

----- Mainland China -----

• **Economy**

**1. SOEs push land price to new high**

Right after Premier Wen showed his determination to regulate the property market at the National People's Congress, state-owned enterprises (SOEs) pushed Beijing land sales to record prices. The Southern Metropolis Daily said SOEs could easily make profits because it's easy for them to get loans from banks. Some of the SOEs don't hand over some of their huge monopoly profits to the central government but instead are investing the money into the property market.<sup>1</sup>

On March 22, the Ministry of Land and Resources said local governments are not allowed to dispose of any land sites until the ministry announces a new land supply plan for private housing and government-subsidised housing next month. Also, the government will build 3 million housing units for low-income families and renovate 2.8 million shanty units as Wen promised at the NPC.<sup>2</sup> Meanwhile, the State-owned Assets Supervision and Administration Commission has ordered 78 state companies, whose core business is not property, to submit plans to divest from the sector within 15 working days.

Some experts worry the tightened land sale will push property prices even higher. The People's Bank's survey shows more than 70% people think the housing price is too high at the moment.<sup>3</sup>

**2. Farewell Google**

On Mar 22, David Drummond, Google's senior vice-president of corporate development and chief legal officer, posted on the company's official blogsite that Google has started

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<sup>1</sup> 不遏制央企“地王”房价将难回归, 南方都市报  
[http://nf.nfdaily.cn/nfdsb/content/2010-03/17/content\\_10159156.htm](http://nf.nfdaily.cn/nfdsb/content/2010-03/17/content_10159156.htm) 20100317SMD.doc

<sup>2</sup> 各地住房用地计划公布前不得出让住房用地, 新华网  
[http://news.xinhuanet.com/fortune/2010-03/22/content\\_13224703.htm](http://news.xinhuanet.com/fortune/2010-03/22/content_13224703.htm) 20100322XH.doc

<sup>3</sup> 央企频夺地王暴露政策错位, 21世纪经济报道  
<http://finance.ifeng.com/news/house/20100318/1940154.shtml> 20100318BH.doc

redirecting its Google.cn traffic to its Hong Kong site, where it now offers both simplified and traditional Chinese, uncensored, search results.<sup>4</sup>

China Unicom subsequently announced it is dropping Google search from Android Smartphones and Li Ka-shing's Tom Online Inc. said it had stopped using Google on its portal. China Mobile is going to end its deal with Google, so is Sina.com and Tianya.com.<sup>5</sup>

Advertisers may also switch if traffic at Google's Hong Kong site is not as good as its Chinese one, said Elinor Leung, head of Internet research at CLSA Ltd..<sup>6</sup>

At the same time, Google's rivals in China including Baidu.com, Sohu and its Sogou search all benefit from its withdrawal. Baidu's share price rose to \$608.50 on the Nasdaq Stock Market on Mar 24.<sup>7</sup> Sohu's CEO Charles Zhang also expressed confidence in Sohu and Sogou's future in China's "post-Google" era.<sup>8</sup>

Though Google's decision won it credit from the U.S. government, a Chinese netizen said, "Google's intension is so obvious while at the same time it still wants to do business in China, is Google too naïve?"<sup>9</sup> Some worry Google Hong Kong's unfiltered contents will finally irritate Chinese government and the website will be blocked like YouTube, Facebook and Twitter.

The worries are not baseless. On March 24, People's Daily published senior editor Huang Qing's article "Google is not God", accusing Google of being part of an internet war being orchestrated by the US intelligence services and its withdrawal is a failed political show.<sup>10</sup>

Chinese netizens are still placing flowers on the Google logo at its China headquarters

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<sup>4</sup> A new approach to China: an update, the official *Google blog*  
<http://googleblog.blogspot.com/2010/03/new-approach-to-china-update.html> 20100322GB.doc

<sup>5</sup> 多米诺效应初显联通手机“移除”谷歌搜索, *每日经济新闻*  
<http://company.nbd.com.cn/newshtml/20100326/20100326041005355.html> 20100326NBD.doc

<sup>6</sup> China Unicom Boycott of Google May Signal Fallout Is Spreading, *BusinessWeek*  
<http://www.businessweek.com/news/2010-03-25/china-unicom-boycott-of-google-may-signal-fallout-is-spreadi>  
[ng.html](http://www.businessweek.com/news/2010-03-25/china-unicom-boycott-of-google-may-signal-fallout-is-spreadi) 20100325BW.doc

<sup>7</sup> 中国互联网公司24号股价:百度608.5美元/股, *新华*  
[http://news.xinhuanet.com/internet/2010-03/25/content\\_13242076.htm](http://news.xinhuanet.com/internet/2010-03/25/content_13242076.htm) 20100325XH.doc

