

CHINA REPORT

中国新闻周刊
English Edition

SOCIETY

Cracking Views:
Is the rush to build
glass bridges a
slippery slope?

ECONOMY

Grain Drain:
Seeking new sources
of construction sand

CULTURE

Hall of Fame:
A candid look at
China's rock pioneers

CAUGHT IN THE NET

Data mining comes
under scrutiny



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Volume No.79 December 2019



UNWTO

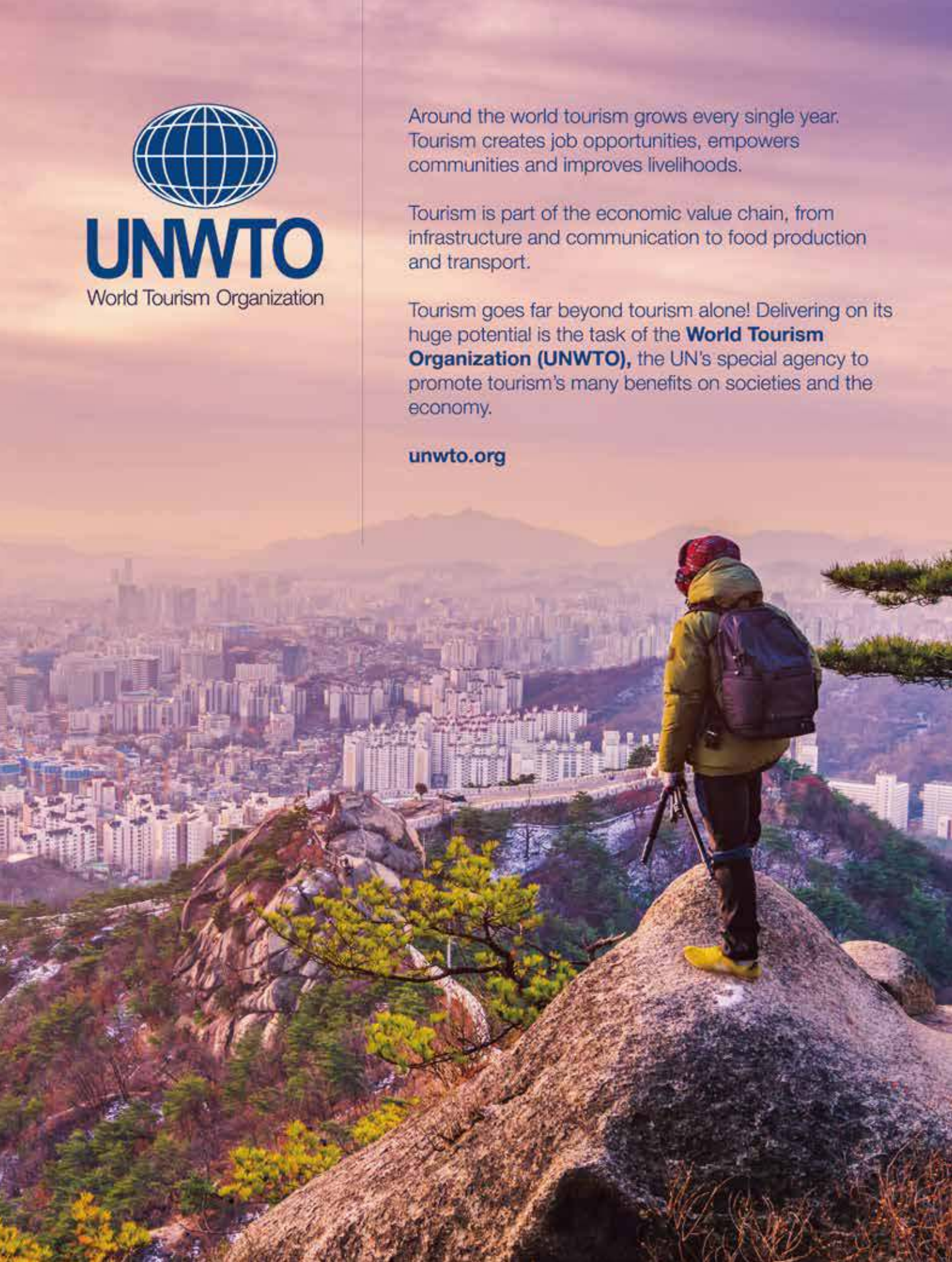
World Tourism Organization

Around the world tourism grows every single year. Tourism creates job opportunities, empowers communities and improves livelihoods.

Tourism is part of the economic value chain, from infrastructure and communication to food production and transport.

Tourism goes far beyond tourism alone! Delivering on its huge potential is the task of the **World Tourism Organization (UNWTO)**, the UN's special agency to promote tourism's many benefits on societies and the economy.

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China needs to enact facial recognition legislation

In what many are saying is the first court case involving the use of facial recognition in China, Guo Bing, a professor from Zhejiang Sci-Tech University filed a lawsuit against a wildlife park in Hangzhou, capital of Zhejiang, for infringing on his rights to personal privacy.

Hangzhou Safari Park recently made facial recognition a mandatory requirement for visitors. Guo, a season ticket holder, says that the park, as a commercial organisation, has no legal basis to compulsorily collect visitor's individual characteristics and it therefore violates existing consumer protection law. A local court has accepted the case.

In the past couple of years, China's law enforcement agencies have rapidly employed facial recognition technologies to increase their ability to ensure public security, which has led to no serious challenge from the general public. But as the application of facial recognition technologies has expanded into areas unrelated to public security, it has led to increasing concerns over its potential infringement upon personal privacy.

Recently, when China Pharmaceutical University in Nanjing, Jiangsu Province, launched a pilot project to install a facial recognition system in a classroom to monitor student and teacher behaviour and performance, there was outcry from students and many of the general public.

As facial recognition technologies are now adopted by a wide range of organisations, including airports, train stations, hospitals and tourist destinations, it is now time for China to enact legislation to regulate both the use of facial recognition and the storage of facial data.

In the past years, facial recognition technologies have experienced rapid development in China, largely due to the lack of legal protection of personal information. This is the very reason why China is now a leading player in facial recognition.

But before the technology can be applied at scale, China can no longer evade discussions over the legal issues surrounding the use of facial recognition technology.

But before the technology can be applied at scale, China can no longer evade discussions over the legal issues surrounding the use of facial recognition technology

In the past months, the use of facial recognition has attracted the attention of lawmakers around the world. In May 2018, the General Data Protection Regulation took effect across the European Union, which stipulates that the collection and processing of facial recognition data, as part of a person's biometric data, requires explicit consent from the person whose data is being collected. Violation of the regulation is subject to a fine of up to 20 million euros (US\$22m), or 4 percent of a company's global revenue. It was reported that the EU is now considering even stricter rules for facial recognition technology.

In the US, authorities in some cities, including San Francisco, have also launched legislation. While China leads the world in both the development and application of facial recognition technology, it is time to put legislation on the agenda.

Policymakers should provide clear guidance and procedures on the collection, processing and storage of facial recognition data. At the end of the day, facial recognition data should be considered private information, and it should be mandatory to obtain consent for the collection of such data. In cases when compulsory collection is deemed necessary, there should be clear regulations on how that data can be used, stored and protected from unauthorised usage.

For facial recognition technology to genuinely benefit China's economic and social development, China needs to find the right balance between the need for personal privacy, public security and economic convenience. Without thorough discussion and debates, and a well-balanced law, it will inevitably lead to abuses of technology. ★

TANGLED WEB

ChinaReport unravels what lies behind the crackdown on misuse of online personal data

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PHOTO BY CFP

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FLAVOUR OF THE MONTH/REAL CHINESE

ChinaReport, Chinese Edition

October 28, 2019

Developing the Margins



China is home to 66 provincial demarcation lines and 849 cities and counties on both sides, occupying 47.9 percent of the national area. Official statistics show that there are 14 impoverished regions nationwide, 10 of which are located in marginal zones. These areas, usually far from provincial capitals, are largely neglected by local governments in terms of economic development, and they are not included in the overall development plan of higher authorities. Provincial governments prefer to invest in industries and areas where it is easy to yield quick and high profits in key cities, meaning that trade frictions, vicious competition and regional protectionism abound in marginal regions. In May 2019, Shanxi, Shaanxi and Henan provinces in central China partnered to develop the area where the three provinces meet, starting with building a comprehensive university. It is expected to give full play to their unique advantages and create a combined force to drive regional integration and prosperity.

Caixin Weekly

November 4, 2019

E-cigarette Ban

China's National Health Commission has called for a ban on vaping in public places as part of its tobacco control campaign, aiming to curb tobacco use among children and teenagers. China has an estimated 10 million vapers over 15. Market regulators have already banned online sales and advertisements for e-cigarettes amid growing public health concerns. According to a report from Tsinghua University, China produces 95 percent and exports 90 percent of e-cigarettes in the world, and e-cigarette sales in China reached 33.75 billion yuan (US\$4.8b) in 2018. According to corporate information data provider Tianyancha, there are roughly 9,500 vaping companies in China, which have attracted growing capital inflow over the years. Health experts cautioned that e-cigarettes are promoted by producers and advertisers as being less harmful than tobacco which can help smokers quit smoking, but there is no scientific evidence that it is a good alternative in the long term.



Fangyuan

October 16, 2019

Whereabouts of Bribes

On August 2, 2019, a Patek Philippe watch was auctioned off for 6.48 million yuan (US\$923,000). It had been offered as a bribe to the former head of the justice bureau in Anhui Province. The money collected from the auction will go directly to the State treasury. In criminal cases, tons of oils, pangolin scales, antiques, tiger skins, ivory and even ammunition can be seized. Antiques often end up in museums. Shanxi Provincial Antique Bureau received 12,633 antiques, including 73 extremely valuable ones, after a campaign to crackdown on illegal sales of antiques in 2018. Chinese law stipulates that all property illegally obtained by criminal offenders will be impounded or returned to victims, and property including housing, vehicles and watches is usually auctioned, with the money going to the State treasury.



Xinmin Weekly

October 16, 2019

Pneumonia Concerns

According to a report by the World Health Organisation in 2018, lower respiratory infections are now the fourth most fatal disease for humans, mainly caused by pneumonia. In China, data shows that the mortality rate of the elderly who are infected by pneumonia is 36 percent, and it rises to 50 percent for those above 80. The China Health Statistical Yearbook in 2015 shows that 63 percent of pneumonia patients are children under five and 16.7 percent are elderly people above 60. In comparison with Western countries, it is common for Chinese grandparents to take care of children, which has substantially increased the chance of cross-infection of pneumonia. To make matters worse, pneumonia usually brings a heavier burden to families than some chronic diseases, including cancer.



Minsheng Weekly

October 29, 2019

Medicine Price Drop

Since China unveiled a pilot programme in 11 cities to cut drug prices through group procurement in November 2018, most drug prices on the list have dropped, reducing the economic burden on patients, particularly those suffering from chronic diseases and terminal illness. Compared with a year ago, the prices of 25 medicines have dropped by 52 percent on average, mainly through the reduction of transaction costs. The price of certain off-patent generic drugs has been cut by 96 percent. Medical institutions in the pilot programme in Xiamen, Fujian Province, have over the past six months issued over 1.3 million prescriptions involving these medicines, saving procurement fees of 123 million yuan (US\$17.5m). The pilot programme is expected to expand nationwide soon. Medical experts said the next priority is to ensure the quantity and quality of drugs on the list and keep the number of drug options stable. In addition, public health regulators need to strengthen supervision and stop cooperating with pharmaceutical enterprises which produce shoddy products.





WHAT THEY SAY

“The People’s Bank of China (PBoC) might be the first central bank in the world to launch a digital currency.”

Huang Qifan, deputy director-general of the China Centre for International Economic Exchange, at the first Bund Summit, a financial forum held in Shanghai, adding that the PBoC has researched digital currencies for more than five years and understands them well



ILLUSTRATION BY LIU XIAOCHAO



“China will keep opening its financial industry, including providing a fairer competition environment by cancelling restrictions on the foreign investment ratio for foreign-funded financial organisations.”

Yi Gang, president of the People’s Bank of China at the 40th International Monetary and Financial Committee meeting held in Washington, DC from October 18 to 19



“Despite the declining poverty rate nationwide, more people are feeling poor. The reason lies in the growing difficulty of social mobility.”

Xiong Yihan, professor and deputy dean of the School of International Relations and Public Affairs, Fudan University, writing for financial portal *Caixin*



“[To rebalance the China-US relationship at higher levels], China needs to deepen reforms and expand its opening-up based on its modernisation goals. The US should recognise the trends of the times and have a more rational understanding [of China].”

Lu Feng, a professor at the National School of Development, Peking University, at a recent forum on the new possible ways forward for the China-US trade relationship hosted by Lu’s school and New York University Shanghai



“The fading of the demographic dividend does not refer to a turning point, but indicates a redistribution of labour between different industrial sectors. We have to and should guide labour to more efficient sectors, such as higher-end manufacturing and modern service industries, to form a new demographic dividend.”

He Fan, a professor at Antai Economics-Management College, Shanghai Jiao Tong University, pointing out on his *Caixin* blog that the demographic dividend is always an issue of labour division

“There are far more people and speech spreading hatred among Hong Kong’s youth than those spreading love and conscience... We must protect the next generation, and protect them from hatred.”

Former Hong Kong Chief Executive **Leung Chun-ying** writing in an essay analyzing the reasons behind the violent protests in his city, reposted by the Central Committee of the Communist Youth League on its Weibo account

“We should neither blindly encourage investment nor inhibit it to cut overcapacity. Instead, we should conduct institutional and structural reforms based on competitive and ownership neutrality.”

Tian Guoqiang, dean of the School of Economics and the Institute for Advanced Research, Shanghai University of Finance and Economics, at a recent forum on industrial growth hosted by the Institute of Urban Development, Nanjing Audit University

“Workplace discrimination against pregnant women shows that the problem isn’t whether to encourage families to have more children, but how to go about it. It is the long-term lack of support [for pregnant women] that has led to extensive discrimination.”

Zhou Wei, a law professor at Sichuan University, commenting to *Caixin* about reports of a 41-year-old woman being fired from a property management company in Guangzhou because she was pregnant

“I hope the people of both countries fully realise that the importance of China-Japan relations will not change with some people’s likes or dislikes.”

Cheng Yonghua, former Chinese ambassador to Japan, speaking to *ChinaReport*



Top Story

Second Import Fair Concludes with Billions in Deals



The second China International Import Expo (CIIE) was held in Shanghai from November 5-10, during which attendees agreed intended deals worth US\$71.13 billion, 23 percent higher than at the first expo, said Sun Chenghai, deputy director of the CIIE bureau.

Proposed by Chinese President Xi Jinping, the CIIE aims to promote global economic exchange and free trade. At the opening ceremony, Xi delivered a speech, in which he affirmed that China will continue to open its market and improve its

business environment, and that the country has promising economic prospects. Xi also called on countries to join to build a shared world economy and fight against protectionism and unilateralism.

Sun said at the concluding press conference that the second CIIE was marked by the concentration of high-level government and business delegations who discussed important issues in forums, including the business environment, artificial intelligence (AI), reform of the World Trade Organisation (WTO), e-business

and a shared world economy, which Xi has always advocated. Sun said that the Expo's forums have become a high-level platform to exchange advanced and innovative ideas.

5G technology was available and AI robots served guests at the expo. It attracted more than 3,800 businesses from 181 countries, regions and international organisations, which released 391 new products, technologies and services, Sun said.

Foreign media reports were positive about the Expo, believing that it shows China's strong determination to open its door wider and support free trade. Japan's *Mainichi Shimbun*, for example, called the Expo "China's economic diplomacy" and Singapore's *The Straits Times* praised the expo for being helpful in reducing the trade deficits many countries have with China.

Reuters reported that nearly 200 American businesses participated in the second CIIE, 18 percent more than in 2018. The Consumer News and Business Channel said that US businesses were concentrated in pharmaceuticals and healthcare, industries that hope to explore the potential in the huge Chinese market.

China is already preparing for next year's CIIE, with 115 businesses already signed up to attend, Sun said.

Tourism

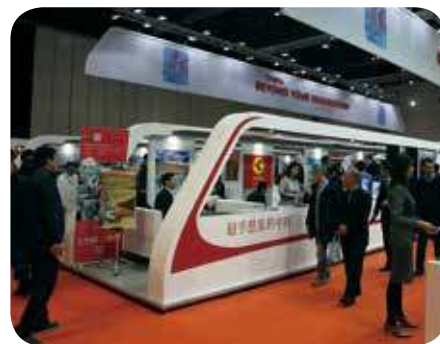
High-speed Tourism Development on Display

China's status as a growing tourist market was confirmed when around 40 exhibitors displayed their offers at the 2019 World Travel Market event in London early November.

With 168 flights between China and Britain per week, the Asian giant's enticing presence was themed China Beyond Your Imagination and featured two high-speed train compartments. Speaking at the pavilion opening ceremony, Liu Xiaoming, Chinese ambassador to the UK, led the way in

promoting the country's in-bound tourism. "In the past 70 years, the cultural and travel industry in China has achieved much progress, turning the country into a major player in world tourism. China's tourism industry has entered an era of rapid development and great prosperity" he said.

UK Tourism Minister Helen Whately banged the drum for Britain. She reiterated that the British government is keen to attract more Chinese tourists. No surprise as last



year almost 400,000 Chinese nationals came to the UK where they spent over 650 million pounds.

Acquisition

Chinese Group Set to Rescue Struggling British Steel

British and French workers are set to receive a Christmas boost with the announcement that Chinese firm Jingye has signed a provisional agreement to buy the struggling British Steel.

If the deal goes through, Jingye plans to invest 1.2 billion pounds, saving some 4,000 jobs and potentially safeguarding another 20,000 roles in the supply chain.

There were big celebrations in the Northern English steel town of Scunthorpe. Following a weekend of talks the Jingye team went to a bar and told delighted drinkers a deal had been agreed before buying the whole pub a tipple.

The man at the top was upbeat. "We share with the thousands of British Steel workers a passion for this industry and we are determined that together we can transform this business," said Jingye Group Chairman Li

Ganpo.

Despite the good news questions are being asked. The first is how to restore profitability to a company that is currently in the hands of the official receiver. Especially as the UK industry nearly collapsed due to alleged Chinese dumping in 2016.

A further, lesser concern is around sovereignty as going forward, a third of the UK steel industry would be in Chinese hands. The UK's Business Secretary Andrea Leadsom brushed this off. "There aren't any national security issues with this acquisition," she said.

The only remaining block is the need to gain French government approval as a British Steel plant in Hayange, northeastern France, will be impacted and the national railway SNCF is a major customer.

International

Xi Pledges Support for Greece in Efforts to Repatriate Relics

Among the countries at the other end of the Silk Road from China lies Greece. The friendship between the two countries deepened when Chinese President Xi Jinping paid a three-day state visit to the cradle of European civilisation in mid-November. As with several other similar visits, there were promises of big investment and the signing of agreements, 16 in all.

But a deeper bond was apparent as both countries are fighting for the return of national treasures from powers with nimble fingers – the Elgin Marbles from the UK's British Museum for Greece and, in China's case, treasures looted from the Yuanmingyuan in Beijing, referred to as the old Summer Palace, by several European countries.

As a proud defender of 5,000 years of Chinese culture, Xi pledged his support for Greek President Prokipsis Pavlopoulos to press his country's grievance even though the UK is the more promising trading partner. "I assure you of our support because we also have many Chinese cultural works outside our country that we are trying to recover," the Chinese leader said.

Reflecting its might as a great power, China has had more success than Greece in getting cultural relics back. Frustratingly for Greece, the British are digging their heels in, with the British Museum claiming that "the sculptures are part of everyone's shared heritage and transcend cultural boundaries."

Foreign Exchange

London Leads in Offshore Yuan Trading

London is forging ahead as the largest offshore yuan trading centre despite Brexit. Second quarter figures from a joint City of London Corporation and the European Office of the People's Bank of China report showed average daily trades of US\$85b of in yuan in London. This is an increase of 10 percent from the first three months of 2019, and a 23 percent rise year-on-year rise.

"It's no secret that the UK has long been a world leader in foreign exchange," said Catherine McGuinness, policy chair at the City of London

Corporation. "We've also grown to become the leading hub for renminbi trading."

This is a nice earner for the UK when set in the context of the yuan's position as the most traded emerging market currency. This pole position is partly driven by trade fissures between Washington and Beijing that have led to hedge funds and banks to buy and sell the offshore yuan.

A post-Brexit London will need to keep an eye on its competitors for yuan offshore trading that include Hong Kong, Sydney and Toronto.

Business

China's Business Environment Improves: World Bank

The World Bank (WB) published its *Doing Business 2020* report on October 24 which weighs the convenience of doing business in each country. The WB said that China's business environment has risen to 31st worldwide, 15 places higher than in 2018.

The report ascribed the rise to China's great promotion of its reforms where China, according to Martin Raiser, the World Bank's country director for China, Mongolia and South Korea, has made enormous efforts to improve the environment for small- and medium-sized enterprises (SMEs), especially in simplifying the formalities for construction licences.

The report showed that China has seen eight out of 10 appraisal items rise, including the formalities of construction licences, protections for investors in SMEs and cross-border trade. Chinese media reported that the government has made 130 measures to improve the business environment.

The better environment has brought about more foreign investment. According to a recent report by the United Nations Conference on Trade and Development (UNCTAD), China attracted a total of US\$73 billion foreign investment in the first half of 2019, the second biggest recipient of foreign investment after the US.

According to the WB, China still has a way to go to improve taxation, lending and foreign trade-related formalities. On October 22, China's State Council issued a new regulation on improving the business environment, which is scheduled to take effect on January 1, 2020.



PHOTOS BY CNS, VCG

Real Trouble Over Museum Fakes

A new 6.7 million yuan (US\$957,000) museum in Southwest China's Chongqing University has closed its doors amid accusations that a large portion of their collection was fakes and replicas. Netizen "Ji-angshang" first raised suspicions by claiming many of the artefacts were coarsely made and pointed out some historical inaccuracies. For example, the netizen said a turtle statue in the museum's collection was electroplated. A cultural relics expert who did not reveal his name told news portal The Paper that he could tell some items were fake simply by looking at the photos. Media reports said that most of the museum's pieces were donations from Wu Yingqi, retired deputy dean of the university's school of humanities and arts. Wu's son reportedly operates the museum and runs another two art companies. The museum has since closed and is conducting an investigation.



