



Build up in an all-round way the internal dynamism of China's economic development

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OVER the past year, the world economy has experienced the most severe challenge since the Great Depression. This unprecedented global financial crisis has taken a heavy toll on the Chinese economy. Yet, we have risen up to challenges and dealt with the difficulties with full confidence. And we have achieved initial results in our endeavor.

We have arrested the downturn in economic growth. In the first half of this year, China's GDP grew by 7.1 percent, investment expanded at a faster pace, and consumption maintained fast and steady growth. Domestic demand played a stronger role in

driving the economy forward. From January to July, 6.66 million new urban jobs were created, income of urban and rural residents increased, and overall social stability was maintained. We effectively managed fiscal and financial risks and kept budget deficit and government debt at around 3 percent and 20 percent of the GDP respectively. Banks' asset quality and ability to fend off risks were improved. At the end of June, the NPL ratio of commercial banks was 1.8 percent, down by 0.64 percentage point from the beginning of the year, and capital adequacy ratio stood at 11.1 percent.

However, the international financial crisis has inflicted far-reaching impact on the world economy, and the world economy is undergoing profound changes and transition. The future and

destiny of all countries are more closely interconnected than at any time in history. We should be more forward-looking and more broad-minded. To promote world harmony and prosperity, I propose that we make concerted efforts in the following areas:

First, tackle climate change. Climate change is a common challenge confronting the entire mankind. Each and every country, enterprise and individual should assume a due share of responsibility in meeting the challenge. China takes this issue very seriously. We have developed the national program on tackling climate change, increased resources for scientific research and taken aggressive steps to adjust the industrial structure with a view to saving energy and reducing pollutants. Through three years of hard work, our energy consumption per unit of GDP has dropped by 10%, and SO₂ and COD emissions declined by 9% and 6.6%. Further steps are being

taken to cut greenhouse gas emissions. Stronger international cooperation is crucial for addressing climate change. It is important for us to conduct extensive dialogue and practical cooperation in line with the principles and provisions of the United Nations Framework Convention on Climate Change and its Kyoto Protocol. We should take into full account the basic national conditions, stage of development, historical responsibility and per capita emission of different countries in carrying out such cooperation and uphold the framework of sustainable development and the principle of "common but differentiated responsibilities". Developed countries should recognize their historical responsibility as well as their high per capita emissions, substantially cut greenhouse gas emissions, and extend financial, technological and capacity-building support to developing countries in their effort to tackle climate change. Developing

countries, on their part, should exert themselves and make positive contributions to the fight against climate change.

Second, oppose trade and investment protectionism. Protectionism will only delay world economic recovery and ultimately hurt the interests of the businesses and people of all countries. With the shadow of the global financial crisis still lingering, the international community must not waver in its resolve or slacken its efforts against protectionism. It is all the more inadmissible to say one thing while doing just the opposite. We must guard against and redress all forms of covert protectionist activities. As an active participant in economic globalization, China will never engage in trade or investment protectionism. We mean what we say and we honor our word with real action. For example, we sent several trade and investment promotion missions to Europe and the United States in the raging times of the financial crisis to purchase



Beijing night view

goods and boost investment cooperation. We have kept our commitment and we look forward to joint actions from all other countries.

Third, promote sustainable recovery of the world

economy. The impact of the crisis is as strong as ever and is unlikely to disappear anytime soon. A nascent economic recovery needs our care, just as a green shoot needs sunshine and

water. Countries should increase consensus, strengthen coordination of macro-economic policies, pursue responsible fiscal and monetary policies that

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China issues six measures to assist developing countries

SIX measures to assist developing countries, in agriculture, food aid, education and training, health, clean energy, debt exemption, zero-tariff treatment and other fields were recently issued by the Ministry of Commerce (MOFCOM), along with departments such as the Ministry of Foreign Affairs, the National Development and Reform Commission (NDRC) and the Ministry of Culture.

