

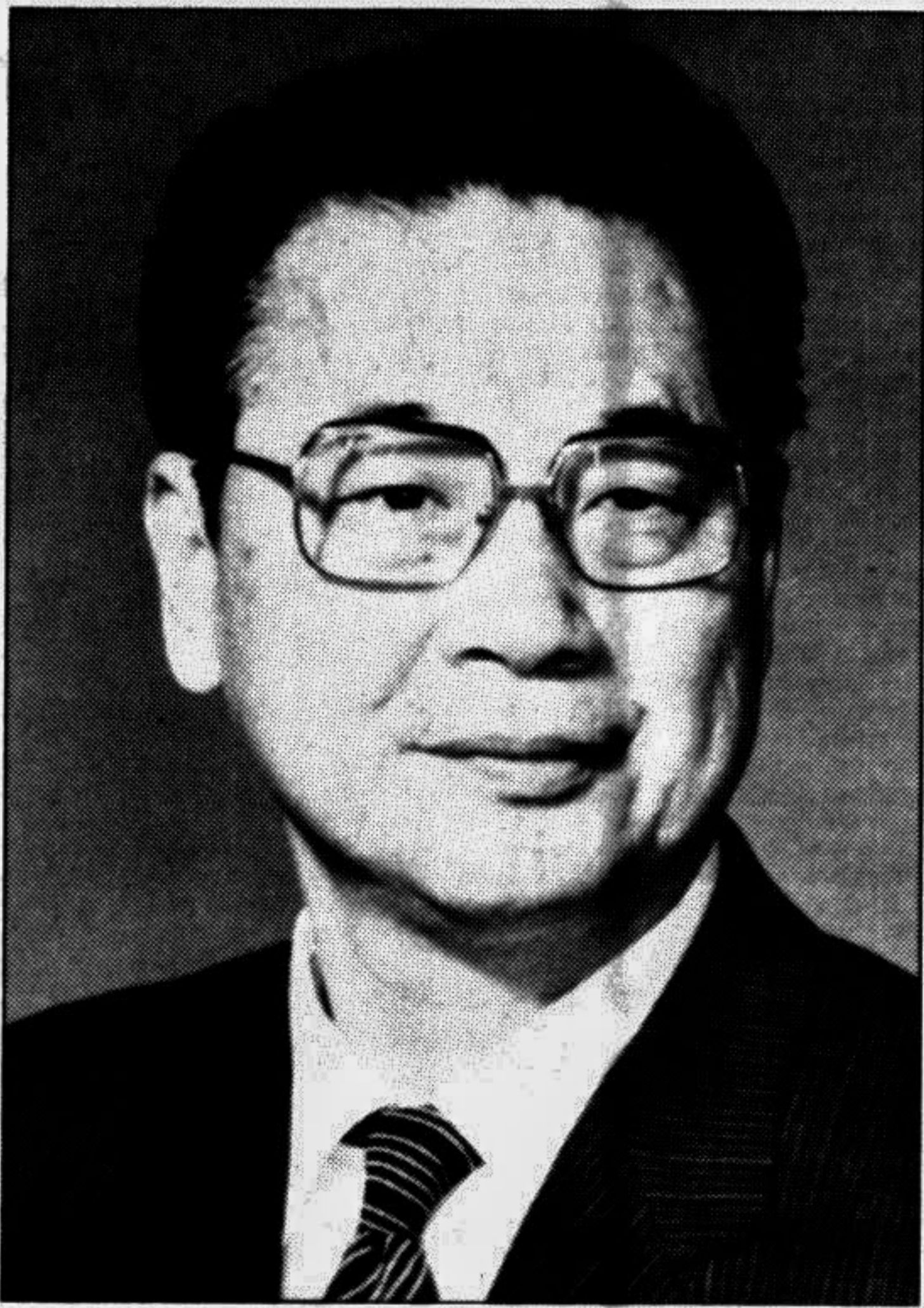
# National Day of China

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The Daily Star Special Supplement October 1, 1996



**Jiang Zemin**  
President of the People's Republic of China



**Li Peng**  
Premier of the State Council of the People's Republic of China

## Decade-long High-tech Program Bears Fruit

by Zhou Meiyue

WHEN he joined three other top scientists in writing that letter to China's senior leader Deng Xiaoping ten years ago, Prof. Wang Daheng, a leading optician in the country, never expected that their proposal could usher in such an extensive state high-tech development program. To

date, it has involved more than 20,000 scientists and experts and the central government's investment of about four billion yuan (8.3 yuan to the US dollar).

The letter alerted the Chinese leader to the fact that it

was imperative for China to develop with high technology if it was to keep pace with the latest development of Western science. Deng approved the proposal in the very month the letter was written: March, 1986, hence the code name of the pro-

ject announced by the State Council in November that year — Program 863, or "China's High-Tech Research and Development Program" in full name.

