



President Xi Jinping, also General Secretary of the Communist Party of China Central Committee and Chairman of the Central Military Commission, reviews troops (XINHUA)

Marching forward

At 90, the People's Liberation Army is better prepared to serve the nation

By Lu Yan



Troops assemble for review (XINHUA)

Qu Yanping, a 52-year-old retiree, almost cried as she watched the military parade at the Zhurihe military training base in north China's Inner Mongolia Autonomous Region on July 30 on TV.

It was the first time that Army Day was commemorated with a military parade since the founding of the People's Republic of China in 1949. Over 12,000 soldiers and a broad array of weapons and military equipment were reviewed by Xi in 45 formations at Zhurihe military training base.

"I'm so proud of the soldiers and my country," Qu said.

The parade epitomized China's ongoing military reform, which stresses quality over quantity and science and technology-intensive development over one that is manpower-intensive. The troops are becoming increasingly flexible and multi-functional.

At the founding ceremony of the PRC on October 1, 1949, there were only 17 planes on display and most of the military equipment, seized in battles, was made abroad.

Since then, China's military equipment has been upgraded step by step. At the National Day parade in 1984, made-in-China equipment dominated. At the parade celebrating the PRC's 50th anniversary, 95 percent of the displayed equipment was made domestically. At the parade commemorating the 70th anniversary of the Victory of the Chinese People's War of Resistance Against Japanese Aggression and World Anti-Fascist War in 2015, all the equipment was made in China.

At the military parade before the 90th Army Day, more than 100 airplanes of various types as well as 600 sets of ground equipment were put on display, 40 percent of which were shown for the first time.

One of the most impressive displays was a trio of the latest J-20 stealth fighters, leading a formation of 15 fighter aircraft. The J-20, China's indigenous fourth-generation medium and long-range fighter jet, made its maiden flight in 2011 and was first publicly displayed at the 11th Airshow China in Zhuhai, Guangdong Province, in November 2016.

"The enlisting of China's fourth-generation fighter jets brings fundamental changes to the rules of the game in air battles," Wang Mingzhi, a professor at the PLA Air Force Command College, told Xinhua News Agency. "It will also draw the curtain on transformation in the PLA Air Force."

"Although the scale of the parade is not enormous, it is of great significance," Wang Chuanbao, a professor at the Institute of Political Studies at the PLA National Defense University, wrote in an opinion piece published on China.com.cn.

Contrary to suggestions in some media reports, the parade was not a show of strength, but a reminder that China, as a staunch defender

of peace, is determined to fight aggression and any attempt to split the nation. It was also an indication that the country's modernization and revitalization process will not be allowed to be disturbed.

"This was a grand event after the deepening of military reform. It was not just a show, but an actual maneuver and practice, a demonstration of the PLA's ability to safeguard peace," Wang Chuanbao said, adding that a strong military force can effectively defend peace and prevent war.

"The PLA, undergoing reforms, will never surrender to outside threats. This is the most important signal the parade has sent," he emphasized.

Apart from the military parade, many other events have been organized to celebrate the PLA's 90th founding anniversary. Provinces organized theme-based activities for veterans; art exhibitions were opened and commemorative stamps issued. A film, *The Founding of An Army*, was released to mark the event.

Sun Hongyan, an army man from Jilin Public Security and Border Defense Corps in northeast China, watched director Andrew Lau's film intently. "As an officer, from my personal experience I can see every soldier's love for the country and determination to serve the country," he said. "It's the dedication and sense of responsibility of individual soldiers that build a strong army. We will continue to do our best to complete each assigned task, be it big or small."

Parade Paraphernalia

Besides the J-20, J-16 fighters, a two-seat, dual-engine multi-role aircraft with beyond-visual-range air-to-air and air-to-ship strike capabilities, and the Y-20 heavy transport aircraft, a versatile plane with a maximum takeoff weight of about 200 tons, designed to carry cargo and personnel over long distances in complicated weather conditions, were among the new aircraft debuting at the PLA parade on July 30.

The PLA Rocket Force showed five models of China's homemade conventional and nuclear missiles. They included the Dongfeng-26 ballistic missile, which can be fired at short notice and fitted with a nuclear warhead; the Dongfeng-21D land-based anti-ship ballistic missile described as a "carrier killer"; and the Dongfeng-16G conventional missile designed for precision strikes against key enemy targets.

As electronic warfare has become a key means of combat in modern warfare, some of the latest military hardware for electronic warfare was shown to the public too. The warfare equipment can disrupt enemy radar and communication in air defense and field battles.

The parade also showcased two electronic reconnaissance vehicle models, a Y-8 electronic jamming aircraft, and a group of military drones that can paralyze and suppress enemy early-warning and command communication systems.

