

A clear vision amidst uncertainty

By Bai Shi



President Xi Jinping attends the World Economic Forum Annual Meeting 2017 with Klaus Schwab, founder and Executive Chairman of the forum, in Davos, Switzerland, on January 17 (XINHUA)

For the first time, China's top leader addressed global issues in the Swiss ski resort of Davos, where political and business elites from across the planet gathered at the World Economic Forum (WEF) Annual Meeting 2017.

Chinese President Xi Jinping attended the opening session of the event on January 17, a key part of his state visit to Switzerland at the beginning of this year.

The WEF made Responsible and Responsible Leadership this year's theme. In Xi's keynote speech in Davos, he called on the world to "jointly shoulder responsibility of our times and promote global growth."

This year's Davos forum embraced the largest ever Chinese

delegation since the Chinese Government first took part in 1979.

"The Chinese president's Davos attendance shows China's active stance in participating in global governance at the elite forum platform," Peng Zhiwei, associate professor and Director of the Department of International Economics and Trade at Nankai University in Tianjin, said.

According to Peng, Xi's presence at the Davos forum is of great significance to the world given the current wave of populism in many developed economies.

Globalization irreversible

Historically, the West initiated economic globalization and benefited from the course. Yet now, some blame this trend for domestic problems. The anti-globalization voice is growing louder than ever in the West, with the world economy under threat from isolationism and protectionism. For instance, the newly inaugurated U.S. President Donald Trump repeatedly threatened to impose high tariffs on Chinese imports during his presidential campaign in a typical gesture of trade protectionism.

In Davos, Xi illustrated the importance of economic openness,

pointing out that "many of the problems troubling the world are not caused by economic globalization."

To counter such problems, "we should strike a balance between efficiency and equity to ensure that different countries, different social strata and different groups of people all share in the benefits of economic globalization," Xi suggested.

Xu Hongcai, Deputy Chief Economist at the China Center for International Economic Exchanges, echoed the president's call, stressing that trade protectionism will benefit no one.

"Trump promises to revive U.S. industry. He is very likely to pursue an expansionary fiscal policy, including tax cuts and investment increases in infrastructure construction. This will intensify the U.S. balance of payments deficit. Thus, the U.S. market needs foreign investment, including China's," Xu said.

Xi used an appropriate metaphor to depict trade protectionism in his speech in Davos, "Pursuing protectionism is like locking oneself in a dark room. While wind and rain may be kept outside, that dark room will also block light and air. No one will emerge as a winner in a trade war."

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"This is a very important speech at an important moment. We're living in a global, independent world and we cannot recreate artificial borders. Globalization is a win-win situation and we have a common destiny as humankind."

Klaus Schwab, founder and Executive Chairman of World Economic Forum

"He [President Xi Jinping] persuaded the world to persist with free trade rather than reverting to protectionism for the long-term benefit of all nations."

Honson To, Chairman of KPMG China

"I think China as such a vital part of world economy now has that kind of strong message sent by President Xi, which is hugely positive, particularly when the world is fearing the routes towards isolationism today."

Khalid Al Rumaihi, Chief Executive of Bahrain Economic Development Board



A cargo train from the China (Tianjin) Pilot Free Trade Zone in the northern port city of Tianjin ready to depart to Minsk, Belarus, on November 21, 2016 (XINHUA)

President Xi: the spread of corruption has been effectively contained

By Xinhua



Wang Qishan (center), Secretary of the CPC Central Commission for Discipline Inspection, the Party's top discipline watchdog, visits a community in Zhenjiang, east China's Jiangsu Province, on December 5, 2016 (XINHUA)

The anti-corruption battle must go deeper, President Xi Jinping said on January 6, calling for strict governance of the Communist Party of China (CPC) systematically, creatively and effectively.

Xi, also General Secretary of the CPC Central Committee and Chairman of the Central Military Commission, made the remarks at the Seventh Plenary Session of the 18th CPC Central Commission for Discipline Inspection (CCDI), which opened that day.