Comprising 17 major subjects in seven domains — biotechnology, information, automation, energy, new material, astronautics and laser, the ten-year-old program has borne rich fruits, according to Prof. Zhu Lilan, a noted chemist and member of the State Council's High-Tech Central Coordinating Panel. The panel serves as Program 863's policymaker, commander and administrator.

"We have made achievements on 1,398 items of high-tech research, out of which 1,200 are from the realms of biotechnology, information, automation, energy, and new material, and 198 from the fields of astronautics and laser," she says.

Zhu, who is also vice minister of the State Science and Technology Commission, says the program "seeks to narrow the gap between China and the West in high tech development within the last 15 years of the century while raising a new generation of high-tech researchers in China. Never was the target missed for the past ten years, she adds.

"By the end of 1995, 550 of the 1,398 items of our achievements either reached or approached the advanced world standard in their respective fields, 659 items of results won national or ministry level prize, and 266 items were patented in or outside China," Zhu says.

One of the success stories is the studies and application of CIMS, standing for Computer Integrated Manufacturing System, which has shown great potential in renovating and modernizing China's traditional industry, Zhu says.

With aid of computer and software, CIMS can integrate information of product design, manufacturing methods and management, thus bringing about a revolution to the formerly isolated processes in a factory, resulting in output increase, better product quality, and full use of the factory assets, says Prof. Wu Cheng, director of the State CIMS Engineering Research Center of China, which is one of the seven Program 863 centers.

China has led the world in both the research and application of CIMS, Wu says, "as my center at Beijing's Qinghua University has won Industry Lead Award and the CIMS project of Beijing No. 1 Machine Tool Plant where we have applied it has won Industry Lead Award issued by the Society of Manufacturing Engineers based in the United States."

"We have become more competitive in the market since we applied CIMS to upgrade our plant," says Liu Qingtao, manager of the Beijing No. 1 Machine Tool Plant. "In 1993, we adjusted our production plan according to the CIMS information and manufactured 389 more machine tools. They all had a ready market, which added 40 million yuan to our turnover that year. When the machine tool market withered in 1994, we made a dozen timely

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## China's Open Policy in a New Era

by Chen Gengtao

S EVENTEEN years into China's policy of opening to the outside world, more and more Chinese can hardly live a day without using something that has its origin in a foreign land. They may ride in a Santana car to work, make long-distance calls with a Motorola cellular phone, drink Beck beer, and wash his or her hair with Lux shampoo.

These products have two things in common: they are all foreign brand names and they are all made in China, most by joint ventures and a few by wholly-owned foreign manufacturers. The Santana car, for example, is made by Germany's Volkswagen and its Chinese partner in Shanghai.

The open policy advocated by Deng Xiaoping, China's retired leader, and implemented vigorously by the government over the years, has benefited the Chinese people as well as their country. More than 17 million people have found generally well-paid jobs in foreign-funded enterprises; an increasing number of ordinary people have US dollar accounts in the bank; products they consume and use, from table wines, toothbrushes and shoes to elevators, televisions and cars, are of far better quality than before.

Thanks partly to the presence of foreign businesses

more or less restricted such as mining, banking, retailing and insurance."

Another principle is to "improve quality" in terms of the open policy's implementation. This, according to Lin Qihui, means to increase economic efficiency and returns for all projects involving foreign investment.

China will become more choosy in approving new projects. "Projects that use new and high technologies will be encouraged and those that pollute the environment rejected," Lin says. Also, administration and taxation of foreign-funded enterprises will be strengthened, he says.

Other major principles include: the foreign investment sector is to operate in accordance with market economics; future growth should rely mainly on improved management and the use of advanced technologies rather than on more project launches; and preferential policies will be replaced by increased vitality of the enterprise as the impetus for future growth.

Indeed, from April 1 of this year, foreign-funded enterprises can no longer enjoy tax exemption for their imported manufacturing equipment. At

the same time, China has reduced its tariff rates, from an average of 35.9 percent to 23 percent.

Economists predict that revoking of the preferential treatment will not affect foreign-funded operations that rely mainly on technology, though it will create difficulties for those that have all along relied mainly on tax breaks for profits.

Revoking of tax breaks also means that Chinese and foreign-funded enterprises can henceforward compete on an equal footing, the government says.

### To Attract US\$150 Billion in Next Five Years

With political stability and a huge market, China is confident of its continued attraction for foreign investors. The government expects to receive another US\$150 billion in foreign direct investment in the next five years.

That is a lot of money, indeed, though a continued influx of foreign investment is but a natural extension of foreign interest in China over the past 17 years.