Sexagenarian Mum Raises Issues

Tian Xin, a 67-year-old woman in Zaozhuang, Shandong Province, gave birth to her third child on October 27. Tian's husband told media she had worked as a doctor before retiring and she began menstruating after taking Chinese traditional medicine that promotes blood circulation. Tian's adult son and daughter disapproved of the pregnancy. The couple said the baby was a gift and said they are healthy enough to raise her alone. Most netizens, however, sided with the adult children, citing the health, emotional and other risks of having a baby late in life. For example, the child could lose their parents at an early age, and the family would be forced to take responsibility for the child, netizens said.

Less Homework Not An Option, Say Parents

Education authorities in Zhejiang Province issued new measures to reduce the workloads of elementary and middle school students, which have irritated some parents and teachers. According to the recent government document, elementary students could stop doing homework at 9 pm (and 10 pm for middle school students) without affecting their grades. The measures aim to give students more time for sleep, the document read. However, many teachers and parents called them unenforceable. "Given the fierce competition [of getting into a good school], few parents would dare to let their children off the hook," one Sina Weibo user commented. Experts said reductions in the workload should instead be rooted in reforming the student grading and enrollment system.

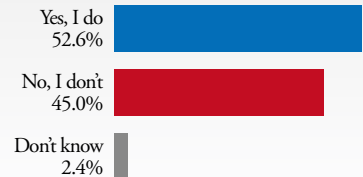
Speed Reading Course Pulls Fast One

A video clip showing students flipping through books using a new method of speed reading went viral. According to media reports, instructors of "quantum fluctuation" claimed the method could help students skim 100,000 words in 10 minutes and retain information. Of course, netizens were sceptical. Some joked the inventor of this Superman-like ability should win a Nobel Prize. However, hopeful parents are paying up to 260,000 yuan (US\$37,143) for training. Experts said the method is not scientific and training programmes are taking advantage of parents seeking to give their kids a leg up in school.

Poll the People

The Shenzhen municipal government stirred a public outcry for condoning the euthanasia of stray dogs that are not adopted within two weeks of being caught, according to a draft regulation on urban management. Some netizens condemned the policy as cruel, while others called it a reasonable way to control the city's growing population of stray dogs and more humane than dog catchers beating them to death as others cities have done in the past. Some suggested the government punish those who release their unwanted pets – a leading source of stray dogs in the city.

Do you support euthanizing stray dogs that are not adopted within 14 days?



Source: Sina blogger "beijingren buzhidao de beijingshi" (things in Beijing that Beijingers do not know)

Most Circulated Post

Reposted 13,032 times by November 9

"The mainland is your motherland and always stands behind you when you are abroad... Come back home, Wanwan!" (Wanwan is a nickname for Taiwan used by Chinese mainland netizens.)



On November 5, China's Taiwan Affairs Office of the State Council released a new document that aims to further promote economic and cultural exchanges across the Taiwan Strait. It includes 26 measures to ensure Taiwan-based enterprises would receive the same treatment as those on the Chinese mainland. State broadcaster CCTV posted on Sina Weibo that the measures were a sincere gesture expressing that the fates of Taiwan and the mainland are closely connected.

TOP FIVE SEARCH QUERIES

On **Baidu** 百度 for the week ending November 17, 2019

1

1. Tmall Scores Tremendous Singles' Day Sales 494,790
Tmall, the B2C shopping platform under Alibaba, pocketed 268.4 billion yuan (US\$38.3b) in sales for Singles' Day on November 11, 25.7 percent more than in 2018.

2

2. Court Rules Billionaire's Son to Cut Luxury Spending 308,529
A Shanghai court has restricted Wang Sicong, son of China's second-richest man Wang Jianlin, from high-end consumption after losing a case involving a 151 million yuan (US\$515,000) contract dispute and owing millions of dollars in personal debt.

3

3. World Diamond Supply Exceeds Demand 205,045
De Beer's, the world's biggest rough diamond supplier, has announced it will cut the wholesale price of rough diamonds by 5 percent. Experts ascribed the unprecedented cut to an oversupply of rough diamonds.

4

4. Chinese Yuan Appreciates 194,128
The Chinese yuan's exchange rate against the US dollar fell below 7 to 1 in early November. Easing trade tensions between China and the US contributed to the appreciation, experts said.

5

5. Huawei Hands Out Fat Bonuses 44,785
China's telecom giant Huawei plans to share around 2 billion yuan (US\$285.7m) in bonuses among all employees that have participated in developing domestically-made parts while facing US restrictions on component purchases.

TOP BLOGGER PROFILE

Li Meijin

Followers: 1,642,047 by November 12

The nationwide shock over a recent case involving a 13-year-old boy accused of sexually assaulting and murdering a 10-year-old girl has led to a spike in Sina Weibo followers for Li Meijin, a professor of criminal and adolescent psychology at the People's Public Security University of China. Li is popular among parents for her views on education and parenting. Li believes that since family plays the biggest role in a child's personality development, family members should be held responsible for a teenager's crime. She also values early education. "Many mothers have asked me how to discipline children 12 years and older. My answer is 'there is no way.' How could an older child or even an adult be disciplined if they were never disciplined as a young child," she posted. Li emphasises the importance of spending time with kids and advises parents to first examine where they may have gone wrong when their children misbehave. She recently posted a series of cartoons illustrating views on education that are popular overseas and that she supports, such as not always removing every obstacle and showing more consideration for children's feelings.



WHAT'S HOT?



Teen Scientist

Tan Fangling, a 15-year-old girl in Shanghai, shot to internet fame for attending the World Laureates Forum (WLF) for the second year in a row. Initiated by the World Laureates Association and hosted by the Shanghai government, the WLF is a gathering for exchanges between the world's leading scientists and academics. Tan, the youngest in attendance, shared her research in the Fibonacci and Bezu sequences. Media reports said that Tan's previous project has improved the calculations of Bezu's upper and lower threshold by connecting the Fibonacci sequence with the Bezu sequence. Netizens lauded Tan as a prodigy, with some admitting they had never even heard of either sequence before.

WHAT'S NOT?



Cockpit Blocker

Su Chen, a commercial airline pilot, recently had his licence revoked for allowing his girlfriend to enter the cockpit during a flight. The incident was made public after the woman posted a photo taken inside the cockpit on social media. Guilin Airlines has punished Su for safety violations and his superiors for lack of oversight. Netizens praised the move and said it would serve as a warning to other pilots.

SOME OF THE IMAGES USED IN THIS SECTION ARE FROM THE INTERNET



20 Kinds of Water

A young man in Hangzhou, Zhejiang Province made a splash online for his daily habit of drinking around 20 different kinds of water. He told local media he drinks low-sodium water in the morning, which benefits the liver, and soda water in the evening for essential minerals. He uses different kinds of water for cooking, tea and light and heavy exercise. Netizens said they doubted the purported effectiveness of the different waters but respect his choices.



Mother's Assault for Staying Single

A 30-year-old woman called police in Changzhou, Jiangsu Province after her mother assaulted her with an iron rod because she was unmarried. Doctors said the woman, surnamed Lin, had sustained large bruises on her legs, hips and elbows. Lin told police her mother was furious she was single, and had previously beaten her over family chores. Lin's mother told officers she had the right to do so. Police detained the mother and ordered her to pay Lin compensation for her pain and suffering. Netizens accused Lin's mother of being the kind of parent that sees children as property.

Juvenile Crime

AGE FOR CHANGE

A murder committed by
a 13-year-old boy has
rekindled debate over the
minimum age of criminal
responsibility in China

By Yu Xiaodong

A juvenile delinquent
studies at a detention centre,
Chengdu, Sichuan Province,
August 31, 2017

Photo by VCG

When police in the coastal city of Dalian, Northeast China's Liaoning Province, announced that a 13-year-old boy who confessed to brutally murdering a 10-year-old girl from the same neighbourhood would not face criminal charges, it triggered widespread public outcry over the country's juvenile crime laws.

Minor Debate

According to the police investigation, the teen surnamed Cai lured the girl into his home. He sexually assaulted her before stabbing her to death and dumping her body in a nearby ditch. But because China's laws exempt children under 14 from criminal responsibility, police could not charge him. The boy was sentenced to the harshest punishment applicable – three years at a government-run correctional facility for young offenders.

This enraged the victim's family, who hired a lawyer to seek "the most severe sentencing for the murderer." But legal experts are doubtful as further punishment is rare.

The case was the latest in a string of murders committed by children under 14. In the three-month period between December 2018 and March, there were three separate cases of children between 12 and 13 brutally killing their parents. In one case, the boy cut off his mother's head on video and posted it on social media.

Despite the severity of the offences, none faced criminal charges. One of them was released just days after being taken into custody. The cases led to heated debates over the age of criminal responsibility among the public and legal experts alike.

In March, 30 Chinese lawmakers submitted a proposal to the National People's Congress (NPC), China's top legislative body, to lower the minimum age of criminal responsibility from 14 to 12.

China's age limit for juveniles is higher than most countries. In 2007, the United Nations Committee on the Rights of the Child recommended an "absolute minimum" age of 12 for criminal responsibility, while encouraging states to increase it to 14. According to data compiled by Child Rights International Network (CRIN), about 65 countries, or one-third of the world's countries, have a minimum age of 14 and higher (no more than 16). In most, the threshold falls between 7 and 13. Seven countries do not have a set minimum, including the US – 33 states have no minimum age statute, while the remaining 18 states range between 7 and 10 years old, according to the CRIN data.

Supporters of the proposal argue that children are maturing both

physically and psychologically much earlier than previous generations because of better living standards and increased access to information. The argument that children under 14 are not mature enough to understand the nature and consequences of their actions simply does not hold for some offenders.

The boy involved in the Dalian murder, for example, is 170 centimetres tall and weighs 70 kilograms – a large build for his age. He was said to have stalked other girls in the neighbourhood in the past, and in the aftermath of the murder, a video clip showing him masturbating in front of a female passenger on a public bus was posted online. Many legal experts said he is mature enough to face trial.

Wrong Message?

"We are sending a terribly wrong message that they [children under 14] can do anything with impunity," said Zheng Gongcheng, a professor at the Renmin University of China and an NPC member. "This has to change," he added.

According to Kang Liying, a professor from Capital Normal University and expert in juvenile crime, the fact that a minimum age for criminal responsibility exists may be the very reason why some juveniles commit crimes.

"Many juvenile offenders are clearly aware of the protection they have from the law, and the mentality is that if you want to do something big, you better do it before 14," Kang said during a news interview on State broadcaster China Central Television. "Beyond 14, you can still do something before 16, but be careful after turning 16," Kang added.

But not everyone agrees. Li Meijin, a professor from the People's Public Security University of China, argued that juvenile delinquency is the result of social and economic problems, and cannot be simply addressed by handing out harsher punishments.

It has long been argued that a major factor behind the rise in juvenile delinquency in China is the phenomenon of "left-behind" children, or children who are left in their rural homes while their parents work in urban areas. According to a Xinhua News Agency report in March 2016, left-behind children accounted for about 20 percent of all children in China, but committed 70 percent of juvenile crimes. Some of the children who murdered their parents were also left-behind children, media reported. Li believes that China should focus on holding parents accountable for taking care of their kids. "Unless there are special circumstances, parents should not be allowed to shun their legal responsibility as their children's guardians," Li said.



Good habits are required at correctional facilities for juvenile delinquents



Teenagers act out a scene with models as part of a counselling exercise in Hangzhou, September 1, 2017

Law Amendments

Only days after the murder in Dalian, China's lawmakers convened at a bi-monthly session of the NPC's Standing Committee to deliberate a draft amendment to the Prevention of Juvenile Delinquency Law and the Juvenile Protection Law, an event that attracted much public attention.

For many, the juxtaposition of the two laws reflects the dilemma Chinese lawmakers face – protecting and punishing juvenile delinquents. In past years, China's law enforcement agencies took a more lenient approach towards juvenile offenders, a trend hailed as major progress for China's legal system.

For example, according to a report from the Supreme People's Court-affiliated China Justice Big Data Institute, in 2018 alone, the number of cases in which prosecutors decided not to arrest or prosecute young offenders increased by 6.9 and 13.8 percent over the previous year.

But on the heels of the recent murder case, the public has seriously challenged this lenient approach. "You have two children, one is brutally murdered and the other who committed the crime walks free. How can you say that you are protecting children?" a netizen wrote.

Many of the victims in recent high-profile juvenile cases were also children. In March 2018, a 13-year-old boy in Central China's Hubei Province attacked a girl with scissors, robbed her and forced her to strip. He was released without punishment. In a 2015 case, a group of students in South China's Guangxi Zhuang Autonomous Region severely beat an 11-year-old girl. Their only punishment was apologizing to the victim.

During the NPC session, many lawmakers called for a separate juvenile criminal justice system. "China needs to establish an independent juvenile justice system with its own principles, legal entities and procedures to both protect and discipline juvenile delinquents," Pi Yijun, a professor and expert on juvenile delinquency at China University of Political Science and Law, told *ChinaReport*.

Pi pointed out that China's current juvenile correctional facilities lack clear legal status. Take work-study school for juveniles, for example. Not only do these schools lack clear guidelines for reeducation, they also accept non-offenders such as the mentally-ill and disabled students.

PHOTO BY VCG

PHOTO BY VCG

Xian Tieke, a veteran law practitioner and an NPC member, agreed, adding the law should also cover how to handle juvenile offenders who are not old enough to stand trial.

“The problem is that without adequate institutional arrangements for juvenile delinquents, law enforcement agencies can only choose between setting them free or punishing them as grown-ups,” Xian said.

The draft amendment to the Juvenile Delinquency Prevention Law released after the NPC session would do away with a clause that stipulates “children under 16 who committed crimes but face no criminal charges shall be returned to their parents or taken into State custody for foster care and education.”

Some suggest this exclusion means juvenile delinquents would not be returned to their parents directly, while others said it signals the scrapping of juvenile correctional facilities.

The amendment also divides juvenile delinquency into three categories – delinquent behaviour, serious delinquent behaviour and criminal behaviour. It says different treatment measures would apply to each without going into detail. The draft amendment also adds clauses emphasizing parental responsibility in preventing juvenile delinquency, but falls short of specifying how parents would be held accountable.

While some legal experts said the draft amendment is just a cosmetic makeover of already toothless laws, others believe that the new wordings may pave the way for a more effective juvenile criminal justice system as some NPC members have sought. But even so, it will be a long time before any meaningful reform takes shape.

As for the core issue of whether the age of criminal responsibility should be lowered, debate among NPC members is ongoing, especially because the issue is not covered in either of the two laws.

According to Xu Xin, a law professor from the Beijing Institute of Technology, most experts are in favour of lowering the age of criminal responsibility.

But as that would involve changing China's Criminal Law, the issue must wait until Criminal Law amendments are officially added to the NPC agenda. ★

Recent high-profile murder cases committed by young offenders

December 5, 2013: A 10-year-old girl in Chongqing carried an 18-month-old into the lift of a 25-storey apartment building. After bringing the toddler to the top floor, she beat him up and pushed him off the building, killing him. The girl was released and returned to her parents following an investigation.

October 18, 2015: Three boys between 11 and 13 in Hunan Province killed a 52-year-old school teacher who had spotted them attempting to steal from a grocery store at the teacher's school. The three boys were exempted from criminal responsibility and were sentenced to three years at a local correctional work-study school.

January 18, 2016: A 19-year-old man from Guangxi Zhuang Autonomous Region raped and killed an 11-year-old girl in Guangzhou, Guangdong Province. The man had just served a six-year jail term for murdering a 6-year-old girl in 2011. In 2010, he was taken into custody for killing a 4-year-old boy but was released for being underage.

July 18, 2016: A 13-year-old boy from a village in Cenxi, Guangxi killed two girls, aged 4 and 8, and one 7-year-old boy before dumping their bodies in a deserted well. The three children were siblings. The teen was later sent to a foster and rehabilitation centre for three years.

December 5, 2017: A 13-year-old boy from Dazhu County, Sichuan Province stabbed his 43-year-old mother to death in retaliation for her alleged “harsh discipline methods.” It was reported that he filmed himself decapitating her body and posted the video on social media. The boy was not charged.

December 2, 2018: A 12-year-old boy from Yuanjiang, Hunan Province, stabbed his 34-year-old mother to death with a kitchen knife after she disciplined him for smoking at home. The boy was later released to his father's care.

December 31, 2018: A 13-year-old boy from Hengnan County, Hunan Province killed both his parents with a hammer. He was exempt from criminal responsibility and was sent to a juvenile rehabilitation facility.

March 16, 2019: A 13-year-old boy from Yancheng, Jiangsu Province hacked his 37-year-old mother to death with a cleaver after she scolded him for being obsessed with his mobile phone and pet dog. The boy was later released to his father's care.

October 20, 2019: A 13-year-old boy from Dalian, Liaoning Province sexually assaulted and killed a 11-year-old girl after luring her into his home. The boy was released to his parents three days later.

Fourth Plenum

MESSAGE OF INTENT

China's ruling party highlighted the "institutional advantages" of its political system in its recent fourth plenum, pledging to promote the modernisation of its governance system which will not be influenced by Western-style leadership

By Yu Xiaodong

On October 31, the long-awaited fourth plenary session of the 19th Central Committee of the Communist Party of China (CPC) concluded after four days of discussions. The plenums are keynote events on China's political calendar, as they are crucial meetings in which major political and economic policies, particularly macro policies, are debated and formulated.

This year's fourth plenum was particularly critical as since the previous plenary session was held in February 2018, China has been facing more internal and external challenges, ranging from a domestic economic slowdown, unrest in Hong Kong and a deteriorating relationship across the Taiwan strait, to growing hostility with the US amid the escalating trade war.

But despite its significance, the meeting received minimal attention from the international media, with reports focusing on the ongoing unrest in Hong Kong and the Taiwan issue. Regarding these pressing issues, the CPC vowed to "establish a sound legal system and enforcement mechanism for safeguarding national security" in Hong Kong, and will uphold the principle of one country, two systems to "achieve peaceful reunification of the motherland."

While the Hong Kong and Taiwan issues are important, the significance of the fourth

plenum does not lie in its messages on specific issues, but on the abstract and symbolic issue of China's political system, which was reflected in the theme of the communique concluded in the plenum – "how to uphold and improve the system of socialism with Chinese characteristics and advance the modernisation of China's system and capacity for governance."

Future Path

For many international observers, the document with its long title appears to be a cliché and a repetition of the CPC's earlier declaration of its political principles and doctrines. But by including governance modernisation efforts into China's grand "centennial plans," the plenum sends a clear message that the party will continue its existing political and economic systems, which will only be strengthened in the future.

"It [the plenum] answered a fundamental political question for China's future development, that is on what path will China go in the future," Xie Chuntao, vice-president of the Central Party School of the CPC in Beijing told *ChinaReport*. The answer is obviously not a Western-style democracy.

Instead, the document states that China's socialist governance system with Chinese characteristics enjoys 13 "obvious advantages"

over other governance systems, which it says holds the key to China's "miraculous economic development" and "miraculous political stability" in the past decades.

"Socialism with Chinese characteristics is a scientific system developed by the Party and the people through their long-term practices and explorations," the communique reads. "These systems are able to push for the continuous progress of the country with nearly 1.4 billion people and ensure the realisation of the two centenary goals towards the rejuvenation of the Chinese nation, which has a civilisation of more than 5,000 years."

Among all the listed advantages, the Party's leadership is ranked at top, the importance of which is emphasised throughout the document. In the news conference held after the plenum, Jiang Jinqian, a deputy director of the CPC's Central Committee policy research office, further emphasised that the most fundamental advantage of China's governance system is the Party's leadership.

Centennial Goals

The document also states that China's governance system, which it said would continue to be strengthened and perfected, will help China achieve its two centennial goals. Dubbed the "Two Centenaries," they refer to the centenary of the founding of the Com-



The Publicity Department of the Central Committee of the Communist Party of China (CCCPC) holds a press conference on the fourth plenary session of the 19th CCCPC, November 1, 2019, Beijing

“Look at China’s rapidly developing high-speed rail network, or the new Beijing Daxing airport,” said Ma, “Without a political system that can effectively mobilise resources across the whole country, all of this would be impossible.”

For others, the external challenges China now faces is a major driving force behind the Party’s efforts to maintain and strengthen its governance capability. “In the past couple of years, the global landscape has endured a fundamental change as the importance of competition between nations appears to have overshadowed that of international cooperation,” Wang Yiming, vice-director of the Development Research Centre of the State Council, told *ChinaReport*.

“At the end of the day, competition between nations is competition between their governance systems, and the goal of the plenum is to increase our capability in the global competition,” Wang said.

Xi himself made the same proclamation loud and clear. In an explanatory speech on November 5, Xi said that upholding China’s political system provides “a strong guarantee of the country’s response to risks and challenges and taking initiatives.”

Warning that “in a world undergoing changes unseen in a century, the risks and challenges that the country is facing are more severe than ever,” Xi said that “the impact of the risks and challenges must be dealt with using the power of the system.”

For many observers, the plenum may have a major implication for China’s political and economic policies in the future. As Beijing becomes more entrenched in existing political and economic policies, just as Washington remains adamant on its hostility towards China on various issues, its rivalry with the US could become more systematic rather than confined to specific issues. ★

munist Party of China in 2021 and the centenary of the founding of the People’s Republic of China in 2049. The goals are to achieve moderate prosperity by 2021 and build China into a “modern, strong, democratic, civilised socialist country” in 2049.

The concept of centennial goals was first articulated in 2015 and has gained prominence since Chinese President Xi Jinping, also general secretary of the CPC Central Committee, assumed office. It is closely related to Xi’s iconic ideas of “national rejuvenation” and the “Chinese dream.”