The guidelines established at the Sixth Plenary Session of the 18th CPC Central Committee should be implemented in a comprehensive manner, Xi said, adding that new practices must be guided with renewed understanding.

The values of communists must be upheld, and ideals and beliefs should be firmed with cultural confidence, Xi said, stressing the need to maintain the seriousness of political life in the CPC and strengthen intra-Party supervision.

The president said efforts should be made to address both symptoms and root causes of corruption, comprehensively strengthen discipline and constantly improve work styles.

The meeting was chaired by top graft buster Wang Qishan and attended by leaders including Li Keqiang, Zhang Dejiang, Yu Zhengsheng, Liu Yunshan and Zhang Gaoli.

Anti-graft achievements in 2016

"Managing and running the CPC is not only linked to the fate of the CPC itself, but is also related to the future and fate of the nation," Xi stressed, adding that the CPC should address this issue with greater resolution, efforts and courage.

"Only by managing the CPC soundly can we successfully lead the people in handling major challenges, hedge against major risks, overcome major obstacles and solve major contradictions, achieving one victory after another," Xi said.

Since the 18th CPC National Congress in 2012, "comprehensively and strictly governing the CPC" has been included in the strategic blueprint, and efforts have been made to manage the Party stringently and carefully, according to Xi.

Nothing is off-limits in the anti-corruption efforts, and zero tolerance has been shown toward corruption, Xi said, underscoring that the spread of corruption has been curbed and corruption cases that directly impact people's direct interests have been dealt with.

Thanks to the concerted efforts of the entire Party, the CPC's discipline has been strengthened, Xi said, adding that "the spread of corruption has been effectively contained and the battle against corruption has gained crushing momentum."

"The objective of ensuring officials do not dare to be corrupt has been basically achieved," Xi said, concluding that a new atmosphere is emerging in the political life within the CPC.

Arduous tasks ahead

Strict and comprehensive governance of the CPC, despite achieving remarkable progress since the 18th CPC National Congress, remains an arduous task, Xi stressed.

Implementing frugality rules is a "tenacious" and "protracted" battle, Xi said, calling for unwavering resolution.

The battle against corruption will not relax one bit, and the "zero tolerance" principle will not change, Xi said, calling for "resolutely winning the battle of justice against corruption."

Xi called for advancing reforms to the state supervisory system, and urged discipline inspection commissions at all levels to

strengthen self-supervision and accept intra-Party and social supervision.

Xi also called for treating both root causes and symptoms in advancing strict and comprehensive Party governance.

Xi stressed adhering to the values of communists and improving one's political conscientiousness.

Party members are confronted with "choices between public and private interests, righteousness and self-interest, virtue and vice, hardship and indulgence," Xi said, adding that it is political conscientiousness that determines their choices.

Unshakable ideals and beliefs stem from cultural confidence, Xi noted, adding they must be grown and nourished in traditional Chinese culture, revolutionary culture, and socialist advanced culture.

Xi also ordered CPC members and officials to stay away from vulgarity. Rather than catering to vulgar taste, they should elevate themselves spiritually to be people of integrity, prudence, and rectitude.

Xi said senior officials of the CPC should take the lead in practicing strict intra-Party political life, always act with a correct political direction and stick to the CPC's political stance and principles.

Xi urged CPC officials to conform to the CPC Central Committee both in thoughts and actions, as well as to implement the CPC Central Committee's major policies without reservations.

Xi also underscored the importance of persistence in strengthening intra-Party supervision, urging CPC organizations at various levels to be bold and serious in CPC supervision and "cracking hard nuts."

Wang said studying Xi's remarks is "an important political task for the entire CPC," asking authorities to maintain a sound intra-Party political environment and prepare for the 19th CPC National Congress to be held this year.



CCDI ACHIEVEMENTS



What Has CCDI Done?



240 centrally administered officials have been investigated, with 223 receiving punishments, since the 18th CPC National Congress in November 2012.

More than 1.16 million corruption cases have been filed and nearly 1.2 million people have been punished for violating CPC and government rules.



