

China Reform Monitor: No. 683

January 16, 2008

Related Categories: International Economics and Trade; Military Innovation; China

January 8:

Reuters reports that the 2008 calendar year will be the most ambitious to date for the Chinese space program. Under plans just confirmed by government officials, the PRC will carry out 15 rocket and 17 satellite launches over the coming year. Also on tap in 2008: China's third manned space mission, dubbed "Shenzhou VII," which is currently slated to take place this October.

January 10:

The thaw in the historically chilly bilateral ties between China and sometime rival India is in full swing. The *Press Trust of India* reports that in the wake of the first-ever military maneuvers between the two countries, which took place in mid-December, Chinese officials are pushing for greater military contacts between Beijing and New Delhi. "We want to see more cooperation between the two armies," China's Ambassador to India, Zhang Yan, tells the news agency. "It can help build confidence, build trust."

January 11:

According to government reports, China's massive global trade surplus again broke economic records in 2007, swelling by more than 150 percent over the 2005 total to \$262 billion. As usual, China's surplus with the United States (at some \$163 billion) formed the bulk of this imbalance. And while some signs - such as the gradual appreciation of the yuan, rising U.S. exports to China, and a slowdown in U.S. growth - point to an easing of the U.S.-China deficit in 2008, Europe's trade gap with China appears to be accelerating, sparking a protectionist backlash in many EU capitals, reports the *Los Angeles Times*. And despite high-profile product-safety concerns raised this year, Chinese exports continue to grow by double digits in computer electronics, apparel, steel, food, and toys.

The staggering level of corruption plaguing China's ruling Communist Party is, by now, a poorly hidden secret. In the first 8 months of 2007 alone, China's government regulators "dealt with" \$970 million in illicit money stemming from bribery cases, according to the official Xinhua news agency. The Communist Party of China's (CPC) own Central Commission for Discipline Inspection admits the sum was a product of 31,119 commercial bribery cases – 22 percent of which (nearly 7,000 cases) involved government officials. Meanwhile, the official *Peoples Daily* reports, the same commission found 24,290 cases of CPC officials breaching "Party rules" in the first 11 months of 2007, resulting in 26,222 "grassroots Party cadres" from China's rural areas being "punished" for their violations.

The murder of a 41-year-old construction company executive in China's Hubei province has sparked outrage across the country and returned China's harsh culture of censorship to center stage in public discourse. Wei Wenhua, who attempted to film a scuffle between villagers and city inspectors with his camera phone, was attacked by 50 of the camera-shy municipal employees, who beat him to death, reports CNN. The incident has sparked outrage across China, where a growing online community has become increasingly sensitive to infringements on media and speech.