In the past, the connotation of the two centenaries was largely economic, but with the fourth plenum, the concept now has obtained a political dimension. In a politburo meeting held on October 24, which announced the schedule of the plenum, the Party released a three-step plan to achieve a “modern governance” system by 2049, to make China’s various systems “more mature” by 2021, to “basically achieve national governance with a modern governing capability” by 2035, and by 2049 to establish a comprehensive modern national governance

system that “will make the socialist system of Chinese characteristics more stable, and allow its superiority to fully take effect.”

“China is trying to prove that other than the Western model, China’s political, economic and social system can be an alternative model to achieve modernisation,” said Yu Zeyuan, a commentator with the Singapore-based newspaper *Lianhe Zaobao*, in an article published on October 28.

Systematic Competition?

Throughout the documents, the word “capability” appeared 40 times. The underlining argument that backs the superiority of China’s political system is that a governance system should be evaluated on its governance capability, rather than abstract principles. That is also the argument adopted by many Chinese scholars.

Professor Ma Huaide, president of the China University of Political Science and Law, told *ChinaReport* that a major advantage of China’s political system is that it can concentrate resources and make achievements that other political systems could not.

COVER STORY



GETTING UP TO CODE

Fintech companies and financial service providers are starting to feel the chill as authorities tighten regulation of the data mining industry amid widespread allegations of privacy violations



Big Data

PHOTO BY TC

TRAPPED IN THEIR OWN WEB

Improper trade of personal data in the cash loan market has prompted authorities to tighten the reins on personal data infringement, which could lead to a complete reshuffle of the industry

By Xu Ming and Yang Qun

China's big data industry is on tenterhooks amid a sweeping investigation into firms suspected of improper acquisition and use of personal information.

Starting September, many data companies or fintech (financial technology) companies in Shanghai, as well as in Hangzhou, East China's Zhejiang Province and in Shenzhen, Guangdong

Province, were put under investigation. Not only chief executives of big data companies, but core personnel from several financial companies that once made deals with the former were detained by police. The storm that swept the whole industry has left it feeling up against a wall.

The investigation, *ChinaReport* learned, was precipitated after a suicide in an abusive payment collection case related to an online

lending platform. The transaction and leak of personal data attracted attention from the police. Their focus is on the practice of using web crawlers, sometimes referred to as a spider or spiderbot, which are internet bots used for the systematic scraping of online data. Web crawlers are widely used by data and fintech companies to harvest data from web pages, shopping platforms and social networks.

As more companies have been enmeshed in the probe, many have chosen to stop data harvesting through spiderbots. Though a neutral tool, in an environment with lax legal regulation, the use of web crawlers is often associated with charges of privacy invasion, as many companies choose to collect, use and sell unauthorised data. This results in shady data deals that cause problems like leaks of personal information, fraud and abusive debt collection.

Before the current investigation, authorities had already launched two campaigns in 2017 and 2018 to crack down on payday loans with extremely high interest rates and telecommunication fraud, which also involved illegally obtaining personal information and private information leaks. Dozens of data companies were investigated. Now, as big data is being applied in unprecedentedly wide scenarios and the country is putting increasing emphasis on data protection, experts said that some of the misconduct related to data and internet finance is likely to spark a stringent industrial cleanup and reshuffle, as well as propelling further legislation aimed at protecting personal data.

'Missile' Loans

The current investigation is believed to be a continuation of the authorities' crackdown on deceptive and illegal cash loans on online lending platforms. In recent years, small-sum and short-term cash loans which are often issued through mobile apps have become popular. But the rapid growth of cash loans led to problems like fraudulent advertising of interest rates, extremely high interest rates, setting traps for the borrower to borrow more and unregulated payment collection in a market that was loosely regulated and lacked supervision.

In an infamous "714 missile" loan (loans due in seven or 14 days), for example, a woman's initial loan of 7,000 yuan (US\$998) ballooned to 500,000 yuan (US\$71,262) in three months due to high interest rates and

overdue charges, particularly after she was lured into more loans to pay off the old ones, China Central Television (CCTV) reported in March.

The huge success of these micro-lending platforms, whether legal or illegal, involved improper collection and use of personal information which was assisted by data companies in their efforts to locate customers and control risks, including in repayment collection. Many data providers and fintech companies that have come under the beady eye of the authorities were discovered to have abetted unregulated online lenders.

In the case that triggered this investigation, *ChinaReport* learned from multiple sources that the debt collector was outsourced by an online lender, and obtained the address of the borrower from a data provider. The debt collector is suspected of putting the borrower under pressure, which allegedly led to the victim's suicide. The police have linked the tragedy to the actions of the data company which provided the victim's personal information to the debt collector.

Following the investigation into the online debt lender, a personal financial service provider called 51 Credit Card, Hangzhou police posted on their Sina Weibo account on October 21 that the company was involved in using means such as intimidation and harassment in its outsourced payment collection.

Without proper risk management mechanisms, many lending platforms are haunted by high levels of bad debts, which in turn boost the debt collection business. Debt collectors obtain personal information from banks and financial institutions to recover the loans. It is common for borrowers and their friends and families to be harassed by calls or messages.

"The recent investigation was probably not aimed at personal data protection from the beginning, but eventually it led them to the issue of data security, as police wanted to hold accountable the supplier of data behind

the payment collection," said Li Ning, vice president of Vcredit Holdings Limited, a consumer finance service provider.

The investigation into data companies once again has highlighted the chronic problem of data leaks and abusive use of personal information as it has become a valuable commodity in the digital economy.

Harassing marketing calls and messages and telephone scams are the most common forms, in which the caller might already know the consumer's name, age, home address and workplace. It is no surprise that just after one buys a property, a home decorating agent shows up, and everyone has become used to seeing pop-up windows advertising flights, hotels or products right after browsing for holidays or other items. Apps usually demand permission to access private information and share it when one tries to download and use them. Lending apps, in particular, demand that users give authorisation to read their private data, like contact lists and call records. Online shopping, mobile payments, online lending, social networks and apps that cover every aspect of life are rendering people into a state of "transparency" where their information is vulnerable to being exposed and collected.

A report on China's legalisation of big data released by the China University of Political Science and Law in December 2018 found that 47 percent of those surveyed received three to five spam messages every day on average. About 34 percent suffered from direct economic loss. Among the more than 70 percent that had experienced electronic account theft, most believed the theft was caused by personal information leakage.

Previously, personal information leaks were largely attributed to the public's weak awareness of data protection, or to hackers. It was not until 2016 when the police cracked down on a series of telecommunication frauds that involved personal information deals that people began to realise that private data was being sold on the black market. The data

derived from fields ranging from banking and express delivery to securities and e-commerce. The joining of data companies probably only makes the situation more sophisticated.

“Now as big data is applied to more and more scenarios, enhancing the proper use of data and protection of personal data is becoming urgent,” Chen Xinhe, vice secretary of Zhongguancun Big Data Industry Alliance, told *ChinaReport*.

In Fear of Arrest

On September 12, more than 10 employees of Geo, a tech company based in Beijing, were taken away by police, including the staff in charge of web crawling. In late September, several people in charge of a web crawling business from Tongdun Technology, a data service provider in Hangzhou, were also detained. One of Tongdun's core products engages in data collection, involving crawling for online data to support credit assessment.

On October 22, Beijing financial authorities demanded that local big data companies be screened for illegal web crawling operations. Those who are engaged in the business are required to make adjustments and report to authorities, and those who are not must make a commitment that they will not engage in the business in the future.

Following the arrest of a number of senior officers of tech companies, many big data companies have stopped any business related to web crawling. “Now the web crawling business is basically suspended. Many companies that previously provided the service are cleaning their databases to avoid the checks,” one employee who works in the industry and asked for anonymity told *ChinaReport*.

Experts agree that a spiderbot itself as a tool is neutral. “It's like a knife. The key is who is using it and for what purpose. It's not right to ban all knives just because one is used in a murder,” said Chen Xinhe, adding that

the problem lies in improper collection and use of data.

There is no lack of regulation in the Chinese mainland. The Cyber Security Law that came into use in June 2017 stipulates that the collection of personal information should be lawful and with proper cause, based on the acknowledgement of the people involved. No personal information should be provided to others without consent from the people involved. This June, the National Information Security Standardisation Technical Committee released a draft regulation on personal information security for public opinion, stipulating that the personal information controller should obtain consent from individuals before collecting sensitive information. They should ensure that consent is made clearly and voluntarily based on their complete acknowledgment.

“Consumers should be clear that they have authorised use of their data [beforehand]. That's the key to get personal data,” said Meng Qingfeng, vice president of CredEx Fintech, an online lender based in Shenzhen.

Besides, “in normal cases, the data, even authorised data, should vanish after the data was obtained and no longer needed,” Chen Xinhe told *ChinaReport*. For example, Chen said, if you apply for a bank loan, you need to authorise the bank to check your personal data, just like for insurance coverage and airline trips. The bank might ask a data provider to crawl for the data it needs and they agree that the use of the data stops there without being preserved or sold to a third party.

“But it is undeniable that [in reality] there is much improper practice, particularly scraping unauthorised data,” Meng said.

Many data service providers obtain unauthorised data or keep data that should be destroyed after use. As competition grew fierce, data theft, misuse and transaction fraud are prevalent, which helps foment a grey zone of trading data on the edge of the law. Those

whose information is leaked in the process can be exposed to harassing advertisements, scams or lured into online lending.

A data provider's quotations that *ChinaReport* gained from an insider, show that the regular data service is classified into identity authentication, contacts and location, which includes not only information such as ID card numbers and mobile phone numbers but also the person's entire contact list and location information. The service is charged by time, each inquiry costing between 0.38 yuan (US\$0.05) and 0.98 yuan (US\$0.14). Every single message is priced accurately, with discounts for a yearly package.

Some insiders who demanded anonymity told *ChinaReport* that many data companies both provide inquiry services and sell data in packages. Besides personal information, the quotations that internet banking companies get also cover important private data such as personal social insurance information, the payment codes of online banks, transaction records on e-commerce platforms like Taobao and JD.com and messages on social media platforms.

“Many data companies avoid talking about their [data] sources and only stress the value of data. It is hard to say how they get their data or to verify the source,” said the insiders.

Zhang Xinbo, co-founder of Tongxun Technology, noted that currently there are different opinions about the ownership of data. There is no legal provision to define, for example, if user data on Alibaba's e-commerce platform Taobao belongs to the user or the e-commerce giant. Nor is there a law to define if personal data is a kind of property. “If it is property, then how should we divide the profits generated from the data? It's a tough question,” Zhang said.

Cleaning up Industry

Now the whole industry is feeling the chill. Xiao Sha, a partner at Beijing Dentons Law



PHOTO BY VCG

Police from Wenling, Zhejiang Province, detain more than 200 people suspected of being involved in a large-scale illegal cash loan ring in Fujian Province, June 2018

Offices, told *ChinaReport* that he receives calls and visits from people in the big data industry every day, and what concerns them most is “under what circumstances could they be taken away by the police?”

“They are most concerned about the compliance issue, particularly criminal compliance, because once it involves a crime, they could be jailed,” Xiao said. He added that in the past, personal information leakage was not so closely associated with the data industry, so lured by profits, many chose to continue their business, in spite of the risks. But now it seems like there could be real danger, panic is setting in.

After Chinese regulators launched the two previous campaigns, more than 30 data companies were investigated in 2017. Following the Cyber Security Law that became law in June 2017, many companies that obtained data via illegal means were held accountable.

In 2017, Datatang, a data company founded in 2011 in Beijing, was one of the first data companies to be charged for scraping and selling personal private information

through web crawling. Two of its senior executives were sentenced to three years in jail. Police found that the company transmitted 130 billion pieces of personal information daily on average in eight months, mostly gained through web crawling.

The environment is expected to be harsher for data companies as the authorities are further cleaning up the internet finance market, where demand for big data is considerable, as well as reinforcing regulation in the data industry and of personal information protection.

Since the start of 2019, there have been signs that new laws will soon be enacted that focus on personal data protection. By October, the Cyberspace Administration of China, together with other related departments, had drafted a series of regulations targeting data security, cyberspace security, the protection of children’s personal information (which came into effect in October), and illegal data collection in apps, to solicit public opinion.

In October, the People’s Bank of China is-

sued a regulation targeting the protection of personal financial information and personal information that financial institutions accumulated in their daily business, and is seeking opinion from all banking institutions. The draft stipulates that financial institutions should not gain personal financial information from third parties engaged in illegal personal credit investigations.

The tightening environment is already pushing many data companies to find other ways out. A top-ranked data company told the financial channel of Tencent-owned web portal qq.com that many companies are turning to traditional financial institutions like banks as supervision of internet finance strengthens. Some are also updating their products by integrating big data with AI technology instead of only relying on raw data services.

“If this vigilance keeps strong until next year, there will be a thorough reshuffle. Sub-standard companies will retreat and only companies with official authorisation will survive in the data industry,” Meng said. ★



Big Data

RISKY BUSINESS

The impact of the investigation into the big data industry has spread to internet finance, particularly online banking, forcing companies to become independent in risk management or quit the sector

By Xu Ming and Zhao Yiwei

On November 6, the National Internet Finance Association of China, a self-regulatory organisation for the internet finance sector initiated by the People's Bank of China (PBoC), issued a notice about personal information protection, demanding its members collect and use personal information only with the authori-

sation of consumers and stop cooperating with third parties that illegally collect and use personal information. Before that, in October, the PBoC proposed a regulation about personal financial information protection, which stipulates that financial institutions should not gain personal financial information from third parties that are involved in il-

legal personal credit investigations.

Following a series of investigations into data companies, many online lending platforms have stopped cooperating with big data risk management companies. An insider in the industry who requested anonymity told *ChinaReport* that "It's not just internet banking companies, recruitment agencies

that only have occasional cooperation with data companies are cutting ties with them. Now all related industries are becoming affected.”

Internet finance can hardly absolve itself from the trouble. Internet finance institutions, particularly small- and medium-sized ones without their own risk management models, have routinely sought assistance from third-party data companies to acquire consumer information and control risks. But in the process, some data companies illegally scrape personal information from websites or retain the data after use to sell it to malicious lending platforms.

This malpractice eventually triggered a clampdown across the data industry starting in September. The risk management of financial institutions that relies on third-party data will inevitably be affected. The change is expected to speed up the process of elimination in the field and help the cleaning up of unregulated online lenders that has been going on since 2016. For financial institutions that can survive the change, more efforts and innovations are expected in building self-independent risk control models to adapt to the market, experts said.

Butterfly Effect

The large-scale investigation into big data companies and subsequent tightened policies are putting internet financial institutions that rely on external data services in an awkward situation.

Since early September when investigations into data companies started, many small and medium-sized banks and financial institutions have halted cooperation with companies suspected of unregulated data scraping, the focus of the investigation.

Li Cheng, director of risk management for an internet consumer finance platform, said

that the platform decided to entirely pause its cooperation with big data risk management companies to avoid being “involved,” the *21st Century Business Herald* reported.

For these platforms, cutting ties with data companies comes at a cost. The effect is already evident in the lending market. In the past two months, a number of small and medium-sized banks and financial institutions have reportedly tightened the approval criteria for loans, and many online lenders are removing loan products as the platforms that depended on data companies suddenly lost their ability to assess risk, necessitating adjustments to their risk management models.

“Recently we found that more illegal agents have been aiding consumers to polish their personal financial statements to allow them to get bigger loans. They think there are loopholes they can take advantage of without the support of risk management from big data companies,” said Li Cheng, adding that the platform has to further raise the threshold for credit approval and give up part of the business to avoid being trapped by bad debts.

Since 2016, the Chinese government has been trying to strengthen regulation of internet finance and online lending. This round of investigations into data companies is regarded by many as a continuation of the authorities’ crackdown on deceptive and illegal cash loans on online lending platforms with problems like extremely high interest rates and abusive payments collection.

Li Liang, who works for a third-party data company, believes that the brouhaha over the data industry probe is more severe than the fallout from the previous crackdown on payday loans, and it will have more effect.

“Now it’s hitting where it hurts,” Li Liang said in a report from the Tencent-owned financial channel news portal qq.com. He added that for cash loans, particularly mali-

cious loans which have high interest rates, big data is vital, without the support of which they would find it hard to issue loans.

Lending platforms that have been behaving well, for whom the withdrawal of external data is not catastrophic for the time being, still need to adjust their sources of data as well as risk control strategies to cope with the changes in the market. What’s more, financial institutions that have their own risk management capability but still need to buy data from outside are also expected to be affected by the sweeping regulations.

Meng Qingfeng, vice president of online lender CredEx Fintech based in Shenzhen, Guangdong Province, told *ChinaReport* that when the available data sources dwindle, the risk-control models of data companies will change. “Every risk-control model is based on certain sources of data and needs time to be improved and verified. The change and decrease of data sources will significantly affect the accuracy of models,” Meng said.

“Now small- and medium-sized banks and financial institutions dare not buy data from third parties. They are starting to demand that their own risk management teams scrape data after getting authorisation. The business scale and efficiency of approvals are greatly impacted,” a senior executive of a risk management company that has years of cooperation with licenced financial institutions told *ChinaReport*.

The fallout is likely to have spread to third-party payment platforms. A senior executive of a payment platform engaged in cross-border payments told the *21st Century Business Herald* that currently they dare not acquire consumers’ private data from e-commerce platforms and are unable to check on consumers suspected of money laundering, now that authorities have tightened the reins on data collection.

Interdependent Relations

The development of internet finance in China is closely related to the big data industry, given its demand for risk management.

While the first P2P (peer to peer) lending platform appeared in 2006, China's internet finance industry only grew rapidly after 2013 when internet financial institutions targeting money management, payday loans and other products began to mushroom. They quickly became the main force driving China's consumer finance market with their big data-based risk control and customer acquisition system. In the competition with traditional banks, which were also forced to make internet-oriented transformations, the non-bank institutions' demand for online risk control and customer acquisition soared.

A risk management model, which is based on consumer data gained from address lists, call records, mobile payment services, shopping platforms, social networks and all kinds of apps, can determine a person's income and payment ability in minutes and thus help the lenders filter eligible borrowers. It is regarded as vital to online lenders that provide quick and small loans to individuals and businesses, but which do not have a strict approval process like traditional banks.

The use of big data in risk management runs through the whole process of lending, from qualification examination, anti-fraud analysis and credit investigation in the beginning to risk assessment and credit scoring in the middle of the approval process, and eventually to the supervision of capital flow after the loan is issued.

"Small and medium banks and all types of financial institutions including online lenders all have demands for big data risk management," a senior executive at a city commercial



People visit the booth for Tencent's WeBank, China's first digital bank, at the 20th Shenzhen-Hong Kong-Macao International Auto Show in Shenzhen, Guangdong Province, June 10, 2016

bank who requested anonymity told *ChinaReport*. He added that big banks usually have a solid data foundation and the capability to apply the data to risk management. But for smaller institutions, third-party data services help them significantly in enhancing risk management and improving efficiency.

"Big financial institutions stress the use of data in the whole process, from customer acquisition to debt collection. They sometimes need to buy raw data to improve their models to assist risk control. But for small companies, it is less costly to buy solutions [or data models, assessment results] directly from a third party, whether blacklists or intelligent marketing strategies," said the senior executive.

The risk management business exploded driven by the big demand. There were at least 573 companies engaged in the financial risk control business by November 2018,

nearly 70 percent of which were established between 2013 and 2017, a time when internet finance experienced explosive growth, according to Iyio.com, a research company.

"It is worth noting that in recent years, big data companies really played an active role in improving the risk-control capability and efficiency of financial institutions," noted Zheng Yongjun, chief economist with Zhejiang Tailong Commercial Bank.

Data services played a big role in promoting the credit economy, consumption and inclusive finance, a financial plan initiated by the Chinese government in December 2015 to make financial services available for micro-business owners and people from all walks of life.

By October 2018, Chinese tech giant Tencent's WeBank, for example, had offered loans to more than 20 million people since it started in 2014, issuing loans worth over

1 trillion yuan (US\$142b), Tencent's vice president Zheng Haojian revealed at a smart transportation conference. Many of the users might not be eligible for traditional bank loans otherwise.

Amid the rapid expansion of the industry, the number of data companies that illegally scrape, misuse or trade data also surged, thanks to the rich source of data and low cost in a loosely regulated environment. The improper operation of many data companies caused problems like personal information infringement and abusive debt collection in the financial area, particularly in online lending. Therefore, while playing a big role in boosting the development of internet finance, data companies sometimes are deemed as an accomplice for illegal activity.

"Companies that have official authorisation for data sources are officially designated and are the minority in the market," said an employee of a company that has been in long-term business with data companies.

"The threshold to enter the big data risk control business is low, so good and bad companies are involved and it is hard to supervise. Companies that scrape data without authorisation usually charge low prices for their services, but it will be very troublesome if the core data is problematic," said the employee, who refused to reveal his name.

To play it safe, it is common for financial institutions to cooperate with more than 10 big data risk management companies and buy data from as many sources as possible for cross validation.

Pressing for Change

The more dependent the financial institutions are on external sources of big data, the

more they are lying low amid the current crackdown.

On October 12, the Beijing Office of the China Banking and Insurance Regulatory Commission issued a notice which stated that they would regulate cooperation between the fintech arms of banks, prohibiting banks from cooperating with companies that steal, misuse, illegally buy or sell customers' information in the name of big data.

The notice also requires banks to become independent in risk management, banning them from outsourcing core businesses, such as investigations into borrowers and risk control systems, to cooperative agencies.

"It is undeniable that in recent years, the development of city and rural commercial banks has greatly benefited from big data companies. Many smaller financial institutions relied on third-party data in building risk-control models. Once that external dependence is cut off, their risk management will inevitably be affected," the manager said.

The platforms that previously outsourced risk management services to third-party data companies have seen business decline as they are forced to raise the approval threshold to avoid bad debts. Many internet finance consumer platforms have begun to build their own channels to obtain borrower data and improve their own big data risk management systems, according to the *21st Century Business Herald*.

But it is not easy. A person in charge of building data channels at a P2P lending platform told the *21st Century Business Herald* that there are challenges, because the platform he works for lacks personnel in big data analysis to turn the borrower data into mature and effective risk management models.

"We also considered building our own

system to obtain borrowers' data and develop a technology system, but we found that it's really hard to find people who are proficient at using data to analyze borrower characteristics and build AI models. It is hard to get such specialists even if we offer high wages," said Li Cheng.

