Welcome! The Center for US-China Policy Studies (CUSCPS) is a research unit based in the College of Behavioral and Social Sciences (BSS) at San Francisco State University. The Center seeks to advance knowledge of China and deepen understanding of US-China relations. It promotes research, teaching, training, and outreach on US-China domestic and international policy issues in all areas. It provides policy research, data collection, analysis, and consultation to interested government agencies, non-profit organizations, community groups and businesses. It facilitates academic exchange and serves as a bridge and a base for collaboration between the college and the university and any other institutions or organizations, particularly in China. Please contact us at cuscps@sfsu.edu if you would like to make a connection with us.

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International/ Regional Issues

Global Times Opinion Piece Highlights Importance and Downsides of Sino-U.S. Ties

BEIJING, Sept. 5 - An opinion piece in the Global Times described the Sino-American relationship as “a top priority for a long period of time” and “the most vital bilateral tie” in China’s foreign policy. The piece noted that China’s “development strategy, national reunification, and cultural progress and rehabilitation, are all subject to the influence of existing Sino-US relations.” While describing the Sino-American relationship as an interdependent, competitive one, the piece also labeled the U.S. as the main “external hurdle to China’s national reunification” and a “main obstacle to the settlement of the Taiwan issue.” It further described the U.S. as causing problems for China’s national unity with “some political forces in the U.S.” often instigating and supporting” independence minded peoples. Finally, the article pointed to American culture as “a big challenge and pressure” on Chinese culture (Source: Global Times).
China Opposes Sanctions on Iran and North Korea

BEIJING, Sept. 5 – Addressing Reuters and other foreign media, Chinese Premier Wen Jiabao warned that sanctions against Iran and North Korea could increase tensions. He reiterated China's preference for discussion, saying that “resolving the two nuclear issues requires committed diplomatic efforts” and that “the parties involved should be cautious about moving toward sanctions” (Source: Reuters).

Chinese Premier Wen Jiabao Highlights Value of Sino-Japanese Ties

BEIJING, Sept. 6 – Meeting with a delegation from the Japan-China Economic Association, Chinese Premier Wen Jiabao noted the importance of the Sino-Japanese trade relationship and the value of improving bilateral economic and trade relations. He welcomed Japanese business involvement in China and called on both countries to properly handle bilateral relations. Wen observed that China is willing to work with Japan on the basis of the three Sino-Japanese political documents, “taking history as a mirror,” and looking to the future (Source: Xinhua).

If elected as Prime Minister, Japanese Chief Cabinet Secretary Abe will Set Up Summit with Beijing

TOKYO, Sept. 7 – Speaking to reporters at the official start of the Liberal Democratic Party's presidential campaign, Chief Cabinet Secretary Shinzo Abe said he would try to hold bilateral summit meetings with China if he became prime minister. Abe would not, though, commit to staying away from the Yasukuni Shrine or describe Japan’s wartime behavior as aggressive (Source: The Japan Times).

Chinese naval ships visit Pearl Harbor

BEIJING, Sept. 7 - Two Chinese warships sailed into Pearl Harbor as hundreds of Chinese well-wishers waved Chinese and American flags from a pier and shouted greetings of "Huanying!" or "Welcome!" The Qingdao, a guided missile destroyer, and the refueling tanker Hongzehu are the first Chinese navy vessels to call on a U.S. state in six years. U.S.-China military relations have been improving recently as U.S. leaders cautiously seek to increase exchanges and better understanding of China's military as it is rapidly modernizing. A large red banner with the words "Promote Sino-American friendship, maintain world peace" festooned the side of the gray-hulled vessel (Source: Chinanews.cn)

Chinese Premier Wen Jiabao to Visit Tajikistan for 1st Visit in 14 Years

BEIJING, Sept. 7 – Chinese Premier Wen Jiabao will visit Tajikistan, the 1st visit at the Prime Ministerial level since the two countries established diplomatic relations. The Chinese Foreign Ministry described Wen's visit as having a significant impact on bilateral relations and geared towards “deepening China-Tajikistan neighborly friendship, beefing up the trade cooperation, and crackdown on ‘three evil forces’ of separatism, terrorism, and extremism.” Taking advantage of his visit to Tajikistan, Wen also will attend the 5th Meeting of Prime Ministers of the Member States of the Shanghai Cooperation Organization (Source: Xinhua).
Chinese Premier Wen Jiabao to Seal “Sweeping Deals with Europe”

BEIJING, Sept. 7 - According to the Chinese Foreign Ministry, Chinese Premier Wen Jiabao will sign a number of comprehensive deals when he visits Finland, Germany, and the United Kingdom. These agreements will concern trade, investment, energy, education, youth exchanges, and the Olympics. Wen also will discuss issues of mutual concern when he meets with leaders in these countries. While in Finland, Wen will attend the ninth China-EU summit and the sixth Asia-Europe Meeting (ASEM), which China plans to host in 2008. The Foreign Ministry stated that ‘Wen’s visit will strongly push the China-Europe strategic partnership” (Source: Xinhua).

