

CHINA WATCH III

China beomes focus at IMF/WB annual meetings

WASHINGTON, Oct. 15 (Xinhua) -- From economic growth, financial risks, currency internationalization to the Belt and Road Initiative, China was frequently mentioned by financial officials at the just-concluded annual meetings of the International Monetary Fund (IMF) and the World Bank. As the world's second-largest economy, China's economic growth, the development of its financial markets, and its agenda of opening up and reform will have a major impact on the global economy and financial markets.

STRONG GROWTH WITH REFORMS

In its latest World Economic Outlook released on Tuesday, the IMF raised its forecast for China's economic growth in 2017 and 2018 to 6.8 percent and 6.5 percent respectively, both 0.1 percentage point higher than the earlier forecast in July. For an economy with a total volume of over 11 trillion U.S. dollars, maintaining such a high growth is not easy, said Chinese Vice Finance Minister Zhu Guangyao. China's stable economic growth mainly stems from major progress in economic reforms, particularly supply-side structural measures, and the government's ability to maintain a stable macroeconomic policy, he said. While gains from structural reforms will come with a time lag, they really have a positive impact on China's economic growth in the medium-term, said Changyong Rhee, director of the Asia Pacific Department at the IMF, adding China's growth has also provided ample opportunities for Asia to maintain its growth over the last ten years.

"If China opens its market more to its neighbors in Asia, to the world, that would really boost up the regional as well as the global growth rate," he said, noting China alone now accounts for 34 percent of global growth. While China has made "significant progress" in rebalancing from the export sector to domestic demand, China is still relying too much on investment growth, he said, suggesting China build a social safety and boost consumption to move towards more balanced domestic demand-led growth.

FINANCIAL RISKS UNDER CONTROL

Despite the positive revision of China's growth, the IMF has urged the Chinese authorities to intensify efforts to rein in credit expansion and strengthen financial resilience. "The reform of the SOEs (state-owned enterprises) and the continued reining in

of credit in order to control the financial risk in China will be most welcome," IMF's Managing Director Christine Lagarde said Thursday at a press conference.

"In recent years, due to factors such as economic slowdown, structural adjustment, and high volatility in the international financial markets, potential risks in China's financial industry have increased, but in general, the risks are manageable," said Zhou Xiaochuan, governor of the People's Bank of China (PBOC). "The Chinese government has the capacity and confidence to prevent systemic risks and maintain healthy and stable economic operations," Zhou said Saturday in a statement sent to the International Monetary and Financial Committee (IMFC) meeting.

According to Zhou, China has set financial risks control as a top priority, and has taken measures to control risks in shadow banking, reduce corporate leverage, and prevent property market overheating in some areas. With the central government seeking to strictly control the debts of local governments and state-owned enterprises, the policy to prevent debt risks is yielding results, Zhu echoed. Taimur Baig, chief economist with DBS Bank in Singapore, said at an event held by the Institute of International Finance (IIF), that now everybody is significantly more comfortable about the Chinese government's ability to manage its economy and the financial sector.

INTERNATIONALIZATION OF RMB

It has been one year since the Chinese currency renminbi (RMB), or yuan, was included in the IMF's special drawing rights basket last October, which was a milestone for the global economy and a big step in the internationalization of the RMB. "Many people say that, you know, after the inclusion of the yuan, yuan use hasn't increased very much, but I think that's too myopic," Rhee said, adding it's not wise to assess the international use of the yuan by just looking at the quarterly data, as the internationalization of the yuan will take time. Given the size of China's trade and the Chinese economy, "I'm very confident that the yuan's use in the global market will increase," he said, recommending China adopt a gradual approach in capital market liberalization to promote the global use of the yuan. Markus Rodlauer, deputy director of the Asia Pacific Department at the IMF, also said "there is no doubt in my mind that RMB internationalization will continue over the medium term" as long as China's rebalancing effort continues successfully. "It will not be a straight line, because like everything else in economics, there will be ups and downs, and we have over the past year, perhaps, witnessed a bit of flattening out of the process," he said.

