

Ufa summits usher in common prosperity



A young lady in traditional Russian dress greets President Xi Jinping with the gifts of bread and salt as he arrives at Ufa International Airport on July 8, 2015.

General Secretary Xi Jinping of the Communist Party of China (CPC) Central Committee, also Chinese president, attended the BRICS and the SCO summits held in the southwestern Russian city of Ufa, highlighting China's constructive role and further enhancing China's strategic mutual trust with relevant countries.

As the SCO is growing in size and it was the first meeting for the board of governors of the BRICS New Development Bank (NDB), the two highest-level meetings, which took place together, grabbed the world's attention.

Blueprint for BRICS partnership

The influence, role and status of the BRICS in international affairs have continued to grow since the framework was launched in 2009 in Russia.

Held with the theme of "BRICS Partnership: A Powerful Factor of Global Development," the summit adopted a series of guiding documents to lay a solid foundation for the BRICS partnership.

Among these documents, the BRICS Ufa Declaration demonstrated the consensus of the bloc members on various international key issues like reform of the UN, the 70th anniversary of the victory of World War II and the world economic situation, as well as regional affairs like the Israeli-Palestinian conflict, the Iranian nuclear issue, the Afghanistan issue and the Ukraine crisis.

Another important paper, the Strategy for the BRICS Economic Partnership, is the guidebook for bloc cooperation in sectors including trade, investment, mineral processing, energy, agriculture, scientific technology, innovation, finance and economics.

The BRICS nations have huge development potential and the upward trend will not change, President Xi told the summit in Ufa.

Xi's remarks, which are in line with the trend of the times and

reflect his long-term perspective, boosted the confidence and unity of the BRICS and will usher in promising prospects for the member states.

A dynamic and growing SCO

The SCO, set up in 2001, has come a long way since its inception as a regional grouping to forge closer security, military, economic, financial and cultural cooperation among its members.

At the summit, leaders of the member states approved the SCO Development Strategy until 2025, which sets detailed targets and tasks for the bloc's development in the next decade.

The SCO nations also ratified a resolution on starting the procedures of granting India and Pakistan full membership of the organization and elevated Belarus to the status of observer from dialogue partner, and accepted Azerbaijan, Armenia, Cambodia and Nepal as new dialogue partners.

In his speech addressing the summit, President Xi welcomed the idea of expanding the SCO.

Xi called for upholding the "Shanghai Spirit" of mutual trust, mutual benefit, equality, consultation, respect for cultural diversity and pursuit of common development, in a bid to build a community of shared destiny in the region.

Over the past 15 years, the "Shanghai Spirit" has become the foundation of the SCO for its existence and growth, and the spirit represents the direction of contemporary international relations, Xi said.

On national security, the president called on SCO member states to boost cooperation in fighting terrorism, controlling drugs and border defense, and strengthen policy coordination to maintain the security and stability of member states.

"The Ufa summit provides an opportunity to review the SCO's achievements and make plans to

grapple with future challenges," said Sajjad Malik, a journalist, columnist and researcher based in Pakistan.

Advocating cooperation, win-win results

During his stay in Ufa, President Xi elaborated on China's diplomatic vision, which is centered on cooperation and win-win results.

As well as participating in the two summits, the Chinese president also held sideline talks with leaders of other BRICS nations, Afghanistan, Mongolia, Pakistan and Uzbekistan. They reached new consensus on promoting mutual trust and deepening cooperation.

The China-proposed economic corridor with Russia and Mongolia also achieved substantial breakthroughs as the three sides signed a memorandum on compiling a guideline for the project and approved a roadmap for its development after the trilateral meeting of their leaders in Ufa.

Xi said the BRICS, the SCO and the EEU are influential mechanism of cooperation in the world, and the gathering itself has sent out a positive signal of unity and cooperation among the emerging markets and developing countries.

Despite different history, culture and social system, those countries

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share common missions of improving economy, safeguarding stability and bettering people's livelihood, said Xi during a dialogue between leaders of the SCO members and observers, EEU leaders, leaders of invited countries and the BRICS nations.