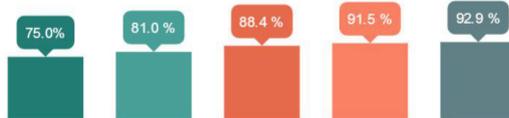
1.16 mln



1.2 mln

Satisfaction Index

People's satisfaction index on efforts to improve Party conduct and government integrity and fight corruption is growing.



■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016



48

Up till now, China has signed extradition treaties with 48 countries, including France, Spain, and Italy.



3

CCDI launched pilot national supervision system reform in Beijing, Shanxi, and Zhejiang.



1,381

In 2016, CCDI answered 1,381 letters about Party conduct, government integrity, and anti-corruption.

Source: CCDI website



China's economy grew 6.7% in 2016, remains global growth driver

By Xinhua

China's economy ended 2016 on a positive note, supported by consumer spending and a booming property market, and remained a key engine for global economic expansion.

China's economy grew 6.7 percent year on year in 2016, a slowdown from the 6.9-percent growth registered in 2015, National Bureau of Statistics (NBS) data showed on January 20.

The growth, although it was China's slowest annual expansion in 26 years, is likely to top all other major economies, according to a report released in January 16 by the International Monetary Fund (IMF).

It was in line with China's official target range of 6.5 to 7 percent for 2016 and much stronger than some doom-mongers had predicted at the start of 2016, when concerns about a collapse in China's growth rocked global financial markets.

The figure represents a medium-high level of growth and China's economy continued to run within a reasonable range, with its structure further optimized and development model transformed, NBS chief Ning Jizhe said at a press conference. The NBS said the figure indicated "a good start" for the country's goal of achieving at least 6.5-percent annual growth during the 13th Five-Year Plan period (2016-2020).

China's economy has entered a new phase, which Chinese leaders have dubbed the "new normal," as the country tries to transition its export- and investment-driven growth model into one that draws strength from consumption, innovation and the service sector.

Such a transition is bound to be painful and bumpy. Yet, there are plenty of indications that China is progressing in the right direction.

Gross domestic product (GDP) totaled 74.41 trillion yuan (\$10.83 trillion) in 2016, with the service sector accounting for 51.6 percent. Consumption contributed 64.6 percent to GDP growth last year. High-tech industries posted fast expansion.

Despite a protracted slowdown, China's contribution to the world's economic growth may again top that of all other economies, even exceeding the figure for all developed economies combined.

According to the report, the IMF revised its forecasts for China's growth upward by 0.3 percentage point to 6.5 percent for 2017.

With the IMF predicting only 3.1 percent global growth for 2016, China's contribution would account for more than one third of the world's growth.

For the fourth quarter, China's economy grew 6.8 percent, slightly beating market forecasts and representing the first quarterly improvement since the second quarter of 2014.

NBS data showed that major economic indicators softened last year, with industrial output growth slowing slightly to 6 percent from 6.1 percent in 2015.

Urban fixed assets investment continued to cool, rising 8.1 percent year on year, compared with 10 percent in 2015. Retail sales rose 10.4 percent, down from 10.7 percent in 2015.

However, property development investment increased 6.9 percent year on year in 2016, up from only 1 percent in 2015.

"We should be aware that the domestic and external conditions are still complicated and severe, and the foundation of the economic stabilization and improvement is not solid yet," Ning said.

China has made "seeking progress while maintaining stability" the main theme for its economic work in 2017, pledging to push for substantial progress in supply-side structural reform, according to the Central Economic Work Conference held in December 2016.

For the year ahead, analysts said China's economy may face downward pressure from a property market correction and the government's resolve to defuse financial risks and push through structural reform, which could help sustain longer-term growth but may weigh on near-term growth.

Given more efficient fiscal spending, HSBC expected the property market correction to drag China's growth down by 0.1 to 0.2 percentage points in 2017.

