



President Xi Jinping addresses a symposium marking the fifth anniversary of the Belt and Road Initiative in Beijing on August 27 (XINHUA)

Belt and Road turns five

Cooperation and growth characterize the first five years of the initiative

By Xinhua News Agency

Five years ago, in the autumn of 2013, Chinese President Xi Jinping proposed the building of the Silk Road Economic Belt during a visit to Kazakhstan and the 21st-Century Maritime Silk Road while in Indonesia, which have collectively become known as the Belt and Road Initiative.

The initiative serves as a solution for China to participate in global opening up and cooperation, improve global economic governance, promote common development and prosperity, and build a community with a shared future for mankind, Xi said at a symposium marking the fifth anniversary of the Belt and Road Initiative in Beijing on August 27.

He called for efforts to uphold dialogue and consultation, joint contribution, shared benefits, win-win cooperation, exchange and mutual learning and to promote mutual political trust, economic integration, and people-to-people exchanges with Belt and Road countries in order to advance the initiative step by step to produce results.

As of July, more than 100 countries and international organizations had signed Belt and Road cooperation documents with China, extending the initiative's scope from the Eurasian continent to Africa, Latin America and the Caribbean, and the South Pacific.

China's total trade with countries along the Belt and Road in the past five years exceeded \$5 trillion, with annual average growth of 1.1 percent, according to Qian Keming, Vice Minister of Commerce.

"China has become the largest trading partner of 25 of these countries," Qian said at a press conference held by the State Council Information Office in Beijing on August 27.

High-quality development

The next priority for jointly advancing the Belt and Road Initiative is to realize its high-quality development, Xi said at

the symposium. He urged efforts to push for progress in Belt and Road projects, especially those delivering real benefits to local people, and to keep expanding the market while maintaining a trade balance.

Also in the past five years, 82 overseas economic and trade cooperation zones have been established in countries along the Belt and Road, with accumulated investment of \$28.9 billion. The zones have attracted nearly 4,000 enterprises, creating \$2 billion worth of tax revenue for these countries and providing 244,000 local jobs, Ministry of Commerce's data showed.

Xi advocated a policy system of financial support for the initiative and encouraged private funding sources to invest in infrastructure and resource development projects in Belt and Road countries.

The construction projects have gone through sound feasibility studies and strict loan reviews, with binding requirements on the proportion of property investment to total investment, asset-liability ratio and capital return, said Ning Jizhe, chief of the National Bureau of Statistics and Vice Minister of the National Development and Reform Commission, during the press conference.

In 2014, China announced that it would contribute \$40 billion toward a Silk Road Fund to support Belt and Road projects. A year later, the Asian Infrastructure Investment Bank, a China-initiated multilateral financial institution, was established.

Xi stressed that investment activities should be regulated and businesses should operate in accordance with laws and regulations, pay attention to environmental protection and fulfill their social responsibilities.

When making investments or financing Belt and Road projects, China always sticks to an economic benefit-oriented approach, extending loans based on the real conditions in the relevant countries, supporting

project construction and avoiding the creation of more debt risks or an increase in the fiscal burdens of host countries, said Ning.

In the first seven months of 2018, Chinese companies raised investment in 54 countries along the Belt and Road. This \$8.55-billion investment represented an 11.8-percent increase year on year.

Before financing a project, Chinese banks always scrutinize the liabilities and repayment abilities of borrowers. After extending loans, they continue to monitor country and sovereign risks, Ning added.

Common development

On August 26, freight train X8044 arrived in Wuhan in central China's Hubei Province from Hamburg, Germany, marking the completion of the 10,000th trip since the China-Europe freight rail service was launched in 2011.

The expanding rail network has become an important part of the Belt and Road Initiative. It transports garments, auto parts, chemicals and other Chinese goods to Europe, while bringing European food, machinery, equipment, and timber products to China.

Xi pointed out that jointly pursuing the Belt and Road Initiative is not only aimed at economic cooperation but is also an important pathway to improving global development patterns and global governance and promoting the healthy development of economic globalization.

In May 2017, Beijing hosted the first Belt and Road Forum for International Cooperation attended by state and government leaders from 29 countries. The more than 1,600 participants came from over 140 countries and 80 international organizations. Overall, the forum produced 279 agreements, among which 265 have been settled and another 14 are being negotiated.

"The broad support for the Belt and Road Initiative shows the aspirations of countries

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involved—developing countries in particular—for peace and development," Xi said, noting that the initiative is a project for economic cooperation and not a geopolitical alliance or military league; it is an open and inclusive process rather than an exclusive bloc or so-called "China club."

Xi said work should be done to boost exchanges in education, science, technologies, culture, sports, tourism, health and archaeology. Under the initiative, China has set up 81 educational institutions and projects as well as 35 cultural centers in countries along the Belt and Road.

"It does not differentiate countries by ideology, nor play a zero-sum game. As long as countries are willing to join, they are welcome," Xi said.

Deeper pockets

China is to raise the minimum threshold of individual income tax to ease the burden on low- and middle-income groups

By Li Xiaoyang



A civil servant with local taxation authorities helps a taxpayer to fill out a form in Fuyang District, Hangzhou, capital of east China's Zhejiang Province, on July 25 (XINHUA)

After sharing a piece of news relating to the raising of the minimum threshold for individual income tax on his social media account, Liu Bo posted that "it gives me courage to live in such a big city."