ALSO IN THIS ISSUE

Growing role
Chinese President Xi Jinping's attendance of the G20 Summit contributes to advancing the group's cooperation
PAGE 2

Bonding in Bucharest
Central and Eastern Europe discuss the Belt and Road at a dialogue in Romania
PAGE 3

Upbeat prospects
Chinese economy grows better than expected, along with encouraging signs of structural improvements
PAGE 4

Role model for overseas returnees
PAGE 5

Up and Out of Poverty
PAGE 5

Getting to know China through keywords
PAGE 5

Major events in July
PAGE 5



Nuclear missiles are reviewed (XINHUA)



An echelon of J-20 stealth fighters flies over the parade ground (XINHUA)



A Marine Corps formation passes by the reviewing stand (XINHUA)



Tanks lead the land operation troops (XINHUA)

Growing role

Chinese President Xi Jinping's attendance of the G20 Summit contributes to advancing the group's cooperation

By An Gang



World leaders pose for a group photo in Hamburg, Germany, on July 7 (XINHUA)

Chinese President Xi Jinping attended the Group of 20 (G20) Summit hosted by Germany in Hamburg on July 7-8.

In his keynote speech on July 7, Xi called for concerted efforts in fostering new drivers for growth, promoting a more inclusive growth and improving global economic governance. "We must remain committed to openness and mutual benefit for all so as to increase the size of the global economic 'pie'," said Xi.

His attendance contributed to maintaining and advancing the group's cooperation, Chinese Foreign Minister Wang Yi said on July 8.



Chinese President Xi Jinping attends the G20 summit in Hamburg, Germany, on July 7 (XINHUA)

Before attending the G20 Summit, Xi paid state visits to Russia and Germany. During Xi's stay in Moscow, Xi and Putin had a meeting for the third time this year. The two leaders signed a joint statement on further deepening the China-Russia comprehensive strategic partnership of coordination and another joint statement on the current world situation and major international issues. They also ratified the 2017-20 implementation guidelines for the China-Russia Treaty of Good-Neighborliness, Friendship and Cooperation.

During the visit, China and Russia also reached agreements on trade, agriculture, energy, infrastructure, finance, media and people-to-people exchanges.

On the sidelines of the Hamburg Summit, Xi hosted an informal meeting of BRICS (Brazil, Russia, India, China and South Africa) leaders to prepare for the BRICS Summit to be held in September in southeast China's Xiamen City. At the meeting, the BRICS leaders underlined the importance of an open and inclusive multilateral trade system based on transparent and non-discriminatory rules. The five leaders called on the international community to implement the Paris Agreement and fulfill the commitment to providing developing countries with funds and technology to help them deal with climate change.

During his meeting with Merkel in Berlin, Xi said China is the world's second largest economy and Germany is its fourth, and they are also two stabilizing forces with major influence in Asia and Europe.

Xi proposed that Beijing and Berlin step up coordination and cooperation at the China-EU level as well as within international organizations and multilateral frameworks such as the UN and the G20.

Xi stated that a stronger China-Germany comprehensive strategic partnership serves both sides' fundamental interests and can help promote the development of China-EU relations and add more stability and predictability to the world.

China and Germany have vast potential to cooperate in terms of hi-tech research, manufacturing and third-party markets. In May, during Chinese Premier Li Keqiang's visit to Germany, China and Germany signed more than 20 bilateral cooperation deals and pledged to advance economic globalization, free trade and investment as well as tackle the climate change challenge.

Coordination

On July 8, Xi and Trump met to discuss bilateral ties and global hotspot issues on the sidelines of the Hamburg Summit.

Xi said to Trump that the two countries have made progress in bilateral cooperation in many fields since their first meeting in Mar-a-Lago, Florida, earlier this year, despite some sensitive issues. Xi urged joint effort to keep bilateral ties on track and coordination in international affairs.

During Xi's trip to the U.S. in April, he and Trump established a close communication mechanism and further developed China-U.S. dialogues. Since their first meeting, the two

leaders have talked frequently via a hotline linking Beijing and Washington.

Stable dialogue and close high-level communication are undoubtedly helpful to promote mutual trust and cooperation between China and the United States.

Over the past months, China and the United States have achieved a number of successful outcomes. The two sides held the first round of their diplomatic and security dialogue in Washington, D.C. on June 21. In addition, China has taken steps to implement the 100-day plan that the two sides reached at the Mar-a-Lago meeting to avert a trade war. China has resumed beef imports from the United States.

However, the two countries have not made substantial progress on the Korean Peninsula issue, on which the Trump administration often pressures China. In late June, the U.S. Government announced a \$1.42-billion arms sale to Taiwan authorities, irritating Beijing and making the cross-straits relationship more strained. Furthermore, U.S. military vessels and airplanes intruded in China's territorial waters and airspace of the Xisha Islands in the South China Sea, stoking tension in the region.

In the next phase, China and the United States must exercise self-restraint and avoid conflicts. Uncertainty remains as Beijing and Washington encounter political obstacles over the Korean Peninsula, trade, Taiwan, and South China Sea issues. Many are wondering about

the sustainability of the high-level working relationship between the two leaders.

The United States is trying to build a defense alliance with Japan, Australia and India in the West Pacific Ocean around China, which serves to add tension in the region and is detrimental to bilateral cooperation. Under such circumstances, China is seeking to expand partnership with other major powers in the region and maintain leeway in dealing with the United States.