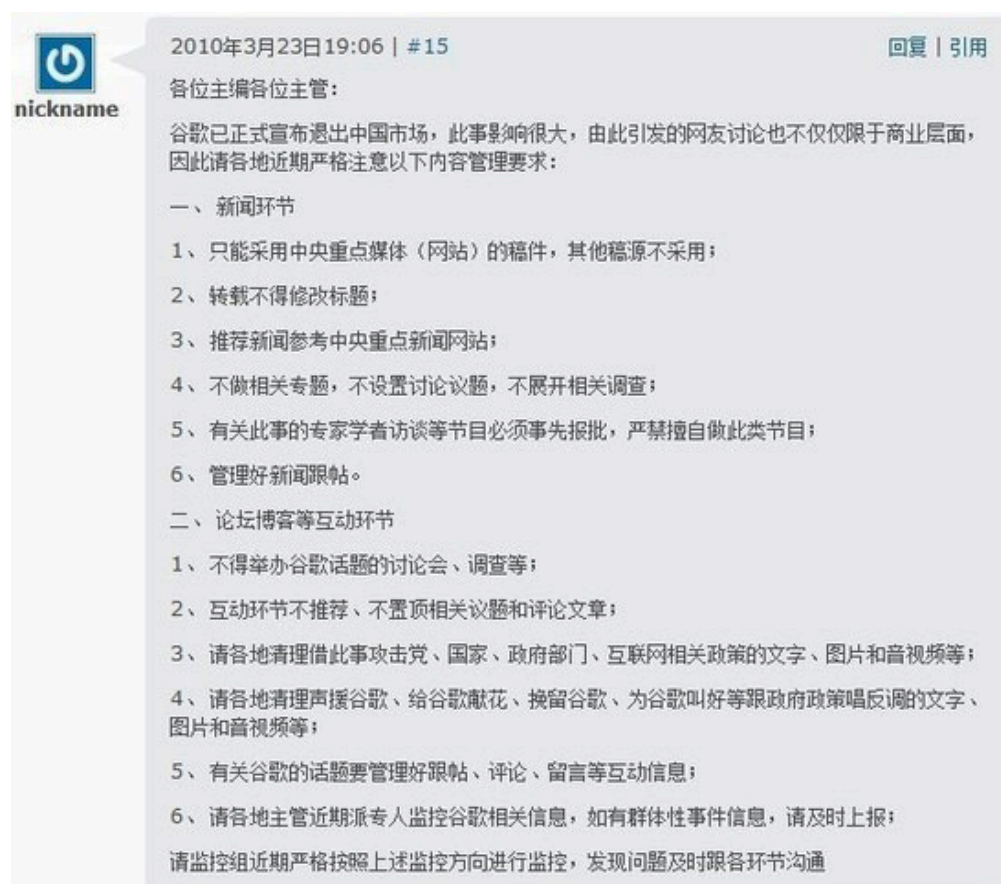
<sup>8</sup> 搜狗称将填充谷歌退出后的搜索市场份额, *和讯网*  
<http://tech.hexun.com/2010-03-25/123110899.html> 20100325HX.doc

<sup>9</sup> 特稿/ 出走香港 谷歌前路未明, *大公网*  
[http://www.takungpao.com/news/10/03/25/images\\_0702-1233912.htm](http://www.takungpao.com/news/10/03/25/images_0702-1233912.htm) 20100325TK.doc

<sup>10</sup> 人民日报: 谷歌不是上帝  
<http://mnc.people.com.cn/GB/54823/11208282.html> 20100324PD.doc

building in Beijing, but there appears to be a lack of public campaigns or much sympathetic media coverage compared to when Google first suggested it might leave China.

A Global Times' survey showed 85% of Chinese netizens don't think Google's withdraw will affect China's internet industry.<sup>11</sup> A Central-Propaganda-Office-style notice on a blog attracted some attention when people were confused about Chinese netizens and media's "cruelty",<sup>12</sup> which orders media and message boards to strictly regulate Google related reports and discussions.