Working in a public institution in Beijing and earning around 4,200 yuan (\$611) per month, Liu is one of those influenced by the policy. His annual personal income tax expenditure will be reduced to zero once the new amendment takes effect.

On August 31, China's top legislature announced an amendment to the Individual Income Tax Law that will see the minimum threshold for personal income tax raised for the fourth time, from 3,500 yuan (\$510) to 5,000 yuan (\$728) per month. China's classified tax system will also take the first step toward integrating comprehensive tax with classified tax.

The new tax law also covers special expense deductions for items such as children's education, higher education, treatment for serious illnesses, housing loan interest or rent and elderly care, the first time such deductions will be included in China's individual income tax system. The new threshold will go into effect on October 1 and the rest of the amendment will take effect on January 1, 2019.

The amendment will mitigate the tax burden on low- and middle-income groups and improve people's capacity for consumption. "It will stimulate domestic consumption and therefore drive China's economic growth," Cheng Lihua, Vice Minister of Finance, said at a press conference on August 31.

Landmark changes

The 2018 Report on the Work of the Government highlighted the importance of reforming the individual income tax system to reduce the burden on taxpayers. In response to the proposals, the amendment to the Individual

Income Tax Law was added to the agenda.

According to Xu Hongcai, Deputy Chief Economist at the China Center for International Economic Exchanges, China's tax system should be adjusted to solve the problem of income polarization and achieve a more even distribution of wealth.

"There are more measures the authorities can take on tax reduction to expand domestic demand," Xu told *Beijing Review*.

China's Individual Income Tax law was first introduced in 1980, with the minimum threshold set at 800 yuan (\$537). In the years since, the threshold had been raised three times, in 2006, 2008 and 2011. After seven years, the rise of personal incomes has again made necessary an increase of the income tax threshold, so as to ease the burden on low- and middle-income residents.

According to Cheng, the new threshold was set at 5,000 yuan in accordance with statistics that suggest the average per-capita consumption expenditure in Chinese cities and towns is around 4,200 yuan per month in 2018.

The threshold of 5,000 yuan is not fixed and more dynamic adjustments will be made in line with the reform of the individual income tax system and changes to the consumption expenditure of residents in cities and towns. "It will cover per-capita consumption expenditures and give more freedom to consumption growth," Cheng said.

China has also initiated the reform of the classified tax system. A prominent defect of the original system is that people's income from different sources is taxed separately under different items, according to Zhang Bin, Director of the Tax Research Office of the National Academy of Economic Strategy, Chinese Academy of Social Sciences (CASS), in an interview with *People's Daily*.

"Under the current system, those with lower salaries but higher total earnings may pay less

tax than those who earn the same amount with one job. In the interests of fairness, a new tax system combining comprehensive tax with classified tax would be more appropriate," said Zhang.

With the changes to be put into practice in less than a month, relevant sectors are faced with various challenges. The administration is moving faster to formulate supporting policies, update information systems, train personnel and optimize resource allocation, said Liu Lijian, chief auditor of the State Administration of Taxation, at the news conference.

Further efforts

Benefits aside, the changes to the tax system have generated concerns over the decline of fiscal revenue. Official data shows that the number of Chinese taxpayers decreased from around 84 million to 24 million in 2011 when the minimum threshold for individual income tax was raised from 2,000 yuan (\$291) to 3,500 yuan.

According to Cheng, following the new policy, the proportion of individual income taxpayers among Chinese workers in cities and towns will decrease from 44 percent to 15 percent. After the changes take effect, Chinese fiscal revenue will be cut by about 320 billion yuan (\$46.58 billion) a year.

However, it should be noted that the decrease of low- and middle-income taxpayers will be accompanied by an increase in high-income taxpayers.

Wang Jianfan, head of the Department of Taxation of the Ministry of Finance, pointed out that the number of high-income Chinese taxpayers will increase due to economic growth and the improvement of the income distribution system. "Individual income tax will become an even more significant contributor to total tax revenue," Wang said. According to Wang, China will not see a remarkable decline in its fiscal revenue, with a more appropriate tax system where the major taxpayers come from the high-income group.

The amendment is a marker of significant progress for China's tax system, while more efforts are still needed for further improvement. The policy on the deduction of special expenses has posed greater challenges to relevant sectors in terms of developing more sophisticated standards and improving management.