The Korean Peninsula nuclear issue will affect Trump's policy on China in the future. He has always argued for a greater role by China, even though it is in effect an issue between Pyongyang and Washington. On July 8, while meeting Xi in Hamburg, Trump said, "as far as North Korea is concerned, we will have, eventually, success. It may take longer than I'd like. It may take longer than you'd like. But there will be success in the end, one way or the other."

The United States is seeking to reduce its presence in issues of global importance and is increasingly turning inwards. No country or region, neither the United States, the EU, Russia nor China, can deal with global challenges alone. All parties must enhance coordination and collaboration.

(The author is an op-ed contributor to Beijing Review and a researcher at the Pangoal Institution)

President Xi Jinping in Germany

July 4-5

● **Meeting with German Chancellor Angela Merkel:** President Xi attended a series of bilateral cultural and diplomatic events. He called for closer high-level exchanges, full play of the bilateral dialogue mechanism and enhancing political mutual trust.



Angela Merkel

July 6

● **Meeting with Singaporean Prime Minister Lee Hsien Loong:** Xi encouraged new thinking into cooperation between the two countries and tapping cooperative potentials under the Belt and Road Initiative on such fronts as infrastructure construction, trade and investment and financial collaboration.



Lee Hsien Loong

● **Meeting with South Korean President Moon Jae-in:** Xi sought to bring bilateral ties back to the track of healthy development and urged Seoul to take seriously China's rightful concerns and handle relevant issues properly so as to clear the obstacles for the development of bilateral ties.



Moon Jae-in

July 7

● **Hosting BRICS informal leaders' meeting:** Xi said BRICS members should consolidate the role of the G20 as the premier platform for international economic cooperation.

● **Meeting with British Prime Minister Theresa May:** Xi urged to strengthen cooperation and coordination in international and regional issues and deepen exchanges within multilateral frameworks, such as the UN, the G20 and the Asian Infrastructure Investment Bank.



Theresa May



● **Attending the G20 Summit and delivering a speech.**

July 8

● **Meeting with U.S. President Donald Trump:** Xi noted that the 100-day action plan initiated after the two presidents' meetings at Mar-a-Lago in April has achieved progress and the two sides are discussing a one-year cooperation plan. Xi suggested that the two countries' defense ministers carry out an exchange of visits as soon as possible.



Donald Trump

● **Meeting with Japanese Prime Minister Shinzo Abe:** Xi said Japan should remove the distractions in bilateral relations with policies and concrete actions. He welcomed Japan to join in the Belt and Road cooperation, urging wide-range exchanges on culture, education, and media, at local levels and between their youth to garner more public support for bilateral friendship.



Shinzo Abe

● **Meeting with French President Emmanuel Macron:** Xi called to deepen cooperation in nuclear energy, aerospace and other traditional areas, while exploring cooperation in new areas such as agricultural food, finance and sustainable development, thus making the "pie" of their common interests even bigger.



Emmanuel Macron

(Compiled by Beijing Review; designed by Pamela Tobey)

Highlights of President Xi Jinping's Speech at the Hamburg Summit

The G20 agreed in Hangzhou last year on the path forward: building an innovative, invigorated, interconnected and inclusive world economy. This year, building on the theme of the Hangzhou Summit, the Hamburg Summit was themed Shaping an Interconnected World. What we need to do now is to work together to translate our vision into action.



● We should stay committed to building an open global economy. Various international organizations have revised upward their forecast for this year's global growth, mainly because of a projected 2.4-percent growth for global trade and 5-percent growth for global investment. We must remain committed to openness and mutual benefit for all so as to increase the size of the global economic "pie." As the world's major economies, we should and must lead the way, support the multilateral trading system, observe the jointly established rules and through consultation, seek all-win solutions to the common challenges we face.

● We should foster new sources of growth for the global economy. Innovation, more than anything else, is such a new source of growth. Research shows that 95 percent of the world's businesses are now closely linked with the Internet, and the global economy is transitioning toward a digital economy. This means we should boost cooperation in digital economy and the new industrial revolution and jointly develop new technologies, new industries, new business models and new products. Another source of growth derives from making greater efforts to address the issue of development and implement the 2030 Agenda for Sustainable Development. Such efforts will both benefit developing countries and generate business and investment opportunities for developed countries. In other words, this will be a win-win game for all.

● We should work together to achieve more inclusive global growth. According to the projection of the World Economic Forum, artificial intelligence will take away more than 5 million jobs in the world by 2020. The G20 has an important mission, which is to reaffirm the vision of pursuing inclusive growth agreed upon at the Hangzhou Summit last year, and strike a balance between fairness and efficiency, between capital and labor, and between technology and employment. To achieve this goal, we must ensure synergy between economic and social policies, address the mismatch between industrial upgrading and knowledge and skills, and ensure more equitable income distribution.

● We should continue improving global economic governance. In the wake of the global financial crisis, the G20 has done a lot to improve macroeconomic policy coordination, reform international financial institutions, tighten international financial regulation and combat tax avoidance, thus ensuring financial market stability and recovery. We should build on these achievements. In particular, we should strengthen coordination of macroeconomic policies, forestall risks in financial markets and develop financial inclusion and green finance to make the financial sector truly drive the development of the real economy.