According to Chinese Foreign Minister Wang Yi, the in-depth communication and exchanges, will speed up the adoption of the Chinese proposal for a new international consensus, give the international community a more precise understanding of China's strategic intention and make it clear that China's development is a growth of peaceful strength and positive energy for the whole world.

In Ufa, Xi called upon all countries to treasure the outcomes of the World War II victory, safeguard the principles and purposes of the UN charter and oppose any attempt or act to deny, distort or tamper with World War II history.



Follow Xi to the SCO and BRICS summits



Chinese President Xi Jinping poses for photos with the Eurasian Economic Union (EEU) leaders, leaders of the Shanghai Cooperation Organization (SCO) member and observer countries, and leaders of countries invited to the summits in Ufa, Russia on July 9, 2015.

Xi honors grassroots Party officials

General Secretary Xi Jinping of the Communist Party of China (CPC) Central Committee honored 102 county-level Party secretaries for their outstanding work in Beijing on June 30, a day ahead the 94th anniversary of CPC's founding.

When meeting the officials who were receiving honors, Xi called on county-level Party secretaries to be loyal to the Party, take the initiative in economic development and serve the people wholeheartedly.

According to Xi, the aim of honoring outstanding county-level Party secretaries is to set an example for all Party members and officials.

"A county-level Party committee is a frontline headquarters for the CPC's governance, and a Party secretary is the commander in chief," Xi said.

"When counties are well governed, the country is at peace," Xi said, quoting an ancient Chinese saying.

China's government system is classified into five levels: central, provincial, municipal, county and township. The system dates back to the Qin Dynasty, which created a prefecture-county system in 221 BC to govern a unified China. Since then, county-level governments have played a key role in connecting the grassroots with the upper echelons of the state.

"Xi's words fully reflect the CPC Central Committee's focus on county-level governance and its special care for grassroots officials, and will definitely boost our passion for work," said Wang Xinjun, one of the honored officials and the Party chief of Lankao County in central China's Henan Province. Wang was honored for reforming rural financial system and relieving 25,000 local people from poverty.

"Many of those honored started their careers low down the ladder and were promoted step by step," said Xin Ming, a professor with the Party School of the CPC Central Committee. "This shows how the CPC Central Committee pins its hopes on the grassroots."



Top Communist Party of China (CPC) and state leaders Xi Jinping and Liu Yunshan meet with county-level Party secretaries who are honored for their outstanding work in Beijing, June 30, 2015.

The 102 honored officials were selected from more than 2,800 Party secretaries at county level. Many of them have over 10 years of experience working in key grassroots posts in villages and towns.

Statistics show that among the 102 county-level Party secretaries receiving honors, more than 80 percent were born after 1960, and 14 were born after 1970. Of them, 40-year-old Zhang Xiaoqiang, Party chief of Zhuji City in Zhejiang Province, is the youngest. In terms of gender, seven of the 102 honored are female, and the youngest one Zhang Xia, Party chief of Zhongfang County in Hunan Province, was born in the 1970s.

The CPC last honored outstanding county-level Party chiefs in 1995.

Xi, once the Party chief of Zhengding County

in north China's Hebei Province in the early 1980s, has a strong understanding of the crucial role a grassroots official can play in advancing reforms and improving local people's lives.

"All administrative orders and regulations are implemented through counties..., where effectiveness will decide the fate of the country," Xi wrote in 1990 in an essay on his experience in Zhengding.

Underlining the CPC's emphasis on grassroots governance, the Organization Department of the CPC Central Committee launched a campaign to train all county-level Party chiefs by the end of 2017. In January, Xi himself gave a lecture to the first batch of trainees, urging them to "always bear in mind the Party, the people, responsibility and caution."

Premier Li's visit starts new chapter in China-EU ties



Chinese Premier Li Keqiang (C) poses for a group photo with President of the European Council Donald Tusk (R) and President of the European Commission Jean-Claude Juncker before the 17th China-EU leaders' meeting in Brussels, Belgium, June 29, 2015.

Chinese Premier Li Keqiang made an official visit to Europe from June 28 to July 2, 2015, during which he attended the 17th China-EU leaders' meeting in Brussels, the first since the change of EU leadership. He also paid an official visit to France and the headquarters of the Organization of Economic Cooperation and Development (OECD) in Paris.

