

57th FOUNDING ANNIVERSARY of the PEOPLE'S REPUBLIC OF CHINA



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MESSAGE

TODAY is the 57th anniversary of the founding of the People's Republic of China. On this auspicious occasion, I wish to join the people of all walks of life in China to extend warmest congratulations to the birthday of the great motherland. I would take this opportunity to express my sincere gratitude to all friends in Bangladesh for their warm greetings and best wishes on this special occasion.

Since the founding of New China in 1949, the Chinese people became their own masters and began the socialist construction. Twenty-eight years ago, the Chinese people embarked upon the historic drive of reform, opening-up and modernization and have made steady economic growth and phenomenal progress through unremitting efforts. Between 1978 and 2005, China's GDP grew from US\$147.3 billion to US\$2.2257 trillion. Its import and export volume went up from US\$20.6 billion to US\$1.4221 trillion, and its foreign exchange reserve soared from US\$167 million to US\$818.9 billion. During this period, the number of its poor rural population dropped from 250 million to 23 million.

Meanwhile, we are fully aware that despite the success in its development, China remains the world's largest developing country with per capita GDP US\$1700 ranking behind the 100th place. The Chinese people are yet to live a well-off life, and China still faces daunting challenges in its development endeavor, such as underdeveloped productivity, disparity of economic growth in different places, imbalance between environmental protection and eco-social development. Therefore, it requires sustained and unremitting efforts to transform the country and make life better for its people. In the next fifteen years, we will strive to make new progress in building a moderately prosperous society in an all-round way. We aim to raise China's GDP to US\$4 trillion by 2020, averaging US\$3,000 per person. To realize these goals, China has adopted a new concept of development in line with its national conditions and the requirement of the times. That is, to pursue a scientific outlook on development that makes economic and social development people-oriented, comprehensive, balanced and sustainable. We will work to strike a proper balance between urban and rural development, development among regions, economic and social development, development of man and nature, and domestic development and opening wider to the outside world.

China has always cherished peace and harmony. In foreign relations, the Chinese have always believed that "the strong should not oppress the weak, and the rich should not bully the poor" and advocated that, "all nations live side by side in perfect harmony". China holds high the banner of peace, development and cooperation. It pursues an independent foreign policy of peace and commits itself firmly to peaceful development. It seeks to accelerate its development by upholding world peace. The world peace is, in turn, enhanced by China's development. China firmly pursues a strategy of opening-up for mutual benefit and win-win outcomes. It genuinely wishes to enter into extensive cooperation with other countries. China is an Asian country. China's development requires a long-term stable international environment, especially a stable neighboring environment. China's development will certainly contribute to the prosperity of Asia. To the neighboring countries China firmly observes the guideline of "being a good neighbor and partner" and the policy of "fostering an amiable, peaceful and prosperous neighborhood", and work with other peoples in the region to create and enjoy profound friendship, mutual beneficial cooperation and common prosperity.

South Asia is an important region in Asia and the world at large. South Asia boasts of a large population, vast territory and rich resources. China and South Asian countries are both neighbors and developing countries. It is our common wish to seek peace, strive for stability and promote development. It is the unswerving policy of the Chinese government to strengthen good-neighborly relations with the countries in South Asia and to carry out mutually beneficial cooperation. The 13th SAARC Summit held in Dhaka last November decided to accord observer status to China. I firmly believe that the establishment of relationship between China and SAARC will substantially contribute to a wider range of cooperation for a win-win result between China and South Asian countries.

As many friends know that I have served in Bangladesh in different period of time. Therefore, I could have observed the change and development of the friendly relations between China and Bangladesh. The friendship between China and Bangladesh has deeply rooted and stood a severe test. In last 31 years of diplomatic relations, we have gained fruitful and genuine cooperation of mutual benefit in all fields of politics, economy, cul-

ture, social development, etc. with the joint efforts of our two governments and peoples. The bilateral trade volume in 2005 amounted to about US\$2.5 billion with an increase of 26% over the previous year. Interaction of all levels continues to expand and intensify, especially after the direct air-link between our two countries was set up in May last year. We share basically identical views on most international and regional issues and conduct close coordination with each other in the international arena. The two countries have established a Comprehensive Partnership of Cooperation featuring long-term friendship, equality and mutual benefit. Consolidating and further developing traditional Sino-Bangladesh friendly relations and exploring new area of cooperation is the set policy of the Chinese government. I am confident that with our concerted endeavor the existing friendly relations and cooperation between our two countries will as always be able to stand the test of changeable international situation and be further strengthened and developed in the coming days. I sincerely hope that the people of China and Bangladesh will together enjoy economic development, social progress and common prosperity.