By the end of 1995, China had approved a total of 260,000

foreign-funded enterprises, almost half of which have gone into operation; and aggregate foreign investment had reached US\$135 billion, making China the second biggest recipient of international investment money in the world after the United States.

Over the years, China has established five Special Economic Zones along its coast, opened Pudong New Area, a Singapore-size piece of land wedged between the East China Sea and Shanghai proper, and established the Suzhou Industrial Park near Shanghai with the Singaporean government as its partner. These have become centers of foreign investment.

Playing host to foreign investors are also 32 state-level economic and technological development zones, located mainly in coastal cities. Many of them have become economic powerhouses, too. In the economic and technological development zone of Tianjin, a port city in north China, for example, America's Motorola has been making pagers and cellular phones in great quantities and will soon make computer chips. Its investment in the zone has reached US\$1 billion.

In fact, foreign-funded operations can now be found almost everywhere across the country.

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Santana cars manufactured by the Shanghai Volkswagen Automotive Corporation, a Chinese-German joint venture.

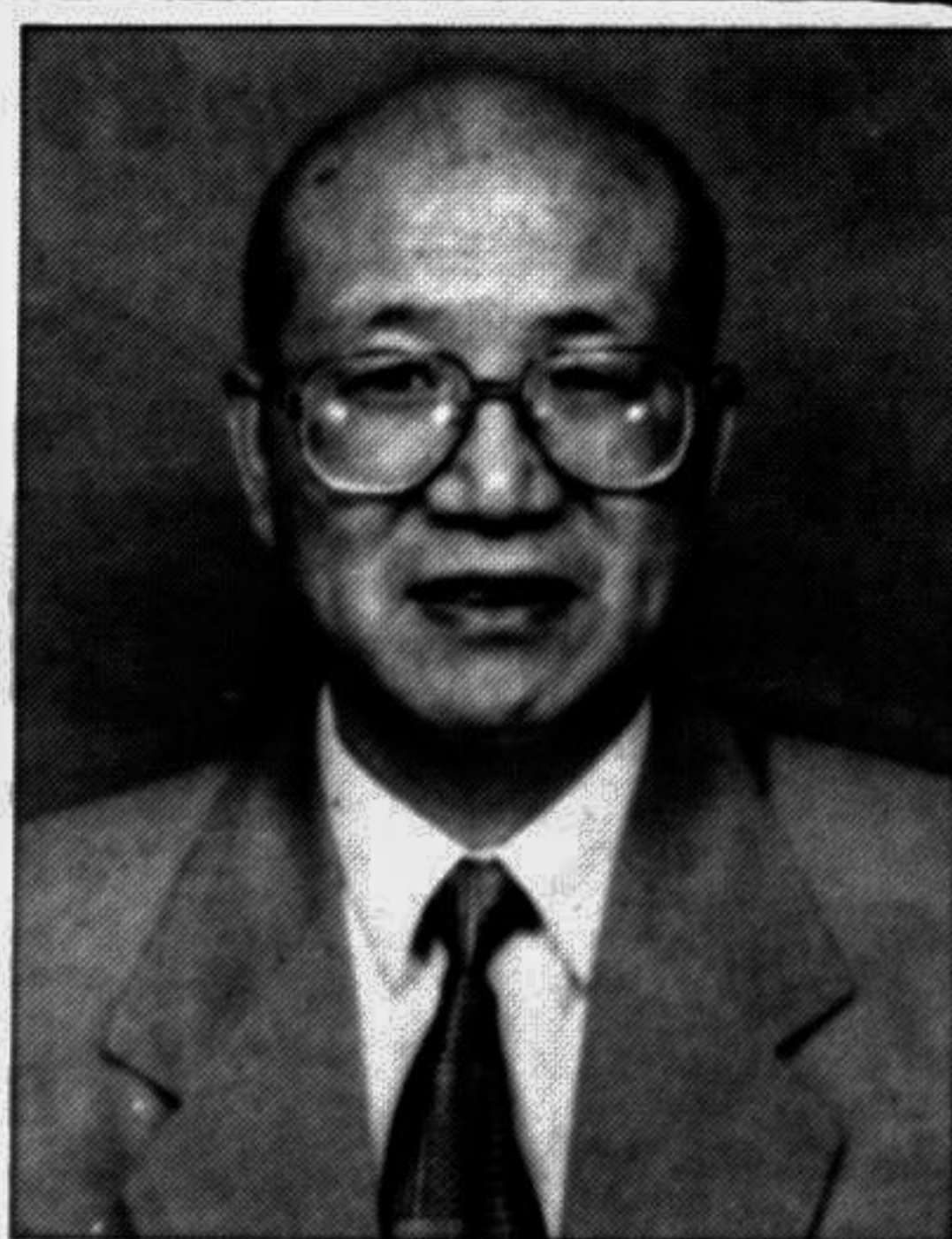
### MESSAGE

OCTOBER 1 this year marks the 47th anniversary of the founding of the People's Republic of China. On this auspicious occasion, all Chinese people around the world are celebrating this great day through holding all kinds of functions and activities. We'd like to share our enjoyment and happiness together with our friends in Bangladesh.

