

# CHINA WATCH



## Chinese automaker BYD unveils North America's largest electric bus factory

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LANCASTER, the United States, Oct. 6 (Xinhua) -- Chinese carmaker BYD unveiled Friday its expanded battery-electric bus manufacturing facility, North America's largest, in the U.S. city of Lancaster in southern California. BYD, which stands for "Build Your Dreams," is also the world's largest manufacturer of rechargeable batteries. The company's electric bus, supported by its solar panels, LED lighting and energy-efficient technologies, is able to run over 248 kilometers after a single charge, which is among the longest in the world. This expansion is an addition of a new wing to the current BYD Coach and Bus space, bringing the total manufacturing facility to nearly

42,000 square meters (450,000 square ft), quadrupling the size of its facility from its initial 2013 footprint. The growth of BYD Coach and Bus reflects a rapid transition to electric transportation and will allow BYD to build up to 1,500 battery-electric buses annually. "As BYD continues to develop cutting-edge technology that helps transform the transportation industry here in the Antelope Valley and around the country, this investment will help create jobs in our community, keep Lancaster on the forefront of technological advancement, and put emission-free vehicles on our streets," U.S. Congressman Kevin McCarthy said Friday in the BYD's grand opening celebration.

Lancaster, a community of more than 156,000 inhabitants since 2013, boasts more than 350 days of sunshine per year, making it the ideal place to pioneer new solar energy technologies. BYD's manufacturing facility is powered 100 percent by renewable energy, which is provided by the City of Lancaster's Energy Company, Lancaster Choice Energy. Since BYD established its U.S. electric bus manufacturing capabilities in Los Angeles County, the company has created nearly 800 full-time jobs throughout the state. This manufacturing facility expansion will enable BYD to hire up to 1,200 full-time workers at top production-line capacity, according to BYD. "I am very excited about the company's growth," Guillermo Garcia, who has been working for BYD's manufacturing facility in Lancaster since 2013, told Xinhua. "We started here with 7 employees, and I was one of them. Compared to 4 years ago, it's a big change." "BYD has really saved my life... Now I have a roof for my family, I have food for my family," said Garcia, "and future is definitely full of hope."

### **China's sovereign wealth fund hits 900 bln USD**

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BEIJING, Oct. 7 (Xinhua) -- Total assets of China Investment Corporation (CIC), the country's sovereign wealth fund (SWF), surpassed 900 billion U.S. dollars as of August. The figure is more than triple the original capital of 249 billion U.S. dollars when the fund was founded a decade ago. It has grown quickly to become the world's second-largest SWF, only after the Government Pension Fund of Norway, whose assets reached one trillion dollars last month.

CIC has generated an annual return of 14.35 percent, with that from overseas investment at 5.51 percent. "Compared with other financial institutions, our biggest advantage is that we are backed by the Chinese market," CIC's general manager Tu Guangshao said. By the end of 2016, almost half of CIC's overseas investment was in public equities, followed by alternative assets, fixed incomes, cash and others. Around two-thirds of the investment was externally managed. Tu said CIC's growth in the next 10 years will depend on its efforts to invest in China's economic transformation and push forward the global march.

"CIC will devote itself to serving as a bridge linking businesses and markets at home and abroad," Tu said.

### **China Focus: China's anti-graft drive wins people's trust**

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BEIJING, Oct. 7 (Xinhua) -- More than 70,000 officials at or above the county-head level have been investigated for suspected corruption since the 18th Communist Party of China (CPC) National Congress in 2012, the top anti-graft body of the CPC said Saturday. The anti-graft campaign continues to gain momentum and win applause from the public, according to a statement on the website of the CPC Central Commission for Discipline Inspection (CCDI). Five years ago, China's new leadership launched a high-profile anti-corruption campaign, which has

led to the downfall of a number of high-level officials, known as "tigers," and lower-level "flies" who serve at the grassroots level.

Among the tigers felled in the campaign were Zhou Yongkang, a former member of the Standing Committee of the Political Bureau of the CPC Central Committee; Bo Xilai, former Party chief of Chongqing Municipality; Xu Caihou and Guo Boxiong, both former generals and vice chairmen of the Central Military Commission; as well as Ling Jihua and Su Rong, former vice chairmen of China's top political advisory body.

According to the CCDI, 1.34 million township-level and 648,000 Party members and officials in rural areas were also punished during that period.

The CPC, the world's largest ruling Party, released an "eight-point" rule on austerity in late 2012 to reduce undesirable work practices. The CCDI now has a monthly reporting system on the implementation of the rules within provincial-level governments, central Party and governmental agencies, centrally administered state-owned enterprises and central financial institutions. China also worked with the international community to hunt corruption suspects who had fled overseas via the "Sky Net" manhunt and other operations. By the end of August, 3,339 fugitives were captured from more than 90 countries and regions, with 628 of them being former officials. About 9.36 billion yuan (around 1.41 billion U.S. dollars) was recovered, the CCDI said. Among the top 100 fugitives listed on an Interpol red notices, 46 have been arrested, it said.

Amid high pressure, the number of corrupt officials who fled overseas saw a drastic decrease in 2016. A total of 19 fugitive suspects fled China in 2016, compared with 31 in 2015 and 101 in 2014.

In the past five years, the CPC Central Committee has tirelessly addressed "si feng," or "the four forms of decadence" -- formalism, bureaucratism, hedonism and extravagance.