### 3. Rio Tinto trial ends

The three-day Rio Tinto trial finished on Mar 25 in Shanghai and the verdict delivered on March 29 said that Stern Hu and his three staff were sentenced to 7-14 years in jail for taking RMB92.32 million bribery and stealing commercial secrets which caused loss of

<sup>11</sup> 超八成网民认为谷歌退出不影响中国网络发展, 环球网  
<http://world.huanqiu.com/roll/2010-03/754553.html> 20100324GT.doc

<sup>12</sup> 罪证, 博客文章  
<http://bug1978.ycool.com/post.4343459.html>

tens of millions of more than 20 Chinese companies.<sup>13</sup>

Australian Foreign Minister Stephen Smith described the sentence for Hu as “harsh” and said there were still unanswered questions about the trial of four Rio Tinto employees.<sup>14</sup> Regarding to the remarks, Chinese Foreign Ministry spokesman Qin Gang said at a news briefing, "The Rio Tinto case is an individual criminal case and China's relevant judiciary department has given its verdict after the first instance trial, the Australian side should respect the verdict and stop making irresponsible remarks."<sup>15</sup>

Rio Tinto’s chief executive Sam Walsh said after the four were sentenced, “Receiving bribes is a clear violation of Chinese law and Rio Tinto’s code of conduct. By doing this, they engaged in deplorable behaviour that is totally at odds with our strong ethical culture. In accordance with our policies, we will terminate their employment.”<sup>16</sup> The comment was seen as a behaviour of “making a clean break with the four” by Chinese media. “This is a positive case. It will regulate multi-national companies’ operation in China,” said an expert.<sup>17</sup>

Meanwhile, Australia and China signed a multibillion dollar energy deal on Mar 25, as Australian Treasurer Wayne Swan told reporters that "business has been going ahead with China at a pretty fast pace for the whole time we've been in government. The fact is, the economic relationship between Australia and China has been growing right through that period."<sup>18</sup>

According to The Australian’s report, Australian firms are becoming more cautious when doing business in China, particularly in relation to the payment of commissions, a practice said to be widespread in the Chinese business world.<sup>19</sup>

The Global Times reported on Mar 25 that in the latest Daimler bribery case, some Chinese officials were involved. According to file released by the U.S., during 2001 to

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<sup>13</sup> 力拓胡士泰案一审宣判, 人民日报

[http://paper.people.com.cn/rmr/bhwb/html/2010-03/30/content\\_478357.htm](http://paper.people.com.cn/rmr/bhwb/html/2010-03/30/content_478357.htm) 20100330PD.doc

<sup>14</sup> ‘Harsh’ jail terms for Rio Tinto four, SCMP 20100330SC.doc

<sup>15</sup> 外交部回应力拓案不透明: 澳方应停不负责言论, 东方早报  
<http://news.sohu.com/20100331/n271222718.shtml> 20100331OM.doc

<sup>16</sup> ‘Harsh’ jail terms for Rio Tinto four, SCMP 20100330SC.doc

<sup>17</sup> 解雇! 力拓急撤“间谍门”, 人民网

<http://mnc.people.com.cn/GB/11262322.html> 20100331PD.doc

<sup>18</sup> Australia Treasurer says Rio has not hit China trade, Reuters  
<http://link.reuters.com/dem25j> 20100324R.doc

<sup>19</sup> Australian firms more cautious when doing business in China, The Australian  
<http://www.theaustralian.com.au/business/australian-firms-more-cautious-when-doing-business-in-china/story-e6frg8zx-1225844490398> 20100324TA.doc

2005, Daimler Chrysler paid at least 4.1 million euros (37.31 million yuan) in "commissions," "gifts" and lavish vacation to Chinese government officials and in return the car company received contracts worth 112 million Euros from Chinese firms.<sup>20</sup>

Chinese Foreign Minister Qin Gang said the Rio Tinto case was strictly commercial, China does not want the case to be politicalized and affect China-Australia relations.<sup>21</sup>

#### **4. U.S. ask China to revalue RMB**

Despite the pressure from the American government, China's Vice Commerce Minister Zhong Shan said during his visit to Washington this week that it would be wrong to force China to push up value of renminbi.<sup>22</sup> Chinese premier Wen Jiabao also said at the NPC that renminbi is not undervalued.

But with unemployment near 10% in the United States, the U.S. Congress has seemingly run out of patience with the currency rate argument. The Senate bill would let the Commerce Department retaliate against currency misalignment by imposing duties or tariffs. "The only thing that will make China move is tough legislation," senator Mr. Schumer said.<sup>23</sup>

Nobel-winning economist Paul Krugman, who advised the Treasury to name China a currency manipulator, said in an NYT Op-Ed article that the U.S. shouldn't fear China to dump its dollar assets as possible retaliation, instead, the federal government should impose a surcharge of 25% on imports from China and remove it after China raises the value of renminbi.<sup>24</sup>

Chinese economist Huang Yiping at Peking University is not a fan of Krugman's theory. He argued that if China was forced to appreciate yuan by 40%, first of all, it will hit China's export-driven economy and therefore drag the already gloomy world economy to a even worse point. Second, domestically America won't benefit from the revaluation because there are other competitive countries like Vietnam and India to fill the vacancy

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<sup>20</sup> Chinese officials involved in Daimler bribery case, *Global Times*  
<http://business.globaltimes.cn/industries/2010-03/516095.html> 20100325GT.doc