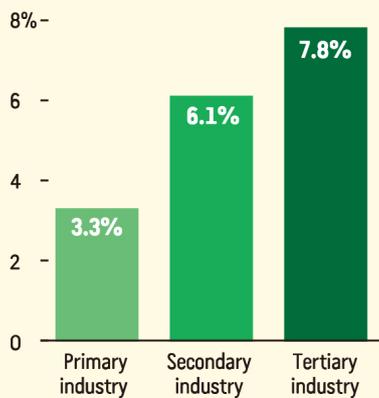
Adding to concerns is external uncertainty, with U.S. President Donald Trump threatening to add trade tensions.

"I personally believe Trump will consider issues from the perspective of developing mutually beneficial bilateral ties and advance the long-lasting cooperation between the two major countries," Ning said. "I have hopes for that."

China's Economy in 2016

Gross Domestic Product

(y-o-y % growth)

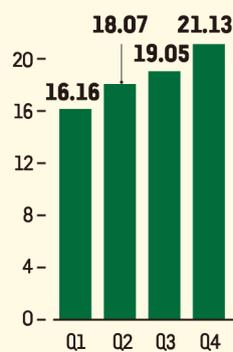


Quarterly GDP

Growth (y-o-y %)

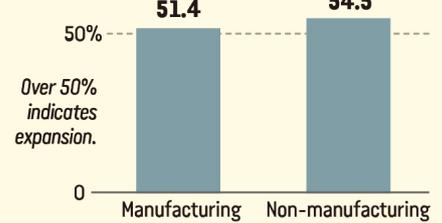


Value (tn yuan)



Purchasing Managers' Index

(% Dec 2016)

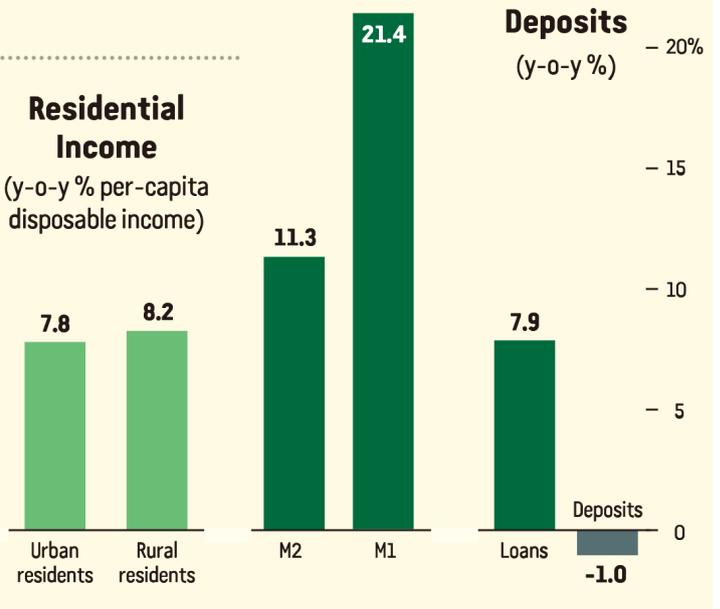


Money Supply

(y-o-y % at end of Dec 2016)

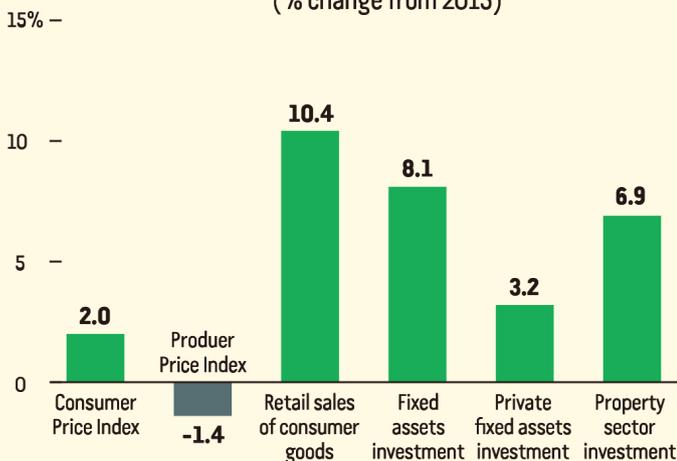
New Yuan-Denominated Loans and Deposits

(y-o-y %)



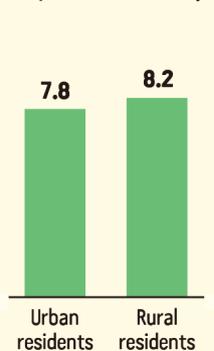
Macroeconomic Indicators

(% change from 2015)



Residential Income

(y-o-y % per-capita disposable income)



(Note: Growth rates have not been adjusted for inflation.)