The birth of New China on October 1, 1949 turned a new page in China's history. Over the past 47 years, great changes have taken place in China. The year 1979 ushered in a new historical period of reform and opening-up and modernization drive all over China. Concentrating all our efforts on building up our national economy, we have gradually established the system of the socialist market economy and have promoted the sustained, fast and healthy development. China's aggregate strength has been considerably bolstered and our people's living standards have markedly improved. In the past 5 years, the country scored an average annual growth of 12 percent. GNP reached 5.76 trillion Yuan (US\$ 694 billion) in 1995. During the period, China's total value of foreign trade exceeded US\$1 trillion. More than US\$ 160 billion of foreign capital poured into China, of which direct foreign investment accounted for 70 per cent. By the end of 1995, the foreign exchange reserves reached US\$ 73 billion. In 1995, China produced 94 million tons of steel, 465 million tons of grain, 149 million tons of petroleum, 1.3 billion tons of coal and a trillion kWh of electricity. A speedy expansion of telecom industry has resulted in 5 telephones for every 100 people. Facts have shown that since we initiated the policy of reform and opening-up, China has witnessed unprecedented economic development, substantial improvement in quality of people's life and political stability.

From the beginning of this year, the Chinese Government has taken vigorous measures to further deepen our reforms and opening-up, and first priority has been given to financial, infrastructure and state-owned enterprises sectors. We have achieved sound results. In the first half of this year, a bumper summer harvest, steady industrial manufacturing and minor inflationary pressure helped China rack up a 9.8 per cent year-on-year rise in its GDP and hit 2.98 trillion yuan (US\$ 358.5 billion). The per capita income of urban residents chalked up an inflation-adjusted year-on-year rise of 4.2 per cent. That of rural residents was up 11 per cent. Grain production was 110 million tons or a year-on-year rise of 3 per cent. Industries chalked up a steady growth of 13.2 per cent and gained a value-added output of 909.8 billion yuan (US\$ 109.6). Foreign trade totalled US\$ 127.24 billion, up a marginal 0.6 per cent from the same period last year. But this year many areas of China were severely hit by unprecedented torrential floods and typhoons which caused heavy loss to lives and property. The government has allocated large amounts of funds and resources to the floods afflicted areas. Now the people in the areas are rebuilding their home.

This year has witnessed steady development of Sino-Bangladesh friendly relations and cooperation. Leaders of both countries exchanged visits from time to time. Her Excellency Madam Qian Qunying, Vice Chairman of the National Committee of Chinese People's Political Consultative Conference, His Excellency Li Gen, Kui Pullin, Deputy Chief of General Staff of PLA HQ visited Bangladesh respectively. Her Excellency Sheikh Hasina, Prime Minister of the People's Republic of Bangladesh, paid an official state visit to China from September 12 to 16, 1996, at an invitation from His Excellency Li Peng, Premier of the State Council of the People's Republic of China. His Excellency Mr. Abdus Samad Azad, Minister of Foreign Affairs, Her Excellency Begum Matia Choudhury, Minister of Agriculture, Food, Disaster Management and



Relief some MPs and a large number of Bangladesh high officials accompanied Her Excellency. During the visit, Her Excellency met Chinese President Jiang Zemin and held official talks with Premier Li Peng and got her acquainted with many other Chinese leaders and high officials. The visit was widely covered by Chinese media and Her Excellency is warmly welcomed by Chinese people. The visit was complete success and achieved many results. Both sides signed several agreements on investment protection, avoiding of double taxation, Chinese Government providing soft loan to Bangladesh and mutual economic and trade cooperation. His Excellency Mr. M. A. Hamid, Deputy Speaker head the Bangladesh Parliament delegation attended the 96th International Parliamentary Union (IPU) Conference which was held in Beijing. His Excellency Mr. Farooq Sobhan, Foreign Secretary visited China in July soon after the new government took the office. These visits have further cemented the existing friendly relations and cooperation in such fields as politics, economy, culture, military, etc. The two countries have been sympathizing, supporting and cooperating closely with each other on many major international issues. The consultation and cooperation at various levels have been strengthened. Economic and trade cooperation between our two countries will be consolidated further and develop in strength.

May Bangladesh enjoys prosperity and its people well-being.

**Zhang Xujiang**  
Ambassador  
of the People's Republic of China to Bangladesh

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