The main contents of the measures are as follows:

- Assistance in the field of agriculture. Over the next five years, China will double the number of agricultural technology demonstration centers it helps to construct for developing countries to 30, and double the number of Chinese agricultural experts and technicians dispatched to developing countries to 2,000. Meanwhile, China will offer agricultural training opportunities in China to 3,000 personnel including officials and technicians involved in fields such as agricultural

management, crop-planting, fisheries and animal husbandry.

- Donating 30 million U.S. dollars to the United Nations (UN) Food and Agriculture Organization (FAO) to establish a trust fund assisting developing countries to carry out projects and activities enhancing agricultural productivity. Since the Ministry of Agriculture signed a general agreement on a 30 million U.S. dollars trust fund with the FAO on March 24, 2009 in Beijing, China has completed dona-

tion work worth 10 million U.S. dollars for 2009. The funds will mainly support "South-South Cooperation" projects under the framework of the FAO's "Special Program for Food Security," human resources training and other projects.

- Increasing grain exports and aid to countries facing food shortages. In the future, China will, within its capacity, continue to arrange grain exports and prioritize exports to developing countries facing food shortages

and increase donations to the FAO. Meanwhile China will continue to provide humanitarian food aid overseas through bilateral channels, and implement cooperation projects to help recipient countries enhance grain production capacities.

- In the fields of education and health, over the next five years, China will offer 10,000 extra scholarships to students from developing countries to study in China, and specially train 1,500 principals and teachers for African

countries. China will supply an appropriate number of doctors and medical equipment for 30 hospitals that it has helped build in African countries, and train 1,000 doctors, nurses and managerial personnel for recipient countries.

- Exempting outstanding interest-free loans due at the end of 2008 for the least developed countries, and offering zero-tariff treatment for 95 percent of goods from relevant least developed countries. To date, China has signed debt

exemption agreements with 49 countries and exempted 374 default debts. According to this new measure, the Chinese government will continue to exempt default debts arising from interest-free loans for 13 least developed countries.

- In the clean energy development and utilization and environmentally sustainable development field, over the next five years, China will assist developing countries construct 100 small-scale clean energy projects involving

small hydropower stations, solar energy and methane to support recipient countries to develop recyclable energy sources, improve production and living conditions and promote environmentally sustainable development. At present, China is formulating a plan to assist countries in the Greater Mekong sub-region construct methane-generating pits for 1,500 rural households, and will complete research and feasibility studies by the end of 2009.