Politics

Chinese government takes accountability measures for environmental protection

BEIJING, Sept. 7 - China State Environmental Protection Administration (SEPA) and Ministry of Supervision (MOS) jointly released a list of governments that have not performed their duty of administration over polluting enterprises. Xin'an County Government, Henan Province and Jinhua Municipal Government, Zhejiang were both on the list for their policies protecting local enterprises from environmental inspections. The release of this list shows the central government determination in environmental protection (Source: Chinanews.cn).

New rules on news release by foreign news agencies in China

Sept. 10 - Xinhua News Agency on Sunday promulgated the Measures for Administering the Release of News and Information to regulate the release of news and information by foreign news agencies in China and the subscription of such news and information by users in China in accordance with national laws, administrative regulations and the relevant regulations of the State Council. With 22 articles, the Measures go into effect as of the date of promulgation. According to the Decision of the State Council on Establishment of Administrative Licenses for Items Subject to Administrative Examination and Approval That Need to Be Retained, foreign news agencies shall be subject to approval by Xinhua News Agency for releasing their news and information in China, and shall have entities designated by Xinhua News Agency act as their agents. Foreign news agencies shall not directly solicit subscription of their news and information services in China (Source: Xinhua).

Economy

China to Push for Lower Commodity Prices

BEIJING, Sept. 1 - Wei Jianguo, a vice-minister for commerce, recently remarked that China would establish negotiating groups “as soon as possible” covering oil, alumina, and copper in the wake of having formed an iron ore negotiating group in 2005. China believes its importance as a consumer should entitle it to some say over commodity prices and it still smarting from the large 71 per cent annual increase in the price of iron ore that occurred 2005. Some analysts noted that China was just doing what other major consuming had been doing
Multinational Corporations in China are Struggling to Retain Staff

LONDON, Sept. 1 – Studies by Manpower and Mercer Human Resource Consulting show that multinational firms (MNCs) in China are having a difficult time retaining staff and indicate that such difficulties are making it hard for MNCs to generate the sales and growth that they are targeting (Source: Financial Times).

China’s Economy Dominated by Large Enterprises

BEIJING, Sept. 2 – The China Enterprise Confederation and China Enterprise Directors Association released a report revealing that China’s top 500 companies achieved revenues accounting for more than 75 percent of GDP. The number one Chinese enterprise was Sinopec with the State Grid, the China National Petroleum Corporation, the Industrial and Commercial Bank of China, and China Mobile following. While the total profits of the top 500 enterprises reached nearly $80.5 billion, the profit capabilities of most Chinese firms remain low with the best performances occurring in the petrochemical and gas extraction sectors (Source: Xinhua).

Chinese Banks Making Progress

BEIJING, Sept. 4 - China’s chief banking regulator Liu Mingkang observed that China’s banks were making good progress in enhancing their risk management and corporate governance systems, but that it would take years for China to complete its bank reforms. Liu specifically stated, “I’m very confident about China’s future and the banking sector...We are proud of what we have achieved in the past three years.” Liu estimated it would take until 2012 until China’s banks achieved full international standards (Source: Reuters).

China’s Overseas Investment topped $10 billion for the 1st Time in 2005

BEIJING, Sept. 5 - China’s FDI abroad, which excludes investment in the financial sector, ran approximately $12 billion in 2005, exceeding $10 billion for the first time. Much of the investment came from the reinvestment of profits with mergers and acquisitions accounting for half of China’s FDI abroad in 2005. A notable amount of investment went to tax havens like the Cayman Islands, Hong Kong, and so on. Data indicate Chinese limited-liability corporations are more active than state-owned companies in investing abroad. Of note, Zhejiang Province had the highest percentage of companies investing abroad. The companies that are investing are primarily involved in manufacturing, wholesale and retailing, and lease and construction.