● China recently hosted a successful Belt and Road Forum for International Cooperation. The forum participants achieved fruitful outcomes in terms of boosting the connectivity of policies, infrastructure, trade, finance and people. Guided by a new vision of governance, we built a new platform of cooperation to tap into new sources of growth. The commitment of the Belt and Road Forum is highly compatible with the goal of the G20.

(Compiled by Beijing Review; designed by Pamela Tobey)



Chinese President Xi Jinping hosts an informal leaders' meeting of BRICS—attended by South African President Jacob Zuma, Brazilian President Michel Temer, Russian President Vladimir Putin and Indian Prime Minister Narendra Modi—in Hamburg on July 7 (XINHUA)

Bonding in Bucharest

Central and Eastern Europe discuss the Belt and Road at a dialogue in Romania

By Bai Shi



Liu Yunshan, a member of the Standing Committee of the Political Bureau of the CPC Central Committee, gives a keynote speech calling on China and CEE countries to uphold silk road spirit and promote cooperation in Bucharest on July 14 (XINHUA)

While political parties may be divided on domestic and foreign issues, there is a rare unanimity among the parties of Central and Eastern European (CEE) countries when it comes to their recognition of the Belt and Road Initiative.

Over 600 delegates from the spheres of politics and business gathered at the Palace of Parliament, in the Romanian capital Bucharest on July 14 to attend the 2017 China-CEE Countries Political Parties Dialogue. A total of 35 parties from 16 CEE countries sent their representatives.

Liu Yunshan, a member of the Standing Committee of the Political Bureau of the Communist Party of China (CPC) Central Committee, attended the conference on July 14, 2017 during his official good-will visits to Romania.

the Asia-Pacific and European economic circles,” Song said.

Collaboration sans strings

Qian Naicheng, head for Central and Eastern European Affairs at IDCPC, told Beijing Review that communication and exchanges between political parties of different countries play an important role in diplomacy.

Since China and the CEE countries held their first leaders’ meeting and initiated the 16+1 cooperation framework in April 2012, the dialogue between political parties has become an important pillar of China-CEE countries’ cooperation.

The dialogue was comprised of three parallel forums: a youth forum, one on local promotion and a third on business cooperation, with the theme of advancing the Belt and Road Initiative.

to... rebuilding the Silk Road, which in the past benefited both Europe and China, and will benefit both regions in the future as well,” Hollik said.

Hungary, Serbia, and China are building the Budapest-Belgrade railway line together. The corridor from the Port of Piraeus in Greece will be a route accelerating the flow of goods between Europe and China.

Liviu Dragnea, PSD Chair, said in his keynote speech that the Belt and Road Initiative as well as the China-CEE countries cooperation mechanism would bring broad prospects to the development of Romania-China relations of mutually beneficial cooperation.

Jan Hamacek, Speaker of the Czech Parliament and Deputy Chairman of the Czech Social Democratic Party (CSSD), said an essential element of the strategic partnership between the Czech Republic and China is the former’s participation in the Belt and Road Initiative.

An exhibition on the Belt and Road Initiative was held on the sidelines of the dialogue, providing background information as well as an update on the progress of the initiative in different countries.

Klemen Gliha, a delegate from the Democratic Party of Pensioners of Slovenia, looked at it carefully. “It is a great idea to connect people living in different regions and promote business growth,” he said.

Gliha, who is in charge of youth work in his party, said many young Slovenian people have some knowledge of the Belt and Road Initiative and expect mutual benefits from it.

Sergejs Potapkins, a Democrat member of Latvia’s Parliament, said his party attaches great importance to relations with China.

“We are highly interested in China’s development and are consistently in touch to receive information about the Belt and Road and learn about new situations, trends as well as opportunities,” Potapkins said.

In November, Chinese Premier Li Keqiang paid a state visit to Riga, Latvia. The Chinese and Latvian governments signed a number of cooperation documents. Latvia is rich in fishery resources and products which have a market in China.

The opposition parties attending the dialogue also agreed about the huge potential in China-CEE countries cooperation.

Michal Ludwikowski, representing the Polish People’s Party’s (PPP) foreign affairs section, said cooperation with China on the governmental level or party level would bring more opportunities for both sides.

Though his party sits in opposition in parliament, Ludwikowski said it is “an old friend of China.”

The PPP was founded in 1895. “We have been cooperating with the CPC since the two countries established diplomatic relations in 1949,” he said. “Our party is promoting the implementation of the Belt and Road Initiative.”

“Poland benefits from the growing ties with China. There is no area in which they can’t cooperate,” Ludwikowski added.

(Reporting from Bucharest, Romania)



Song Tao, Minister of IDCPC, says China is confident of building up the 16+1 cooperation into an important link connecting the Belt and Road with the European Union in Bucharest on July 14 (XINHUA)

The event was co-chaired by the International Department of the Central Committee of the Communist Party of China (IDCPC) and Romania’s ruling Social Democratic Party (PSD).

Liu called on political parties of China and Romania to maintain high-level contacts and deepen exchanges on state governance and party building.

He also called for enhanced communication and exchange in various fields to further consolidate the political and social base for friendship China between CEE countries and bring broad prospects to bilateral mutually-beneficial cooperation.