BELT & ROAD INITIATIVE

China's Ministry of Finance and the World Bank on Thursday held a high-level seminar on the Belt and Road Initiative for the first time during the bank's annual meetings. As an

open and inclusive platform, the initiative could help deepen international cooperation in development and faster economic integration in the region, said Chinese Vice Finance Minister Shi Yaobin. Cooperation with the World Bank could also mobilize participation of more multilateral development banks, private sectors and other funding sources, and create all-win solutions, he said.

World Bank President Jim Yong Kim, who is a strong supporter of the initiative, said the bank plans to hold the seminar on the initiative during spring and annual meetings every year so as to discuss how to promote free trade and global growth. Zhu, who on Thursday attended another seminar on the Belt and Road Initiative co-hosted by the European Bank for Reconstruction and Development, U.S. Center for Global Development, and Reinventing Bretton Woods Committee, said it was the first time he had attended a seminar on the initiative organized entirely by foreign institutions.

This indicated that the international community was paying high attention to the initiative, and had great expectations for its contribution to global economic development, he said. International financial organizations have recognized the Belt and Road Initiative as "the most important public product in today's world," Zhu added, calling it an important Chinese contribution to global peace and development. The initiative, proposed by China in 2013, aims to revive the ancient trade routes through an overland Silk Road Economic Belt and a 21st Century Maritime Silk Road, to enhance trade, infrastructure and people-to-people connections between Asia, Europe and Africa

China's unique development path works, benefits world

A bullet train drives in Liuzhou City, south China's Guangxi Zhuang Autonomous Region, July 15, 2017. China has built one of the world's most extensive high-speed rail networks in just a few years. It has the world's longest high-speed rail network, 22,000 km as of the end of 2016, or 60 percent of the world's total, and the mileage will increase to 45,000 km by 2030. Guangxi joined the networks of high-speed rail in 2013.

BELGRADE, Oct. 14 (Xinhua) -- The Communist Party of China (CPC) has managed to create an impressive model of success that fits China's realities, Serbian President Aleksandar Vucic said ahead of the upcoming CPC congress. Meanwhile, that unique development path has allowed China to generate enormous opportunities for other countries, added the president, who also leads the ruling Progressive Party of Serbia (SNS).

MODEL OF SUCCESS

Since the 18th CPC National Congress in 2012, "the specific model that China created so far has shown so many terrific results," the president said to Xinhua in an interview. "Socialism with Chinese characteristics means something very important -- that China keeps its independence, its foreign policy and its sovereign state," he said, noting that China always makes decisions independently and in accordance with international law.

Meanwhile, innovation, reform and modernity have become keywords of China's progress and prosperity, and the CPC has led China to successfully implement a lot of difficult reforms in different fields and different social spheres, added the president. The reason for China's achievements and confidence, Vucic said, lies in the CPC's strict self-governance, commitment to reform and sustainable development, promotion of Chinese culture, and contribution to the world. He pointed out that anti-corruption forms the precondition for development and is essential to leading a party of some 89 million members. CPC members "symbolize the future of all other people" in China and "need to be a role model to all the others," said the president. The CPC's battle against corruption, he added, has given "significant strength" to the party's leadership to show the nation and the world that "China is very resolute" in the rule of law and in bringing higher living standards to the people. Moreover, he pointed out that because of the CPC's development plans China has continued its long stretch of impressive growth, registering 6.9 percent in the first half of the year. As a result, Europeans' skepticism of the Chinese model has faded away, noted the president. In a nutshell, "

MOST IMPORTANT INITIATIVE: Belt and Road Initiative

With an eye on the international landscape, the Serbian leader said China's Belt and Road Initiative is a globally significant vision that will generate enormous benefits for the world. The Belt and Road Initiative, put forward in 2013 by Chinese President Xi Jinping, who is also general secretary of the CPC, is "one of the most important initiatives that we have today in the contemporary world," said Vucic. It comprises the Silk Road Economic Belt and the 21st Century Maritime Silk Road, and is aimed at promoting trade, financial integration, infrastructure connectivity and people-to-people exchanges along and beyond the ancient Silk Road trade routes. The initiative is not only good for China and its people, but also good for many countries, added Vucic, whose country is an enthusiastic participant.