<sup>21</sup> 外交部发言人：力拓案不应被政治化，*财经*  
<http://www.caijing.com.cn/2010-03-19/110398980.html> 20100319CJ.doc

<sup>22</sup> China's Zhong tells U.S. not to push China on yuan, *Reuters*  
<http://www.reuters.com/article/idUSTOE62P02Y20100326> 20100326R.doc

<sup>23</sup> China Says It Will Not Adjust Policy on the Exchange Rate, *NYT*  
<http://www.nytimes.com/2010/03/25/business/global/25yuan.html?ref=asia> 20100324NYT.doc

<sup>24</sup> Talking on China, *NYT*  
<http://www.nytimes.com/2010/03/15/opinion/15krugman.html> 20100315NYT.doc

left by China.<sup>25</sup>

China's most respected journalist Hu Shuli's Caing.com said observers think the currency rate is becoming a political target of the two powers. Experts say renminbi can be re-valued, but the motivation shouldn't come from outside, it's up to China, up to the timing. From the government's recent statements, renminbi may be pushed up slightly in April or May.<sup>26</sup>

Zhong's visit to Washington comes weeks before an April 15 deadline for the Treasury to deliver its semiannual report on foreign exchange. Many economists believe that China has deliberately undervalued its currency to support its export-oriented economy.

## 5. Labour shortage in Southern and Eastern China

An ongoing labour shortage in the Pearl River Delta has been reported every now and then since 2004. But currently the situation seems to be very worsening and the labour shortage has expanded to the Yangtze River Delta. According to Nanfang Daily, Dongguan city is lacking as many as one million workers, Guangdong province is in need of an additional two million workers.<sup>27</sup> In Shanghai, many factory owners are asking for help, as one was quoted as saying: "...it's really a hard time to recruit workers, if you know any please contact me A.S.A.P."<sup>28</sup>

To attract workers, factories are offering higher salaries and extra benefits like training, social insurance and a better working environment. But workers are not coming as they expected.

Analysts say there are a few reasons for this wave of labour shortage.

First, the sudden boom of overseas and domestic orders factories received after the big recession<sup>29</sup>. During the recession, about 20 million migrant workers lost their jobs and

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<sup>25</sup> Krugman's Chinese renminbi fallacy, *East Asia Forum*  
<http://www.eastasiaforum.org/2010/03/15/krugmans-chinese-renminbi-fallacy/> 20100315EAF.doc

<sup>26</sup> 丁志杰：人民币汇率会怎么走？*Caing.com*  
<http://economy.caing.com/2010-03-22/100128511.html> 20100322CX.doc

<sup>27</sup> “用工荒”还是“就业难”？两代农民工看法迥然不同，*南方日报*  
[http://nf.nfdaily.cn/nfrib/content/2010-03/20/content\\_10286501.htm](http://nf.nfdaily.cn/nfrib/content/2010-03/20/content_10286501.htm) 20100320SD.doc

<sup>28</sup> 珠三角为何屡现用工荒？*中新网*  
<http://www.chinanews.com.cn/tbch/cj/2010/02/89.shtml> 201002CNA.doc

<sup>29</sup> Migrants cash in on labor shortage, *China Daily*  
[http://www.chinadaily.com.cn/china/2010-03/11/content\\_9570161.htm](http://www.chinadaily.com.cn/china/2010-03/11/content_9570161.htm) 20100311CD.doc

went back home<sup>30</sup>, therefore the workers kept in work in the south and east are not able to keep up with the new assembly lines.

Second, China's 4-trillion Yuan stimulus package created new jobs outside of the traditional economic centres.<sup>31</sup> Also, many of the interior provinces are becoming more prosperous while at the same time the living costs are much lower than in big cities. Many migrant workers now prefer to stay in their home provinces. According to the National Bureau of Statistics, in 2009, the number of migrant workers rose more than 30% in Central and Western China.<sup>32</sup>

Third, the new generation of migrant workers expect more from jobs: higher salary, better working environment and career prospects. More importantly, they ask for equal employment and equal access to public services. Unlike their parents, the younger workers are not familiar with rural work or agriculture, instead, they want to stay in cities and live like urban residents.<sup>33</sup> Central rural work official Tang Renjian said the government will take measures to push forward urbanization, to allow qualified migrant workers to dwell in cities. The younger migrant workers who were born in 1980s and 1990s now account for 60% migrant work force of 150 million.<sup>34</sup>

Some scholars say the labour shortage may suggest China's diminishing surplus labour advantage, which means it's getting harder for China to rely on cheap labour to achieve its high speed development. To solve this problem, China needs to upgrade its industrial structure and change its family plan policy.<sup>35</sup>