Still, platforms that have developed their own systems for data acquisition and risk control are rapidly expanding, according to the *21st Century Business Herald*.

The situation, insiders observe, is supposed to hasten the process of elimination in the internet finance area. Platforms that are unable to develop their own systems will leave the arena more quickly.

The ripples from the data industry also alerted the internet finance sector to the importance of combining online and offline data in building risk management models.

"It's worth noting that at present the mainstream risk management models still need to combine online and offline resources, instead of totally relying on online big data risk management models," said Zheng Yongjun. "At this stage, offline review is still necessary."

Overall, the consensus is that tightening regulation on data will boost the benign development of internet finance.

Xue Hongyan, assistant to the dean of the Suning Institute of Finance, said that data is crucial in boosting the development of fintech, the transformation of the financial industry and enabling financial services to better serve the real economy and reach more people.

"Supervision means regulating the market instead of sacrificing fintech for data protection. The ultimate goal is to regulate development [of the data industry and internet finance]," he noted. ★

A Bridge Too Far

Officials say an overloaded lorry is to blame for the fatal collapse of an overpass. But forcing the trucking industry to halt the chronic malpractice is not so easy

By Kui Yanzhang

On the evening of October 10, 2019, a viral video clip showing an overpass collapse in the city of Wuxi, Jiangsu Province shocked the nation. The falling bridge crushed three cars underneath. Three people were killed: a woman and her 5-year-old daughter in one vehicle, and a man in another nearby car.

At a press conference on October 24, Zhou Rongfeng, deputy director of the road network management department under the Ministry of Transport (MoT), said that an overloaded lorry caused the bridge to collapse. Zhou added that its structural integrity was sound (there was no breakage or transverse cracks) and the bridge was built to code.

The lorry was carrying six piles of steel coils, each weighing 28.5 tons. The bridge, part of the Wuxi section of National Highway 312 (or the G312),

The site of the bridge collapse in Wuxi, Jiangsu Province

PHOTO BY DONG JIE XU

is 82 metres long and 9.5 metres wide. According to building codes from the Ministry of Housing and Urban-Rural Development, China's first-class roads have a maximum load capacity of 55 tons. The lorry was overloaded by 310 percent.

The lorry is owned by Wuxi Chenggong Transport Company (WCTC). According to legal website China Judgements Online, WCTC lorries have been involved in several traffic accidents because of overloading since the company opened in September 2014. On March 18, 2017, one of its overloaded semitrailers collided with an electric bike and injured its driver. Police concluded the lorry's overweight cargo was to blame. From 2017 to 2019, the company was involved in nine lawsuits, six of which involved traffic accidents.

Heavy Price

On the afternoon of October 11, our reporter arrived at the company in Wuxi to find the sign on the gate had been removed. A police car was parked beside the gate. Locals living nearby told our reporter that police investigators had taken the boss of the company into custody.

According to an official audit of the Wuxi section of the G312 in 2007, the road was completed in June 2005. In its evaluation report, the Wuxi Transport Engineering Quality Bureau said the road was "excellent" even though the design was changed several times.

However prior to the accident, congestion and safety hazards on the Wuxi section were the source of repeated complaints. In 2018, representatives of the Wuxi People's Congress delivered a proposal to address congestion on the Wuxi section of the G312. Alongside the rapid development of the region, the section faces increased stress from heavy traffic, particularly freight lorries, the proposal read.

On the date of the overpass accident, the website of the Wuxi City Key Construction Project Management Centre released two draft plans to solicit public opinion on improving the congested road section. It stated that Wuxi Transport Bureau was scheduled to invest 1.57 billion yuan (US\$222m) on one section and 7.55 billion yuan (US\$1.07b) on another section of the G312. Shortly after the draft release, the overpass collapsed.

He Nuo (pseudonym) has been working near the overpass for more than 10 years. Several hours before the accident, she drove home a little early to celebrate her birthday. Her car was parked under the overpass. She had stopped at a supermarket on the way when her husband called with news of the collapse.

She told our reporter that she often heard rumbling sounds from the bridge and the bridge would shake whenever a lorry passed. "Sometimes, there was a loud bang when a tyre blew out," she said.

Short Life Span

Five hundred metres from the overpass is the East Steel Market, a major steel wholesale and retail market in Wuxi. On a regular day, lorries shuttle in and out. But since the accident, Yang Tao (pseudonym), the boss of a logistics company at the market, has been upset and exhausted.

He said he spends most of his days handling customer complaints

about delays because authorities are cracking down on overloaded lorries.

Yang told our reporter that his company has lorries operating on the 140 kilometres of highway between Wuxi and Shanghai. Observing the weight limits, he can earn 1,000 yuan (US\$142) per trip. But fuel and tolls combined cost between 800-1,200 yuan (US\$113-170). "It is a losing venture if we don't overload. Lorries overloaded by 50 percent are common," he said.

According to statistics from the Research Institute of Highways under the MoT, road freight accounted for 78 percent of China's overall transportation system in 2017. China then had to 30 million lorry drivers, the majority either self-employed or working for small logistics companies.

Several logistics company employees at the East Steel Market told *ChinaReport* that government agency officials conduct regular overloading checks at their warehouses. Lorry drivers and warehouse owners could be fined.

Han Xu (pseudonym), a lorry driver at the East Steel Market, has mixed feelings about overloading. He spends more than 300 days on the road each year. He told our reporter that he usually drives at night and on provincial roads rather than on national highways in order to escape inspections. Police bribes are also common practice, he added.

This results in excessive wear and tear on the country's bridges. According to research from Guilin University of Technology, bridge collapses most frequently occur in relatively developed regions and areas focused on heavy industry.

From 2007 to 2015, at least 105 bridges collapsed nationwide with an average life span of 19.73 years. Twenty-six bridge collapses were blamed on overloads. For example, it took only 10 months for Yangmingtang Bridge in Northeast China's Harbin, Heilongjiang Province to fall after it was built in late 2011.

Among the 26 bridges are 11 arch bridges, seven beam bridges and eight slab bridges. The vehicles held responsible for collapsing the bridges were carrying freight of more than 100 tons. For example, a lorry weighing more than 260 tons crushed the Lihe Bridge in Luoyang, Henan Province in 2009, which was designed for a load capacity of only 20 tons. All these bridges had weight limit signs that drivers routinely ignored.

At least 14 people were killed and 68 injured in the 26 bridge cases.

The Wuxi bridge was single-pier, meaning a single column in the middle supporting both lanes. The overweight semitrailer caused the overpass to tip to one side. This design was once preferred because of its small footprint. Now double-pier bridges with supports on both sides are more common.

At the news conference on October 24, MoT spokesman Wu Chungeng said the ministry had launched a three-year safety inspection to rectify potential hazards in construction projects on highways and waterways, boost public safety awareness and penalise violations of laws and regulations.

"The MoT will strengthen efforts nationwide to supervise road safety and take measures to prevent such accidents from happening again," he said. ★

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Governance

WEALTH OF KNOWLEDGE

China's central government has appointed financial specialists as deputy provincial governors in the hope that their rich experience will drive financial reforms

By Huo Siyi and Xie Ying

On October 17, Cai Dong, former deputy president of the Agricultural Bank of China (ABoC), was named deputy governor of Northeast China's Jilin Province. It was only six months since Cai transferred to the ABoC from the China Development Bank (CDB). Previously, Cai had worked with the Industrial and Commerce Bank of China (ICBC) for 20 years.

Cai is the sixth deputy provincial governor to be appointed from the financial sector this year. Analysts said his quick transfer is evidence of the central government's focus on revitalizing the economies of the northeast, which lag behind those of the developed southeastern provinces.

According to an expert who refused to reveal his name, the central government has been appointing officials with financial experience as deputy provincial governors since 2017.

The expert told *ChinaReport* that the recent provincial-level promotions suggest the central government is increasing emphasis on financial reforms, because officials from the financial sector usually serve in city positions.

Sixteen out of the Chinese mainland's 32 regions (which include 23 provinces, four municipalities and five autonomous regions) have deputy governors with financial experience. Thirteen were appointed between 2017 and 2019.

Young and Experienced

Based on their resumes, the majority came from the top five State-owned banks and financial regulatory departments. For example, Beijing deputy mayor Yin Yong, Chongqing deputy mayor Li Bo, former

deputy governor of Guangdong Province Ouyang Weimin, and Zhejiang Province's deputy governor Zhu Congjiu have all worked for the People's Bank of China (PBoC). Zhu also served on the China Securities Regulatory Commission (CSRC). Other notable officials who have worked for the CSRC include Shanghai deputy mayor Wu Qing and Yunnan Province deputy governor Chen Shun.

Similar to Cai Dong, many of the governors worked in more than one bank or served as branch heads of State-owned banks. Hebei Province deputy governor Ge Haijiao, for example, worked with the ABoC for 23 years before he transferred to China Everbright Bank in 2016. There he served as president of the ABoC's municipal branches in Liaoyang, Liaoning Province and president of the provincial branch in Heilongjiang Province. Tan Jiong, deputy governor of Guizhou Province, ran five local branches during his 28 years at the Bank of China (BoC).

Another advantage of these governors is their age. Most were born after 1965, with six after 1970, making them younger than most officials at the same level. According to media reports, nine of the 16 officials are the youngest deputy governors in the province's history.

Being young does not mean they are inexperienced. All have noteworthy educational backgrounds, with 12 holding doctorates (nine in economics and three in management).

Guo Ningning, a deputy governor of Fujian Province, for example, received her bachelor's, master's and doctoral degrees from the School of Economics and Management, Tsinghua University. Media dubbed Li Bo "the curve wrecker for officials" because of his PhD in economics from Stanford University and doctorate in law from Harvard.



PHOTO BY IC

Cai Dong attends a meeting on financial revitalisation in Jilin, Jilin Province on October 22, 2018 when he was deputy president of the China Development Bank

Wang Jiang, a deputy governor of Jiangsu Province, was once an associate professor of finance at Shandong Economic University and a senior visiting scholar at the Xiamen University School of Economics.

Many of the governors have experience abroad. Ge Haijiao, for example, has worked with both the Singapore and Sydney branches of the ABoC, and Guo Ningning led the BoC's Hong Kong transaction centre before she was promoted to president of the BoC's Hong Kong and Singapore branches. Thanks to his experience as general manager of the China Investment Corporation Singapore Branch, a State-owned enterprise engaged in foreign currency investment, Yin Yong was transferred to the State Administration of Foreign Currency (SAFE) to manage currency reserves, before being transferred to the PBoC.

The Rescuer

According to analysts, the increased appointment of governors with experience in finance followed the central government's fifth financial working conference held in July 2017, which aimed to reform financial regulation and improve the level of financial knowledge among local officials.

Five days after the conference, Wang Jiang, a former deputy president of the Bank of Communications, was sent to Jiangsu Province to serve as deputy governor.

"China's [current] financial system is increasingly incapable of

meeting the demands of the economic transition... Specifically, we have a pool of weak links in the financial industry. For example, many small- and micro-sized enterprises in service, agriculture and technology can not secure loans, but they are pillars in the new round of industrial upgrading," Ba Shusong, deputy director of the Finance Research Institute under the Development Research Centre of the State Council, warned in 2013 during a speech at the fourth Financial Leasing Conference held in Tianjin.

China's Northeastern provinces of Jilin, Liaoning and Heilongjiang, which have the lowest GDPs in the country, face this problem. At a 2017 local summit forum on revitalizing tech, finance and industry in Northeastern China, Zhang Guobao, director of the State Council's leadership team on invigorating Northeast China's former industrial bases, said local businesses were "bleeding" because they were running up debts and unable to secure loans from local banks.

Cai Dong, a veteran banker, was sent to the rescue. According to media reports, Cai advocated for digital and intelligent financial services and emphasised the real economy. "Economy and finance are like the body and blood that coexist and depend on each other. Financial activity cannot stand without the real economy... We have to bring our focus back to supporting the real economy," he said at a banking development summit in Shanghai held in September.

In January, the State Development and Investment Cooperation and the CDB, one of Cai's former employers, set up a system to in-

vigorate finance in Northeast China. They headquartered in Jilin in September, one month before Cai was appointed deputy governor of the province.

Guo Shuqing, former governor of Shandong Province, has set a good example as to how financial officials can promote local financial reforms. Guo was director of the CDSR before becoming governor of Shandong in 2013. Five months after his appointment, Guo released a guidance document on promoting local financial reforms that allowed for private banks and financing companies and encouraged private investors to join in the reconstruction of financial departments. The document helped raise the value of Shandong's financial industry by 61.7 percent from 2012 to 2015, official data showed.

His successor, Shandong's current governor Gong Zheng, also holds a doctorate in economics, and newly appointed deputy governor Liu Qiang, formerly of the ABoC and BoC, shares views with Cai. Soon after taking up the post, the youngest deputy governor in Shandong signed an agreement with ICBC that promotes new energy use among local enterprises.

The Risk Preventer

The central government turned its attention to risk prevention as more private lenders were accused of illegal financing and embezzlement while local governments and State-owned enterprises racked up debt.

At the financial work conference in July 2017, the central government demanded that local governments take more responsibility for preventing financial risks and pledged to grant local financial regulatory departments more power to aid these efforts.

Financial governors could help meet these demands. "To be frank, I have a very clear idea of the nature, the target and the rules of financial operations, and the relationship between financial departments. Although I have not worked with the local government long, I know its mission and responsibility [to prevent financial risk]," Tan Jiong said at a meeting with investors in Guizhou Province's bond market in October.

Just one month after he was appointed to deputy governor, Tan led a team to Shanghai to promote Guizhou government bonds. At the meeting with investors, he detailed how the provincial government would help build a safe and healthy financial environment that focused on improving the credit system.

Media praised his efforts to restore investor confidence in Guizhou, which in 2018 had debt amounting to over 63.7 percent of the province's GDP, official data showed.

According to Zheng Chunrong, deputy director of the Institute

of Public Policies and Management, Shanghai University of Finance and Economics, financial governors have the advantage of strong connections and relationships with financial organisations, but he also warned against the potential abuse of these relationships.

"Financial governors have to balance between development and risk prevention," he told news journal *Nanfengchuang*.

Yin Yong shared this view at the 2018 China Wealth Management 50 Forum, saying that local governments are still being challenged by the contradiction between development and supervision since development is more visible and measurable in the short term. He suggested that the central government further guide and unify the rules, and that local governments set up separate systems to handle management and risk.

Works Both Ways

Many return to the financial sector after serving local governments. According to statistics from the *21st Century Business Herald*, 12 financial governors appointed before 2017 have since returned to working at financial organisations. For example, Jiang Chaoliang, who transferred from the PBoC to the Hubei provincial government in 2002, left after two years to serve as president of the Bank of Communications. He later was president of the DBC and the ABoC, and governor of Jilin Province. He is now Party secretary of Hubei Province, the highest provincial-level position.

Similarly, Guo Shuqing, now vice president of the PBoC, has experienced two such shifts between financial organs and local governments. He served as deputy governor of Guizhou from 1998 to 2001 and governor of Shandong from 2013 to 2017. In between, he worked with several banks as well as SAFE and the CSRC.

In 2005, Guo published *Between Surplus and Poverty*, a collection of his papers and reports from 1991 to 2001. The book, according to Ba Shusong, provided a good reference for dealing with the difficulties in implementing economic reforms.

"The experience of working with local governments has enabled [Guo] to think from both local and national perspectives... He can think about problems of economic transition systematically and approach them more practically," Ba said in 2015.

He Haifeng, director of the Financial Policy Institute, Chinese Academy of Social Sciences agreed. "With experience in local governments, financial officials can think in a broader way once they return to financial organisations. This is one reason the central government promoted talent exchanges between the financial sector and local governments," he told *ChinaReport*. ★



Tourism

Sightseers walk on a glass bridge at Langyashan scenic spot in Hebei Province

PHOTO BY JC

No Transparent Authority

China's scenic spots are racing to build glass bridges, platforms and slides to cash in on the growing market. Safety supervision and quality control, however, are still up in the air

By Yang Zhijie

China's scenic areas have of late been in a mad rush to build glass viaducts and skywalks. China is home to some 2,300 glass bridges and sightseeing platforms, said Du Hongbo, a scenic spot investor from Maojing Cultural and Tourist Company in Beijing.

Du told *ChinaReport* that China's glass bridge boom started in August 2016 when Yuntiandu Bridge, then the longest glass bridge worldwide, opened in Zhangjiajie National Forest Park, a scenic area in Hunan Province known for inspiring the scenery in the film *Avatar* (2009). The bridge, which is 373 metres long, six metres wide and 300 metres above the valley bottom, cost more than 260 million yuan (US\$37m) and took four years to build. It has since generated over 1.2 billion yuan (US\$171m) in revenue and sold 7.6 million tickets.

Since then, a growing number of glass bridges and slides have been installed either in famed tourist areas or remote ecological parks even though there is no government agency in charge of construc-

tion, quality control or routine supervision. At the end of October, it was revealed that Hebei Province had closed down all 32 glass attractions spread among 24 tourists resorts for safety checks back in March 2018, and they have not yet re-opened. At the end of 2017, the glass bridge at Hongyagu Resort in Hebei Province – advertised as the world's longest glass bridge – opened to tourists. Four months later, it was temporarily shut down over safety concerns.

Window of Opportunity

"Taller, clearer and scarier," read the website for the Langyashan Glass Platform in Hebei Province after it was completed in 2017. Visitors ascend the large circular glass platform for sweeping views above the mountains.

Over the years, scenic spots have been racing to build the longest or tallest glass bridges they could afford to attract tourists. In September 2014, Baishishan Scenic Area in Beijing built a 95-metre-long glass



Two tourists are too scared to move on a glass bridge in Gulongxia, Guangdong



bridge, which at the time was the longest in China. Two glass platforms on its cliff sit 1,900 metres and 1,600 metres above sea level. In late 2017, Hongya Valley scenic spot in Hebei Province opened a 488-metre glass bridge installed 218 metres above sea level. In 2017, Guanyin Mountain scenic spot opened its 980-metre glass slide, the longest in China. Some bridges go beyond length and height to thrill tourists, such as added visual effects that make cracks seem to suddenly spider through the glass beneath tourists' feet.

"Glass bridges could boost the development of scenic spots," Du said. Many scenic areas were operating at a loss over the past 10 to 20 years, he explained, but glass bridges have helped them quickly turn a profit. Maren Qifeng Scenic Resort in Anhui Province previously saw 200,000 visitors annually. After its glass bridge and glass platform were built in 2017, it sold over one million tickets the following year.

Yang Yanfeng, director of the Tourism College of Beijing Union University, said that according to a recent study from the Ministry of Culture and Tourism on 20,000 scenic spots nationwide, 80 percent of tourists visited the top 20-percent most popular sites. "Many scenic spots lack visitors and need new tourist products to increase their competitiveness. New attractions such as glass bridges offer a way," he told *ChinaReport*.

Yang said that the market for attractions such as glass bridges, glass platforms and cable cars is 100 billion yuan (US\$14.3b) in China, and such upgrades are being added at lightning speed.

Twenty years ago, scenic spots in China mainly depended on natural scenery to attract tourists. Nowadays, visitors are looking for more personal and interactive experiences. Beyond ticket sales, consumer

considerations are crucial for scenic spot management. Glass bridges are also free from the operational expenses of traditional accommodation and catering.

"There is a relative shortage of tourist products in China, and many scenic spots are eager to offer the products of their competitors," said Feng Liqiang, general manager of Jiangxi Plank Construction Company. "Glass bridges and walkways can easily boost visitor volume at scenic spots. With them, scenic spots don't have to worry about attracting visitors, which is why glass bridges took off nationwide."

However, Feng said that the success of some projects, like the Yuntiandu Glass Bridge, cannot be replicated, while places like Zhangjiajie already see over 10 million visitors a year. For scenic spots of less fame, glass bridges will bring in visitors for several months before the novelty wanes.

As an investor, Du Hongbo predicts that sightseeing attractions such as glass bridges and walkways will remain popular for three to five years before new products are introduced.

Safety Concerns

Despite the construction boom, China has no industry evaluation standards for glass bridges and slides. For example, China has a detailed catalogue of special equipment for safety supervision including boilers, pressure vessels, cableways and large recreational facilities, but glass slides are not on the list.

Over the past several years, deaths and injuries from glass slide accidents have made headlines. Visitors were injured from riding a glass slide at Huaxi World Adventure Park in Jiangsu Province over the National Day holiday on October 1, a peak period for tourism.



150 people perform yoga on the glass platform at Shilinxia, Pinggu, northeast Beijing, June 2016



A glass walkway hugs a sheer mountainside at Tianmenshan, Zhangjiajie, Hunan Province

According to reports, the slide had become too slippery from the rain. On June 5, one person died and six others were injured after falling off a slide in Guangxi Zhuang Autonomous Region.

“When accidents happen, many people think glass slides and platforms are dangerous. That’s a misconception,” Yang Yanfeng said. “It’s also a one-size-fits-all solution to close scenic spots after accidents.”

In July 2018, scholars debated the safety hazards of glass slides at a recreational facility conference in Taizhou, Zhejiang Province. They concluded that the necessary data for slide designs and tempered glass safety hazards is incomplete, and it must be specified what tempered glass grades are suitable for large recreational facilities. Scholars said that China was home to nearly 1,000 glass slides, all of which urgently need quality control checks.

Wang Zhaofeng, dean of the College of Tourism, Hunan Normal University, said safety hazards vary for different heights, locations, environments and size, all of which have different technical requirements. Meanwhile, he added, before installing glass platforms, the surrounding environment should be protected.

Du Hongbo told our reporter that technical standards for investors and construction teams are high. Designs for the Qinglianggu Glass Bridge in Beijing’s Miyun District cost 350,000 yuan (US\$50,000). After its completion, the China Academy of Building Research conducted a safety evaluation. Du said that evaluation fees range between 400,000 to 500,000 yuan (US\$57,000 to 71,000), the same price whether the platform costs 3 million yuan (US\$428,000) or 8 million yuan (US\$1.14m).