China Calls for “Early Resumption” of Stalled WTO Doha Talks

BEIJING, Sept. 5 - Meeting with the Director General of the World Trade Organization (WTO), Pascal Lamy, Chinese Ministers called for “an early resumption” of the stalled Doha negotiating round of the WTO. Beijing emphasized its success in fulfilling its WTO obligations while calling upon developed countries to spur talks through more concessions. Chinese Commerce Minister Bo Xilai told Pascal Lamy that “we need the developed countries to take the lead in making substantial concessions in order to create conditions for the quick resumption of negotiations.” Mr. Lamy responded that China had been an “active participant” in Doha and encouraged it to
China Aims to Build Biotech Industry

BEIJING, Sept. 6 - China seeks to become one of the world’s leading biotechnology players by 2020. Zhang Yaping, a member of the Chinese Academy of Sciences, stated that China was aiming to generate almost 5 percent of its GDP ($250 billion) from the biotechnology sector by 2020. The guidelines on national medium and long-term programs for science and technology development list the biotechnology industry as one of the key areas for China's science and technology development in the next 15 years. Towards this end, China already has established 5 large biotechnology facilities in cities such as Beijing, Xi'an, and Tianjin (Source: Xinhua).

China Ranks 4th out of 175 Nations as a Place to do Business

Sept. 6 - The World Bank and the International Finance Corporation, an arm of the World Bank, ranked China 4th out of 175 nations for its efforts to increase the ease of doing business in China. The report stated, “China has implemented reforms to speed up business registration and trading, eased access to credit, and improved the protection of investors, making it the top performer in the region and the fourth best worldwide.” The report, though, does not take into account macroeconomic policy, quality of infrastructure, or crime (Source: Xinhua).

Asian Development Bank Raises Growth Forecasts for China

Sept. 6 - The Asian Development Bank’s most recently published report on the Asia-Pacific economic situation upped the forecast for China’s growth in 2006 from 9.5 to 10.4 percent. The ADB also revised its estimate for 2007 for China from 8.8% to 9.5%. The ADB’s forecast is based on the assumption that government efforts to contain rampant spending in areas like construction and lending will have only minor effects (Source: BBC News).

China’s Textile Sector Hit by Improving Chinese Currency

BEIJING, Sept. 8 - The Chinese textile industry is worried about future increases in the value of the Chinese currency, which have the potential, even if only small rises are involved, to erase all profits. This is because average profit margins in the textile industry are only 3-5%. So far exporters have dealt with the added cost of a rising currency by passing it along in the form of high costs to consumers. This is not a problem, it seems, so long as the appreciation of the renminbi is gradual. Nevertheless, the appreciation of the yuan will cause some textile and garment firms considerably difficulties while at the same time helping to deflect pressures in other countries for anti-China textile import measures (Source: Asia Times).

Society

The last Ming village in China

BEIJING, Sept. 4 - According to Beijing Science Weekly, a village in Anshun, Guizhou Province, is found keeping the life style and customs of the Ming Dynasty. The villagers call themselves Tunpu people, and the name came from their origin. Tunpu is a very precious living fossil of Han-Chinese culture, and even one of the most precious legacies of
the Ming Dynasty, as it will play an important part in the studying of history.

In the beginning of the Ming Dynasty, about 1381, Zhu Yuanzhang, the first emperor of Ming, started an expedition of an army with more than 300 thousand soldiers to Guizhou to eradicate the remnants of the overthrown Yuan Dynasty. The army was left in Guizhou after the expedition, and the families of the soldiers were sent to Guizhou, too. The places where the army was stationed were called "tun" (meaning "barracks" or "stations" in Chinese), and where their families lived were called "pu" (meaning "villages" or "towns" in Chinese), thus their offspring started to put the two words together as their names.

Tunpu people have a very strong sense of superiority of their culture and their identity. They live a unique Ming-style life in a world of their own, and observe customs that have survived the elapse of 600 years. Though they are considered to be the last remains of Ming lifestyle and culture, in fact, Tunpu people have taken in many characteristics of people of various ethnic groups in Guizhou, too, not to mention the new cultural features they have created themselves (Chinanews.cn).

**Nearly ten thousand ethnic folk art organizations in China**

BEIJING, Sept. 6 – Everyone who has been to China must have been impressed by its various and colorful ethnic folk arts, like the bold and unrestrained songs and dances of the Mongolians, graceful peacock dances of the Dai people, the folk opera in the Yangtze River Basin, etc. However, one might not know that there are thousands of ethnic folk art organizations, without which it would be impossible to pass on these precious cultural legacies from generation to generation. According to the Ministry of Culture, there are 9,771 ethnic folk art organizations with more than 60 thousand members, including 525 art ensembles (Chinanews.cn).

**Other**

*The Editors have prepared this newsletter using publicly-released media and research accounts that are believed to be reliable. The Editors, the CUSCPS, and San Francisco State University do not guarantee their accuracy and any such information should be checked independently by the reader.*

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