## • Politics & Society

### 6. Shanxi Province sold bad vaccines to hospitals

China Economic Times' reporter Wang Keqin's article<sup>36</sup> on a series of deaths or serious

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<sup>30</sup> 专家：经济危机对农民工就业的影响在加深，*新京报*  
<http://nc.people.com.cn/GB/61160/8808912.html> 20100216XJB.doc

<sup>31</sup> Migrants cash in on labor shortage, *China Daily*  
[http://www.chinadaily.com.cn/china/2010-03/11/content\\_9570161\\_2.htm](http://www.chinadaily.com.cn/china/2010-03/11/content_9570161_2.htm)

<sup>32</sup> 统计局数据显示民工荒原因 农民工从东部向中西部转移，*新京报*  
<http://finance.ifeng.com/news/special/laogonghuang/20100320/1946884.shtml> 20100320XJB.doc

<sup>33</sup> 中国新生代农民工成为人们关注的焦点，*人民网*  
<http://nc.people.com.cn/GB/11152188.html> 20100316PD.doc

<sup>34</sup> Cities to absorb more migrant workers, *CCTV*  
<http://english.cctv.com/program/bizchina/20100202/101686.shtml> 20100202CCTV.doc

<sup>35</sup> 民工荒预示中国人口红利即将结束，*中国经营报*  
<http://business.sohu.com/20100321/n270984608.shtml> 20100321JYB.doc

<sup>36</sup> 山西近百名儿童疑因注射问题疫苗致死致残，*中国经济时报*  
<http://news.sina.com.cn/c/sd/2010-03-17/060419879130.shtml> 20100317CET.doc

sickness of at least 78 Shanxi children that may relate to bad vaccines, caused nationwide concern.

According to the article, Shanxi Province Disease Control and Prevention Center (CDC) had asked local hospitals to buy vaccines at steep prices. To monitor compliance by the hospitals, it put on self-designed stickers on vaccines to show they had been approved. From 2006 to 2007, Shanxi CDC routinely exposed vaccines to warm rooms to put stickers on because the stickers didn't adhere in rooms with air-conditioning. Chen Tao'an, former chief spokesman of Shanxi CDC warned the center those vaccines that were exposed were not effective anymore because vaccines need to be refrigerated properly. Finally Shanxi CDC stopped exposing vaccines to warm rooms in 2008 but they wouldn't recall those that might have been damaged. After half a year's investigation in Shanxi, reporter Wang Keqin found 4 children died of unclear reasons after they received shots from local hospitals. 74 more children became seriously ill after their vaccine injection.

The Shanxi government started an investigation while at the same time said the China Economic Times' report is "basically not true". The government checked on 10 of the reported children's health, "only one child out of 10's case may be connected to vaccine injection, but not the vaccines that were exposed in high temperature."<sup>37</sup> The China Economic Times issued a statement after Shanxi government made the above comment and said their reporter used pseudonyms for most of the children in his article but the Shanxi government didn't contact either the newsroom or the reporter himself for those children's real names which suggests their conclusion is rather suspicious.<sup>38</sup>

Though the focus of the nationwide debate and Shanxi government's response is on whether the death of reported children is caused by bad vaccines, the connection hasn't been confirmed by experts. China Daily cited Cao Lingsheng, director of the Chinese Center for Disease Control and Prevention's immunization center, saying that most of the widely used Type-B encephalitis, hepatitis B and rabies vaccines in China only contain dead microorganisms, which are safe and only become less effective if improperly stored. Attenuated vaccines, which contain live microorganisms, might impact the recipient's health if not properly refrigerated.<sup>39</sup>

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<sup>37</sup> 山西回应问题疫苗事件：找到10人仅1人异常，*新华*  
<http://gcontent.nddaily.com/8/18/818f4654ed39a1c1/Blog/b95/85a2bf.html> 20100319SMD.doc

<sup>38</sup> 中国经济时报关于“山西疫苗乱象调查”报道的声明，*中国经济时报*  
<http://www.jjxww.com/html/show.aspx?id=164152&cid=113> 20100318CET.doc

<sup>39</sup> Investigation launched into bad vaccine, *China Daily*  
[http://www.chinadaily.com.cn/china/2010-03/23/content\\_9627172.htm](http://www.chinadaily.com.cn/china/2010-03/23/content_9627172.htm) 20100323CD.doc



21st Century Business Herald's editorial said the vaccine issue is caused by political power in controlled markets. Political power can create a market and then protect it when there are signs of trouble.<sup>40</sup> Southern Metropolis Daily's editorial pointed out that the key to Shanxi vaccine investigation is anti-corruption. Because it's not a simply a technical vaccine issue, it's a corruption case first of all. It's impossible to get all the truth if people don't fight corruption first.<sup>41</sup>