“Glass platforms make for a personal and interactive experience and there is little difference between a walkway of 100 metres or one that’s

two kilometres long,” Du said. “We advise scenic spots to build glass walkways under 200 metres and spend less than two million yuan (US\$286,000),” he said. “Beyond that scope, maintenance fees and safety hazards increase substantially.”

In February 2017, Song Yuzeng, director of the Beijing Tourism Commission, told media that it remains to be decided which government agency is responsible for scenic spots. The Beijing Tourism Commission had organised a conference attended by government departments in natural resources, forestry, commerce, taxation and safety to discuss the supervision of glass bridges before the Qinglianggu Glass Bridge was built.

“There have been safety loopholes for glass bridges because no agency was willing to take the lead,” said Li Yunsheng, a professor at the School of Civil Engineering, Shijiazhuang Tiedao University. An employee at a third-party quality supervision institution told *ChinaReport* on condition of anonymity that over the past several years, national- and regional-level cultural and tourism bureaus have released regulations on the safety of glass bridges, particularly in 2019.

In early 2019, the Ministry of Culture and Tourism issued a notice requiring the country’s top scenic spots to conduct technical evaluations and risk assessments of their glass bridges, walks and sightseeing platforms. The China Association for Engineering Construction is currently drafting the engineering standards for glass walks to be released in 2020.

Yang Jinsong, a deputy researcher at the China Tourism Academy, urged for a comprehensive safety supervision system to regulate the construction and operation of glass bridges. “However, specifying which agency will supervise is a priority,” he told *ChinaReport*. ★

Chinese Wine

UNCORKING POTENTIAL

Chinese wines are catching the attention of professionals. Will they become as popular as their culinary cousin globally?

By Janet Z. Wang

Whilst Chinese food is celebrated all over the world, the same cannot be said yet about Chinese wines. But recent developments indicate that the country is opening bottles for the outside world to see and savour the revival of its rich wine culture.

The Decanter Fine Wine Encounter is a highlight of the international wine events calendar for professionals and the public alike. The London event is held over an early November weekend, and marks the start of the festive drinking season when consumers begin to ponder what to buy for dinner parties, while wine merchants roll up their sleeves, ready with helpful advice and of course, to push for the all-important festive season sales.

This year, 147 winemakers from around the world came to pour their top wines for over 1,800 wine lovers at London's iconic Landmark Hotel. Notably, wines from China continue to gain traction at this prestigious event.

Three years ago, Changyu Moser XV, a wine from the Ningxia Hui Autonomous Region, the first and only brand representing China at the event. Last year, two other wineries from Ningxia came to test the waters – Helan Qingxue Vineyard and Kanaan Winery. They are back this year, along with two more producers – still from Ningxia – Jade Vineyard and Hol-Lan Soul. Slowly but surely, China is making its presence felt with increasing confidence as a fine wine producing country. Three years ago, most people happened on the China stand by chance – a glance at the word “China,” and many simply walked

on. But a few paused with slight shock and trepidation to try the wine, walking away with a pleasantly surprised expression.

This year, many people came to the China stand armed evidently with prior research and a sense of determined purpose, saying: “I’m so keen to try this! I’ve never had Chinese wine.”

But of course, this audience cannot be said to represent the population at large – after all, attendees here are mostly well informed wine enthusiasts.

Out of ‘Obscure Alleys’

When we talk about Chinese wine, we immediately think of rice wine. There is evidence of its production going back some 6,000 years in China. Yet the Chinese have certainly been making wine with grapes since the days of the Silk Road (second century BC). Today, China's grape wine market is worth around US\$18 billion a year. The country produces over 600 million litres and imports over 700 million litres of wine annually, making it one of the largest wine producers and consumers in the world. China plants more Cabernet Sauvignon grapes than any other country on Earth?

So why is Chinese wine so little known in the West? There is a Chinese saying that “even the best wines are afraid of obscure alleys.” In the global arena, Chinese wine still lacks visibility and is hampered by out-dated notions of poor quality. Many foreigners who say they have tasted Chinese wines often conjure up traumatic memories of fiery grain liquors or low-grade bulk wines. Overseas Chinese restau-



Skyline of Gobi Vineyards, Xinjiang



rants are not incentivised to take a chance on Chinese wines, because near-zero historical demand means they are more inclined to improve their crispy duck recipe than their wine list. So this is a challenging starting point for high quality Chinese wines wishing to establish a good international reputation. But change is coming. In recent years, at least within wine trade circles, Chinese wines are known to have triumphed at international wine competitions. The watershed moment came in 2011, when Jia Bei Lan, a signature wine from Helan Qingxue winery, won the most coveted prize at the Decanter World Wine Awards, based on blind tasting by a professional panel made up of some of the world's most respected wine critics. This may go some way to explain why the Decanter Fine Wine Encounter is singled out by Ningxia wineries. It certainly holds a special place in Zhang Jing's heart – the charismatic winemaker from Helan Qingxue, along with Wang Fang from Kanaan winery – the two friends made the 7,800-kilometre journey from Ningxia to London just to pour their wines over a single weekend. Their passion for promoting Chinese fine wines simply oozes from everything they say and do. Their wines are now sold in the UK, among a handful of wineries from China with global aspirations.

Barometer for Prosperity

Another key factor in China's burgeoning wine scene lies in the connection between wine and the nation's well-being. Throughout China's history, time and again we have seen that during periods of

hardship and chaos, winemaking is often prohibited or disrupted, but as the nation prospers, wine industry and culture flourish. So as China re-emerges from a perilous period since the fall of the last dynasty to become today's global superpower, the wine culture of China is also experiencing a renaissance. It is understandable that within several generations' memory, wine culture appeared lacklustre in China, in the same way that most Westerners perceive China as an emerging market while the Chinese themselves, with a keener sense of China's long civilisation and history, consider superpower status as a return to order and normality. In recent years, the growth of wine demand from China is a source of wonderment for the international wine trade, and now, as vines and know-how gain in maturity in her home soil, Chinese wines are also making inroads in the global arena.

Yet despite China's reputation for rapid growth and its impressive trajectory, which puts it on course to become the second most valuable wine market in the early 2020s, per capita wine consumption in China is barely two bottles per annum (compared to around 14 bottles in the US, 28 in the UK and 58 in France). This points to considerable room for growth in a country experiencing rapid expansion in its urban middle class population, estimated to reach and exceed the entire population of the US within a decade – the US is the current number one wine market by value in the world.

China's vast land area is home to over half of the world's grapevine species, and some which display high resistance to cold and diseases, which are desirable qualities for winegrowing. Cross-breeding

between natively grown varieties, such as the Amur grape and the “furry” grape (*mao putao*) with European varieties, for example Muscat, Merlot, Cabernet Sauvignon, Chenin Blanc, Riesling and Vidal, can result in cultivars that combine the best qualities of their parents, such as Chinese grapes’ hardiness to the cold and disease resistance, with European grapes’ aromatics and sweetness. China’s breeding programmes, established as early as the 1950s, have by now produced over 200 cultivars and planted several thousands of hectares of vineyards, and they are sure to expand and become increasingly commercially available.

Through domestic and international collaborations, China’s modern wine industry will offer characterful wine styles and enrich the international vocabulary of wine in the years to come: from the foothills of the Tibetan Plateau, via the skyline of the Gobi Desert, to the Loess Plateau and the Yellow River valley or northern China; from extreme altitudes of 3,000 metres above sea level to areas of severe winter temperatures of -25 C where vines have to be buried underground over winter, winemakers from around the world are embracing the awesome terroirs that China offers, stretching their own imaginations and abilities, all the while adding to the collective wealth and experiences in the world of winemaking.

Dreams Through the Wine Glass

As the country celebrated its 70th birthday in 2019 and the 40th anniversary of the start of reform and opening-up in 2018, it is compelling to recall that modern China’s first dry white wine was produced in 1978 by the Great Wall Wine Company, using a natively grown grape variety called Dragon’s Eye (Longyan). It is worth noting that the development of China’s modern wine industry is essentially a snapshot of China’s bigger growth story. It is a perceptive reflection of China’s key policies, milestones, hopes and dreams. To take a topical example, grape vines can produce superior wine from infertile soils and thrive in terrains unsuitable for traditional farming. This means unlike grain-based wine production, winegrowing does not compete with fertile agricultural land suitable for food crops.

This opens up new frontiers in land preservation, particularly the fight against desertification in areas such as Ningxia and Xinjiang Uyghur Autonomous Region. It also invigorates employment, infrastructure projects and the local economy and brings new options for poverty alleviation in far-flung provinces. In addition, biodynamic and organic viticulture are setting standards in wider agricultural practices, and bringing about more awareness around sustainable farming and food provenance to consumers who are often far removed from such discussions in urban and white collar environments. In addition, grape wine’s perceived health benefits, and its comparatively lower alcohol level versus China’s traditional high-strength liquor, baijiu, are met with both official and public approval.

Looking outwards to the international arena, Chinese wines could

play a part in redefining the “Made in China” label – ubiquitous for 20th century mass production of labour intensive but low cost manufacturing – that is now reinventing itself in the 21st century to challenge high-end, high-tech and creative industries. Or rather, “Made in China” is endeavouring to restore its historical reputation as epitomizing skill, innovation and quality. We only need to visit a museum to be reminded of what “Made in China” used to mean – all that is wondrous of human ingenuity. Chinese wine is among the new “Made in China” phenomenon, with an ambition to be recognised internationally for quality and character.

Cultural Emissary

Chinese wine culture has much to tell about China’s past, present and future, and much to add to the world’s collective wisdom. Wine is woven into the fabric of life: it assumes prominent roles in customs, diplomacy, philosophy, technology, science, medicine, art, poetry, calligraphy, music, games... Wine culture guides everyday situations too. For example, a wine merchant new to China may be surprised to find frequent queries about the relative health benefits of various wines; a business executive may feel at a loss by the numerous rounds of wine toasts at a Chinese banquet; an exchange student may wonder whether a bottle of wine would be a suitable meeting gift for the host family.

Yet the answers to these situations would be simple had they known about Chinese wine’s long connection with Chinese medicine, so much so that the traditional character for medicine contains wine in its ideographical component, or wine’s irreplaceable function in Confucian honourary rites, and so wine is often the emissary for gestures of respect and goodwill. These practices steeped in ancient traditions still shape thinking and behaviour today. They are finding modern relevance in many fields too – wine merchants and medical researchers alike are paying attention to wine’s health effects, even the lucrative beauty industry is taking note with the rise of wine derived potions and lotions.

As wine lovers around the world already know, with a glass of wine in hand, the discussion of world history, culture, arts and customs among people from different backgrounds becomes a lively and perceptive exchange. It is the best social lubricant and a cultural product that exerts enormous soft power. As the mutual need for better understanding between China and the world deepens, cross-cultural empathy is at the heart of better relationships. And to gauge the nuances of a nation’s psyche we should not overlook her wine culture – wine is the liquid mirror to the heart and soul of a people’s identity. ★

Janet Z. Wang is an investment banker turned wine writer. Her book, The Chinese Wine Renaissance is published by Ebury Press, Penguin Random House, and shortlisted for the Louis Roederer’s International Wine Book of the Year 2019.

FUELING DEVELOPMENT

Thanks to the International Petroleum and Natural Gas Enterprises Conference, the China (Zhejiang) Pilot Free Trade Zone is tapping new markets and boosting international cooperation

By Lin Bo, He Jiangyong and Yu Haiou



The International Petroleum and Natural Gas Enterprises Conference 2019 is held in the China (Zhejiang) Pilot Free Trade Zone, October 17 to 19, 2019

From October 17 to 19, the International Petroleum and Natural Gas Enterprises Conference 2019 (IPEC) was held in the China (Zhejiang) Pilot Free Trade Zone (ZFTZ). Themed “Communicating Oil and Gas, Sharing Opportunities, and Seeking Development,” the event saw more than 2,000 oil businesses from 35 countries and regions in attendance. Twenty-one deals worth a total of 56.76 billion yuan (US\$8.08b) were inked at the conference.

In recent years, China has accelerated reforms of its oil and gas systems to create a diversified, competitive, orderly and dynamic crude oil import management system.

Ren Hongbin, Assistant Minister of Commerce, said that the current international energy landscape has undergone profound adjustment and reform. China’s position and role in the global oil and gas trade has become increasingly prominent, injecting strength into the stable and healthy development of the international oil and gas markets.

“China is willing to carry out all-round cooperation with other countries in oil and gas development, oil and gas trade, scientific and technological equipment research and development, actively explore new areas of cooperation, explore new modes of cooperation and share the benefits and achievements of oil and gas cooperation,” said Liu Baohua, deputy director of the National Energy Administration.

As a representative of China’s participation in international oil and gas competition, the ZFTZ will focus on “promoting bulk commodity investment facilitation and trade liberalisation with the entire oil and gas industry chain,” attracting a number of international oil and gas industry giants such as Saudi Aramco, BP and ExxonMobil for cooperation.

The ZFTZ is striving to build an international oil and gas trading centre, international petrochemical base, international oil and gas storage and transportation base, international maritime service base and yuan international demonstration zone for cross-border trade of bulk commodities and achieve 100 million tons of storage and transportation, 100 million tons of refining and 100 million tons of trade.

Zhang Jiwen, deputy director of the General Administration of Customs, said his agency would step up efforts to promote development of the whole oil and gas industry chain.

“We hope to seek more partners through the IPEC and believe that China is such a partner,” said Sharon Weintraub, CEO of BP Group Integrated Supply and Trade Eastern Hemisphere.

Over the past three IPECs, 66 projects were signed worth 279.76 billion yuan (US\$39.86b) covering oil and gas storage and transportation, trade, trading, refining, finance and other fields.

IPEC is hosted by the Zhejiang provincial government with support from the Ministry of Commerce, the General Administration of Customs and the National Energy Administration. The Joint Conference Office of the Free Trade Zone of the People’s Government of Zhejiang Province and the ZFTZ Management Committee organised the conference. ★

Foreign Aid

TARGETED ASSISTANCE

As China continues its foreign aid programmes across the developing world, more emphasis is being put on community-based development and training

By Wang Yan

At the Forestry Commission Training Centre in Kumasi, south-central Ghana, a couple of trainees wearing masks attentively watch a Chinese instructor showing them how to construct a bamboo table using locally harvested material. Other trainees are scattered in different groups, busy practicing new skills learned from bamboo artisan teachers from China, including straightening, curving and cutting bamboo poles to the proper size.

Sponsored by China's Ministry of Commerce (MOFCOM) and part of China's foreign aid programme, the one-month "Training Course on Bamboo and Rattan Product Development Technology in Ghana 2019" was organised by China's International Centre for Bamboo and Rattan (ICBR) and co-organised by the Ministry of Lands and Natural Resources of Ghana and the International Bamboo and Rattan Organisation (INBAR) from late August to late September in 2019.

Sharpening Skills

This time, 90 participants from across Ghana joined this year's course. For some, it was the second or third time attending after two training courses on bamboo product making in 2016 and 2018 under the auspices of the same foreign aid programme.

Dai Honghai from ICBR, who coordinated the training this time, said that the first course in 2016 involved 19 Ghanaian arti-

ans, who were invited to China for a three-month technical training course. During the second one-month training course in Ghana, 100 Ghanaian artisans were invited to participate. Trainees learned how to build bamboo furniture from Chinese craftspeople who work at leading bamboo product companies in China. This encompassed practical skills such as primary processing, furniture design, cutting, joinery and finishing.

Reflecting on the training programme's relevance to local community development and poverty alleviation in Ghana, Michael Kwaku, who works at INBAR's West Africa Regional Office in Ghana, told *ChinaReport* that on this training course, Chinese technicians have given more people the knowledge and capacity to use bamboo to create high-value products. "This should improve their incomes, and more generally raise awareness about bamboo's usefulness," said Kwaku. "For example, the government of Ghana is now very interested in moving forward to promote bamboo. Through this training course, and future training courses, we hope to make bamboo an important part of local poverty alleviation," he said.

Bukaya Zakari, a trainee who attended this year's course, said that the programme had changed the way she thought about the value of bamboo she previously used as fuel. "I have learned how to design and construct a bamboo table. Especially, how to cut and join the table parts.

With this new knowledge and construction skills, I have made two bamboo tables on my own successfully," Zakari said.

"I'm confident and empowered now as a woman to do this kind of work... After this training, I know if I get a workshop where I can work with my bamboo and processing machines, I will make a good income to support myself and family," she said.

The 2018 training programme has shown significant positive impacts on promoting local people's livelihoods and developing the bamboo industry in Ghana. Dai said that two of the participants, Salisu Mohammed and Sarpong George, had already secured a contract worth over US\$5,000 to produce bamboo furniture similar to what was produced during the training for a hotel resort in the Lake Volta region of Ghana. The two said in a post-training report that had it not been for the ICBR training, they would not have secured the contract.

"By transferring knowledge and techniques from their own bamboo sector, China is giving us something much more powerful than infrastructure – they are giving Ghanaians the tools to create their own livelihoods," Kwaku told *ChinaReport* in an email interview.

Localised training and capacity building programmes under China's overall foreign aid plan have seen significant increases in recent years. Statistics MOFCOM gave to *ChinaReport* indicate that since MOFCOM



PHOTO BY DAI HONGHAI

Trainees practise bamboo furniture making during the one-month Training Course on Bamboo and Rattan Product Development Technology in Ghana 2019, Kumasi, Ghana

started to shift its foreign aid training format from inviting trainees from developing countries to China to conducting localised training programme in host countries in 2015, there have been 230 programmes across sectors including agriculture, forestry and fishery. Dai said that localised community-based capacity building programmes surged from 2017 to 2019. Bamboo training programmes like the one in Ghana have been offered in other countries including Ethiopia and Ecuador, and will continue to be conducted in the following years.

Enhanced Support

Starting in the 1950s, despite being a developing country, China became a major source of direct foreign aid for the main purpose of gaining more political support internationally. In 1973, the total amount of official development assistance (ODA) reached about 2 percent of gross national income (GNI), higher than the OECD goal of 0.7 ODA percent of national income which was first agreed in 1970 as

a target for developed donor nations, with some notable exceptions, including the US. According to preliminary OECD data for 2018, published in summer 2019, only five countries met the 0.7 percent of GNI target down from seven nations in 2017. However, if looked at by total spend, the US comes top (at 0.17 percent of GNI), followed by Germany and the UK.

In 1978, China's GDP was 1.74 of the world's total GDP, and by 2014, it was 14.78 percent of global GDP. At the same time, the amount China spent on ODA also increased.

According to China's Foreign Aid White Paper (2011), China's foreign aid funds mainly include free aid, interest-free loans and concessionary loans. By 2010, the cumulative amount of foreign aid provided by China reached 256.29 billion yuan (US\$36.5b), including 106.2 billion yuan (US\$15.1b) for free aid, 76.54 billion yuan (US\$10.9b) for interest-free loans and 73.55 billion yuan (US\$10.48b) for concessionary loans. According to the follow-up China's Foreign Aid White Paper (2014), China's foreign aid

totalled 89.34 billion yuan (US\$12.73b) from 2010 to 2012. *ChinaReport* learned from official sources that no updated figure is available.

In an article titled "Foreign Assistance and National Soft Power: China's Status Quo and Countermeasures" published in May 2015 in the *Wuhan University Journal*, the author stated that the beginning of the 21st century saw rapid development of China's official assistance programmes. Through analyzing open data, the article found that between 2001 and 2013, the amount of Chinese foreign aid has increased from US\$743 million to US\$7.462 billion, with an average annual growth rate of 21.20 percent. At the same time, China's share of foreign aid in the world is increasing. In 2001, China's international aid was only 1.25 percent of the world's share, then declined to 0.91 percent in 2003, then rose rapidly, reaching 3.89 percent in 2013, surpassing the UK and ranking fourth in the world since then.

As China's economy grew, its role in providing foreign assistance changed from being

a recipient country to a cooperative country and a donor country.

China's principle of abiding "respect, non-condition, non-privilege" in providing foreign aid to other countries has been criticised as being contradictory to the Western-style of ODA and loans, which often list conditions for economic or political reform, improving governance, reducing graft and increasing transparency of the recipient countries, particularly when it comes to debt restructuring programmes led by the International Monetary Fund (IMF). During the Latin American debt crisis of the 1980s, the IMF forced austerity packages and reforms that would favour free-market reforms in return for debt relief.

The effect of all types of foreign monetary assistance in developing countries by China has been significant. This includes ODA and other forms of assistance, such as loans. According to a study by research lab AidData titled "Aid, China, and Growth: Evidence from a New Global Development Finance Dataset," Chinese official development assistance (ODA) boosts economic growth in recipient countries. "For the average recipient country, we estimate that one additional Chinese ODA project produces a 0.7 percentage point increase in economic growth two years after the project is committed," stated the report.

Between 2000-2014, Chinese official finance was US\$354.3 billion. During the same period, US official finance was US\$394.6 billion, according to AidData. However, the make-up of the financing was different, with the US giving ODA at US\$366.4 billion, and China's total ODA was US\$81.1 billion. The rest was in the form of what AidData categorised as "Other Official Flows."

Holistic Approach

As China continues to provide steady fi-

nancial support for developing countries including the recent earmarking of US\$2 billion and US\$1 billion for the "South-South Cooperation Fund Project" in 2015 and in 2017, China-aided roads, schools, hospitals, conference centres, stadiums and other infrastructure have been built in different parts of the developing world, many of which have become local landmarks. As a new trend, a wider range of assistance covering all aspects of the socio-economic development of the least developed countries is taking place in fields including economic infrastructure, social public infrastructure, human resources development, trade promotion, environmental protection, humanitarian and other social and economic development spheres.

There have been more grassroots community-based technology training programmes. According to a list of foreign aid capacity building projects conducted in 2019 provided by MOFCOM to *ChinaReport* in November, apart from the bamboo and rattan training programme, other training programmes aimed at capacity building for local community development include hybrid rice technology, fish disease prevention, hen farming, fungus production, clean water and rubbish treatment, small hydro plant construction and hotel management.

According to Shi Jin from the Hangzhou Regional Centre for Small Hydro Power (HRC), one of the coordinators for the training programme on small hydro power for developing countries this year, some seemingly small projects can lead to a transformative change for local community development. Shi told *ChinaReport* of a project in Cameroon, West Africa, in which training on small hydro power applications can benefit local farming communities through securing a stable power supply to bake coffee beans. This prevents the economic losses caused by the mismanagement of temperature control which often happened in the past. "In addi-

tion, this can reduce deforestation in rural Cameroon," Shi said.