Li's trip came at a time when the deadlocked Greek debt issue was casting a shadow over the future of the eurozone and Europe's economic revival.

Amid global economic uncertainties, the new type of bilateral win-win cooperation between China and Europe is expected to benefit not only the two large economies themselves, but also the global economic recovery.

Li's tour has resulted in a hoard of new trade deals, which are expected to establish the highest level of bilateral economic and trade cooperation to date, including deals signed with Belgium worth more than 18 billion euros, covering areas such as interconnectivity development, finance, telecommunications, microelectronics and education.

In addition, during Li's visit, China joined the OECD development center on July 1, a forum where countries share their experiences in economic and social policy-making to help decision-makers work out measures to boost growth in developing countries and emerging economies. China and the OECD agreed to strengthen cooperation in areas ranging from macroeconomic management to green growth and strengthen their two-decade-old partnership.

Docking Chinese and EU development strategies

During the premier's visit, the two economic giants expressed interest in linking the European

Fund for Strategic Investments (EFSI), known as the Juncker Plan, with the Belt and Road Initiative proposed by China.

The Belt and Road Initiatives - namely the Silk Road Economic Belt and the 21st Century Maritime Silk Road - was proposed by Chinese President Xi Jinping in 2013 with the aim to reviving the ancient trade routes between Asia and Europe, while the Juncker Plan, named after European Commission President Jean-Claude Juncker, is a 315 billion euro (US\$352 billion) plan to resuscitate Europe's economy and construct large infrastructure projects.

For the EU, a positive response to the Belt and Road Initiatives will help it escape the debt crisis and revive its economy, said Bai Ming, a senior researcher with a Ministry of Commerce think tank.

With both China and Europe facing the task of maintaining steady economic growth and optimizing their economic structure, analysts believe the integration of their development strategies will boost growth on both sides and provide new opportunities for China-EU economic ties.

EU participation in Chinese urbanization urged

Li Keqiang welcomed EU participation in China's urbanization process, especially in smart city building and energy efficiency.

"We welcome Europe to actively participate in China's development of low-carbon cities, low-carbon industrial parks, in the renovation of buildings for energy efficiency and the treatment of waste water and refuse and the development of clean energy," said the premier, speaking at a forum on China-EU urbanization partnership in the Belgian capital.

Despite the achievements in urbanization in the past three decades, China still faces a number of problems, said Li. A new type of people-oriented urbanization process featuring harmonious and inclusive cities will be the solution, he added.

China wants to learn from Europe's rich experience in urbanization over hundreds of years. Twelve city partnerships have been forged within the framework of the China-EU urbanization partnership.

Exploring third-party markets

Exploring third party markets was another key topic on the premier's trip.

At a joint press conference after talks with Belgian Prime Minister Charles Michel on June 29, Li said China and Belgium have agreed to jointly explore third-party markets.

During his speech at a France-China economic summit at Toulouse, France, on July 2, Li announced that China and France will set up a fund to boost international production and third party market cooperation.

During his five-day trip to Europe, Li called for strengthened cooperation in exploring third-party markets on several occasions. The proposals will not only meet the needs of third party countries, but also facilitate exports from the developed countries and drive China's manufacturing industry to improve and restructure itself.

Zhao Junjie, a research fellow at the Institute of European Studies of the Chinese Academy of Social Sciences, said, "In the current global situation, tapping the potential of third party markets will help to boost the global economic recovery and explore new ways to expand both south-south and south-north cooperation."

Boosting people-to-people exchanges

During his trip to France, Li pledged to roll out reciprocal measures to facilitate visits by French citizens to China, the world's top tourism destination.

It followed the European Union's announcement that it would set up visa centers in 15 Chinese cities that do not have embassies or consulates for EU nations, which will make it easier for Chinese tourists, businesspeople and students to travel, work and study in Europe.

"The effect of the new policy will be obvious, as it will establish a bigger platform for greater exchanges between people, stimulate consumption and increase the number of investment opportunities," said Zhang Jinling, a French studies researcher at the Chinese Academy of Social Sciences.