## 7. Severe drought in southwest

The worst drought in 60 years in China's southwest provinces of Yunnan, Guizhou, and Sichuan, as well as the Guangxi Autonomous Region and the city of Chongqing has left 20 million residents with a drinking water shortage and caused direct economic losses of 19 billion yuan (US\$2.8 billion).<sup>42</sup> The drought has spread to neighboring Hunan province and is affecting 380,000 people and 250,000 livestock there.<sup>43</sup>

The drought has caused food prices to increase, affecting grain, sugar, tea, etc. The efficiency of West-to-East Electricity Transmission has dropped 40%. But experts say it won't cause big waves on the grain market or electricity price, nor it can raise the inflation rate.<sup>44</sup>

But the impact of drought went beyond the mainland. As The South China Morning Post reported, the source of the Pearl River in Qujing, Yunnan, has almost dried up. People in some Southeast Asian countries are complaining that water levels in their rivers have been reaching historic lows in recent months, severely affecting their economies and ecological systems.<sup>45</sup>

## 8. Hot online topics:

### Brother Sharp (犀利哥)

Brother Sharp, a begger in Ningbo city, is China's latest fashion icon. Photography fan

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<sup>40</sup> 山西疫苗惨剧，拷问权力支配市场, *21世纪经济报道*  
[http://opinion.nfdaily.cn/content/2010-03/19/content\\_10253854.htm](http://opinion.nfdaily.cn/content/2010-03/19/content_10253854.htm) 20100319BH.doc

<sup>41</sup> [社论] 彻查山西疫苗事件的核心是反腐败, *南方都市报*  
<http://gcontent.nddaily.com/1/d9/1d94108e907bb831/Blog/0c5/ce80c8.html> 20100322SMD.doc

<sup>42</sup> Latest development of severe drought in China, *China Daily*  
[http://www.chinadaily.com.cn/china/2010-03/23/content\\_9631243.htm](http://www.chinadaily.com.cn/china/2010-03/23/content_9631243.htm) 20100323CD.doc

<sup>43</sup> 西南大旱蔓延至湖南 38万人出现饮水困难, *南方都市报*  
[http://nf.nfdaily.cn/nfdsb/content/2010-03/25/content\\_10438315.htm](http://nf.nfdaily.cn/nfdsb/content/2010-03/25/content_10438315.htm) 20100325SMD.doc

<sup>44</sup> 西南大旱：粮食、食糖减产 西电东送变为倒输, *南方都市报*  
[http://nf.nfdaily.cn/nfdsb/content/2010-03/25/content\\_10452866.htm](http://nf.nfdaily.cn/nfdsb/content/2010-03/25/content_10452866.htm) 20100325SMD\_2.doc

<sup>45</sup> Pearl River's source now 'almost dry', *SCMP* 20100323SC.doc

“ken119110” posted two snapshots of a beggar on [www.fengniao.com](http://www.fengniao.com) last month as trial works of a SONY camera.<sup>46</sup> The pictures soon appeared on Tianya.com and won the beggar huge fame for his handsome, stylish look. He has since become known as “Brother Sharp”. Brother Sharp’s street style even swept Taiwan and Japan, British newspaper the Independent also reported this Chinese “homeless chic”.<sup>47</sup> Famous Hong Kong directors including Jonnie To Kei-Fung showed their interest in Brother Sharp’s story and style.<sup>48</sup> Brother Sharp was later human flesh searched and proved to be a homeless beggar with a psychiatric illness. Now Brother Sharp, or Cheng Guorong, which is his real name, has been sent back to his Jiangxi countryside home. His sister said Cheng used to be healthy before he left home to work in 1997. But they lost contact with him a few years later because Cheng felt great shame that he couldn’t make a living and send money back home to his family.

### **The cutest Mangaka Xia Da (夏达)**

Pretty girls are always popular topics on China’s internet and the latest is mangaka, Xia Da. Xia Da became famous for her “too cute” face and widespread school outfit pictures, rather than her exquisite cartoon works that were published on top Japanese manga magazine, Ultra Jump<sup>49</sup>. But the huge interest by netizens drove this 28 year old serious cartoon artist to “exhaustion” and she found titles like “teenage beauty” and “Loli” (Lolita) humiliating.<sup>50</sup>

### **Drainage oil (地沟油)**

A professor’s interview raised nationwide concern over “drainage oil”; cooking oil refined from discarded kitchen waste. He Dongping, a professor of food science engineering at Wuhan Polytechnic University told Chongqing Evenings that Chinese people eat 3 million tons of drainage oil a year and revealed the huge profits available in the illegal drainage oil-producing.<sup>51</sup> Later, media found that not only the illegal oil