By the end of 2016, 155,300 violations against the eight-point code on frugality and maintaining close links with the masses had been investigated. Among the violations, 78.2 percent took place in 2013 and 2014, 15.1 percent took place in 2015, and 6.7 percent in 2016, indicating marked decreases each year. Moreover, the CCDI has shown that it is serious about tackling corruption within its own ranks, which it refers to as "darkness hiding beneath the light." By the end of 2016, 17 disciplinary officials were investigated and 7,900 others were punished, it said. A survey by the National Bureau of Statistics showed 92.9 percent of people were satisfied with the anti-corruption campaigns in 2016, 17.9 percentage points higher than in 2012

### **Spotlight: High-level dialogue mechanisms beneficial to U.S.-China ties: U.S. officials, experts**

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WASHINGTON, Oct. 5 (Xinhua) -- The four high-level dialogue mechanisms established between China and the United States help promote bilateral relationship, according to U.S. officials and experts. China and the United States held their first law enforcement and cybersecurity dialogue here on Wednesday, during which the two sides reached broad consensus on issues of counterterrorism, counter-narcotics, cybersecurity and immigration. It was the last of the four high-level dialogues established during a meeting between Chinese President Xi Jinping and U.S. President Donald Trump in April. In a statement last week, U.S. Secretary of State Rex Tillerson spoke highly of the significance of the U.S.-China relationship. "Now more than ever, a strong, constructive relationship between the United States and China is important for the prosperity and stability of our two countries as well as the world," he said in a press statement

released by the U.S. Department of State on the occasion of China's National Day, which fell on Sunday. During a recent briefing here, U.S. State Department spokesperson Heather Nauert said the United States wanted to have "a good understanding and a good working relationship with China."

"The better that we can both understand one another, the more that we can have meetings to talk about areas of mutual concern, areas where we can better work together," said Nauert. In a recent interview with Xinhua, Harvard professor Joseph Nye, who coined the term "soft power," said that dialogues between the largest developing country and the largest developed country are important.

"I think the dialogues are important and we do need to have talks," said Nye. "I think the more that Chinese and Americans have contact with each other and understand each other, the less likely they are to have worst case analysis of the other." Nye cautioned that people sometimes exaggerate the question of other people's intentions, seeing them as enemies when they don't have to be enemies. "I think the more contact there is, the better," said Nye. "If China becomes more attractive in the eyes of Americans and America becomes more attractive in the eyes of the Chinese, then we're both better off." The four high-level dialogue mechanisms have set the course for future cooperation between Beijing and Washington. The other three dialogues cover diplomatic and security issues, the economy, and social and cultural issues. William Jones, the Washington Bureau chief for Executive Intelligence Review news magazine, told Xinhua that he believed that while the social and cultural dialogue often doesn't get as much attention as the economic or security dialogues do, it may prove to be the most important dialogue of all in the long run. "The history of our countries, particularly during the period of the Cold War, has served to proliferate a rather skewed view of each other as 'enemies'," said Jones. "Much has to be done therefore to create a greater understanding of each other and of each other's histories and culture," said Jones. "Without that, it will be difficult to understand actions and intentions on both sides."

## **UK, China can cooperate in innovation over Belt and Road opportunities**

2017-10-06 06:05:55

WASHINGTON, Oct. 5 (Xinhua) -- China will not resume the rapid credit expansion of recent years to fuel growth as authorities have made controlling financial risks a top priority, a leading U.S. scholar on China said Thursday. "It's still an open question when growth slows down significantly as a result of slowing credit growth, will (Chinese) authorities resume a very rapid credit growth? I'm betting they won't," Nicholas Lardy, senior fellow at the Peterson Institute for International Economics, a Washington D.C.-based think tank, said at the institute's semiannual Global Economic Prospects session. Lardy said China's leadership has increased focus on reducing financial stability risks and encouraged regulators to crack down on risk-increasing practices, citing the sharp decline of interbank market lending, particularly to non-bank financial institutions. China has also set up a new financial stability and development committee under the State Council so as to strengthen the coordination of the country's financial reform, development and regulation, he said.

In Lardy's view, changes in the composition of China's debt would also help bring down the leverage ratio of the country. The share of new renminbi-denominated bank loans to less leveraged households is rising, while the share of loans to more leveraged corporates is falling, he said. As major risks in the insurance sector are being addressed, and profitability of state-owned

enterprises is recovering, Lardy believed China's financial risks are under control. Based on a continued strong increase in private consumption, Lardy estimated that China's economy will continue to grow between 6 and 7 percent in 2018.

Lardy said China doesn't need to reaccelerate credit growth to hit the aim of doubling real gross domestic product (GDP) by 2020 from 2010, as China can achieve that goal with an average growth rate of only 6.2 percent in the next three years. China's economy expanded 6.9 percent in the first half of this year, well above the government's yearly target of 6.5 percent, underpinned by consumption and improving external conditions. The World Bank on Wednesday revised up China's growth forecasts in 2017 and 2018 to 6.7 percent and 6.4 percent, respectively.

### **CHINA CATCHING UP FAST WITH U. S INNOVATIVE INDUSTRIAL DEVELOPMENT**

NEW YORK -- A close China watcher said here Tuesday that if China keeps its current pace in innovative industrial development, the innovative activity share in its total output will likely surpass that of the United States in about 18 months. Daniel Rosen, founding partner of Rhodium Group, said at a forum at Asia Society that in the second quarter of 2012, innovation accounted for 30 percent of total Chinese output, while today the share has come up to around 34 percent.