During Li's visit, China and the EU also enhanced their coordination in global issues. Following the China-EU Leaders' Meeting, the two sides pledged in a joint statement to deepen practical cooperation in the uphill battle against climate change.

This year marks the 40th anniversary of the establishment of diplomatic ties between China and the EU.

China grows 7% in Q2, on track to achieve annual target

China's gross domestic production (GDP) expanded by 7 percent year-on-year in the second quarter, registering no change from the first quarter growth rate, the country's Bureau of National Statistics (NBS) announced July 15.

The figure beat previous market estimates of 6.8 percent and prompted economists to predict further recovery through the rest of the year.

"Downside risks are getting smaller," said Ding Shuang, chief China economist at Standard Chartered in Hong Kong. "A modest recovery is expected in the second half."

Economic growth stable, structural change on the way

China's GDP stood at 29.68 trillion yuan (US\$4.78 trillion) in the first half of this year. Industrial output rose by 6.3 percent in the first half of the year, basically unchanged compared to the 6.4 percent growth in Q1. Fixed-asset investment, which includes the construction of new public facilities, grew by 11.4 percent year-on-year in H1, down 2.1 percentage points from first quarter growth. Retail sales remained relatively stable with a growth rate of 10.4 percent from January to June, compared to 10.6 percent growth in the first quarter.

The service sector was once again the largest driver of China's GDP growth in the second quarter, evidence of continued structural changes in the country.

According to NBS spokesman Sheng Laiyun, the service sector contributed 49.5 percent of total GDP, compared to the industrial sector's 43.7 percent. The NBS's GDP breakdown shows that the service sector expanded 8.4 percent year-on-year in Q2, up from 7.9 percent in the first quarter. Most analysts attributed the sector's growth to China's stock market boom and recovering real estate market.

"A full sector breakdown has not yet been released, but finance likely remains the fastest growing sector, followed by some improvement in real estate," added HSBC.

Consumption also continued to be a big contributor of economic growth, accounting for 60 percent of GDP growth in the first half, 5.7 percentage points higher than a year ago and almost double the amount of growth contributed by investment.

Online spending continues to be in the spotlight, surging 39.1 percent to 1.64 trillion yuan in the first half and accounting for 11.6 percent of total retail sales.

"The demand structure is changing in line with our policy intentions, and the structure is improving," said Sheng.

Top officials see positive economic outlook

The Chinese government also voiced strong confidence in the country's economic outlook.

During his inspection tour of northeast China's Jilin Province last week, Chinese President Xi Jinping reassured local governments that the economy still enjoys a promising outlook. According to Xi, the Chinese economy is in good condition and its sound economic fundamentals, remarkable flexibility, huge potential and room for growth remain unchanged.

"The economy is undergoing steady restructuring as emerging sectors come to the forefront and provide fresh steam to drive growth," Xi said.

Xi's remarks echoed comments made by Chinese Premier Li Keqiang when he spoke with a number of domestic experts and entrepreneurs in Beijing on July 10.

"The fundamentals of the economy are on course to improve," the premier said. "The potential growth rate of the economy can support mid-to-high speed growth."

However, the premier also warned that the foundation of the economy is not yet solid and external uncertainties are increasing.

"Therefore, we need to make more efforts to underpin economic growth," Li said at a discussion with the heads of eight provincial governments on July 9.

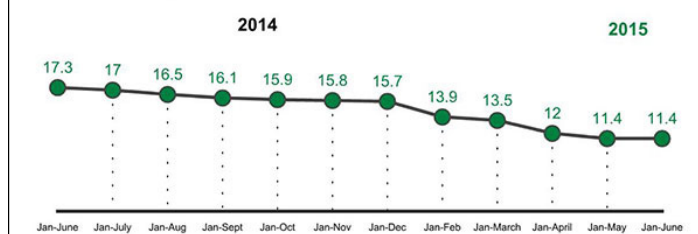
TREND OF GDP GROWTH

Y-O-Y growth (%)