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<sup>46</sup> 70 400G人像抓拍!!! 蜂鸟网

<http://bbs.fengniao.com/forum/1527056.html>

More pictures: 犀利哥的拍摄者也说几句!! 天涯

<http://www.tianya.cn/publicforum/content/no04/c35c3dedf5dedf7c7a70eed50a2ad2ba/1/0/1.shtml>

<sup>47</sup> Handsome Chinese vagrant draws fans of 'homeless chic', *Independent*

<http://www.independent.co.uk/news/world/asia/handsome-chinese-vagrant-draws-fans-of-homeless-chic-1915812.html>

20100304TI.doc

<sup>48</sup> 「犀利哥」故事受港名導青睞, 大公报

<http://www.takungpao.com/news/10/03/08/UHK-1225042.htm> 20100308TK.doc

<sup>49</sup> 风靡日本的中国美女漫画家：“萝莉”是侮辱我, 新华网

[http://news.xinhuanet.com/society/2010-03/21/content\\_13215379.htm](http://news.xinhuanet.com/society/2010-03/21/content_13215379.htm) 20100321CDE.doc

<sup>50</sup> 很疲惫, 夏达博客

<http://april44.blogbus.com/logs/60157716.html> 20100308XD.doc

<sup>51</sup> 中国人一年吃掉300万吨地沟油 彻底禁绝需10年, 新华网

[http://news.xinhuanet.com/politics/2010-03/18/content\\_13191842.htm](http://news.xinhuanet.com/politics/2010-03/18/content_13191842.htm) 20100318CQE.doc

makers are gaining 200% profit, but also many large restaurants are making good money by selling kitchen waste privately.<sup>52</sup>

### **11 zoo tigers died of malnutrition**

From last November till this February, 11 Siberian tigers died in Bingchuan Wildlife Park of Shenyang city. The causes for death were mostly heart failure, kidney failure, haemorrhagic enteritis. Experts say the main cause of death was malnutrition.<sup>53</sup> Zoo staff told the Beijing News that the boss of zoo made a few jars of tiger bone wine from the dead tigers to treat VIP guest such as officials<sup>54</sup>, nearly half of the zoo's income was used to pay back the boss's debts, therefore, there was not enough money to look after the zoo animals.<sup>55</sup>

## **----- Hong Kong -----**

### **9. Tsang cancels private meeting with Pope**

Hong Kong's Chief Executive Donald Tsang for the second time cancelled scheduled meeting with the Pope at the last minute, according to the South China Morning Post, Tsang, a devout Catholic, was scheduled to meet Pope Benedict at the Vatican on January 27 for a dialogue and blessing. Neither the Chief Executive's Office nor the Vatican would comment on the proposed meeting. A church official said that "It is not uncommon for leaders anywhere in the world to face unforeseen political problems back home and [be unable to] travel. If he asks for a meeting again, I am sure there should be no reason why the Holy Father would not receive him."<sup>56</sup> It's not clear if the cancellation is because of pressure from Beijing, but Tsang hasn't asked to reschedule the meeting.

### **10. Salary survey by government**

Hong Kong government released Survey results of 2009 Annual Earnings and Hours Survey on Mar 18.<sup>57</sup> The survey shows 410,000 Hong Kong people are earning less than

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<sup>52</sup> Illegal oil a 'hot' business, *China Daily*

[http://www.chinadaily.com.cn/china/2010-03/22/content\\_9619592.htm](http://www.chinadaily.com.cn/china/2010-03/22/content_9619592.htm) 20100322CD.doc

<sup>53</sup> 沈阳一动物园11只东北虎相继死亡 据称因饿而死, *中国新闻网*

[http://news.xinhuanet.com/society/2010-03/12/content\\_13153313.htm](http://news.xinhuanet.com/society/2010-03/12/content_13153313.htm) 20100312CNA.doc

<sup>54</sup> 沈阳11只老虎连续死亡 曝被酿成虎骨酒用来请客送礼, *新京报*

<http://finance.ifeng.com/city/sy/20100314/1921921.shtml> 20100314XJB.doc

<sup>55</sup> 沈阳11只东北虎死亡续：老板被指挪用资金还债, *新京报*

[http://news.xinhuanet.com/society/2010-03/13/content\\_13161846\\_3.htm](http://news.xinhuanet.com/society/2010-03/13/content_13161846_3.htm) 20100313XJB.doc

<sup>56</sup> Tsang had audience with Pope but cancelled, *SCMP* 20100326SC.doc

<sup>57</sup> Survey results of 2009 Annual Earnings and Hours Survey released, *HK GOV*

[http://www.censtatd.gov.hk/press\\_release/press\\_releases\\_on\\_statistics/index.jsp?sID=2510&sSUBID=15743&displayMode=D](http://www.censtatd.gov.hk/press_release/press_releases_on_statistics/index.jsp?sID=2510&sSUBID=15743&displayMode=D)  
20100318HKD.doc

HKD4000 a month, the average hourly wage is HKD58.5, the hourly wage of security guards and cleaners is HKD27.6 which is the lowest among all professions.