In March 2018, in order to better coordinate foreign aid projects and streamline management, the Chinese government announced the establishment of China International Development Cooperation Agency (CIDCA) as an independent and direct organ under the State Council to integrate the responsibilities of MOFCOM for foreign assistance and coordinate with the Ministry of Foreign Affairs. CIDCA is responsible for formulating strategic guidelines, plans and policies for foreign assistance.

Li Xiaoyun, professor of development studies at China Agricultural University, stressed that the system of international development has seen significant changes in recent years with China's experiences, principles and way of approaching foreign aid. This includes reciprocity and supporting infrastructure construction in the developing world, which have been accepted by the international system. "Such changes have gained China's foreign aid efforts much more attention and recognition," Li said in a December 2018 interview with *Wenhui Daily*.

"Some wrong perceptions and comments on China's foreign aid, such as China imposing neo-colonialism or grabbing resources are now less mentioned or believed," he said.

Li said that in recent decades, international development assistance organisations, including the World Bank, which used to be influenced by Western countries' foreign assistance frameworks, are learning from China's development model and engaging in multilateral cooperation with China on certain projects.

"Within the international development assistance system, focuses on reform to gain assistance effectiveness have shifted towards development effectiveness. This is influenced by China's successful foreign aid experience," Li said. ★

Health

View of an afforested area in Yulin, Shaanxi Province

Allergic Reaction to Anti-desertification

As China has achieved significant success in combatting desertification in its northern regions, wide aerial seeding of a shrub species has potentially created significant allergens to local people

By Li Mingzi and Wang Yan

The worst time of year for 48-year-old He Yanbin is from late June to September, when he suffers from severe pollen-induced allergic rhinitis, or hay fever. He was diagnosed in 1996 in his hometown of Yulin in North China's Shaanxi Province.

He told *ChinaReport* that after the doctor told him he had hay fever, which included symptoms like itchy eyes, a runny nose, sneezing and coughing, he was given an injection, and immediately felt better. "Thinking back, I think the doctor must have used steroids, since drug prescriptions were not strictly regulated then," He said.

Yulin is in the very northern part of Shaanxi Province, right at the part where the Loess Plateau meets the vast desert in the Inner Mongolia Autonomous Region. It has been at the forefront of China's fight against desertification for decades. Before the People's Republic of China was founded in 1949, sand and dust storms resulted in the encroachment of the desert from Inner Mongolia into Yulin, engulfing six towns and over 400 villages. The city was forced to relocate three times, records show. But by 1996, due to reforestation programmes, tree coverage had expanded from 0.9 percent to 42.7 percent within five decades.

Protected by the shelter forests, Yulin started to boom and gradually developed into a city of over three million residents. However, until recent years, no one expected such a surge in the number of people suffering from hay fever and asthma, attributed to pollen emanating from the *Artemisia* genus, commonly known as mugwort, which was

widely adopted in forestation programmes in the 1960s.

According to the book *Yulin Sand Control*, the city started afforestation by aerial seeding with mugwort, the most popular species. Mugwort plants, effective in stabilizing desert landscapes, have been grown across China's large expanses of steppe ever since.

Escape to the South

Each year, from July until September, over tens of thousands of people in Northern Shaanxi suffer from pollen-induced allergies, and even millions in neighbouring regions like Inner Mongolia, Ningxia Hui Autonomous Region and Hebei Province. This June, He Yanbin shut himself inside his home, with tightly shut doors and windows, and a central air conditioning and purification system. He said that after he fixed the temperature to 26 Celsius and humidity at 70 percent, his constant sneezing and runny nose finally stopped. He said that since he was diagnosed with hay fever, he had noticed more people were also suffering. He learned that hay fever is a chronic disease which requires long-term medication and cannot be completely cured. He found that some sufferers went to Peking Union Medical College Hospital (PUMCH) to try a skin prick test to determine what they were allergic to. PUMCH launched its allergy department in 1956, the first of its kind in China. Founder of the department and expert in allergens Professor Ye Shitai from PUMCH had conducted research on airborne allergens across dozens of cities in China during

the 1970s and 80s. Ye found that the numbers of allergy sufferers or the severity of their symptoms were related to the local pollen counts of the *Artemisia annua*, or sweet wormwood, a type of mugwort which is widespread in North China. Using a nasal challenge test, a standard procedure to diagnose allergic rhinitis, using wormwood extract, Ye's study verified that *Artemisia annua* is a major outdoor allergen source in North China. The results were published in a 1991 paper titled "Research on Airborne Pollens in China."

There have been other studies since Ye's. According to an article titled "Artemisia Allergy Research in China" published in science journal *BioMed Research International* in 2015, two national allergenic pollen surveys were conducted in China. The article stated that "Artemisia pollen is a major important outdoor allergen in China. It has been verified as an allergen by nasal challenge and bronchial provocation tests, and these allergens have been shown to occur not only in its pollen but also in its leaves and stems." Wormwood pollen can trigger not only allergic rhinitis but also asthma, or both together. The article continued that almost half of the patients with autumnal pollen allergic rhinitis had developed seasonal allergic asthma within nine years.

He Yanbin had a skin prick test in 2006 which indicated his allergen was mugwort. Chen Xiushan, director of the allergy department in Yulin No.2 Hospital told *ChinaReport*: "In recent decades, the number of people suffering from hay fever and allergic asthma has significantly increased." The situation in Shaanxi and neighbouring provinces caught the attention of Wang Lianglu, deputy director of the allergy department of PUMCH. Wang's team conducted research and analysis of 260 hay fever patients from Shenmu Hospital in Yulin from 2003 through 2006. The results showed that more than 97 percent had hay fever, and more than 25 percent had asthma, and again *Artemisia* was the major source of allergens in summer and autumn.

Wang Minghao from Shenmu, a district of Yulin, started suffering from hay fever in 2005 when he was 20. His symptoms have worsened in recent years. Wang told *ChinaReport* that he suddenly could not breathe when he was asleep during a summer night in 2012. His family noticed and sent him to hospital immediately. After emergency treatment, he survived and realised he had developed allergic asthma. Since then, he has to carry salbutamol, a drug used for the relief of bronchospasms during the allergy season.

"For patients who suffer severe hay fever or asthma, we suggest they move to places in southern regions, if possible, better to the south of the Yangtze River," a doctor from Yulin No.2 Hospital told the reporter.

Wang Minghao's son also started developing similar allergic symptoms to Wang in August 2015. The little boy woke up with a blocked nose and said: "Daddy, I can't breathe!" Wang booked flights ticket that night for Xi'an, the capital city of Shaanxi Province around 600 kilometres south of Yulin. The child felt much better while in Xi'an, and since then, Wang sends his son there for two months during the

autumn. He only returns to Yulin in October when the allergy season is over. But Wang knows that this is not a long-term solution. "Now he's in kindergarten, I don't know what we'll do once he starts primary school," Wang said.

"The only solution is to either leave our home, or shut ourselves completely indoors, so that we can ensure isolation from allergens," He said, who developed asthma after 11 years of hay fever. Like a migrating bird, from 2004 he started spending two to three months in Southern China. After installing his air purification system, he decided to stay at home all the time rather than move to other places. He estimated that only 1 percent of the patients who suffer from chronic allergies in Yulin can afford to leave during peak allergy season. Most have no choice but to stay and fight. "Those suffering from seasonal allergies are getting younger and younger," said one doctor from Yulin, who requested anonymity. A decade ago, the youngest patients were around five to six years old, but now, the youngest he sees are one year old. Yin Jia from the department of allergy at PUMCH said that the one-year-old might have been born right before a pollen allergy season, and starts to show symptoms the next.

Appeals for Help

According to scientific studies, Mugwort plants produce small pollen grains that can be transported for hundreds or even thousands of kilometres through the air. Species of *Artemisia* are widely grown in the Inner Mongolia grasslands in Northern China.

Online calls and petitions to authorities to contain the spread of the *Artemisia* species started in September 2010. An open letter titled "Petition for Yulin Government to Disclose the Truth behind the Surging Number of Allergic Rhinitis Patients in Yulin" was published. Following that, sufferers from Yulin published another open letter on People.com.cn in 2014 challenging the government's slow response. One sufferer spoke to local newspaper the *Yulin Daily*: "We have hay fever, but we do not want to live our lives with masks on, and we hope the government will investigate the issue." The Yulin Bureau of Health issued a response, saying that "*Artemisia* might be an allergen which causes arousing allergic rhinitis, but it is not the only factor that causes the disease." The bureau also stated that "aerial seeding of *Artemisia* to combat desertification are all local species, and there are no exotic species as people have rumoured."

He Yanbin started a WeChat group for hay fever sufferers in Yulin. He and a few other patients went to an area where mugwort was planted in August 2015 to live broadcast their reaction to the pollen of the plant, which attracted a lot of attention from hay fever sufferers. In 2016, He Yanbin was elected to the Chinese People's Political Consultative Committee in Yulin. He delivered a proposal calling for the local government to pay attention to the increasing number of hay fever sufferers, but he got no response. He repeated the same proposal in 2017, and people in neighbouring provinces including Inner Mongolia and Ningxia also started to organise and present petitions



He Yanbin (first from left) and other allergy sufferers live broadcast their reactions to mugwort pollen in an attempt to draw wider public attention

PHOTO COURTESY OF HE YANBIN

to local governments. One petition letter online was viewed hundreds of thousands of times.

Soon after, an emergency meeting was held by the government inviting doctor Yin Jia from PUMCH, along with a few doctors from other hospitals and experts from the Chinese Centre for Disease Control and Prevention. Yin proposed that field research was needed in Yulin. In August 2018, 19 doctors from the Department of Allergy, PUMCH went to Yulin No.2 Hospital to offer voluntary medical consultations to local patients. Over 1,000 people attended.

After four consecutive years of proposals, He Yanbin finally received positive feedback from the local government in 2019. In March 2019, the Yulin government listed the prevention and treatment of allergic rhinitis as one of the 10 priority tasks for improving local livelihoods. The government also distributed a special fund to fulfil the local epidemiological survey of the disease, set up a special research project and installed facilities to monitor the pollen count and broadcast the levels.

No one knows when the final research results will be attained. Yulin resident Lin Peng, who has suffered from hay fever for 20 years, told *ChinaReport* that the final goal of his 10 years of petitioning on the issue is to have the government “completely uproot all *Artemisia* species.” But this is not practical and far from realistic.

An NGO based in Xi'an applied to the State Forestry and Grassland Administration in July 2018, asking to provide information disclosure on any correlation between allergies and *Artemisia* planting. It also applied to the National Health Commission to disclose the figures from 2003 to 2017 related to the number of allergic rhinitis and asthma patients, medical measures and treatment effects in North-

ern China. The National Health Commission responded within one month that such statistics are not available.

Few Resources

The Inner Mongolia grasslands of Northern China are home to a high diversity of grass pollen species. However, an article titled “Prevalence of pollen-induced allergic rhinitis with high pollen exposure in grasslands of northern China,” published in the *Allergy: European Journal of Allergy and Clinical Immunology* in 2018, indicated that there are no epidemiological studies looking at the prevalence of pollen-induced allergic rhinitis and its relationship to environmental factors such as climatic variables, airborne pollen allergen intensity, and period of exposure for local residents living in this region.

“There are tens of millions of allergy patients across China, but in contrast, there are only around 200 doctors specializing in allergies, and only around 20 specialised allergy departments in China,” said Wang Lianglu during the 13th International PUMCH Allergy Forum held this August, who added that achieving regulated treatment for allergic diseases will take a long time. According to Yin Jia, over 30 doctors from Yulin will train in allergy treatment at PUMCH.

The forest coverage rate in Yulin is up to 33 percent now, and there are no more sand storms in the region. Until 2014, when aerial seeding measures stopped, the reserved total area for *Artemisia* was over 333,500 hectares. In 1959, the desert control programme was set up in Yulin. “Back then, there were no experts in health and medication in the expert team, and the purpose of desert control was mainly for the development of agriculture economy. So no one was thinking of causing potential pollen allergy issues at that time, which was a limitation of that specific time in history,” Shi Changchun, deputy director of Shaanxi Provincial Desert Control, told *ChinaReport*.

In Shi's opinion, the situation worsened due to a ban on grazing in Yulin since 2002. Properly managed grazing can contain the growth of *Artemisia*. According to Shi, by 2014, the encroaching desert in the Yulin area was successfully controlled, but this is not the final step for the desert control programme.

“From an encroaching desert to the terrain of shrubs, the desert is contained effectively, but the shrubs still need to be replaced with trees, for example using the Mongolian scotch pine,” Shi said, adding that the final goal is to revive the grasslands with trees.

Yin Jia wrote in a report on the research of desert control plants in Yulin published in 2018 that as Yulin turns from a former desert city into a forest city, the lifestyles of residents have changed from a traditional farming culture to a modern industrial civilisation, which might be the core reason behind the surging number of allergy sufferers. Allergies, as an epidemic of the 21st century, affect 30 to 40 percent of the global population.

“We are now experiencing what has already been experienced by developed Western countries – a similar visible increase in different kinds of allergic diseases,” Yin said. ★

Construction Industry

SHIFTING SANDS

China faces a severe shortage of sand and gravel amid a construction boom and stringent environmental policies. Can machine-made alternatives meet the massive demand?

By Peng Danni

“We will never take an order from that construction company again. We used to bribe them before we got a contract, but now they offer a contract voluntarily because of the lack of sand and gravel,” Ma Jianxiong, a production manager at a concrete mixing plant in Hefei, East China’s Anhui Province, told his employee after he hung up the phone.

There is also a sand shortfall in the city of Qingdao in Shandong Province. Previously, a sand dealer supplying large construction sites only had to search for sources within a 100 kilometre radius, but now the search area has doubled, at least. It means that a lot of the sand is obtained through illegal means.

To address the nationwide supply shortage, Hu Youyi, director of the China Aggregates Association, told *ChinaReport* that he recently met with policymakers in Beijing. “China is proposing measures to address the weak links [in supply], but many projects are already suspended because of the scarcity of sand. The central government is paying at-

tention to the issue,” he said. “Each square metre of a flat needs at least 800 kilograms of sand.”

Sand and gravel, also known as aggregates, are crucial ingredients in the construction industry to make brick, concrete and asphalt. It makes them one of the most-consumed natural resources on the planet. The accelerating demands during China’s construction boom over the past decade have severely strained supplies.

The sand used in construction is mostly extracted from the bottom of rivers, lakes and oceans. Desert sand is unsuitable for construction because the grains are too round from wind erosion and do not stick together.

Environmental Concerns

Every evening in Hefei’s Yaohai District, heavily loaded lorries carrying sand and construction materials rumble along the streets. Most of the sand comes from Liu’an, a city to the west of Hefei, more than 200 kilometres away. Ma told our reporter that truck drivers

regularly scan for information in groups on social media app WeChat, which regularly post the latest sand prices. If there is profit to be made, truck drivers will transport sand from Liu’an to Hefei.

A truck driver told our reporter on condition of anonymity that now it is not easy to obtain sand in Liu’an after limits were put on the quantity that can be extracted. As a result, the price of sand is going up. Ma said sand cost 40 yuan (US\$5.7) per ton before 2018, but now it has soared to 130 yuan (US\$18.6). The biggest problem nowadays, he said, is the lack of resources despite the price hike.

The Yangtze River Delta is China’s main sand-mining zone. In 2006, 2011 and 2016, the Ministry of Water Resources released three sand-mining plans in the area, specifying the amount, scope and duration of sand exploitation.

Zhang Yuanfeng, an employee at the sand-mining management bureau of Jin’an District in Liu’an, told *ChinaReport* that it



Ecological restoration is underway in a village where land had been destroyed by illegal sand mining, Wanning, Hainan Province, August 21, 2018

is common for production to far exceed the quota. “In 2018, we had a sand exploitation quota of three million tons but nearly 10 million tons were sold in our district,” he said. “To make matters worse, the sales volume is very likely underestimated.”

In the late 1990s, each household could exploit sand freely from the Pihe River in the district. After 2009, when the sand-mining management bureau was established, only enterprises with complete facilities including sand dredgers, front loaders and shipping paths could bid for licences to extract sand.

Zhang Yuanfeng said a mining permit was issued for three to five years, and once an enterprise gets one, it usually exploits sand beyond the width and depth of the area specified in the licence. This over-exploitation kept the price of sand low for many years, but it has also had a devastating impact on the environment.

According to a World Wildlife Fund report, sand extraction in the first decade of the 21st century in Poyang Lake in Jiangxi Prov-

ince, the world’s largest sand extraction site, exceeded the total amount of sand accumulation over the past 55 years. Zhou Jianjun, a professor at the Department of Hydraulic and Engineering at Tsinghua University, told our reporter that Poyang Lake is the water zone that is most impacted by sand exploitation.

From 2015 to 2016, Chen Yushun, a researcher at the Institute of Hydrobiology under the Chinese Academy of Sciences (CSC), conducted research on the effects of sand mining in Dongting Lake, Hunan Province, as well as Poyang Lake, both part of the Yangtze River Delta. He found it was difficult to collect first-hand data about sand mining. One time, there were 450 and 360 dredgers illegally working on the two lakes at the same time.

“We could only look at the number of working sand dredgers, make a comparison between satellite remote sensing photos or get information from local miners,” he told *ChinaReport*. “Hydrological departments

have limited information about sand mining. For example, if an enterprise’s quota is 500,000 tons, it is anybody’s guess as to the exact amount of extraction.”

Professor Zhou Jianjun said sand extraction has caused a dramatic decline in the water levels of Poyang Lake, the country’s largest freshwater lake. It has also wreaked havoc on the navigation, rural irrigation, domestic water and water quality of the region. Poyang Lake was a habitat for the Yangtze finless porpoise, a highly endangered species in China. In 2012, the CSC’s Institute of Hydrobiology found Poyang Lake was home to 450 porpoises, but a year later the number dropped to zero.

According to the national gazette on river sedimentation in 2018, the three largest water monitoring stations in the Yangtze River Delta recorded a decrease of 91 percent, 76 percent and 77 percent of sediment delivery in comparison to half a century ago.

“The problem is made worse in many rivers because we do not have reliable esti-



Maritime law enforcement officers check a river section suspected of illegal sand mining in the city of Huai'an, Jiangsu Province, April 13, 2017

mates of the rate of natural sand replenishment, and we don't know how this matches extraction rates, with the matter often only being apparent when shortages produce detrimental effects," Jim Leonard, a geology professor at the University of Illinois at Urbana-Champaign, told *ChinaReport*.

Tightened Supervision

In early 2016, Chinese President Xi Jinping spoke at a symposium on promoting the development of the Yangtze Economic Belt when he said that the Yangtze River is very sick. "We must make restoring the ecological environment of the Yangtze River a top priority," he said. Since then, illegal sand mining has become one of the six areas targeted to protect the environment. On June 19, 2018, the Ministry of Water Resources launched a six-month campaign to crack down on illegal sand mining.

Starting in June 2017, the operating permits of six sand-mining enterprises in Matou County in Liu'an expired and they were unable to extend the contract because the Anhui provincial water resources department had halted the old auction and bidding methods for permits. State-owned sand-mining enterprises were established to

hire private sand dredgers. In 2017, many cities and counties ceased private sand-mining in Dongting Lake.

In October 2017, all 13 sand-mining spots in Jin'an District in Liu'an were owned by the government and each sand mining spot was given a quota of 60,000 tons per month, with each ton only worth 15 yuan (US\$2).

Zhang Yuanfeng told our reporter that Jin'an District has adopted digital management and all lorries carrying sand are weighed when they leave the sand-mining spots. Once the 60,000-ton quota is used up, lorries are prohibited from entering the sand-mining sites. He said that without the new system, sand resources in the Pihe River would be depleted by 2022.

ChinaReport visited a sand-mining site at the Pihe River and found there were no operating sand-mining dredgers nor lorries on the bank. Several workers were playing cards in a shelter. This sand-mining spot and two others in the district had not been granted a permit as they failed to obtain environmental approval.

Han Ming, director of the water supervision department at Huoshan County in Anhui Province, told *ChinaReport* that the county was home to a number of small sand-

mining enterprises and many of them did not have a dredger and only large diesel pumps were used. After a rectification campaign in 2014, there were only 12 legal sand-mining enterprises left which could only operate on three sections of the river. In March 2017, virtually all 90 sand-mining enterprises in Huoshan County were closed. In June 2018, the Ministry of Ecology and Environment conducted a survey in the area and concluded that sand-mining activities had affected the quality of drinking water in Liu'an. Two months later, all sand-mining operations in the Pihe River were shut down.

By October 2018, all 20 major sand-mining enterprises in Henan Province were State-owned. In December 2018, more than 1,700 sand-mining dredgers were checked for environmental concerns in Hubei Province and some illegal ones were instantly dismantled. The nationwide campaign to crack down on illegal mining activities has left many provinces to suffer from sand shortfalls and the price of sand has been going through the roof. In 2017, sand from the Pihe River was priced at 30 yuan (US\$4.3) a ton and shot up to 150 yuan (US\$21) in the first half of 2019.

Seeking Alternatives

A research paper published in the journal of *Management on Rivers and Lakes* by Fan Xiaowei, an employee at the Anhui Water Resources Bureau in 2018, said that China's sand and gravel management has been treated mainly as a water activity and its market demands have largely been overlooked. He pointed out that in order to cut the profit chain of illegal sand exploitation, it is urgent to take action from the supply side.

"When we consider the available sand, we have to consider what sand is available in a manner that is sustainable and minimises the environmental impact, while also realizing that sand is a vital ingredient for modern society and the livelihoods of many," said Jim Leonard.

Man-made sand and gravel have become

popular alternatives in facing the sand shortfall. Professional machines are used to break rocks and produce aggregates in different construction grades. In China's western mountainous province of Guizhou, machine-made sand is the most common product on construction sites. Amid the rising price of sand, Guizhou is the cheapest source of sand for nearby provinces. In September 2019, the Ministry of Industry and Information Technology sought advice from the local government of Guizhou to cooperate on sand production.