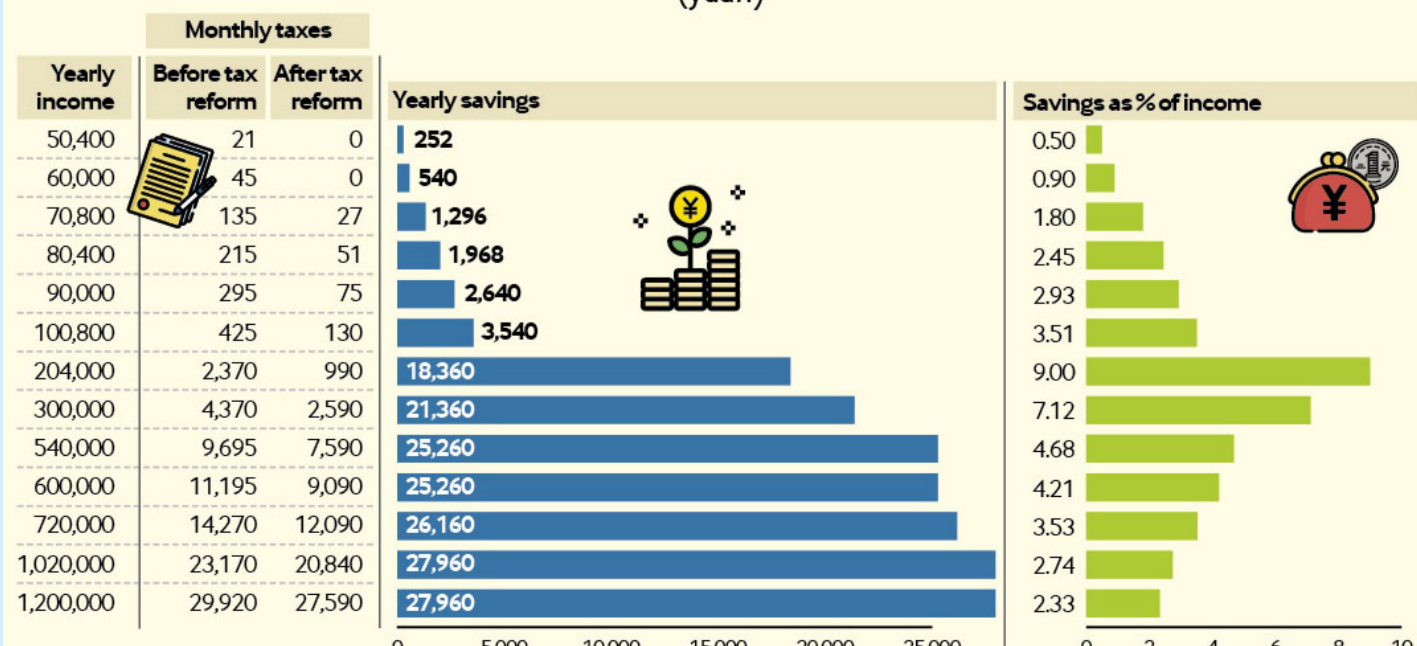
Elderly care is one such example. Yang Zhiyong, a research fellow at the National Academy of Economic Strategy, CASS, pointed out in an interview with 21st Century Business Herald that beneficiaries of special expense deductions need to be classified in a more detailed way and the criteria for who qualifies needs to be better defined.

The possibility remains that tax reductions aimed at boosting consumption could also lead to an increase in saving, particularly for house purchases.

"Residents in big cities could still be burdened by skyrocketing home prices and rent despite the easing of the tax burden," said Ye Yongqing, a partner from King & Wood Mallesons.

How the New Tax Law Will Affect China's Residents

(yuan)



(Source: *People's Daily*; designed by Pamela Tobey)

From rags to riches

A small, dilapidated town transforms itself into the promised land for entrepreneurs

By Wen Qing



The village of Yigao in Zhili Town, Huzhou City, east China's Zhejiang Province, during the Fourth Gucheng Cultural Tourism Festival on January 13 (COURTESY PHOTO)

This pullover is made from 100-percent pure cotton. It is stretchy and comfortable for kids, and is also the latest style this autumn," said Pu Xinquan, Managing Director of the King Boy & King Girl Clothes Co., while introducing a yellow children's hoodie to a customer on August 22 at one of his stores in Zhili, a small town in east China's Zhejiang Province.

Like many other successful business people in the town, Pu did not receive much of an education and started working at an early age. He held many different posts, at one time a carpenter, at another a purchasing and sales clerk at a cement plant. During the 1990s, many people around him began to make a fortune in the children's wear industry. Pu, seeing the huge business potential, took the plunge.

"In 1996, I bought 2 mu (1,333 square meters) of land and six sewing machines to build a small workshop, and started my career," Pu told *Beijing Review*. At first, his small factory was only capable of original manufacturing for clothes companies in Shanghai. "We could only make meager profits in the early days, but we did gain some valuable industry knowledge. After practicing for a few years, I began to dream of having my own company and brand," Pu said.

After two decades of development, Pu's dream came true at last. His family workshop grew into the King Boy & King Girl Clothes Co., which registered sales of around 270 million yuan (\$40 million) in 2017.

Pu's story reflects the leapfrog progress of his hometown, Zhili, which evolved from a small, poor village into a prosperous town with one of the most thriving private economies in China over the four decades since the introduction of the reform and opening-up policy in 1978.

After four decades of development, Zhili has established a complete industry chain of children's wear from design and manufacture, to storage, logistics and retail. "The concentration of related industries in Zhili earned it fame as the capital of China's children's wear sector, a label of immeasurable value to the town's future development," said Sheng.

Zhili's development has also provided opportunities for people from other parts of the country. The town's reputation has attracted 350,000 people from across China. For Cao Miaohong and his wife, who come from east China's Anhui Province, Zhili has become their second home. "My wife and I work as sewing machine operators at a children's wear factory where we can earn 160,000 yuan (\$23,000) a year with a three-month holiday," Cao said. The influx of people has in turn provided rich human resources for the further development of the industry in Zhili.

Brand building

Despite its success, Zhili's entrepreneurs are not about to rest on their laurels. In recent years, children's wear businesses have been striving to upgrade themselves by nurturing more famous brands and expanding sales via e-commerce.