Song Tao, IDCPC Minister, said China is confident of building up the 16+1 cooperation into an important link connecting the Belt and Road with the European Union.

“The CEE countries are located in the center of Eurasia and have good economic conditions. They can play a more important role in linking

Istvan Hollik, member of the Hungarian National Assembly’s Economic Committee and the Committee on European Affairs, called the event a unique form of communication giving both Central Europeans and the Chinese politicians an opportunity to understand each other in greater depth and breadth.

The next China-CEE summit will be held in Hungary in autumn.

Focus on Belt and Road

At the Bucharest dialogue, delegates expressed great expectations about the initiative.

In 2013, Chinese President Xi Jinping proposed the Silk Road Economic Belt and the 21st-Century Maritime Silk Road, collectively known as the Belt and Road Initiative, for building connectivity and promoting common development. The initiative has since become a focus of the cooperation between China and CEE countries.

“The Belt and Road Initiative has led us



A panorama of Political parties leaders attending the 2017 China-CEE Countries Political Parties Dialogue in Bucharest on July 14 (XINHUA)

Upbeat prospects

Chinese economy grows better than expected, along with encouraging signs of structural improvements

By Zhou Xiaoyan

The Chinese economy expanded 6.9 percent in the second quarter of the year, the same rate as in the first quarter. With this, the growth rate has stayed within the 6.7-6.9 percent range for eight quarters in a row.

The growth in the first half of the year was better than expected due to satisfactory industrial performance resulting from supply-side structural reform, double-digit export growth amid recovering global demand and burgeoning domestic consumption, especially soaring online spending.

According to NBS data, in the first half of the year, the service sector played a more dominant role in propping up the economy, its growth rate outpacing the manufacturing industry's by 1.3 percentage points and contributing 60.2 percent to economic growth, compared with 58.4 percent in 2016.

The manufacturing sector is shifting toward the middle- and high-end quality spectrum, with hi-tech manufacturing expanding 13.1 percent year on year, 6.2 percentage points higher than the overall industrial growth.

To top that off, the economy is steering away from being investment- and export-led toward consumption-driven, with residential spending contributing more to growth. Online retail sales of consumer goods rose 28.6 percent year on year, outpacing total retail sales by 18.2 percentage points.

Xing Zhihong, spokesperson for the National Bureau of Statistics (NBS), credited these improvements to the ongoing supply-side structural reform, which focuses on cutting overcapacity and corporate costs, destocking, deleveraging, and strengthening the weak links in the economy.

Xu Hongcai, deputy chief economist with the China Center for International Economic Exchanges forecast that China's growth rate is likely to slip slightly to 6.8 or 6.7 percent in the third and fourth quarters. For the whole year, the rate will stay above 6.7 percent, making it possible to realize the goal of doubling GDP and per-capita income from the 2010 levels by 2020.



Zhou Xiyong, head of a foreign trade company in Yiwu in east China's Zhejiang Province, talks with Russian merchants at the 2017 China Yiwu International Commodities Fair on May 6 (XINHUA)

Zhang Liqun, a research fellow with the Development Research Center (DRC) of the State Council, said the robust consumption is backed by deeper Chinese pockets. "Consumer spending is expected to maintain an upward trend, which will play a vital role in sustaining the growth momentum," he said.

The effects of supply-side structural reform are kicking in. As the reform progresses, the relationship between demand and supply in the market is significantly optimizing, resulting in robust industrial output and fatter profits.

In the first five months of the year, major industrial enterprises' profits surged 22.7 percent year on year. In June, the purchasing managers' index (PMI) for the manufacturing sector stood at 51.7, 0.5 points higher than in May, while non-manufacturing PMI stood at

positive signs in the world economy have been piling up following a prolonged recovery period after the financial crisis in 2008.

"Prices of staple commodities such as oil have bottomed out. Global deflation pressure is mitigating with consumer prices mildly rebounding and the global financial market is stable," Bi told *Beijing Review*.

Global economic activities have entered a long-missed cyclical recovery, backing the rebound of Chinese exports, he said.

Reform priorities

Xu suggested China continue its proactive fiscal policy and prudent monetary policy in the second half of 2017, making them more flexible and targeted.

Reform breakthroughs should be made in key areas such as state-owned enterprises, fiscal and financial systems and old-age insurance programs, Xu said.

Bi said China still faces a complicated external environment, including new adjustments in the global financial market, depreciation pressure on the renminbi, capital outflow risks and rising global trade protectionism.

"China should stick to its own path of reform and opening up, steadily push forward cooperation with countries along the Silk Road Economic Belt and the 21st-Century Maritime Silk Road, and deepen multilateral economic cooperation," he suggested.

Xu said institutional obstacles are standing in the way of further unleashing people's consumption potential.

In the first half of the year, per-capita residential spending grew 6.1 percent with inflation adjusted, lower than the 7.3-percent per-capita income increase with inflation adjusted, according to the NBS.

