tourists visited the autonomous region, up 21.7 percent year on year, and tourism revenue surged 30.3 percent to 12.64 billion yuan (\$2.06 billion).

According to Zhu Jianping, the company's vice general manager, the railway network will bring major cities in west-

ern China closer.

One of the first extensions to be completed will be a 253-km line linking Lhasa to Xigaze, a historical city in southwestern Tibet.

Construction of the line began in September 2010, and is expected to finish at the end of this year, Losang Jamcan, chairman of the Tibet regional government, said during China's annual parliamentary session in March.

The company is also considering a line between Lhasa to Nyingchi, a prefecture in the southeastern part of the autonomous region famous for its virgin forests.

Meanwhile, two new lines will extend from Golmud, a city in Qinghai that serves as an important junction on the Qinghai-Tibet Railway. One will run toward Dunhuang in northwest China's Gansu Province and the other to Korla, Xinjiang Uygur Autonomous Region.

With 12.9 billion yuan in investment, construction on the Golmud-Dunhuang line was kicked off last October and is expected to be completed in five years, company spokesperson Wang Tao told Xinhua.

This extension will join existing railways that link Xinjiang with Qinghai and Gansu provinces, forming a circular railway network upon completion.

The proposal for the Golmud-Korla line passed a feasibility test in June. With a length of 1,222.9 km and an investment of 33.5 billion yuan, this extension will, for the first time, provide direct rail transportation between Tibet and Xinjiang, reducing the trip between Lhasa and Urumqi by more than 1,000 km.

In a bid to make the plateau more accessible to southwest China, authorities in Qinghai have also proposed adding two more lines linking economic powerhouse Chengdu, Sichuan Province, to Golmud and Xining.

However, building and operating railways on the world's highest plateau are no easy feats. The Qinghai-Tibet Railway was designed and built with ecological considerations in mind. More than 1.5 billion yuan was spent on environmental conservation along its route, accounting for 5 percent of the project's total spending.

The railway has 33 special passageways for rare animals, including the critically-endangered Tibetan antelope. It also bypassed celestial burial grounds and lamaseries to show respect to local custom and protect religious sites.

Wang Jinchang, a section manager with the engineering affairs department of the Qinghai-Tibet Railway Company, said an additional 195 million yuan has been invested over the past seven years to improve local ecology and protect wildlife.

“The Qinghai-Tibet Railway has provided a lot of experience for us to draw on for the construction and operation of future railway projects,” Zhu said.

“The plateau railway network will be energy-efficient, environmentally-friendly and have minimal ecological impact,” he added. (Xinhua) ■



Zhang Dejiang (R), chairman of the Standing Committee of the National People's Congress of China(NPC), meets with Lao President Choummaly Saygnasone, also general secretary of the Central Committee of the Lao People's Revolutionary Party (LPRP), in Beijing, September 27, 2013. *Xie Huanchi*



Zhang Dejiang (R), chairman of the National People's Congress Standing Committee, shakes hands with President of the Inter-Parliamentary Union Abdelwahad Radi in Beijing, September 2, 2013.
Liu Weibing



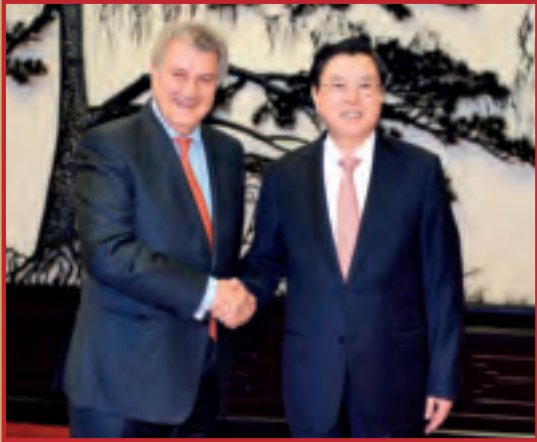
Zhang Dejiang (2nd R), chairman of the National People's Congress Standing Committee, holds talks with President of the Inter-Parliamentary Union Abdelwahad Radi in Beijing, September 2, 2013.
Liao Pan



Zhang Dejiang (4th L), chairman of the Standing Committee of China's National People's Congress (NPC), holds talks with Costa Rican Legislative Assembly President Luis Fernando Mendoza, in Beijing, July 9, 2013. *Liao Pan*