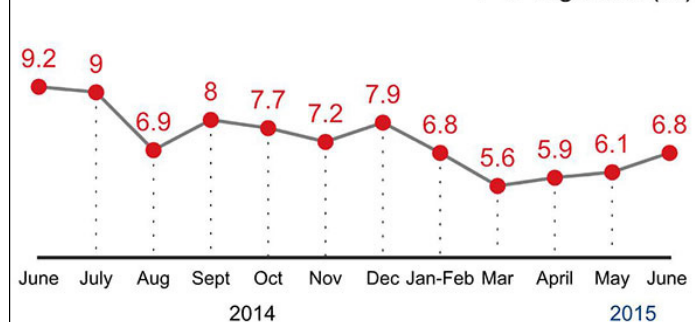
TRADE OF URBAN FIXED-ASSET INVESTMENTS

Y-O-Y growth (%)



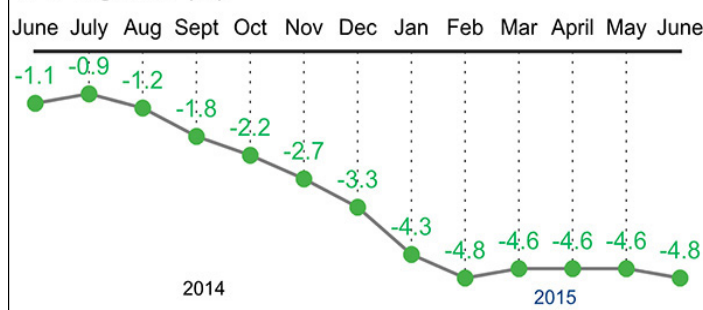
TREND OF VALUE-ADDED INDUSTRIAL OUTPUT

Y-O-Y growth (%)



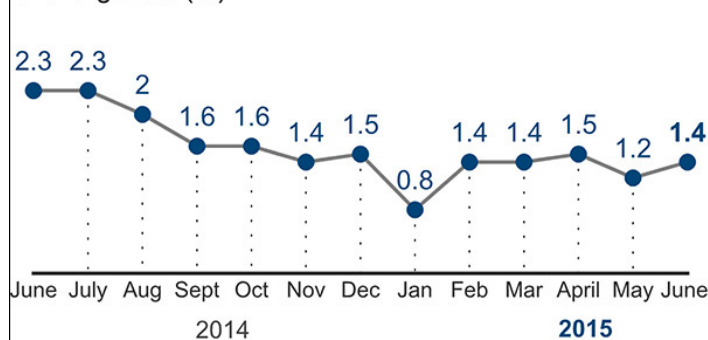
TREND OF PRODUCER PRICE INDEX

Y-O-Y growth (%)



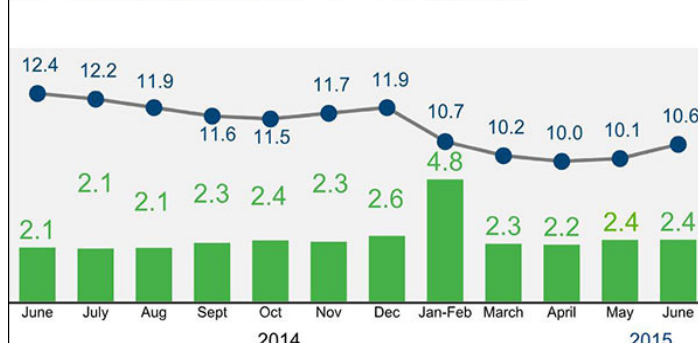
TREND OF CONSUMER PRICE INDEX

Y-O-Y growth (%)



RETAIL SALES OF CONSUMER GOODS

Retail sales (in trillion yuan) — Y-O-Y growth (%)



County Party head brings prosperity to rural poor



Liang Ying, the Party chief of Liangdang County in northwest China's Gansu Province

In remote, poverty-stricken Liangdang County in northwest China's Gansu Province, Liang Ying, the head of the County Committee of the Communist Party of China, can often be spotted working in remote rural areas instead of in her office in the county seat.

Over the past four years, Liang has visited all the villages in the county. "People's livelihood is my top concern," she said. "I have to go to check on it constantly."

Liangdang County is located in a mountainous region, and transportation in the area used to be very poor. In 2011, the county had only one paved road, while the villages were all linked by rugged gravel roads or dirt roads. Travel problems greatly restricted local development and negatively affected people's lives.