Chai Xi, Ambassador of the People's Republic of China to the People's Republic of Bangladesh

China makes strides in poverty alleviation in rural areas

WU QI

"WE villagers now can drink clean tap water as urban residents do," said Zhao Caibong, with a broad smile on her face. "We used to fetch water from rivers that were often contaminated with the livestock's excrement and urine."

Zhao is also happy and contented that her family moved last year from an old shanty into a big new one, benefiting from a government-funded house renovation project.

Zhao and some 250 other families live in an outlying mountain village called Shangping, in Xibaigu region, the poorest part of Northwest China's underdeveloped Ningxia Hui Autonomous Region.

One year ago, much like so many other poverty-stricken villages in the country, it still suffered from low family incomes, poor transportation conditions and a shortage of clean drinking water.

However, things have begun changing as the government focuses more on the vast rural areas.

"Last year alone the government poured 1.2 million yuan (about \$150,000) into improving our infrastructure and training and encouraging villagers to find jobs in cities," said Wang Dianzhong, head of the village committee.

The village used part of the funds to build a new dirt road, which winds through surrounding mountains to the outside world. Families with televisions can watch eight channels of programs since microwave antennae were installed in their homes.

Shangping, like other outlying and poor villages across the country, is beginning to share the outcome of China's galloping growth.

As the most populous developing country, China has most of its impoverished population concentrated in the rural areas. Since 1978, the Chinese government has moved away from a planned economy and pushed market reforms, as well as liberalizing the rural economy, raising rural productivity and alleviating widespread poverty through the household responsibility system.

Furthermore, in the mid-1980s the Chinese government started systematic, mass poverty reduction and development efforts. As a result,

the number of impoverished people without adequate food and clothing declined from 250 million in 1978 to 23.6 million at the end of 2005, with the share of the population living in poverty falling from 30 percent to less than three percent. China has achieved the first Millennium Development Goal of the United Nations well ahead of the target date of 2015.

"In the pursuit of poverty alleviation and development, China has charted its own path, suitable for its own conditions. This path involves government leadership, social participation, self-reliance, an orientation toward economic development, and an integrated development approach," said Liu Jian, director of the State Council Leading Group Office of Poverty Alleviation and Development.

In addition to incorporating poverty alleviation and development into overall economic and social strategies, the Chinese government has increased budgetary allocations for poverty alleviation. Between 1986 and 2004, the total budget support allocated reached 112.6 billion yuan (\$14 billion), and subsidized loans reached 162 billion yuan (\$20 billion). In 2005 the budgetary support for poverty alleviation totaled 13 billion yuan. To ensure that budgetary poverty funds reach the designated impoverished farmers, the use of funds is to be proclaimed, published, or reimbursed, adding transparency and public supervision.

In addition to government efforts, China has taken a number of steps to mobilize and organize people in all walks of life, including in the eastern coastal provinces and in multi-level party and government organs, to join the development and construction effort in poverty-stricken regions.

The government has organized 15 eastern provinces and municipalities to support development in 11 corresponding poverty-stricken provinces, autonomous regions and cities in western regions. It has organized 116 central party and government organs and 156 large state firms to help and support 481 key targeted counties. And it has organized all social sectors to participate in the process of closing the country's yawning income gap.

The Glorious Enterprise program encourages private firms to invest in impoverished areas. The Hope

Project organized by the Communist Youth League Central Committee sponsors children in poor households to finish compulsory education. The non-communist parties in the country organized the Knowledge-oriented Poverty Alleviation Program, utilizing their own advantages to help poor regions extend practical technologies. The Happiness Project organized by the Chinese Population Foundation sponsors poor mothers, and the Women-oriented Poverty Alleviation Program organized by the All-China Women's Federation aims to increase women's income.

From December 2005 to February this year, the China Foundation for Poverty Alleviation (CFPA), the largest of its kind in the country for poverty relief, invited bids from 10 Chinese and foreign NGOs for implementing a village-level poverty alleviation project in 22 key poverty-stricken villages of East China's Jiangxi Province, under the entrustment of Jiangxi Provincial Poverty Alleviation and Development Office.