Zhang Dejiang (R), chairman of the Standing Committee of China's National People's Congress (NPC), shakes hands with Costa Rican Legislative Assembly President Luis Fernando Mendoza, in Beijing, July 9, 2013. *Huang Jingwen*



Zhang Dejiang (R), chairman of the Standing Committee of China's National People's Congress (NPC), meets with Jesus Posada, president of the Congress of Deputies of Spain, in Beijing, July 4, 2013. *Li Tao*



Zhang Dejiang (3rd R), chairman of the Standing Committee of China's National People's Congress (NPC), holds talks with Jesus Posada, president of the Congress of Deputies of Spain, in Beijing, July 4, 2013. *Du Yang*



On August 20, the 8th Conference of China-Korea Inter-Parliamentary Exchange Mechanism was held at the Great Hall of the People in Beijing. Zhang Ping, vice chairman of the NPC Standing Committee, and Lee Byung-suk, deputy speaker of the Korean National Assembly co-hosted the conference. Both parties discussed such topics as bilateral relations, parliamentary exchanges, economic and trade cooperation and other issues of mutual interests.

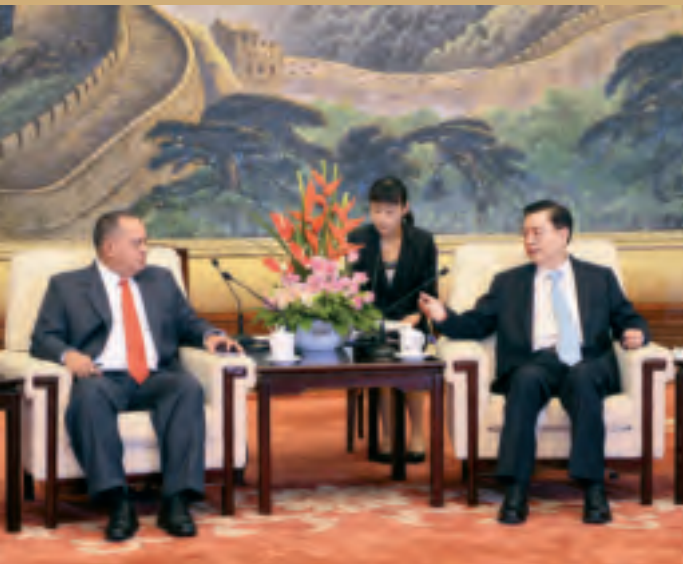
Courtesy of NPC Foreign Affairs Committee



Zhang Dejiang (R), chairman of the Standing Committee of China's National People's Congress (NPC), shakes hands with Lee Byung-suk, deputy speaker of the Republic of Korea (ROK)'s National Assembly, prior to their meeting at the Great Hall of the People in Beijing, August 20, 2013. *Li Tao*



Group photo of the conference
Courtesy of NPC Foreign Affairs Committee



▲ Zhang Dejiang (R), chairman of the Standing Committee of the National People's Congress (NPC) of China, meets with Venezuelan National Assembly President Diosdado Cabello in Beijing, July 8, 2013. *Liao Pan*



▲ On September 16, Arken Imirbaki (R), vice chairman of NPC Standing Committee hosted a meeting with a delegation from the Grand National Assembly of Turkey headed by Volkan Bozkir, chairman of the Foreign Affairs Committee. *Fan Rujun*



▲ On July 2, Zhang Ping (R), vice chairman of the NPC Standing Committee hosted a meeting with China-Germany MPS Group delegation headed by Johannes Pflug, chairman of the China-Germany MPS Group and MP of Social Democratic Party of Germany. *Fan Rujun*

On July 2, the 2nd Conference of China-Germany Inter-Parliamentary Exchange Mechanism was held at Great Hall of the People in Beijing. Xiu Fujin (4th R), vice chairman of the Foreign Affairs Committee of NPC, head of the China-Germany Friendship Group of NPC and Chinese chairman of the China-Germany Inter-Parliamentary Exchange Mechanism hosted the conference and delivered a speech. Both parties discussed topics on bilateral relations, parliamentary exchanges, economic and social development and the legislation of social welfares.

Courtesy of NPC Foreign Affairs Committee



▲ On September 17, Wang Xiaochu (3rd R), vice chairman of the Foreign Affairs Committee of NPC, hosted the meeting with the delegation from the Grand National Assembly of Turkey. Both parties discussed topics on mutual relationship, parliamentary exchange, economic and trade cooperation and exchanged ideas on other topics of mutual interests. *Fan Rujun*



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