According to statistics from the China Aggregates Association, machine-made sand accounts for 80 percent of China's total consumption. "Generally speaking, machine-made sand has become the most reliable alternative to support infrastructure construction," said Song Shaomin, an architectural material professor at Beijing University of Civil Engineering and Architecture. Song said that while the quality is in line with construction criteria, machine-produced sand is currently unable to match that extracted from lakes and rivers.

Han Ming told *ChinaReport* that machine-produced sand is not the only solution to address the shortage. He said that Huoshan County in Anhui Province has many old river channels and after large dams were built, the river channels were separated and some dried out. After removing the surface layers, sand could be found two or three metres below.

"There are large reserves beneath these old water channels. If the government could issue some policies, their potential could be unleashed with scientific exploitation techniques," Han said.

"The time has come to move from simply highlighting the issue of unregulated sand extraction to providing concrete steps and actions which can be implemented to help manage this resource," Mette Bendixen, a research fellow at the Institute for Arctic and Alpine Research, University of Colorado, told *ChinaReport*. ★

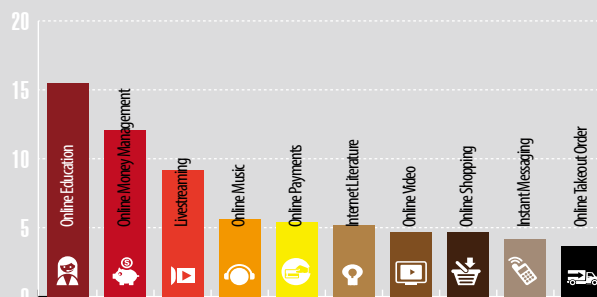
CHINA BY NUMBERS

61.2%

Increase of user scale of the 10 types of fastest-growing internet applications in the first half of 2019

Proportion of internet users in China by the end of June 2019, with a total number of 854 million online users

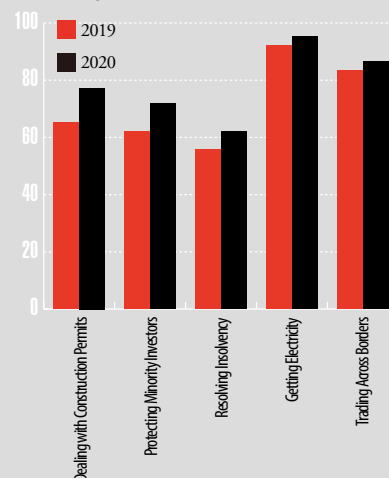
Source: China Internet Network Information Centre



31st

China's position in World Bank's world-wide ranking of Doing Business 2020, up 15 notches from the 46th spot in the previous year, joining the world's top 10 most improved economies in domestic business climate for the second year in a row

The top five indicators with biggest improvement in China's doing business scores



Source: World Bank Group

64%

Share of new tax cuts for private taxpayers, including private enterprises and self-employed businesses, from the new tax national tax cuts in the first three quarters of 2019, amounting to US\$215 billion

Source: State Taxation Administration of China

8%

Year-on-year growth in added value of private industrial enterprises in the first three quarters of 2019, surpassing overall industrial growth

Year-on-year growth of the added value in the first three quarters of 2019

Private Industrial Enterprises 8%

Small- and Medium-sized Industrial Enterprises 7.1%

Industrial Enterprises above Designated Size (with annual revenue over US\$2.8 million) 5.6%

Source: Ministry of Industry and Information Technology of China / National Bureau of Statistics of China

900 million

The number of visits made to forest recreation destinations in China in the first half of 2019, a year-on-year increase of 14 percent, accounting for 30 percent of total domestic tourists



Source: National Forest and Grassland Administration of China

Photography

When China First Rocked

In her latest exhibition, veteran photographer Gao Yuan captures the blood, sweat and tears of China's rock scene in the 1990s through intimate portraits of the people who built it

By Kui Yanzhang

This summer, some of China's most important indie rock bands shared the stage on hit TV talent show *The Big Band*. Groups like New Pants, Hedgehog, The Face and Miserable Faith not only reached a new generation of fans but also rekindled nationwide nostalgia for the golden era of Chinese rock.

While singer-songwriter Cui Jian is credited with kicking off Chinese rock with a concert in 1986, things really started rolling from the 1990s to the turn of the millennium thanks not only to Cui, but also artists like Zhang Chu, He Yong and the prolific Dou Wei, as well as hard rock megabands Tang Dynasty and Black Panther (which Dou Wei fronted from 1988-1991). They saw success across the Chinese mainland and inspired the musicians now appearing on *The Big Band*.

As a professional photographer and friend of the Chinese rock scene, Gao Yuan, 50, has photographed almost every rock musician and important concert since 1990. Her access allowed her to document the evolution of rock in China up-close through her lens and the lives of her friends.

On September 18, Gao held a two-month photo exhibition at Beijing's Today Art Museum. Titled *Look Back into the Sun*, the show includes over 100 black-and-whites that capture the growth of rock music in China during the 1990s.

Gao called the exhibition "a record and an affectionate look back on the old days and its people."

Early Daze

In 1986, Cui Jian delivered the country's first rock concert in Beijing. Dressed in worker's clothes, he performed his most celebrated song, "Nothing to My Name," which later became a rock anthem for the coming years. Rock was born on the Chinese mainland.

Gao remembers 1990s Beijing as somewhat empty – a vast space waiting to be filled in the city and young people's hearts.

"Almost everyone in every field was prospering. They were nurtured by a sense of freedom. In their music, I heard and witnessed sentiments that hadn't been seen in previous generations. That marked my initial understanding of rock," she told *ChinaReport*.

In the late 1980s, her father, film/TV actor Gao Lei, encouraged her to refine her skills at The Central Academy of Craft Art (now The Academy of Arts & Design of Tsinghua University). But the school did not officially have a photography department. When she was admitted, there were only two photography students – and four instructors.

There were no dedicated rock venues in Beijing in the early 1990s. One of the only places rock musicians could perform was Maxim's, a foreign-owned French restaurant.

Gao spent all her time in the darkroom or snapping shows at bars and Maxim's. Her friends, also rock fans, were among her first subjects.

The first musicians she photographed were Ding Wu, the frontman for heavy metal band Tang Dynasty, and hard rock band The Face. In 1993, Magic Stone Records, an important rock label, hired Gao as their concert photographer for their artists. Most were her close friends.

Gao shot from behind the scenes. Many of her photos show intimate moments: people dozing off on an airplane, getting a haircut



COURTESY OF TODAY ART MUSEUM

(Top Clockwise) People leave the Hong Kong Coliseum after the “Chinese Rock Power” concert, December 1994

Musicians attend the funeral of Tang Dynasty bassist Zhang Ju, May 1995

Members of rock band Hongshaorou, 1995

Dou Wei sits during a sound check at the Hong Kong Coliseum, December 1994

on the street or lighting up a cigarette at a friend’s party.

The year of 1994 was significant in the history of Chinese rock. Magic Stone Records released three seminal albums: Dou Wei’s *Black Dream*, Zhang Chu’s *Shameful Being Left Alone* and *The Waste Yard* by He Yong.

That December, the three artists joined metal band Tang Dynasty for “Chinese Rock Power,” a concert at the celebrated Hong Kong Coliseum. The show marked a first for mainland musicians, and a pinnacle for Chinese rock.

Gao chronicled the ground-breaking con-

cert. One funny photo shows Dou Wei grinning as he flicks cigarette ash on producer Jia Minshu, who is asleep and slumped in a chair. In another, He Yong stands on a Hong Kong street while drinking a bottle of water. She also photographed Zhang Chu rehearsing backstage in a white shirt and worn jeans.



Drummer Zhang Yongguang, 1996

Dou Wei makes up a major part of Gao's work partly because they were married briefly in the early 2000s. Their relationship put Gao on the other side of the camera as a target for the paparazzi. Media often focused on the tensions between Gao, Dou and his first wife, Mandopop megastar Faye Wong.

Gao first met Dou after he performed at a party in Beijing held by foreign embassy employees and other expats in Beijing. "[Dou Wei] had long, curly hair and wore a leather jacket, showing his bare chest. He also wore gaudy, tight shorts and big leather boots. After he performed, he got off the stage and warmly hugged people in the crowd, sweaty and excited," she recalled.

Eras in Contrast

Gao was also there for the tragedies. In May 1995, Tang Dynasty bassist Zhang

Ju was killed in a high-speed motorcycle accident. Gao met Zhang when she was 15 and the two were friends for more than 10 years. His death came as a huge blow to Gao and the rock community.

She photographed Zhang's funeral. On the wall of the memorial hall hung a large black cloth covered with handwritten messages from friends written in whiteout. Rock musicians, with their long hair tied up, stood mournfully while wearing white paper flowers on their chests.

In 2015, Gao published her first photo collection, *Finish the Song of Youth*, which includes hundreds of black-and-white photos taken during the 1990s from more than 10,000 negatives.

Some of Gao's photos are out of focus and lack composition. But as many critics and readers have commented, her work is

uniquely powerful, expressive and genuine.

"There's no distance between Gao and her subjects. She freely entered the private space which most professional photographers are not allowed to enter. She was so close to her subjects, and the way she presented them was so direct and genuine, which give her works the same spirit of rock 'n' roll in the 90s," said Michael Kahn-Ackermann, the founding director of the Goethe-Institut Peking.

"Under my lens, rock permeated every corner of the 90s. Rock crystallised our brief but lively adolescence. Looking back today, it feels more like an ideal spiritual sanctuary, breaking the shackles of old. Ancient traditions and new concepts collided; fresh rules and past perspectives mixed; love and hate, pain and joy, leisure and sorrow, dreams and reality, were all encapsulated into the fragments from these 10 years, quietly whispering," Gao Yuan wrote in the foreword for her exhibition *Look Back into the Sun*.

"Many years later, people often thought Chinese rock carried a powerful ideology – it was deeply entangled with the politics and culture of the time. Having experienced it up close, I had encountered the softest parts of this cultural movement. It was a simple time," she added.

"The early 90s was a time that most people could only hear Western music through pirated copies of cassette tapes. For musicians, having a commercial concert seemed like a pipe dream, since most of the time we couldn't even get the right equipment. But we still made music in our own way, always trying something new. No matter the era, I



Gao Yuan (right)

COURTESY OF TODAY ART MUSEUM

believe that's what every artist should do," Zhang Chu said at the opening ceremony of Gao Yuan's exhibition on September 18.

A Proper Farewell

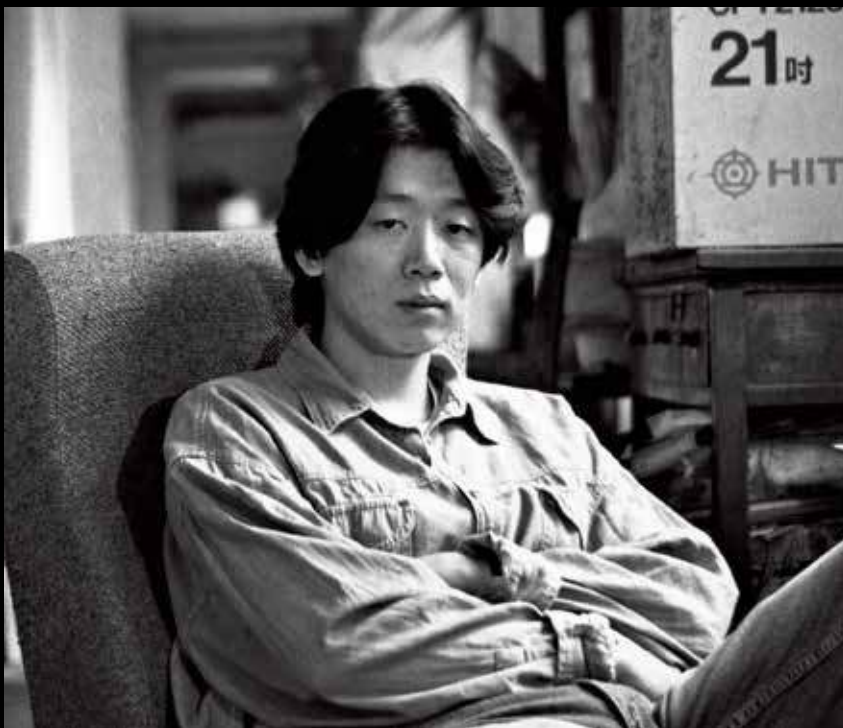
Singer-songwriter Lao Lang, who became widely popular for his nostalgic high school ballad "My Deskmate," also appears in Gao's works. One photo in her collection shows him sitting in the hallway outside his flat, looking directly at the camera.

"[Gao Yuan] and I lived on the same street when we were kids. We kind of grew up together. From the late 1990s to the early 2000s, coincidentally we also lived on the same block. We started hanging out through our mutual friends, and she photographed those good old days," Lao Lang said at the exhibition opening.

"I see her photos as a proper farewell of a particular time, and now a new generation of musicians is preparing to take their places in the Chinese music landscape," the singer continued.

Former Tang Dynasty guitarist Liu Yijun said: "These photos instantly brought me back to that time full of excitement, passion and rebellion. I felt as if time had been frozen and our memories were eternal. Although the musicians of our days and the younger generations lived through different times, we can still communicate through music, humanity and spirituality. Such communication can transcend time."

In his review of Gao's collection *Finish the Song of Youth*, Kahn-Ackermann said Gao's photos reveal why Chinese rock remained on



Singer-songwriter Lao Lang

COURTESY OF TODAY ART MUSEUM

the fringes for most of its history.

"Since the 1990s, consumerism gradually became the country's cultural mainstream, whereas Chinese rock and roll went the opposite way. It's because Gao Yuan was so close to these rock musicians that she could document every detail of their lives, capture that

happiness when they broke taboos, and record their improvised lifestyle in poverty. Her photos are a response to the marginal status rock was situated in – Chinese rock was the final cry of China in the 1980s and not a prelude for the 21st century," Kahn-Ackermann wrote. ★



CULTURE

Film

PUSHED TO THEIR LIMITS

Derek Tsang's coming-of-age drama *Better Days* tackles hard-hitting issues troubling China's education system — particularly school bullying — and their effect on today's youth

By Yi Ziyi

Campus violence, a theme much explored in Japanese, South Korean and Western films, had long been ignored by Chinese moviemakers.

Chinese cinema saw its first film on the subject with *Cry Me a Sad River* (2018), an adaptation of the novel by best-selling writer Guo Jingming.

Last month, another film sparked nationwide discussions about campus bullying, a persistent problem in China's schools.

Better Days, starring award-winning actress Zhou Dongyu and TFBoys heartthrob Jackson Yee, tells a heartbreaking tale of bullying and suicide at a Chinese high school. It is helmed by Hong Kong director Derek Tsang, who was best known for *Soul Mate* (2016), which earned 167 million yuan (US\$23.8m) in domestic theatres.

Released on October 25, *Better Days* topped the Chinese mainland box office, bringing in more than 1.3 billion (US\$185m) over 16 days, according to Chinese film database Maoyan. It outsold Disney fantasy film *Maleficent: Mistress of Evil* and Ang Lee's *Gemini Man*. Acclaimed by both critics and viewers as one of the best domestic films of the year, *Better Days* received a 8.4/10 rating on Douban, China's leading media review website.

Now the film is screening in select theatres in major cities across the US, the UK, Canada, Australia, New Zealand and Malaysia.

Tsang presents an accurate portrayal of high school on the Chinese mainland, providing a bleak depiction of an oppressive environment plagued by bullying and scholastic pressure.

Growing Pains

It took time for *Better Days* to see the light of day.

The film was pulled at the last minute before its premiere at the Berlin Festival's Generation 14Plus section in February for "post-production reasons." Its scheduled domestic release in late June was also cancelled with no explanation just three days prior. Industrial insiders blamed the sudden changes on censorship issues surrounding the film's brutal depiction of school bullying.

The October 25 release of the long-delayed film came just as suddenly, announced three days before the new premiere.

Better Days opens with a suicide at a high school two months before the National College Entrance Exam, also known as the *gaokao*. Hu Xiaodie, a loner who suffers from relentless bullying, jumps off a school building. Hu's deskmate, Chen Nian (Zhou Dongyu), the film's protagonist, is the only one to have the decency to cover the body. But this single act of kindness turns her into the next target of the students' abuse and harassment.

Raised by a single mum who makes her living selling fake facial

masks, Chen is constantly harassed by creditors seeking to collect her mother's debts. A top student, Chen believes that scoring high on the *gaokao* and attending a top university in Beijing is the only way to change her fate. But the escalating school bullying and humiliation threaten to destroy her dream. Chen enlists Xiao Bei (Jackson Yee), a high school dropout and small-time criminal, to protect her from classmates. She moves into his rundown flat to prepare for the potentially life-changing exam. The two lonely and hurt teens comfort each other against all the unfairness and cruelty society deals them.

Besides verbal and physical abuse, the film also addresses cyber bullying and the effects of social media.

When Hu Xiaodie jumps to her death in the opening scenes, her classmates gather around the body to snap photos for their social media. In another scene, classmates shame Chen on social media after learning her mother had skipped town to escape creditors.

The film delves into the underlying issues behind such violence, including the family problems of both bullies and their victims, and the indifference of teachers.

In her mother's absence, Chen must deal with her bullies alone. Xiao Bei's mother abandoned him when he was a kid. Similarly, the bullies' parents are either absent, physically abusive or excuse their children's behaviour.

Despite the suicide, teachers turn a blind eye to campus violence to maintain focus on the *gaokao*. Teachers are unsympathetic to Chen's suffering and tell her to "learn how to get on with classmates."

"It makes my heart ache every time I read news about campus violence and see how kids suffer at school," Tsang said at the premiere in Beijing on October 25. "We hope that this film can make people seriously think about this issue. For children and teens who have had similar experiences as the film's characters, we want to send the message that life has its dark side but you will always find a person or some friends who are there to help you. You are not alone," he said.

"We are not simply representing youth, but, more importantly, we hope more people discuss youth and what roles they play in society," said Jo Jo Hui, the film's screenwriter.

A Group Portrait

Tsang chose some of the same cast and crew from *Soul Mate*. The drama, also starring Zhou Dongyu, explores the depth and subtlety of the friendship between two girls, and how their bond is challenged when one of them falls in love.

Unlike *Soul Mate*, which mainly focuses on individual romance and friendship, *Better Days* presents a bigger picture of how youngsters interact with their families, school and society. The large cast of



A still from *Better Days*

characters helps present a nuanced and multi-layered world for the young protagonists.

Tsang said he attempted to provide a “group portrait of the Chinese student community” that would resonate with a wide audience.

While not everyone has experienced school bullying, most Chinese audiences still relate to another issue that the film examines in depth – the *gaokao*.

The film won accolades from critics and audiences for its faithful portrayal of the pressure-cooker atmosphere leading up to the exam through imagery such as piles of textbooks, endless practice exams, ticking clocks, countdowns and red banners with slogans like “Get into the university of your dreams.” The atmosphere intensifies as the exam approaches.

Educated in Hong Kong and Canada, Tsang did not experience the *gaokao*. But he and his team conducted exhaustive research that included student and teacher interviews, and filmed on location on the day of the exam in Chongqing.

“We took much effort to reproduce the atmosphere, which would instantly bring the audience back to the days they crammed for the

gaokao. It is precisely because I’m from Hong Kong that I did more work to make sure what we’ve presented is direct and real,” Tsang said.

“As a Hong Kong director, Tsang’s observations are startlingly accurate. In the film, after a practice exam, the whole class is required to switch seats according to their score. The scene echoes another in which dropouts and small-time criminals play mahjong at a table. This parallels the same jungle all teenagers are besieged in – a world ruled by the survival of the fittest,” Douban user “Falanxi Jiaopian” commented.

While presenting the problems of China’s education system, the film does not discredit the *gaokao*, which many see as a fair playing field for social mobility.

Growing up in a poor single-parent family, Chen believes that a high score on the *gaokao* and attending a top university is the only way to save her and her mother from misery. This faith steels her to stand the relentless bullying and humiliation.

“Many students told me that there are so many unfair things in the world, but luckily we still have the *gaokao*.’ I was so shocked and I put that line in the film. Many believe the *gaokao* is the only fair way

in their lives to show their abilities,” Tsang said during an interview with jiemian.com.

“I didn’t have that pressure during my high school years and never thought my life would be completely changed by one exam. What touched me the most was that there are so many students, especially those from third- and fourth-tier cities, harbouring a simple but firm belief that the *gaokao* can change their lives,” Tsang said.

Shadows in the Sun

Soon after its release, *Better Days* sparked heated discussions on social media concerning campus violence. Netizens bared scars and shared experiences that still haunt them. Many blamed the indifference of parents, teachers and bystanders for contributing to school violence. Some quoted a line from Polish poet Stanislaw J. Lec: “Each snowflake in an avalanche pleads not guilty.”

“I hope my mother sees this film. Many years ago, when I was bullied at school, my mum always said, ‘why do they only pick on you and not others? You should think about your own problems,’” a Weibo user commented.

“I cried in the theatre because I related to it so much. I’m so glad that *Better Days* has spotlighted school bullying and violence,” Wu Muqun, a 28-year-old IT engineer from Beijing told *ChinaReport*. “The whole class singled me out for three years. They [my classmates] threw my books in the girls’ bathroom, stuffed thin wire in my thermos and sanitary napkins in my desk. They spread lies and rumours about me. People weren’t aware of school bullying as a phenomenon, but things were actually happening. Both my parents and teachers believed it was my fault that I couldn’t get along with others.”

Parents and teachers have long overlooked school violence. But awareness is increasing as more video clips circulate online showing schoolchildren humiliated, bullied and abused in classrooms, dorms, sports fields and restrooms.

The latest clip, which went viral on November 9, shows a teenage



A still from *Better Days*

girl in Guigang, Guangxi Zhuang Autonomous Region beaten by classmates in her dormitory with a wooden hanger and iron dustpan. In another video, a girl in Xinyang, Hebei Province was assaulted and forced to kowtow in front of her classmates. Such clips are usually removed from Sina Weibo and other social media platforms out of concern for the victims and to not encourage copycats.