According to research provided by the local government, over 80 percent of the profit from one item of children's clothing is generated by design and marketing processes. In 2013, the local government invested 20 million yuan (\$3 million) in the construction of China's first design center for children's wear, which is equipped with supporting facilities such as an independent studio, catwalk and design salons.

"Many small factories used to imitate the styles of other brands as they had no professional design teams, among which Qirui

e-commerce, businesses are aiming to expand their sales through the Internet. With a population of over 3,000, Dahe, a village under the administrative control of Zhili Township, has more than 700 e-commerce companies. Thirty-year-old Ren Kunpeng, from central China's Henan Province, opened an online children's wear store called Mu Le from the village, through which he now sells 4,000 items every day. "I can earn 1 million yuan (\$140,000) a year and many people from my hometown have begun asking me about the possibility of coming over here next year," Ren said.

E-commerce has also provided companies in Zhili with access to foreign markets. Ma Weizhong, Managing Director of B.YCR Kid Co., was among the first to take advantage of cross-border e-commerce to sell children's clothing to foreign markets. Today, the company has an established e-commerce department and its own e-commerce platform. Its products are exported to more than 10 countries and regions, with sales exceeding \$1,500 per day.

In order to conserve resources and focus on design and sales, more and more companies in Zhili are outsourcing their manufacturing. In 2017, 450 million pieces of children's wear were processed outside the town, accounting for 34.6 percent of its total output. This strategy has contributed to the development of other, more economically underdeveloped, areas outside the province, according to Sheng.

Entrepreneurial spirit

The tale of most entrepreneurs in Zhili is one of rags to riches, and they continue to display the hardworking spirit of their roots as they strive to keep pace of rapid development in science and technology. Many, having made major progress in their business ventures, also participate in charity work in an attempt to give back to society.

For 62-year-old Shen Xinfang and his son Shen Xiaoyu, 2017 was an extraordinary year. Their business, the Tony Electronic Co. (Tony Tech), was listed on the Shanghai Stock Exchange. The predecessor to this technology company was a woolen sweater factory founded by Shen and his son in 2001.

"I first came to know about ultra-fine electronic wire in 2005 during a business trip to South Korea. After some research I felt that the industry's prospects were promising, so I decided to test the water," the younger Shen, now General Manager of Tony Tech, told *Beijing Review*.

"Whether to keep on with our woolen sweater factory, which was already producing huge profits, or move into a new industry with zero experience was a critical choice," said Shen Xinfang, who now holds the position of the company's CEO.

Driven by their entrepreneurial spirit, they finally took the plunge and established Tony Tech in 2008. Today Tony Tech has become one of the leading companies in China producing ultra-fine electronic wire, and has built partnerships with Apple, Siemens and other major international companies as their core supplier.

"Entrepreneurs should not only think about making profit. We must also give back to society," said Pan Axiang, CEO of Axiang Group. An illiterate former farmer, Pan's success story is inspiring. Although he cannot read or write, he watches political and economic news broadcasts on television every day to gain a better understanding of national policies, a habit which has helped him find many new business opportunities.

In the late 1990s, answering the government's call to develop the telecommunication industry, Pan acted quickly and built a small cable factory, which went on to become the basis of his business conglomerate.

Carefully marrying national policy with the needs of the market has been the key to Pan's success. Today, his Axiang Group has expanded to include business ventures in aluminum alloy, linen and textiles, and equipment manufacturing, with sales of 3 billion yuan (\$400 million) in 2017.

Increasing in tandem with Pan's business success are his philanthropic projects, and he has donated 80 million yuan (\$11 million) to charity in recent years. "We entrepreneurs have benefited a lot from society, and we must give back," he said.



Students from Zhili Experimental Primary School learn emergency techniques at a science and culture center on August 31, 2017 (COURTESY PHOTO)

Children's wear capital

Zhili, a small town located in Huzhou, has long been known as the center of China's children's wear industry. There are around 13,000 companies producing 1.3 billion pieces of clothing in the town every year, which equates to more than 50 percent of China's children's clothing. In 2017, Zhili's total GDP reached 20.3 billion yuan (\$3 billion).

Yet in the 1970s it was a rundown village where the local people struggled to eke out a basic existence. "At that time, Zhili was known as a backwater due to rapid population growth and limited arable land," said Wu Zhiyong, Secretary of the Communist Party of China Wuxing District Committee in Huzhou.

Zhili remained this way until the implementation of reform and opening up in 1978. People in the town quickly responded to the new opportunities presented by the free market by promoting embroidered products such as pillowcases across China, a traditional local industry that had withered during the planned economy era.

In the mid-1980s, those with a sharp business mind switched to children's wear, an industry in which the profits were much bigger. "Every household could become a small family workshop as long as it had a sewing machine," Wu noted. The children's wear industry boomed in Zhili throughout the 1990s following Deng Xiaoping's speeches on his tour of the south in 1992, in which he called for local governments to take more measures to deepen economic reform.

However, development in this period was intensive and haphazard. In many small workshops workers lived, worked and stored materials in the same building. "The first floor was used as the shop, the second and third floors as dormitories and warehouses, which brought huge safety risks," Sheng Ge, Deputy Mayor of Zhili told *Beijing Review*.