Six NGOs were chosen in April 2006. They were Heifer Project International from the United States, Jiangxi Provincial Association Promoting Mountain-River-Lake Regional Sustainable Development, Jiangxi Youth Development Foundation, The Ningxia Center for Poverty Alleviation and Environment Improvement, China Association for NGO Cooperation and Research Association for Women and Family.

Under the scenario, the State Council Leading Group Office of Poverty Alleviation and Jiangxi Provincial Poverty Alleviation and Development Office will provide a budgetary allocation of 11 million yuan (\$1.35 million) to the six NGOs for implementing the project in six townships in the counties of Le'an, Xingguo and Ningdu in Jiangxi Province. Each village is to gain access to 500,000 yuan. The project is scheduled to complete in 2007.

Farmers who are accustomed to government-sponsored poverty relief are amazed at the new mode. "NGOs are different from government projects in poverty relief. NGO workers would come to our homes and talk patiently on everything with each of us," said Dong Xiaoping, a farmer with Liukeng Village in Le'an County.

"If we succeed in accomplishing the project, we may find a way to improve the management mechanism of domestic poverty reduction funds and promote the subsistence and development of domestic NGOs," said Duan Yingbi, president of the CFPA.

With assistance from government and all walks of life, China also highlights the approach for poverty relief - to support poor people and encourage them to overcome the common attitude of "wait, depend on, and ask" and establish a spirit of self-reliance and hard work, said Liu Jian.

Despite tremendous success in poverty alleviation in recent decades, China is now confronted with poverty issues in relatively remote areas that are generally beyond the effective reach of government programs.

"In the future, China will continue to relieve poverty in the model of developing the whole village together, which means taking one poor village as a unit and tackling the problems one by one, and ensuring that the allocated money is really spent on the needy," said Wang Guoliang, deputy director of the Office of Poverty Relief under the State Council, or the central government.

For this purpose, China is testing a new approach to poverty reduction for 100,000 poor farmers in 60 administrative villages in Shaanxi and Sichuan provinces, and in Guangxi and Inner Mongolia autonomous regions.

On June 1, 2006, the State Council Leading Group Office of Poverty Alleviation and Development and the World Bank jointly launched a two-year, 8 million U.S. dollar pilot program that promotes stronger village involvement in how development funds are used in their communities.

The pilot program, known as the Community-Driven Development Program (CDDP), is expected to improve the targeting of poverty alleviation funds, by allowing poor people to manage funds in pursuit of their own priorities, according to the World Bank.

Participating poor communities will be given responsibility to manage program funds and implement small-scale infrastructure and public service improvements, the bank's China mission said.

"This CDDP pilot will promote more participation from villagers in project planning and implementation and encourage new ways for local governments to provide services to poor areas and poor people," Wang Guoliang said.

Under the pilot program, the 60 participating administrative villages will receive grants that are intended to be used to improve living conditions and incomes. Within each administrative village, smaller village units will compete for access to program grants through a participatory process.

The pilot program, modeled in part on other community-driven development programs operating elsewhere in Asia by the World Bank, is expected to cost 64 million yuan (\$8 million US dollars).

"If successful, the program could be implemented nationally and help millions of villagers make their own decisions on grassroots economic and social development. And aspects of the program that prove successful could potentially be integrated into China's Village Development Planning Program," said Wang Guoliang.

Initiated in 2001, the whole-village-toward-poverty-alleviation-and-development program has operated throughout China in 148,000 officially designated poor villages. They are home to some 80 percent of the country's impoverished people. Each year, the country focuses on improving production and living conditions in key villages. In four years, by 2010, China will fundamentally change the impoverished appearance of those villages. China Features

China plans five-year leap forward of railway development

WANG HUI

POWERFUL engine pulled passenger compartments for the first time into Lhasa, the remote capital of Southwest China's Tibet Autonomous Region, on July 2. The train had traveled along the 1,956-km Qinghai-Tibet Railway at a speed of 120 km per hour to conquer the "roof of the world".

The maiden train run on the world's most elevated tracks, 5,072 meters above the sea level at one point and more than 4,000 meters above the sea level for 960 kilometers, was hailed as an engineering marvel in world railway history and a dream-come-true for China's railway constructors.