"People and the world will be much richer with good initiatives than without them," the president pointed out. He also noted that over the past five years, China has become more closely connected to the rest of the world, while at the same time staying firmly on the path of socialism with Chinese characteristics and promoting its culture globally.

"Chinese are becoming not only a part of world politics but a part of world culture," he said. "You are becoming one of the most decisive factors of the world culture, world communications, and that is something you need to be proud of."

All that shows that socialism with Chinese characteristics works, he said.

China's anti-graft fight has gained, consolidated crushing momentum

BEIJING, Oct. 14 (Xinhua) -- China has gained and consolidated crushing momentum in its fight against corruption, according to a communique released Saturday. The communique was issued after the Seventh Plenary Session of the 18th Central Committee of the Communist Party of China, which was held from Oct.11 to 14 in Beijing.

Domestically-produced jetliner with BeiDou navigation system completes test flight

An ARJ21-700 plane lands after a test flight at an airport in Dongying, east China's Shandong Province, Oct. 14, 2017. The Chinese-developed regional jetliner, which has the BeiDou navigation system installed, has successfully completed a test flight, the Commercial Aircraft Corporation of China (COMAC) said Saturday. (Xinhua/Ding Ting)

SHANGHAI, Oct. 14 (Xinhua) -- A Chinese-developed regional jetliner, which has the BeiDou navigation system installed, has successfully completed a test flight, the Commercial Aircraft Corporation of China (COMAC) said Saturday. The test flight was carried out from an airport in east China's Shandong Province on Saturday morning. It was the first time a domestically-produced regional jet has been equipped with the BeiDou navigation system. The flight tested the performance of the onboard navigation information receiver, the ground-based signal enhancement system, and the short-message function of the BeiDou system.

The results showed the performance of the navigation systems developed by China is on par with similar systems produced abroad, and even reaches internationally advanced level in transient and quick positioning index, COMAC sources said.

The BeiDou navigation system has seen increasing numbers of applications linked to everyday life, from shared bicycles to bank cards and unmanned patrol vehicles.

China offers medical supplies for Madagascar to fight plague

File photo shows Madagascar's President Hery Rajaonarimampianina (2nd,R) displays a bag of rice during a hand-over ceremony of emergency food aid in Tamatave, Madagascar, June 19, 2017. (Xinhua/Wen Hao)

ANTANANARIVO, Oct. 14 (Xinhua) -- China has handed over a package of medical supplies to Madagascar for it to fight an epidemic of plague that has killed 57 people in

the past three months. Speaking at a ceremony held here, Chinese Ambassador to Madagascar Yang Xiaorong said the package of supplies worth 220,000 U.S dollars is a gift from the Chinese government and the Chinese people to Madagascar's government and the Malagasy people.

Some of supplies in the package, such as medical equipment, antibiotics, clothing, masks and protective gloves, can be used immediately, said Yang. Madagascar's Ministry of Public Health said Thursday that death toll from the plague reached 57 in Madagascar from Aug. 1 to Oct. 12.

Madagascar's Minister of Public Health Lalatiana Andriamananarivo addresses journalists in Antananarivo, capital of Madagascar, Sept. 28, 2017. (Xinhua/Eric Laperozy)

Yang promised that "the Chinese Embassy and the Chinese doctors remain ready to work with the Madagascar's Ministry of Public Health and local teams to deal with this infectious disease, continue and expand medical and health cooperation in the future." There are currently 30 Chinese doctors working with Malagasy doctors in four hospitals to treat patients suffering from the plague, she said. Plague is caused by the bacteria *Yersinia pestis*, a zoonotic bacteria usually found in small mammals and their fleas. According to the World Health Organization (WHO), from 2010 to 2015, there were 3,248 cases reported worldwide, including 584 deaths.