Disaster eventually struck. In 2006, two fires broke out resulting in the deaths of 23 people. "It was a painful lesson for our town. From that point on, the government implemented stricter rules requiring factories to separate living and manufacturing," Sheng noted. The Zhili Government took immediate action after the fire and established various industrial production parks, such as the Qi Long Industrial and Innovation Park, which not only effectively separated worker's living and manufacturing spaces, but also provided room for small factories to expand in size and capacity.

& Deze was a prime example. But imitation meant that these companies lacked clear positioning and style," Ye Fangping, Operation Manager at the design center, told *Beijing Review*.

After the establishment of the center, more than 20 design teams with 240 resident designers moved in. "Our center cooperates with different companies with various business models. Small companies come to buy templates directly. For companies with their own design capacity, they cooperate with us to develop multiple series," Ye said.

Through efforts to improve their design capability, many companies have succeeded in building distinguishable brands. The clothes of Qirui & Deze are now defined by cotton and linen materials in pastoral style, according to Ye.

The Zhili Government is also planning various measures to help companies enhance their comprehensive strength and competitiveness. It is set to establish a China Children's Wear College in cooperation with Hangzhou Vocational and Technical College, aiming to cultivate talent for the Zhili children's wear industry.

Besides improving design capacity, companies are also making efforts to upgrade their marketing methods. With the rise of



Technicians use optical microscopes to observe materials in the workshop of the Tony Electronic Co. in Zhili in 2017 (COURTESY PHOTO)

From farmland to wonderland

The rise of the Pudong New Area

By Yuan Yuan



The Huangpu River divides Shanghai into Pudong and Puxi (XINHUA)

The Huangpu River, winding through Shanghai, separates the city into an east and west section called Pudong and Puxi, respectively. Although both are part of the same city, they grew at totally different speeds in the past.

"Before the development of the Pudong area, when we went to Puxi, we all would say we went to Shanghai because we didn't think Pudong belonged to Shanghai at all," Wang Pengcheng, a local from Pudong, said. "People in Puxi called Pudong the countryside. The gap between the two sides was huge. At night, Puxi was always brightly lit, while Pudong was covered in darkness except for several dilapidated street lights."

Looking across from The Bund in Puxi, Pudong was a vast land with low-rise houses and tracts of farmland. The only transportation linking the two sides was a ferry system.

This all began to change on April 18, 1990, when, as part of the continued reform and opening-up process, the Communist Party of China (CPC) Central Committee and the State Council decided to develop the Pudong area and named it Pudong New Area. By then, China's reform and opening up had been carried out for more than 10 years. Pudong was somewhat of a late passenger boarding the reform and opening-up express train. But its development has been extraordinary.

Meanwhile, the Shanghai Municipal People's Congress and the Shanghai Municipal Government issued some 20 laws and regulations to attract foreign investment. For local enterprises, since December 2015, the State Council released a series of policies largely streamlining administrative procedures.

"In the past 28 years, Pudong's GDP has snowballed from 6 billion yuan (\$874 million) in 1990 to 965.1 billion yuan (\$140.8 billion) in 2017 and is expected to surpass 1 trillion yuan (\$146 billion) in 2018. Its weight of Shanghai's GDP has increased from about one 12th to one third," said Weng. "Pudong is now the city's growth engine."

At the same time, Pudong's government revenue grew from 1.1 billion yuan (\$160.5 million) in 1993 to 393.8 billion yuan (\$57.47 billion) last year, and the per-capita disposable income of urban and rural residents rose to 60,715 yuan (\$8,860) in 2017, higher than Shanghai's average of 58,988 yuan (\$8,609), Weng added.

Rich in every aspect

Pudong is not satisfied with its role as the financial center of the city and is now paying special attention to upgrading its public services and cultural status.



Shanghai Waigaoqiao Bonded Logistics Zone (COURTESY PHOTO)

Paving the way

On May 3, 1990, the Pudong Development Office of the Shanghai Municipal Government and the Shanghai Pudong Development Planning Research and Design Institute were set up in a two-story building at No.141 Pudong Avenue. The first floor, which used to be a warehouse, was renovated into a meeting lobby, while an office was set up on the second floor with four desks, four chairs and four stools. Conditions at the time did not allow the staff to have their own separate desks; they had to share and each person could only have one private desk drawer.

Today, the office is on display at the Exhibition of the Opening Up of Pudong, along with No.1 Lannidu Road. With constant tides from the Huangpu River, this road was always covered with water and pedestrian traffic kept it muddy. In fact, lannidu in Chinese means muddy ferry place. In the 1970s, this area was packed with shacks and illegal structures; the houses were low and damp with clothes hanging randomly outside.

It was this area that was targeted to be the central area of the Lujiazui Financial and Trade Zone, the first of its kind in China. The transformation happened almost overnight. All the shacks and illegal structures were pulled down to make room for the rise of a vast array of skyscrapers. The muddy road was renamed Silver City Middle Road, leaving no hint of its messy past.

Weng Zuliang, Party Secretary of Pudong New Area, divides the development of Pudong into three phases. The first, between 1990 and 2001, was the fast development phase, with a lot of infrastructure construction and the series of preferential policies from the Central Government introduced.

The second, from 2001 to 2012, was the comprehensive development phase, with pilot comprehensive reforms carried out and taking the lead in establishing and improving a socialist market economic system in line with international practices.