(Source: National Bureau of Statistics; designed by Pamela Tobey)

Contribute Chinese wisdom to building a better world

By Song Tao

In 2016, the world economy continued to be bleak with diverging trends between developed countries and emerging markets. Populism cropped up featuring anti-establishment, anti-elite and anti-globalization. The strategic contest between major countries deepened. Geopolitical hotspots became even hotter. Global challenges like terrorism and the refugee crisis stood out. Instability, uncertainty and insecurity became a normal. As the rise and fall of international forces pick up speed, and as the international pattern and the international relations undergo profound changes, the world is in face of a key choice on what course to take. "It is the common aspiration for all parties to build a better world." In face of a changeable international situation and a confusion-ridden world, General Secretary Xi Jinping has stressed time and again to "actively dig out points of sympathy between positive philosophy of life in Chinese culture and the contemporary times" and to contribute more of Chinese wisdom to building a better world.

Adhering to holistic thinking in building a better world of shared future. "In the era of economic globalization, there is no island completely cut off from the rest of the world. As members of the global village, we need to cultivate the awareness of a community of shared future for mankind." This important proposition of General Secretary Xi Jinping carries forward and propagates the concept of "finding beauty in oneself, admiring the beauty of others, appreciating beauty together and achieving harmony of the world" from the fine tradition of Chinese culture, making clear the direction for progress of human society. Since 2016, in promoting the construction of a community of shared future for mankind, China has successfully hosted the G20 Hangzhou Summit and, by closely centering on the key link of development, the event became the G20 summit in history with the broadest participation of developing countries, the most salient feature of development and the most distinguished outcomes on development. China has vigorously pushed forward the construction of the Belt and Road, which, supported and participated in by more than 100 countries and international organizations, becomes the most influential initiative for cooperation in today's world. Proceeding from the concept of man and nature being a unity, China sets great store by the issue of climate change and has taken the lead in signing and ratifying the Paris Agreement, promoting the building of a better world by concrete actions. We are gratified to note that more and more countries have joined hands with China on the broad road of building for mankind a community of shared future.

Adhering to openness and inclusiveness in building a better world of win-win cooperation. As the Chinese have advocated since the ancient times, "all living things are nourished without injuring one another, and all roads run parallel without interfering with one another." The history of world economic development attests to the fact that open-up leads to progress whereas lock-up leads to regress. It is based on this understanding that General Secretary Xi Jinping emphasizes the importance of helping "build a new type of international relations and a better world of win-win cooperation". Upholding this concept, General Secretary Xi Jinping put forward for the first time his vision of global economic governance featuring equality, openness, cooperation and sharing at the G20 Hangzhou Summit and stressed the need to oppose all forms of protectionism and lead the process of economic globalization towards inclusiveness and universal benefit at the APEC Economic Leaders' Meeting in Lima, which witnessed that the concept of projects "being jointly built through consultation to meet the interests of all" was written into the leaders' declaration for the first time. The Belt and Road Initiative has become the largest platform for countries to achieve common development and win-win



Song Tao, Minister of International Department, CPC Central Committee (DONG JIEXU, CHINA NEWSWEEK)

cooperation. Promoted by China, it increasingly becomes the consensus of the international community to conduct exchanges and mutual learning between different civilizations and to be open and inclusive.