From 2014 to 2016, the National Survey Research Centre at the Renmin University of China conducted a three-year study involving 10,279 middle school students from 28 provinces. According to the survey, nearly half (49.6 percent) had experienced verbal bullying at school, 37.7 percent had encountered social bullying (or were the subject of fabricated rumour or excluded from class activities) and 19.1 percent had suffered physical violence. The study noted that 14.5 percent were victims of cyber bullying.

Lawmakers are tightening legislation for campus and online violence. In recent years, school violence prevention has received increased attention during the country’s annual Two Sessions.

On October 26, Chinese lawmakers reviewed draft revisions to laws on protecting children and the prevention of juvenile delinquency at the bimonthly session of the National People’s Congress Standing Committee. The draft includes the first legal protections designed to prevent bullying in schools and online.

The amendment would require schools to address student complaints, train staff and cooperate with authorities to deal with students that commit bullying. The amendment also proposes an online ban of words, images or videos that threaten, insult or attack children. ★



INK PIECE

Since he was a boy, psychologist Lin Yishan had dreamed of getting a full back tattoo. At 30, that dream came true. He got a white fox, which in the Chinese constellation system symbolises the heart. Lin believes the white fox, which is traditionally associated with intelligence and imagination, best represents his personality.

The person who realised Lin's dream is Xiao Xiao – a 34-year-old tattoo artist who graduated from Suzhou University with a degree in fashion design. She started her own tattoo studio in 2017. It took Xiao three years to finish the spectacular piece: the mythical white fox rides the wind and waves while surrounded by cherry blossoms.

Xiao's husband, Liu Peng, introduced her to tattoo art. She also did Liu's back piece of Ding Desun, a minor character in the epic Chinese novel *The Water Margin*. Xiao's rendering of Ding Desun draws inspiration from a woodblock print in the series *The 108 Heroes of the Water Margin* by Japanese artist Utagawa Kuniyoshi (1798–1861). Liu said he identifies with the overlooked heroism of this minor character.

Historically, tattoos in China were associated with criminals, gangsters and bandits. For example, they were used to mark a disgraced past during the Zhou Dynasty (1046BC–256BC). But now like in many parts of the world, tattoos have become a creative and personal form of self-expression.

"Find your own tattoo and choose different tattoos at different phases of life. When you look back, tattoos provide a visual retrospect of your past. It's like looking at an old photo, but a tattoo holds more unforgettable memories," Liu said.

Liu Peng's back tattoo of *The Water Margin* character Ding Desun inspired by an Utagawa Kuniyoshi woodblock print. Liu complained of the pain while getting the tattoo, "Give me a little break. It does hurt," he said.



An unfinished piece titled "A Gongbi Painting on the Silk Roll" is Xiao Xiao's most cherished work. Skin is not the only canvas for tattoo artists. They also work on paper and silk. Meticulous brushwork and colourful palettes are signature traits of *gongbi* paintings.



Tattoo artist Wu Fan and her puppy in her tattoo studio. Wu met both her husband, who is nicknamed Discus, and the puppy in China's porcelain capital – Jingdezhen, Jiangxi Province. Recently, the couple settled in a little flat in Beijing and set up a tattoo studio in their living room.



Xiao Xiao tattoos a crow on the back of a woman. The woman is listening to music to distract herself from the pain.



Lin Yishan's impressive back tattoo



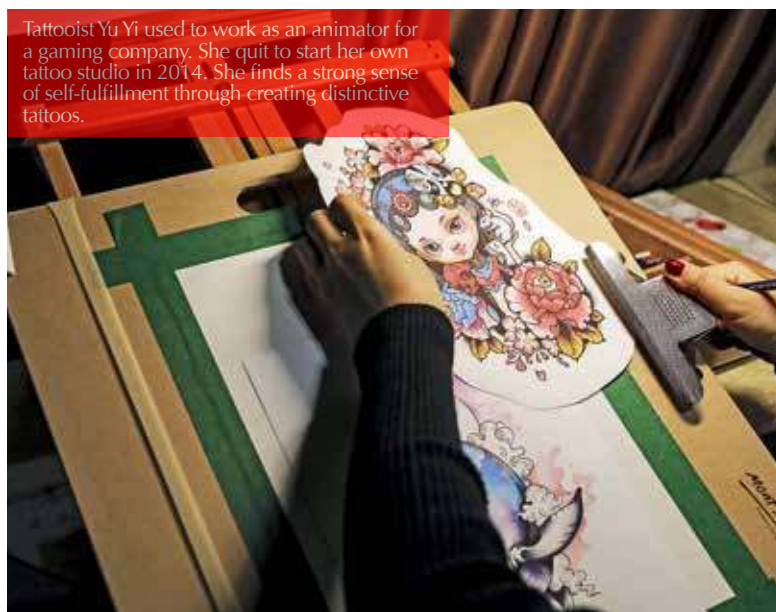
Tattoo artist Xiao Xiao and her daughter



After being misdiagnosed with cancer, yoga instructor Xu Yitong suffered from a mental breakdown. Following a minimally invasive operation, she got a red poppy tattooed on her back to remind her to be courageous while facing life's challenges.



Wang Yu, a marketing student, said: "For those who are not good at expressing themselves, having a tattoo artist engrave your past on your skin in an artistic way creates a kind of personal record."



Tattooist Yu Yi used to work as an animator for a gaming company. She quit to start her own tattoo studio in 2014. She finds a strong sense of self-fulfillment through creating distinctive tattoos.

Inner Mongolia

Keeping in Steppe with the Khan

Ride out of your comfort zone to the cities and grasslands in Inner Mongolia, where encounters with herders and the resting place of the great Genghis Khan await

By Tautvile Daugelaite

The main building at Genghis Khan's Mausoleum which houses a museum, near Ordos, Inner Mongolia

I've ventured into Inner Mongolia a few times now, sometimes only peeking in over the border, and other times getting deep into the steppe where the only roads left are those trampled by herds of camels and sheep. While the wilderness of the Inner Mongolia Autonomous Region is certainly a fascinating feature for those trying to escape a big city rush, towns in the province are no less attractive. The distance and remoteness can be felt even in the largest cities, where the generous spaces between structures seem to be mimicking the province itself.

Inner Mongolian cities also never disappoint with the food choices on offer. While outside stalls and markets can be scarce during the cold months, shopping malls and restaurants certainly fill the gap. Meat eaters might find it easier to get around since mutton and lamb seem to be eaten for all three daily meals and dried beef generously sprinkled with spices is everyone's favourite snack. As a vegetarian, I indulge in thick and slightly sweet yogurt and other dairy products.

One thing not to miss is venturing out to

encounter herders. Sheep, horse, and goat herds often roam around the smaller roads and draw a strong contrast with the industry-heavy Inner Mongolian cities. "Do you think the lifestyle has changed a lot since you were little?" I asked one elderly woman wearing a headscarf who was taking care of cows. "What are you talking about, what change! I was herding cows when I was little and I do so now, no change," was her reply.

Baotou is the largest city in Inner Mongolia in terms of urban population and industry. As I found later, many cities in the province boast unusual and difficult to navigate setup of an old and new town. As is customary for the old town, the spirit and daily chaos are present, while the new town boasts tidy traditional-architecture influenced blocks with less traffic, often to the point where you do start questioning how many people actually live there. The city itself serves as a good stop to feast on Mongolian hotpot (powered by mutton and lamb of course), stock up on the local alcohol – made from fermented horse milk, and other dairy products. When you

come upon a dairy stand, keep an eye out for little flower blossom-looking milk candy that is kept in the freezer together with milk tofu. The chewy fresh milk candy is much better than the usual variety you find packed but also will need to be kept in low temperatures, which is rarely a problem if you are travelling outside the summer season.

Baotou is mostly a stopover for those travelling to Wudangzhao, or Badekar Lamasery. Every old city or tourist spot in Inner Mongolia will usually carry two names – one of the Mongolian origin, and one in Chinese. It can sometimes prove tricky to figure out if you and the locals are talking about the same place.

Wudangzhao Tibetan lamasery is the largest in China outside of the Tibet Autonomous Region, and will easily take up half a day. I usually struggle with tourist destinations of national importance, simply for the sheer number of people who flood the sites every day. However, Wudangzhao is more than spacious, but be prepared to be surrounded by many small groups with

PRACTICALITIES:

Baotou is a 12-hour train ride from Beijing, which will set you back just over 100 yuan, or just a 1.5-hour flight for around 1,500 yuan (US\$214).

Wudangzhao Monastery is best reached from Baotou Long Distance Bus Station (close to East Railway Station).

The once-a-day bus departs in the morning, so if you are looking for more flexible scheduling, a car hire should be around 250-300 yuan. The entry ticket to the lamasery costs 160 yuan.

Ordos is about two hours high-speed train ride south from Baotou, and the Genghis Khan Mausoleum lies in the south of the city.



A view of Wudangzhao Lamasery, Inner Mongolia

guides spilling the well-memorised text into your ears. The lamasery attracts both religious and regular tourism, so many visitors will be slightly oblivious to what the rules at the monastery are, but as long as you know to walk clockwise inside the temple buildings and around white stupas, as well as step over the doorstep, you should be fine.

Wudangzhao is a pleasant walk in the hilly surroundings (get into a pair of comfortable shoes) in late spring or early autumn, where trees dotting the mountains start turning yellow and contrast with the white-blue colour scheme of the monastery.

Where Is Genghis Khan?

The true location of Genghis Khan's resting place might forever remain one of the largest Indiana Jones-worthy secrets, but that doesn't stop every kind of place from claiming a relationship. When Genghis Khan rode past Ordos, an area now to the south of the city of Baotou, he allegedly said that the grass and water were rich and that he wished to be buried there after his death. As of today, the placement

of Genghis' actual tomb is widely disputed.

The mausoleum at Ordos serves as a temple both for Mongolian shamanism as well as Genghis Khan himself. The grand walkway that greets visitors with a huge sculpture of the Khan on the horse is a great indication of how the construction of the mausoleum had to be: "make it majestic." Besides the main building, where visitors can see reconstructions of Mongolian burial traditions, a number of Genghis statues, and illustrated timeline of the great Khan's life, the mausoleum grounds boast a shamanist altar, with a disclaimer that women traditionally would not be allowed to go up the altar, but you can do so now. In short, if you anger the ancient spirits, you have been warned.

Ordos has also long been famous as a "ghost" city. While watching videos filmed in Ordos might make an impression of a truly empty and eerie place, it is not exactly

so. Or at least not anymore. The new district, Kangbashi, that lies a good 20-minute drive from the rest of the city has been titled "the largest ghost city in the world." However, the latest reports from 2017 already admit that Kangbashi is becoming increasingly more inhabited. You still drive past many empty European-inspired condos with flashy names (Golden Shore being probably the most prominent) but the neighbourhood shops seem open and colours are returning to the district. That being said, Ordos is still an incredibly fascinating city because even when it is not empty anymore, it still feels so. The streets are parade-wide and the distance between buildings seems at least 1.5 times larger than standard. Even the central shopping malls fall quiet above the second floor, although locals tried to convince me there was a great restaurant up top. Regardless of how empty or busy Ordos is, take time to hire a car or a bicycle and drive around the city of new developments and majestic squares ("Grassland Appreciation Square" is just one of the fantastic names). ★

Giving Cows the Bird

By Chris Hawke

The part of Yunnan Province, in Southwest China, where I live is a paradise for bird watchers. About a year ago, the local birders organised a trip to the top of the western slopes of the Cangshan Mountains, which lie behind the town. My wife and I decided to go and bring our 44-kilogram Alaskan malamute, which is a breed of dog that can be mistaken for a bear.

Little did I expect the reception our dog, called Cupcake, would get. It's chilly in Alaska, but not as cold as the stares from our fellow bird watchers. They apparently felt he would scare away the birds.

As we walked down the mountain paths, the birders gave us the cold shoulder as they chatted, checked their social media, made phone calls, and shouted to each other, "Look, over there!"

Meanwhile, Cupcake made not a sound.

My dog and I decided these birders were scaring all the birds away and broke off on our own. Part of the mountain is covered with grasslands, so I decided to let him off his leash to run around.

My wife and I sat on the gently rolling hills as our dog played, drank from the creek, and weaved in and out of sight through the stands of trees and small valleys on the mountaintop. Over a hill, a herd of cows appeared. Cupcake took off after them like a bullet.

Farmers live on this mountaintop, and I was sure they would not want my giant dog chasing their cattle around. Cupcake might even injure them, or scare them into a stampede. I got up and started to chase my dog to stop him from chasing the cows.

The cows scattered, seeming to run every way at this unexpected threat. Soon, my dog and the cows went through a valley, out of sight.

I dashed around the hill at full speed, and encountered a stand of trees. I was whacked by a thick branch, which knocked me on my back, and briefly out of consciousness.

A few seconds later I shook myself awake and sat up.

The first thing I saw was Cupcake in a hunch and growling. My eyes followed his gaze, and I realised both Cupcake and I were in great danger. The cows had organised. They were standing shoulder to shoulder, facing Cupcake



ILLUSTRATION BY LIU XIAOCHAO

The first thing I saw was Cupcake in a hunch and growling. My eyes followed his gaze, and I realised both Cupcake and I were in great danger.

The cows had organised. They were standing shoulder to shoulder, facing Cupcake. They had the initiative, and were about to charge. I looked around, and realised we were trapped in the small valley. If the cows charged, there would be no time for me or Cupcake to get out. We could be trampled to death.

Despite the severity of the situation, I was impressed by the cows' acumen and organisational skills. I had always considered them to be stupid, docile creatures. Who knew after a lifetime of hamburgers, I might meet my end from them.

I slowly moved forward towards my growl-

ing dog, who despite his bluster must have sensed the direness of the situation. The cows all watched me carefully.

The moment I snapped my leash on his neck, they instantly relaxed. The cows could not only organise, I thought, they understand what a leash is. And they also understand that I, the human, had a different agenda than my dog.

After about 30 seconds, the cows mostly broke their formation, and went back to grazing, with two or three bigger ones staying put and watching us carefully. The cows had a command structure.

Later that evening, after we arrived home, I received a message from the birder group, saying someone had been inadvertently left behind on the mountain. He could not be reached by mobile phone. They wanted people for a search party.

I briefly considered volunteering, but decided to stay in bed instead. Would I have chosen differently had they been more welcoming of Cupcake? It's hard to say. I told myself I might help in the morning if he still was lost.

It turns out that the missing man had spotted a very rare bird, and decided to skip the ride home to pursue a once in a lifetime photograph. His mobile phone ran out of battery, and he hitched a ride home and went to bed, without checking his messages or thinking to tell anyone he was safe.

My wife and I were never invited on another birding expedition. I always assumed it was because they thought Cupcake would ruin the trip. However, about a half year later, I met the leader of the group, who I considered a friend. I asked what had happened.

There have not been any trips, she explained. There was a power struggle within the organisation, and she had been pushed out in a coup. The new leaders have not organised any activities.

Why was she pushed out? "Power," she said.

I had always underestimated cows. It seems sometimes they work together and have more common sense than people. ★

Car Crash Shorts

By Joshua Dummer

One of the challenges of moving to China is that the country's embrace of the concept of "cyber sovereignty" means that occasionally, going to the lavatory can be very boring.

Most of my favourite ways to fritter away time on my phone – on the train, waiting in a queue, while procrastinating at work – are difficult to access in China, and occasionally next to impossible.

Increased difficulty in recent months has led me to searching for replacements. After a failed experiment with literature (books don't fit into your pocket, and it's no fun to only read them in three minute bursts), I've been getting into perhaps the antithesis of literature – Chinese short video apps.

For the uninitiated, these apps show you short videos of about 30 seconds or less, and as you give the app feedback, it learns what kind of content you like and tries to show you more of the same, to keep you hooked. Though I've never given the app any feedback, as far as I'm aware, so I'm fairly sure that what it shows me is its general, basic offering.

These apps are a massive deal, with TikTok – known in China as Douyin – on track to become China's first bonafide international internet hit, with millions of users overseas, and with various country-specific banks of content.

This makes it all the more surprising that almost half of what I was shown were titillating videos of Chinese (and occasionally blonde, Western) women. Women walking down the street. Women at the beach. Women at a water park. Women in the office. Women at a karaoke bar. Women eating ice cream. Women eating ice cream at a water park.

I mean, I wasn't expecting high art, but still.

What strikes me about these (mostly quite boring) videos is first the extremely narrow range of body-types presented as attractive. The second is that quite a few of these women don't seem to be aware they're being filmed. Of course they might simply be pretending not to be aware, but at least some of these videos are definitely genuine creep-shots, which is

Some of the most popular sketches, being done over and over again with a minor twist, seem to be ones which resolve around pinching someone on the rear end and then blaming it on someone else



extremely gross and says something about the priorities of the huge content removal teams working at these apps.

It also makes me wonder about the intended audience for these apps. Do people who aren't attracted to women not need to waste their time? The apps seem to be narrowing their audience pretty drastically. I've never been shown a similar video of a man eating ice cream at a water park.

The second kind of video, which provides a fairly horrifying contrast to the videos of pale thin women going down water slides, are the violent ones. People falling off buildings. Construction workers beating each other with shovels. Men kicking dogs. And car crashes. So many car crashes. I can't stress this enough, there are so many car crashes. To the point I'm starting to get freaked out by the prospect of

millions of people constantly amusing themselves by watching car crashes.

Though frankly, this isn't all that surprising in itself. I've seen trailers for WWII TV shows shown on the subway in Beijing containing levels of baddie-machine-gunning that would only be broadcast late in the evening back in the UK.

Then there are the sketches. Some of the most popular sketches, being done over and over again with a minor twist, seem to be ones which revolve around pinching someone on the rear end and then blaming it on someone else, humiliating people who litter (which I unconditionally support) and tricking your partner into thinking you're cheating by putting a mannequin's head next to you in bed.

The interesting thing here is that the comedy revolves around sex, even though it's all pretty childish. Of course, a lot of lowest-common denominator comedy is like this, but it's not like anything I've even seen on traditional TV, which generally seems to shy away from the topic.

My favourite kind of video is the person-doing-a-mundane-thing-really-well genre. A waiter putting a lazy susan onto a banqueting table by spinning it on its edge. The busy cook throwing noodles across the kitchen into a pot of boiling water to save time. A lorry driver deftly navigating a mountain road with a wildly overloaded cargo (this one was actually terrifying, as I expected it to be a car crash video).

I think the appeal here is that these people presumably aren't really performing, it's just that their real skills, developed in a lifetime of hard graft, have been captured on camera.

So, would I recommend these apps? They certainly offer a (fairly depressing) insight into the kind of content that people are jamming into their face – super short, super shallow, super generic. But if you're looking to kill time, they're kinda perfect. The nonstop flow of content is overwhelming, and even though I think most of it is rubbish, I've found myself watching 'just one more video' for 10 or 20 minutes. ★

Wake Up to What You're Missing: Chinese Breakfast

By Mina Yan

"I don't like Chinese breakfast foods. They don't have much flavour," a friend said to me. What? It was like hearing someone say that puppies aren't cute. It's just not possible.

Breakfast is possibly the most underrated meal of all Chinese cuisine. It's not fancy and by the time most tourists start their day, breakfast vendors have already closed shop.

Unlike diners in the US that offer a different menu for breakfast, many restaurants in China rent out their space to an entirely different kitchen team to serve breakfast. Most come in as early as 5am to set up and cook, then around 9am they pack up to make way for the lunch and dinner kitchen team. Aside from restaurants, street food vendors will also set up in most neighbourhoods, especially around office buildings and large residential compounds. Usually, vendors specialise in one thing and local residents know exactly which sells their breakfast favourites.

Young Chinese locals, especially those living in major cities like Beijing and Shanghai, tend not to eat breakfast at home. It's pretty common to grab a bite on your way to work or school. Think about it: If you had to choose between either having a bowl of cereal



for breakfast or something hot and freshly made, which one would you choose?

Chinese breakfast foods tend to be a bit heavier than what we're used to in the West. Typical options like different types of congees, *baozi* (stuffed steamed buns), and fried options. My personal favourite is the *youtiao*, or fried dough fritters. These things are crispy on the outside and fluffy on the inside. In Beijing, street vendors often fry them in long strips or pancakes. And, if you've found a truly local place, they'll fry your pancake fritter with a layer of brown sugar, which essentially turns it into a caramelised donut.

The most common of street foods is possibly the *jianbing*, a kind of savoury Chinese

crepe. Found all over the country, *jianbing* are filled with pickles, duck sauce, sometimes-homemade chilli paste and a rice cracker. It's savoury, sweet and spicy combined with a layer of crunch. The flavour combo is insane. *Jianbings* are a must-try for anyone visiting China.

One of my personal breakfast favourites is only sold at street vendor carts and, for some reason, is often overlooked by food bloggers. The *guanbing* is a pan-seared pancake where the chef cuts a small hole in the middle and fills it with an egg. The egg-filled pancake is then fried to crispy golden perfection on both sides and brushed with a layer of duck sauce, homemade chilli paste before it's wrapped with crisp Romaine lettuce leaves and pickles. There's nothing else quite like it anywhere else in the world.

It makes me a bit sad to think that there are so many people missing out on all the amazing breakfast food options in China. When it comes to local breakfast foods, I live by my travel foodie rule: Venture away from large restaurants and if you see locals lining up, it's probably a safe bet that you've stumbled upon a culinary goldmine. ★

real chinese

daka

track one's progress/to visit

To help develop good study habits, many Chinese people like to track their daily progress on apps or websites. People call it *daka*.

Originally meaning "to clock in," in recent years *daka* is used to represent one's attitude towards self-improvement. For example, people like to encourage themselves by recording their daily activity. Most study apps or websites now

come with this function. After pressing the *daka* button, users see the calendar date highlighted, generally in green. A full green calendar, according to some psychologists, gives people a sense of achievement and reinforces their desire to continue making progress.

People also use the word after visiting a popular scenic spot, restaurant or shop.

Comments such as "Today, I *daka*-ed (insert popular shop/place) and it's amazing" are popular posts on social media apps.

But as the word became more widely used, people have been accused of using it to show off without actually having studied or to claim they have been to places that are nothing more than popular selfie spots. ★





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