The third, which began in 2012 and continues today, is the innovative and transformative development phase with the setting up of China's first pilot free trade zone (FTZ), enhancing hi-tech innovation and steering development in a more environmentally friendly direction.

In late 2017, the 22-km coastline on the east bank of the Huangpu River was opened to the public. Along the green promenade, there are 22 stations offering reading areas, WIFI service, sanitation, storage and emergency services for the public.

The industrial heritage along the coast has also been upgraded and renovated. For example, an original coal warehouse has been transformed into an art gallery, where there have already been 13 exhibitions held free for the public.

"Shanghai is rich in culture and art, but all the cultural and art activities were held in Puxi in the past. Pudong was regarded as a cultural desert," said Sun Yu, Deputy Director of the Publicity Department of Pudong New Area. "But we have attempted to change this image in the past few years."

MIFA 1862 Art Center, converted from a 156-year-old shipyard located on Binjiang Avenue of Pudong, now is an avant-garde destination for theater fans. The shipyard was originally built in 1862 and was once owned by British interests. In 1951, it was taken over by Shanghai but sat unused and obsolete since 2005, that is, until MIFA gave it new life.

Its first public event was a modern adaption of Chekhov's *The Seagull*, performed by the Lithuania-based Oskaro Koršunova Teatras. The five-story theater kept the original shipyard pillars and pipelines. The old signs and slogans, though weathered, are still visible.

"Currently, theater performances for the 2018 season are sold out and almost sold out for 2019," said the theater's general manager Li Yan.

"In 2017, there were a total of 27 large open-air concerts with over 10,000 audience members held in China, and nine of them were in Pudong," Sun said. "The Shanghai Opera House is supposed to be established in Pudong by 2020, which will be another iconic venue."

Among the startups incubated in Zhanghai Innopark, established in 1992 in Pudong New Area, there are some cultural and creative companies. The unique atmosphere in Pudong puts fewer restrictions on them, resulting in some becoming giants in their fields.

China Literature Limited is a pioneer in the online literature market and operates a leading online literature platform in the country. Figures from the company show that as of June 30, it had 7.3 million writers, with



The night view of the Pudong Expo Park on March 8, 2015 (COURTESY PHOTO)

Throughout the 1990s, Pudong was like a huge construction site. The Oriental Pearl Radio and Television Tower, now an iconic building in Shanghai, broke ground in July 1991 and was finished in 1995. The 468-meter building was the tallest building in China at that time and was the first skyscraper in Shanghai. Later, this record was broken by the 492-meter Shanghai World Financial Center and currently, the 632-meter Shanghai Tower, all located in Pudong.

In September 1990, the Waigaoqiao Free Trade Zone Development Co., the Jinqiao Export Processing Zone Development Co. and the Lujiazui Financial and Trade Zone Development Co. were simultaneously established, marking a substantive phase in Pudong's development and opening up.

Trendsetter is born

On December 19, 1990, the Shanghai Stock Exchange went into operation, bringing a large number of financial institutions related to the securities industry to Pudong.

"People waited in long lines for the opening of the stock exchange," said Xie Rongxing, a Shanghai local who worked as a trader then and was deeply impressed by it.

some 10.7 million online literary works covering over 200 genres. They have created quite a few works that have been adapted into TV series, films and even computer games.

On November 8, 2017, the company was listed on the Main Board of the Hong Kong Stock Exchange. During the first half of 2018, it had an average of 213.5 million monthly active users on its platform and self-operated channels on partner distribution platforms.

"Pudong is a paradise for startups in cultural and creative industries," Wu Wenhui, CEO of China Literature Limited, said. "It has witnessed not only the growing up of our company, but the development of China's online literature and digital publishing industry. Now a good cultural ecosystem has been formed here."

Sun added, "We have a 200-million-yuan (\$29.2 million) fund each year to support cultural and creative industries in Pudong. We also organize camps for young talent in these fields every year, enhancing their communication and cooperation."

On August 10, a blue paper on culture and art in the Shanghai FTZ was released, revealing that the total volume of cultural trade in 2017 surpassed 35 billion yuan (\$5.14 billion) and is expected to exceed 40 billion yuan (\$5.8 billion) this year.



The night view of the Pudong Expo Park on March 8, 2015 (COURTESY PHOTO)

At the same time, major Chinese and foreign banks, including the People's Bank of China (Shanghai Branch), the Industrial and Commercial Bank of China, China Construction Bank, Citibank and HSBC Bank, rushed to lay their roots in this promising financial center.

On September 25, 1992, the insurance company American AIA Shanghai Co. was registered and opened in Pudong as the first foreign-invested insurance company in China, marking a sharp acceleration in the pace of deepening reform.

In December 1999, the Shanghai Futures Exchange officially opened and gradually built up its core competitiveness in the world's non-ferrous metals and other markets.

China's first Sino-foreign joint venture commercial retail company, No.1 Yaohan Co. Ltd., was opened in Pudong in December 1995. In October 2000, the Shanghai Diamond Exchange, the first such center in China, was established.

Transportation, which was a bottleneck in the development of Pudong, was also largely improved in this phase of growth. In 1993, the Yangpu Bridge linking Pudong and Puxi went into operation, relieving commuters of congested ferries.