Calling the slower growth of people's spending compared to their income alarming, Xu reasoned out what has stopped people from spending: First, rocketing housing prices are eating into a large part of residents' disposable income. Second, inadequate social security makes people feel insecure and therefore reluctant to spend. Finally, underdeveloped consumer finance is also part of the cause.



The 2017 Spring Housing Fair in Chongqing Municipality on April 20 (XINHUA)

Positive changes

Consumption has become a major driver of the Chinese economy, said Yan Pengcheng, spokesperson for the National Development and Reform Commission (NDRC).

In 2014, 2015 and 2016, consumption contributed 48.8, 59.7 and 64.6 percent, respectively, to economic growth. In the first half of the year, the ratio reached 63.4 percent, 30.7 percentage points higher than that of investment, according to the NBS.

A recent report by the Boston Consulting Group, a global management consultancy, said China's consumer market will continue to rise around 10 percent annually, topping the world, despite the slowdown in GDP growth.

54.9, rising two months in a row.

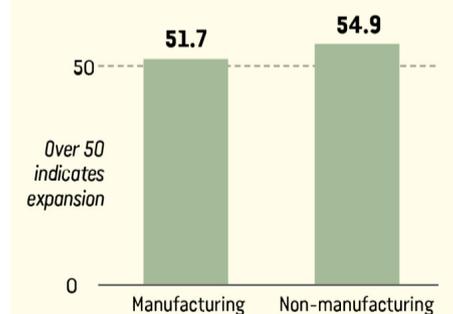
"The manufacturing sector is expanding at a quicker pace, with increasing market demand domestically and globally, optimized supply structure and improved market environment," Xu said.

China's export growth—which dropped significantly during the global economic meltdown—has also picked up momentum in the first half of the year.

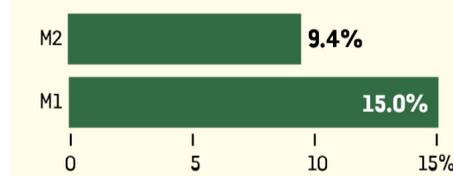
In the same period, China's foreign trade surged 19.6 percent with export growing 15 percent and import increasing 25.7 percent.

According to Bi Jiyao, Deputy Director of the Academy of Macroeconomic Research under the NDRC, since the second half of 2016,

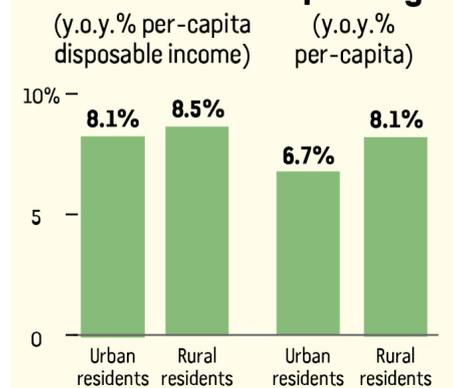
Purchasing Managers' Index (June)



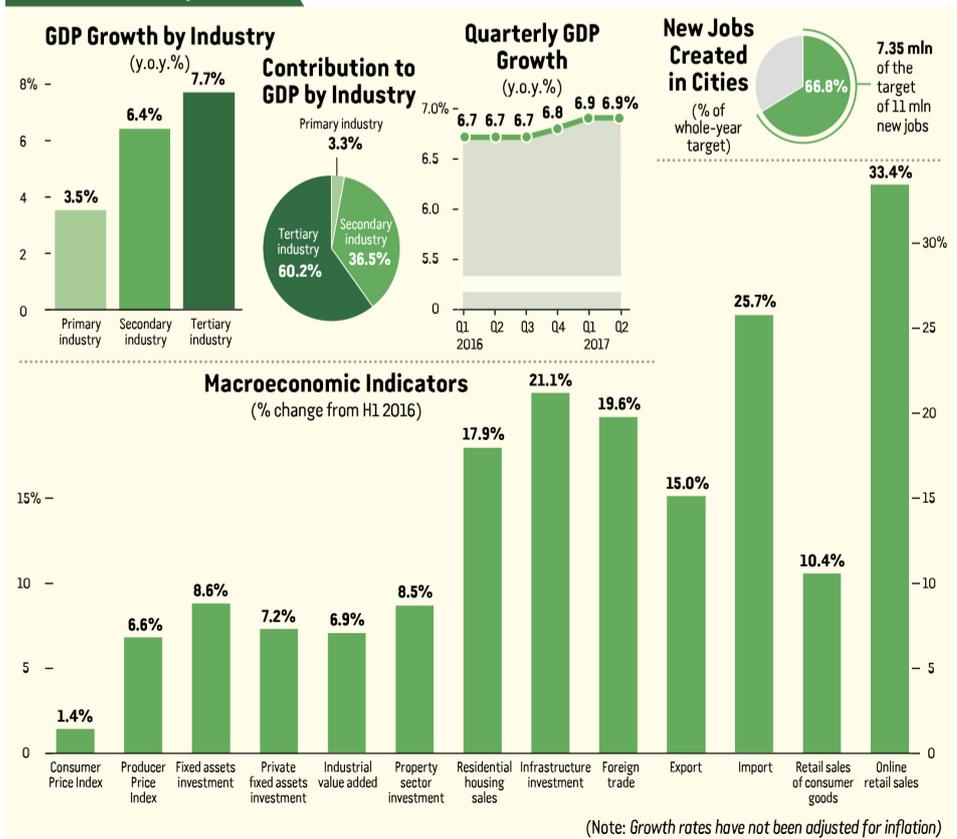
Money Supply (y.o.y.% at end of June)