Adhering to addressing both the symptoms and root causes in building a better world of equity and justice. History tells us that the law of the jungle is not the way for mankind to live together and that exhausting all resources to build up military power cannot lead to a better world. At present, there are too many problems in the world, with too profound contradictions and too rampant inequity and injustice. Tackling these problems and contradictions makes it necessary to take the long perspective and to face the future. "When the case is acute, take on the symptoms and when it is not, take on the root causes." Since 2016, China has actively helped the switch over of the G20 from a mechanism of crisis management to a long-acting one, striving both to enlarge the representativeness and raise the voices of developing countries in global economic governance and to attach great importance to implementing the UN Agenda for Sustainable Development 2030 and help fundamentally address the development concerns of developing countries, both unswervingly suppressing terrorism in all forms and committing to addressing the root causes of terrorism in political and economic terms, and both firmly upholding its sovereign rights and interests in the South China Sea and helping channel the issue back on track of dialogue and consultation. On coping with international and regional hotspot and thorny issues, China stands for tackling both the symptoms and root causes against a double standard, its principled stand being understood and accepted by more and more countries the world over.

Over the past year, China has played a positive role of political guidance in the historical process of building a better world, shedding light for all parties on the direction of world developments and helping them tell the right concepts and ideas among the clashing trends of thoughts and get out from the swamp of doubts and misgivings to appraise China's choice of its development path. More and more countries and their political parties have seen the importance of Chinese wisdom in promoting new development of the world. This year will see the convocation of the 19th CPC National Congress, and it is also a year of continuously forging ahead and promising endeavor for China's diplomacy. We will closely unite around the Party Central Committee with Comrade Xi Jinping as the core, going with the tide of the times, keeping self-confidence on

Getting to Know CHINA through KEYWORDS

Maintaining and developing an open world economy

China encourages all countries to open their doors wider, stand firm against protectionism in all its forms and work in concert to promote the growth of the world economy. [More>>](#)

Confining power to an institutional cage

The move to confine the exercise of power within an institutional cage is meant to strengthen oversight of the work of the government and deter possible misuse of power by government officials. [More>>](#)

Major events in January

Jan. 1: China urges BRICS nations to deepen partnership

Keywords: BRICS, China, summit, Xiamen

President Xi Jinping called on BRICS countries, namely, Brazil, Russia, India, China and South Africa, to deepen their partnership for a brighter future.

Jan. 9: China willing to expand cooperation with Zimbabwe

Keywords: Zimbabwe, Mugabe

President Xi Jinping said that China is willing to encourage capable companies to invest in Zimbabwe and expand mutually beneficial cooperation.

Jan. 11: Top legislator calls for improved China-Japan legislative cooperation

Keywords: Japan, normalization, anniversary

Top legislator Zhang Dejiang called on China and Japan to push bilateral ties "in the right direction" through legislative cooperation.

Jan. 12: China, Vietnam agree on closer cooperation

Keywords: Vietnam, Nguyen Phu Trong

Communist Party chiefs of China and Vietnam agreed that the two countries should expand cooperation in various fields including maritime exploration and put ties on the right track.

Jan. 20: China to continue higher-level opening up

Keywords: foreign experts, opening up

Premier Li Keqiang held a discussion with foreign experts working in China.

Jan. 22: Xi to head central commission for integrated military, civilian development

Keywords: commission, military, civilian, integration

The commission will be tasked with decision-making, deliberation and coordination of major issues regarding integrated military and civilian development.

our path, theory, institutions and culture and bringing into full play our own features and advantages in making a difference by providing political guidance in a pragmatic and innovative way. By offering Chinese wisdom and Chinese proposals, we will make positive contributions to building a better world.



Contemporary World Magazine

As a comprehensive monthly bilingual periodical distributed both at home and abroad, *Contemporary World* is presented through dedicated channels to Party and state leaders, members of the CPC Central Committee, and officials of State Council departments. Based on the resources of central authorities, the periodical serves as an authoritative and trustworthy source of information and ideas. It brings together a wealth of views from renowned experts on international issues and think tanks worldwide, and offers authoritative analyses of the world's hotspot issues, the dynamic changes of international relations and the world party politics. *Contemporary World* provides readers with a full spectrum of up-to-date information and multi-perspective views about the world's political, economic, military and social arenas, with comprehensive coverage of major diplomatic events. It offers both a look-out observatory on the world and a fascinating journey into the contemporary China.