In 2001, Pudong's development entered a new phase. After China joined the World Trade Organization that year and won the bid for the 2010 World Expo to be held in Pudong, more subway lines, tunnels and bridges were constructed along the two riverbanks.

On September 29, 2013, the Shanghai Pilot FTZ was established, covering 28.78 square km, which was further expanded to 120.72 square km in late 2014. During an inspection tour in Pudong in 2014, Chinese President Xi Jinping said the zone was a large experimental field expected to have a satisfying harvest.

In the following years, the zone, along with the Pudong model, has been promoted in other areas. Now China has a total of 13 FTZs.

"Over the five years since the FTZ was established, the scale of the cultural industry has been continuously enlarged," the blue paper stated. "By the end of 2017, the bonded area of the Shanghai FTZ had become the most efficient and convenient entry and exit channel for artwork in China and accumulated top cultural and art resources."

An artwork exchange center was set up in the FTZ in 2013, where artwork from other countries can be displayed and sold before any import tariffs are paid. "We will make full use of the advantages of the FTZ in Shanghai to promote cultural communication and trade between China and abroad," said Hu Huanzhong, President of Shanghai FTZ International Culture Investment Development Co. Ltd.

At an annual reading festival in Pudong in September, pianists Lang Lang and Liu Shikun and composer Chen Gang all expressed their plans to hold more cultural activities in the area.

"Pudong's status is unique and it must have many stories to tell from its past 28 years of development, which can be the inspiration for art and literature," said Yi Zhongtian, a professor from Xiamen University in Fujian Province. Yi and some other renowned writers such as Ye Xin and He Jianming plan to open workshops in Pudong.

"We are endeavoring to build a film production base in the following years," Sun said. "Pudong is no longer a cultural desert, but an emerging cultural power."

Zhang Yiming, a 22-year-old college student at Shanghai Polytechnic University and a Pudong local, is a fan of music and he is happy to see that the Strawberry Music Festival has been brought to Pudong. "It was hard to imagine that such a cool festival could be held in Pudong 10 years ago," Zhang said. "Now there are many cool places dotted here."

"Every generation living in Shanghai has their unique memories of the city," Zhang said. "For my grandfather, it may be the war. For my father, it may be the pioneering work. For youth like me, it's the prosperity."

Waging war on poverty

China and Africa exchange experiences on poverty relief under the FOCAC framework

By Xia Yuanyuan



Agricultural experts from China and Algeria have a conversation on saline-alkali land treatment on March 23, 2014, in Relizane Province, Algeria (XINHUA)

When she was young, Victoria Sekitoleko had no idea what she would do when she grew up. The one thing she was sure of, however, was that she would never marry a farmer.

The former Ugandan Minister of Agriculture shared this anecdote at the opening ceremony of the Poverty Reduction and Development Conference of the Forum on China-Africa Cooperation (FOCAC) in Beijing on August 14.

Growing up in a farming family where money was scarce, one value young Sekitoleko took away from her upbringing was that she needed to get as much education as possible to escape the poverty of rural life.

However, it was not until she entered Makerere University to pursue a bachelor's degree in agriculture that she understood the value of agriculture and the need for developing the capacity of this sector to alleviate poverty in her country.

In 2011, as a representative of the United Nations Food and Agriculture Organization in China, Sekitoleko was inspired by the Chinese method of poverty reduction. "Today, under the framework of FOCAC, I'm happy to see China and African countries [have] strengthened [their cooperation] in poverty relief," the rural development professional told *Beijing Review*.

Out of poverty

According to Justin Yifu Lin, Counselor of the State Council of China and former Chief Economist of the World Bank, when China's reform and opening up started in late 1978, Sub-Saharan Africa's GDP per capita was more than three times that of China. At that time, 84 percent of Chinese people lived on less than \$1.25 a day, the international poverty standard.

However, World Bank statistics show that since the reform and opening-up policy began, China has seen a dramatic decrease of its impoverished population. Its poverty rate dropped to 1.9 percent in 2013 from 88.3 percent in 1981.

Over the past four decades, some 700 million rural residents across China have shaken off the yoke of poverty. In 2017, the per-capita yearly disposable income of rural residents in poverty-stricken areas reached 9,377 yuan (\$1,359), an increase of more than 50 percent over 2013, according to Liu Yongfu, head of the State Council Leading Group Office of Poverty Alleviation and Development.

Chinese people have derived great benefits from the country's economic growth due to strong government support, the active promotion of industrialization and urbanization, as well as an emphasis on infrastructure construction in poverty-stricken areas.

In December 2015, Chinese President Xi Jinping announced a poverty reduction program as one of the 10 major China-Africa cooperation plans at the 2015 FOCAC Johannesburg Summit in South Africa. Xi pointed out that China's experience in poverty alleviation could be used to help African countries complete their poverty reduction target.

In recent years, China has made great efforts in sharing its poverty alleviation experience with African countries in areas such as agriculture, technology and skill, and infrastructure construction.

Agriculture sector

As Sekitoleko realized, in many African countries, developing agriculture and increasing farmers' income are vital to poverty reduction.

According to Josefa Leonel Correia Sacko, Commissioner of Rural Economy and Agriculture of the African Union Commission, Africa has about 600 million hectares of

uncultivated arable land, roughly 65 percent of the world's total. However, many African countries are among the most affected globally by food insecurity and low agricultural productivity.