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60th National Day

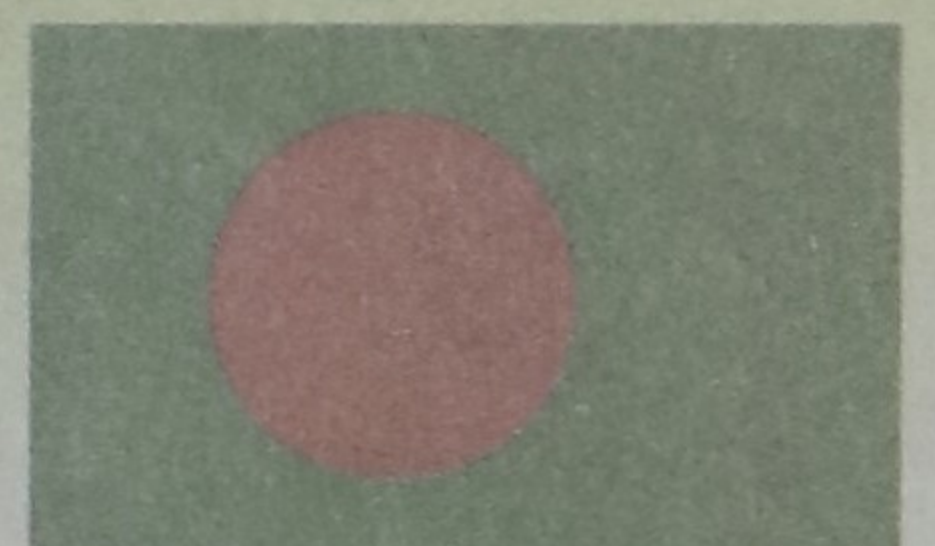
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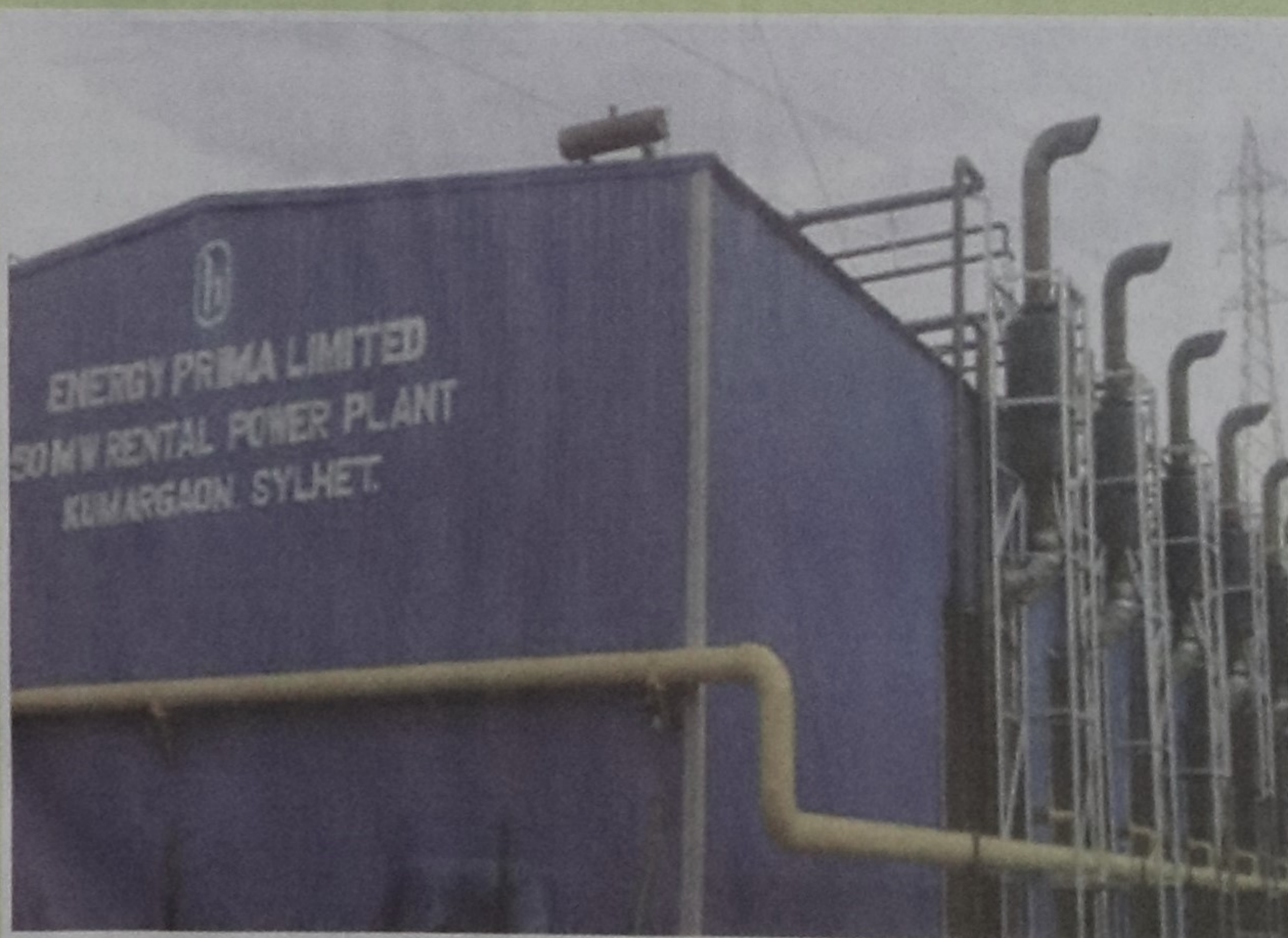
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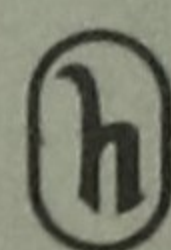
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