After Liang took office, she began to change the situation. Today, 95 percent of the roads between villages are paved, and in the next step, Liang plans to pave all the roads within the villages. Meanwhile, she has completely revamped the county's public transportation system. As road conditions have greatly improved, buses have become able to access every village. Liang also had the county's decade-old train station upgraded, and five express trains now stop in the new station. Local people can take trains to Beijing, Chengdu and Urumqi from their own county instead of having to go to the station in another county some 200 kilometers away.

Geographic location might hamper transportation in Liangdang, but it has also endowed the county with abundant natural resources. To reduce poverty, some government officials suggested developing the mining industries, which could quickly boost the local economy. After careful study, however, Liang turned down this suggestion because she didn't

want to see the county develop at the cost of the environment.

In 2013, Liang decided to develop the tourism industry in Liangdang because the county has magnificent mountains, dense forests and famous revolutionary sites. In the following year, more than 600,000 tourists visited the county, more than the total number of visitors the county had received over the past 10 years combined. Today, tourism has become a major driving force of local development, bringing great commercial opportunities to the area's people.

"A county Party head must take the right path unswervingly," Liang said.

In addition to tourism, Liang also decided to promote the cultivation of special agricultural products because the local environment is suitable for growing walnuts and edible mushrooms. To help farmers sell their products, she encouraged them to cooperate with e-commerce companies and established many e-commerce service centers. Thanks to her efforts, the percentage of poverty-stricken people in the county was reduced from 65 percent to 29 percent.

"The county Party secretary is close to us," said Ma Junrong, a 73-year old man who lives in Xianlong Village. "She asked about our needs every time she came to the village." Liang helped Ma build a greenhouse to grow vegetable seedlings, which brought Ma a yearly income of more than 5,000 yuan (US\$805).

On June 30, 2015, Liang was honored in Beijing as one of the 102 outstanding county-level Party secretaries in the country. Her tenure as county Party head will end next year. "When I leave Liangdang County, I hope local people will remember me for the real benefits I have brought to them," she said.



Liang Ying (left), the Party chief of Liangdang County of Gansu Province, visits a mushroom farm on Sept. 22, 2011.



Liang Ying (right), the Party chief of Liangdang County of Gansu Province, visits a farmer on June 25, 2015.

Getting to Know **CHINA** through **KEYWORDS**

New type of urbanization:

At present, China is faced with both tremendous opportunities and many difficulties in its urbanization efforts.

[More>>](#)

Improving global economic governance:

The idea of global economic governance proposed by China aims at promoting the growth of economic globalization in the direction of balance, universal benefits and win-win results.

[More>>](#)

Major events in July

July 1: China adopts new national security law

Keywords: national security law

China's top legislature adopted a new national security law highlighting cyber security and demanding the establishment of a coordinated, efficient crisis management system.

July 4: China, Singapore vow closer ties

Keywords: Xi Jinping, Singapore, bilateral ties

Chinese President Xi Jinping held talks with his Singaporean counterpart Tony Tan Keng Yam and they pledged to further elevate the bilateral ties between the two countries.

July 15: Xi pledges stronger relations with Fiji

Keywords: Xi Jinping, Fiji

Chinese President Xi Jinping met with Fijian Prime Minister Voreqe Bainimarama, vowing stronger relations and cooperation in agricultural technology and infrastructure.

July 20: Ling Jihua arrested, expelled from CPC

Keywords: Ling Jihua, CPC, corruption

Ling Jihua has been expelled from the Communist Party of China (CPC) and prosecutors have opened an investigation into his suspected crimes and decided to arrest him.

CPC to discuss 13th five-year plan at plenum in Oct.

Keywords: five-year plan, cpc

The 18th Communist Party of China (CPC) Central Committee will hold its fifth plenary session in Beijing in October. High on the agenda is the discussion of the 13th five-year plan of national development (2016-2020).

July 21: China, New Zealand to further promote strategic relations

Keywords: New Zealand

China and New Zealand pledged to further promote their comprehensive strategic partnership in a talk between President Xi Jinping and visiting Governor-General Jerry Mateparae.