Residential Income and Residential Spending



China's Economy in H1



(Note: Growth rates have not been adjusted for inflation)

(Sources: National Bureau of Statistics, People's Bank of China, General Administration of Customs; designed by Pamela Tobey)



Role model for overseas returnees

Renowned geophysicist remembered for patriotism and professional dedication

By Ma Xiaowen

The Communist Party of China (CPC) Central Committee on July 23 decided to posthumously honor late geophysicist Huang Dalian as an “outstanding CPC member.”

Huang, known for his expertise in deep earth exploration technology, is a latest role model that Party members and people look up to for inspiration. Huang returned to China in 2009 after studying and working in Britain for 18 years. He contributed greatly to deep earth exploration technology until he passed away in January.

Chinese President and General Secretary of the CPC Central Committee Xi Jinping praised Huang in an instruction letter on May 25 and called on all to learn from Huang’s patriotism, professional dedication, and his faithful fulfillment of duties.



Huang Dalian (center) was with his students in Jilin University, China(XINHUA)

A patriotic scholar

In 1993, he went to study at Britain’s Leeds University. Though having to encounter language and living difficulties, Huang quickly earned respect from his British professors and colleagues thanks to his profound academic knowledge and hard work. Four years later, he earned his doctor’s degree in geophysics as the top of his class.

His supervisor, Dr Roger Clark, senior lecturer at Leeds University’s School of Earth & Environment, told Xinhua that Huang was a “dedicated student” and he had the skill and energy to do well in whatever he wanted to do.

After he obtained his doctor’s degree, Huang started working in a geophysical service company in Cambridge as an advanced researcher on techniques mainly used in oil, gas and mineral resources exploration both at sea and on land.

Huang’s team was deemed by fellow researchers as one of the leading research teams in the industry of mobile detection technology.

Mark Davies, president and CEO of AustinBridgeporth, was a colleague of Huang for many years. “I think Huang was an extremely talented geophysicist who pioneered many projects over the years for large independent oil companies,” Davies told *China Daily*.

“Dalian loved science and technology,” Davies said. “He never said why he wanted to go back, but it was very obvious to me. China was funding high quality science projects, and he wanted to be part of it.”

During his time in Britain, Huang remained committed to China. He always flew to China to attend academic meetings or seminars in his field.

Huang’s return to China was not a “random choice” or a “sudden impulse,” said Sun Wei, a close friend of Huang.

A dedicated geophysicist

With China’s rapid growth in economy and technology, Chinese scientists and researchers are returning home from abroad to aid in their country’s development. Huang returned to China seven years ago from Britain and contributed greatly to deep earth exploration technology.

In 2008, China launched the “Thousand Talents” program, a national recruitment plan inviting overseas Chinese and foreign professionals to come to work in China, as part of efforts to become an innovation-driven economy.

Huang became one of the first to participate in the program in 2009. He gave up his position in Britain and sold his house and property to work at Jilin University in Changchun.

As soon as he returned to China, Huang was invited to be the chief scientist in a branch of China’s biggest deep earth exploration program. The program aims to install high-tech cameras on aircraft, ships and satellites that enable scientists to see through the earth’s crust without digging into it.

To advance the program, Huang worked day and night in his office with only two to three hours of sleep a day, earning him the title of “workaholic.” Overtime working wrecked his health, and he died of bile duct cancer on January 8.

Four months after Huang’s passing, his daughter Huang Xiao told Xinhua that her family was still sunken in grief. She said her father was like most loving fathers, and he hoped she could be a person useful to society.

“My father always wanted to serve his motherland and wanted to be a person who could help others,” she added.

Huang Xiao is proud to know that her father’s work has been recognized by his motherland, and he was honored as a “sincere patriot and role model” for overseas returnees.



Huang Dalian was working in his office (XINHUA)

Getting to Know CHINA through KEYWORDS

The unity of CPC leadership, the position of the people as masters of the country and the rule of law

Upholding the unity of CPC leadership, the position of the people as masters of the country and the rule of law is a basic principle China must follow as it promotes political progress. It is also an inherent feature of socialist political progress in China. CPC leadership is a fundamental guarantee for the position of the people as masters of the country and the rule of law. [More>>](#)

Building a Beautiful China

Building a beautiful China is an important part of the Chinese Dream. It is an initiative that calls for respecting, protecting and being in harmony with nature, and is based on a key national policy on resource conservation, environmental protection, and promotion of green, circular and low-carbon development. [More>>](#)

Major events in July

July 1: [New Hong Kong Chief Executive sworn in](#)

Keywords: China, HKSAR, anniversary

Lam Cheng Yuet-ngor was sworn in as the Chief Executive of the Hong Kong Special Administrative Region (HKSAR), as Hong Kong marks the 20th anniversary of its return to China.