Senior officials asked to stay loyal to Party

BEIJING, Oct. 14 (Xinhua) -- Senior officials should stay loyal to the Party and willingly safeguard the authority of the Party's central leadership and the unity of the Party, said a communique issued after a key meeting Saturday. The communique was issued after the Seventh Plenary Session of the 18th Central Committee of the Communist Party of China, which was held from Oct. 11 to 14 in Beijing.

Top Aussie sports ramp up attempt to crack Chinese market

CANBERRA, Oct. 16 (Xinhua) -- Executives from Australia's leading sports have embarked on a mission to China on Monday, hoping to make inroads in tapping into the Chinese market. Representatives from the National Basketball League (NBL), Tennis Australia and the Australian Football League (AFL) will take part in a two-day summit where they will meet China's sports bosses in Shanghai. The AFL has made a concerted effort to expand into Asia recently, holding the first ever regular season game of Aussie Rules in Shanghai in May, while the NBL has made its Asian intentions clear, going as far as to consider adding an Asian team to the competition.

"The focus for us is how do you engage consumers on a more regular basis outside of the (Shanghai) game," David Stevenson, general manager of the AFL in China, told the Australian Broadcasting Corporation (ABC) on Monday. "We want to expose them to our season all the way through, we want to introduce them to our women's league." The AFL's Port Adelaide Football Club (PAFC) has committed to playing at least one game per season in China for the foreseeable future. The NBL has also taken steps to establish a presence in China, securing a deal to have games broadcast on internet platforms and having Melbourne United play exhibition games against Team China in June.

"There is a direct opportunity for Chinese sponsors wanting to get some exposure in China and Australia," Jeremy Loeliger, Chief Executive Officer (CEO) of the NBL, said. "Having our product shown live in China for every game is also important to our Australian sponsors wanting to access the Chinese market." The Australian sports are using the success of America's National Basketball Association (NBA) and European soccer teams such as the U.K's Manchester United in China as a blueprint for expanding into the region.

China sets new world record for rice yield

SHIJIAZHUANG, Oct. 16 (Xinhua) -- Yuan Longping, renowned developer of hybrid rice, has set a new world record. A hybrid rice project headed by Yuan has achieved a yield of 1,149.02 kg of rice per mu (about 0.07 hectares), or 17.2 tonnes per hectare, in north China's Hebei Province, local authorities said Monday. Yuan's team grew "Xiang Liangyou 900," on an experimental field of 100 mu in Yongnian District, Handan City. Organized by the provincial science and technology department, they randomly selected three plots on the field, and supervised the harvest on Sunday, said an official with the department. A total of 3,591.84 kg of rice was harvested on plots totalling 3.126 mu, which set the new world record at 1,149.02 kg of rice per mu, said the official. According to a field hand, their fine management, including more irrigation and weeding, has contributed to the high yield. Last year, the crops yielded as much as 1,082.1 kg per mu and 1,088 kg per mu in Yuan's two projects in Hebei and Yunnan respectively. Both broke previous world records for the highest yield in high-latitude areas as well as output on 100 mu of farmland. A new world record in output of double-cropping rice was also set in south China's Guangdong last year, which achieved an annual yield of 1,537.78 kg of rice per mu of farmland. Known as China's "father of hybrid rice," Yuan began theoretical research about 50 years ago and has been setting new records of hybrid rice yields ever since. About 65 percent of Chinese people depend on rice as a staple food.

(The Pathfinder Foundation and the Xinhua News agency signed an Agreement to jointly publish 'China Watch' a special Compilation of news from China tailor for a Sri Lankan readership/audience. Can view on www.pathfinderfoundation.org)