After the release of the survey, Tommy Cheung, member of the Legislative Council and the Liberal Party said in an interview that the minimum wage can be as low as HKD20, which caused huge anger among Hong Kong people that he had to hold a press conference to apologize and made clear that it doesn't represent his party.<sup>58</sup>

## ----- Taiwan -----

### 11. ECFA: Taiwan to benefit more?

The second round of negotiations on economic cooperation framework agreement (ECFA) between mainland China and Taiwan started on Mar 31 in Taoyuan County, Taiwan. The Taiwan delegation is headed by Huang Chih-peng, director-general of the Bureau of Foreign Trade (BOFT) under the "Ministry of Economic Affairs" (MOEA), the mainland delegation is headed by Tang Wei, head of the Department of Taiwan, Hong Kong and Macao Affairs under the Ministry of Commerce. Taiwan's Mainland Affairs Council (MAC) said that the talks aim at a wide-reaching trade pact between the mainland and that Taiwan will focus on "early harvest" programs for merchandise and services. Among the items Taiwan hopes can be included in the "early harvest" program for goods are machinery, mid- and upper-stream textiles, petrochemicals, auto parts, and electronics.<sup>59</sup>

China's Premier Wen Jiabao said earlier at the NPC that China will "make Taiwan to benefit more" from the ECFA, because "we are brothers."<sup>60</sup> But MAC disagrees with Wen's expression. Its official said the deal is based on fair negotiations by two equal parties, it will be a win-win deal.<sup>61</sup>

China Post said KMT wants the deal to improve the island's economy. But DPP worried the deal will allow cheap Chinese goods flood into Taiwan. Expert says China is helping Ma's KMT not to let DPP play this card before the tense year-end local elections seen as

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<sup>58</sup> 犯眾怒張宇人道歉止血, 明報

<http://news.sina.com.hk/cgi-bin/nw/show.cgi/2/1/1/1469270/1.html> 20100325MP.doc

<sup>59</sup> Mainland official hopes for early free trade deal, *China Daily*

[http://www.chinadaily.com.cn/hkedition/2010-03/31/content\\_9664862.htm](http://www.chinadaily.com.cn/hkedition/2010-03/31/content_9664862.htm) 20100331CD.doc

<sup>60</sup> 兩岸經濟大飛躍海西經濟區崛起, 亞洲周刊

[http://www.yzzk.com/cfm/Content\\_Archive.cfm?Channel=ae&Path=394474701/10ae1a.cfm](http://www.yzzk.com/cfm/Content_Archive.cfm?Channel=ae&Path=394474701/10ae1a.cfm)  
20100314AW.doc

<sup>61</sup> 我對E C F A定調 對等互利而非讓利, 中國時報

<http://news.chinatimes.com/mainland/0,5245,50503047x112010031600147,00.html> 20100316CT.doc

a bellwether for the 2012 presidential race.<sup>62</sup>

## 12. How will renminbi's revaluation affect Taiwan

The hot renminbi revaluation debate between the U.S. and China also triggered people in Taiwan to join the discussion.

Taiwan's Council for Economic Planning and Development thinks the rise of yuan may attract more hot money coming into Taiwan which can affect the financial stability. But at the same time, it's a good chance for Taiwan products to replace some of the made-in-China goods on the global market and become more competitive.<sup>63</sup>

Experts say even renminbi won't rise sharply but only appreciate slowly instead, it will still affect Taiwan's manufacturing industry, for example more and more Taiwan factories are relocating to Southeast Asian countries like Vietnam, Indonesia and Thailand to cut costs.<sup>64</sup>

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<sup>62</sup> China's Wen seeks to reassure Taiwan on trade deal, *China Post*

<http://www.chinapost.com.tw/taiwan/china-taiwan-relations/2010/03/15/248286/Chinas-Wen.htm>  
20100315CP.doc

<sup>63</sup> 經建會:人民幣升值 台對大陸市場依賴可減少, *中央社*

<http://news.chinatimes.com/CMoney/News/News-Page-content/0,4993,130507+132010031201723,00.html>  
20100312CT.doc

<sup>64</sup> 人民幣緩升確定 加速台商外移東南亞, *中央社*

<http://news.chinatimes.com/mainland/0,5245,130505x132010030700451,00.html> 20100307CT.doc