Transforming the agricultural systems in Africa demands the need to empower poor farmers with technology, improve their access to agricultural knowledge and provide them access to markets, according to experts.

The priorities in agricultural cooperation between China and African countries were therefore established during the Johannesburg Summit. This included carrying out agricultural demonstration projects, transferring technologies and cooperating with African countries to increase productivity. Leaders reaffirmed their commitment to collaboration in the agricultural sector at this year's Beijing Summit.

For decades, China's Ministry of Agriculture has been dispatching Chinese agricultural experts and teachers to African countries to provide help in agricultural development. For example, in October 2015, a 10-member mission was sent to Zimbabwe to implement the second bilateral agricultural cooperation program. The experts conducted the first experiment on hybrid rice cultivation in Zimbabwe's history. The six rice varieties tested yielded more than 10 tons per hectare, setting a new record for the country.

Personnel training

Enjoying a demographic dividend, Africa will be home to 200 million young people aged between 15 and 24 by 2025, taking up 20 percent of the total population of the continent, according to data released by the United Nations. However, the lack of skills is still one of the three major bottlenecks in Africa's development, with the twin challenges of backward infrastructure facilities and shortage of funding.

In 2017, Jack Ma, Executive Chairman of Alibaba Group, a multinational technology conglomerate, said Alibaba would work with several African universities in collaboration with governments to develop training programs on e-commerce, the Internet, Big Data and cloud computing. "The objective is to train as many young people as possible across Africa," said Ma.

Moreover, Chinese enterprises are playing a bigger role in helping African countries' capacity building. For example, in Chinese shoemaker Huajian Group's Ethiopia factory, 3,800 of its 4,000 employees are locals. With good training, workers can skillfully complete the full shoemaking process of leather cutting, bonding, sewing and modeling and produce more than 8,000 pairs of shoes daily. Apart from learning advanced shoemaking skills, some of them were sent to China to learn the Chinese language and management skills.

"Capacity building could make a contribution to improving the local workforce quality, helping promote Ethiopia's economic development," said Zhang Yunqi, General Manager of Huajian International Light Industry City (Ethiopia).

Next move

According to Liu, China is still facing the heavy task of lifting 30 million people out of poverty, and Africa's poverty reduction task is even tougher. Eliminating poverty for sustainable development is a shared goal and historic task of both Chinese and African peoples.

Liu suggested at the Poverty Reduction and Development Conference that in the following years, China and Africa should strengthen

Major events in September

September 2: [Chinese President Xi meets UN Chief](#)

Keywords: Xi Jinping; Antonio Guterres; FOCAC

Chinese President Xi Jinping on September 2 met with United Nations (UN) Secretary General Antonio Guterres ahead of the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC), scheduled for September 3 and 4.

September 3: [China has 32 airports handling over 10 million passengers annually](#)

Keywords: Airport; annual passenger; China Civil Airports Association

China has 32 civil airports with annual passenger throughput reaching the 10-million level, the China Civil Airports Association said in Beijing on September 3.

September 6: [Xi meets Morocco's Prime Minister](#)

Keywords: Xi Jinping; Saad Eddine El Othmani; 2018 Beijing Summit of the Forum on China-Africa Cooperation

Chinese President Xi Jinping on September 5 met with Moroccan Prime Minister Saad Eddine El Othmani after the 2018 Beijing Summit of the Forum on China-Africa Cooperation.

September 11: [Xi, Putin vow to promote ties regardless of global changes](#)

Keywords: Xi Jinping; Vladimir Putin

Chinese President Xi Jinping and his Russian counterpart, Vladimir Putin, expressed their firm determination to promote bilateral ties and safeguard world peace and stability during their talks in Vladivostok on September 11.

September 17: [China willing to share opportunities in digital economy: Xi](#)

Keywords: Xi Jinping; digital economy; AI

Chinese President Xi Jinping on September 17 stressed that China is willing to share the development opportunities in the digital economy with other countries and called for joint efforts in promoting artificial intelligence (AI) for the benefit of humankind.

September 18: [Xi greets leaders attending Summer Davos Forum](#)

Keywords: Xi Jinping; Summer Davos Forum; Belt and Road

Chinese President Xi Jinping welcomed foreign leaders on September 18 who are in China to attend the Summer Davos Forum, and he called for greater joint efforts in constructing the Belt and Road to better benefit their people.

September 25: [China to implement comprehensive budget performance evaluation](#)

Keywords: China; fiscal and taxation reform; budget performance evaluation system

The Central Committee of the Communist Party of China and the State Council issued a regulation about the decision to introduce the system, marking a key step to expanding the country's fiscal and taxation reform, and upgrading governance and budget management on

September 26: [China releases five-year plan on rural vitalization strategy](#)

Keywords: Rural vitalization strategy; five-year plan; 2018-22

China has released a five-year plan on its rural vitalization strategy, the first of its kind, mapping out a number of major projects, programs and actions, outlining key tasks for the 2018-22 period toward the strategy's overall goals.

their anti-poverty cooperation in three aspects under the framework of FOCAC. First, the two sides should further communication to share their experiences of poverty alleviation and work together to conduct research in the field. Second, China should continue its help in training poverty relief workers from Africa according to the needs of African countries. Finally, pilot projects should be jointly launched as examples of or technical support for poverty relief efforts.