July 4: [China, Russia pledge to play role of ballast stone for world peace](#)

Keywords: China, Russia, world peace

Chinese President Xi Jinping and his Russian counterpart Vladimir Putin pledged in Moscow on July 4 to build strong China-Russia ties into a ballast stone for world peace and stability as their two countries seek to coordinate even more closely for a better world.

July 5: [China, Germany pledge to take bilateral ties to higher levels](#)

Keywords: China, Germany, partnership

Chinese President Xi Jinping and German Chancellor Angela Merkel charted a new blueprint, set new targets and mapped out new paths for the future development of the China-Germany comprehensive strategic partnership in Berlin on July 5.

July 7: [Xi, Trump meet on ties, hotspot issues on G20 sidelines](#)

Keywords: Xi Jinping, Trump, G20

Chinese President Xi Jinping and his U.S. counterpart, Donald Trump, met in Hamburg on July 8 on the sidelines of a Group of 20 (G20) summit. Xi told Trump that stronger China-U.S. ties are conducive to stability and prosperity and serve the interests of both peoples and the international community.

July 10: [President Xi urges efforts to advance judicial reform](#)

Keywords: Xi Jinping, judicial reform

Chinese President Xi Jinping has urged efforts to unwaveringly advance reform of the country’s judicial system and follow the path of socialist rule of law with Chinese characteristics. Xi made the remarks in a written instruction conveyed to a national conference on judicial system reform, which was held on July 10 in the city of Guiyang in southwest China’s Guizhou Province.

July 14: [China eyes broader cooperation with CEE countries](#)

Keywords: China, CEE, Belt and Road Initiative

Senior Communist Party of China (CPC) official Liu Yunshan said on July 14 that China and Central and Eastern European (CEE) countries should further broaden cooperation under the framework of the Belt and Road Initiative.

July 17: [China’s Industrial Output Speeds Up in H1](#)

Keywords: China, economy, H1

China’s value-added industrial output grew 6.9 percent year on year in the January-June period, an improvement on the 6.8 percent for the first quarter, and the 6 percent registered for the same period of 2016, data of the National Bureau of Statistics (NBS) showed on July 17.

July 20: [China announces import ban on 24 types of solid waste](#)

Keywords: China, ban, solid waste

China will ban imports of 24 types of solid waste by the end of 2017 in a fresh move to reduce environmental pollution, Ministry of Environmental Protection (MEP) official Guo Jing told a press conference on July 20.

July 24: [Xi calls for united efforts to deepen military reform](#)

Keywords: Xi Jinping, military reform

Chinese President Xi Jinping has called for all-out efforts to push forward military reform with the support of the entire nation and the Communist Party of China (CPC). Xi made the remarks on July 24 at a group study attended by members of the Political Bureau of the CPC Central Committee.

Up and Out of Poverty

UP AND OUT OF POVERTY

XI JINPING



The nine counties and cities of Ningde Prefecture constitute one of Fujian’s more impoverished regions. During their nearly two years working in Ningde, Xi Jinping and the departments under his leadership took the lead in implementing their “four grassroots initiatives,” which encouraged leading officials to investigate complaints and listen to ideas at the grassroots level; to go down to the grassroots to handle official business on the spot; to work with the grassroots to conduct research and investigations; and to go down to the grassroots to publicize the Party’s guiding principles and policies. Xi Jinping strongly advocated for these initiatives in 1988, while he was working in Ningde, Fujian Province.

Their detailed inspections and informed considerations of Ningde’s own characteristics and history allowed them to make proposals firmly rooted in the local situation. They thoroughly did away with the current bad leadership habits

of grandiose, empty, and formulaic speech. Even though after he moved on to new posts from Ningde, there is no doubt that the good conduct Xi Jinping practiced has been an inspiration to his successors, as what exists today comes from the past.

The strongest feature of Xi Jinping’s writing from this period is that it never strays from the focus of economic development. He called for everyone to join forces to make full use of the geographical advantages Ningde was blessed with and form an “economic chorus,” not another central task. With Ningde’s relative poverty in mind, Xi Jinping repeatedly called for bold reforms and opening up.

Xi Jinping has thought deeply and carefully about many issues. He is a strong proponent of the theory of “water droplets drilling through rock” and “letting the weak hatchling be the first to fly” to encourage people to be fearless pioneers and thoroughly do away with formalism and false appearances. He wants officials to truly keep the people in their hearts. With persistence, even water droplets can drill through stone. Short-term projects with quick results can be great for poverty alleviation, but we cannot let ourselves be content with these and only focus on the short term. The work of poverty alleviation is a long-term task.

The success or failure of all work in the region is determined by the ambitions, thinking, and the working practices of those young officials in important positions who are trying to improve their backward areas. They must fully use their brains, dare to explore, and boldly push their work forward. Even if some ideas are not completely in line with the local situation and some methods may not produce immediate results, we must not be panic. Nobody can be perfect in everything they say or do. In this sense, Xi Jinping is no exception. The officials in our local prefectures, cities, counties, and townships can gain much insight from this pamphlet.

(Excerpts from forewords by Xiang Nan, a native of Liancheng, Fujian Province)