But for Chinese railway planners, this is only the beginning of a new five-year drive to modernize the country's railway transportation systems that serve one fifth of the world's population.

Ambitious plans

China's Minister of Railways Liu Zhijun says that in the five years from now to 2010, China will build 19,800 kilometers of new railway lines, modernize 15,000 kilometers of existing railway lines, boost passenger train speed to 200 km per hour with fast trains traveling at more than 300 km an hour, and increase the load of freight trains with a single engine hauling over 5,000 tons.

Under the railway development plan approved by the Chinese government, every year 4,000 kilometers of new tracks will be laid, 3,000 kilometers of existing tracks electrified, and more fast passenger trains, including the maglev trains, and large capacity freight trains introduced.

Liu says he hopes that by 2010, China's railway networks will be able to carry 30 percent more passengers and 30 percent more freight to alleviate the heavy demand for railway transportation.

As a developing country, China relies heavily on railways -- the cheapest means of mass transportation. Statistics show that in China, the energy consumption ratio of transportation by air, road and railways is 11:8:1. So at present, the transportation of 75 percent of coal, 66 percent of ore, 62 percent of iron and steel, as well as 56 percent of grain is done by the railways in the country.

China now has 75,000 kilometers of railways, with 6,500 kilometers built in the last five years. China's economy has been developing at an annual rate of more than 9 percent on average, but the length of its railways grows at a much slower speed, with a mere 9.5 percent increase in five years.

"We have been using 6 percent of the world's operational railways to move 23 percent of the total people and freight transported by the world's railway systems each year," Liu says.

Speed raises
To increase railway transportation capacity, China has continuously increased the speed of both its passenger and freight trains. Since 1997, China has raised its train speed for five times, boosting passenger train speed on 22,100 km of tracks to 120 km/hr, on 14,000 km of tracks to 160 km/hr and on 5,370 km of tracks to 200 km/hr. The speed of freight trains on the above-mentioned tracks has also been raised to 120 km/hr.

Before the speed raises, China's trains used to travel at 60 km/hr. Liu says that the fifth speed raising launched in 2004 alone has increased the passenger and freight transportation capacity of China's railway networks by 18.5 percent and 15 percent, respectively.

China is now preparing for the sixth train speed raising. He

Wuhua, chief engineer with the Ministry of Railways, said the target of the sixth speed raising, scheduled to take place this year, is to extend the tracks that accommodate trains running at 200 km/hr by 6,000 kilometers.

In the next five years, Liu says, China will further raise the speed of passenger trains to 200 km/hr on another 13,000 km of the existing rail tracks, in addition to building dedicated lines to passenger trains. He adds that the speed of freight trains on all tracks will be raised to 120 km/hr by 2010.

Despite repeated speed raises, the transportation capacity of China's railways still lags far behind the need of the country's booming economy.

According to statistics released by Chinese Railways, a trade magazine, passenger trains in China provide only 2.41 million seats but sell 3.05 million tickets a day (4.2 million tickets at peak days), leaving many passengers no choice but to stand in the aisles; railway transportation authorities can provide 110,000 freight cars a day, but the nation's daily average demand for freight cars is 280,000, with over 60 percent of the demand left unsatisfied.

Dedicated Lines
To meet the increasing demand for railway transportation, railway

planners have called for the building of high-speed dedicated passenger railway lines and the shifting of all freight transportation to the existing tracks.

In 1999, China started to build its first passenger-train-only railway. The 404-km Qin-Shen railway went into service in 2003, with a designed train speed at 200 km/hr and a rushing speed at 300 km/hr.

Liu says in the next five years, China will build 9,800 km of dedicated passenger railway lines, or 50 percent of the new lines to be built in the country. Of the 9,800-km dedicated passenger railway lines, 5,457 km will accommodate trains running at a speed above 300 km/hr.

The Ministry of Railways has announced that it will soon start the construction of a 1,318-km dedicated railway line linking Beijing to Shanghai, which allows trains to run at 350 km per hour.

Wang Yongping, a spokesman with the Ministry of Railways, says the fast train service to be launched by 2010 will cut train trips between Beijing and Shanghai from the current 14 hours to only five hours.

"The Beijing-Shanghai dedicated passenger line can relieve the existing tracks of the heavy pressure from passenger transportation, thus increasing the freight

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