

# NEWS BULLETIN

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## **MARCH 27, 2006, MONDAY**

### **1. Remarks by Premier Wen Jiabao at the Press Conference on 14 March 2006 (Extracts)**

#### **Economic development conducive to HK's democratic construction**

The improvement in Hong Kong's economy and people's living standards is conducive to promoting the democratic and political system according to the Basic Law of the special administrative region, Chinese Premier Wen Jiabao said.

Nearly nine years after Hong Kong returned to the motherland, the capitalist system and legal system have remained unchanged in Hong Kong, and Hong Kong compatriots enjoy due guarantee of their freedom and rights, Wen said.

Wen called Hong Kong one of the freest and most open economies in the world with a "fully-fledged" legal system, "very favorable" business environment, and extensive connections with the world market, and a large number of professionals who are very familiar with the international economy.

He stressed these assets of Hong Kong are not only favorable factors contributing to Hong Kong's development, they also have played an "important and irreplaceable" role in boosting the development of the mainland.

"I believe that with the implementation of the mainland's next five-year economic and social development plan for 2006-2010, the role of these favorable factors will be brought into full play," the premier said.

#### **Mainland to open 5 more cities to HK for individual traveling**

Chinese mainland will open five more cities to individual travel program to Hong Kong starting this May, Chinese Premier Wen Jiabao announced.

At a press conference held shortly after the annual session of China's parliament was closed, the premier said 38 mainland cities have already joined the scheme.

The mainland has forged a closer economic partnership with Hong Kong over the past few years, he said, adding that some infrastructural facilities linking Hong Kong and the mainland are under construction of some others is being stepped up.

Noting that Hong Kong has become the fourth largest trade partner of the mainland, the mainland has so far opened 27 service and trade sectors to Hong Kong covering finance,

accounting and legal affairs in a bid to give more convenient market access to Hong Kong companies, the premier said.

### **Mainland keeps close watch over situation in Taiwan**

The Chinese mainland is keeping close watch over the situation in Taiwan and making preparations to cope with any possible consequences from the change of the situation, said Chinese Premier Wen Jiabao.

"We will never give up our efforts for peaceful reunification, we will never sway in opposing 'Taiwan independence' secessionist activities, and never allow anyone to secede Taiwan from the motherland," the premier said.

It is an overt defiance to the one-China principle for the Taiwan authorities to decide the cease of function of the "National Unification Council" and the cease of the application of the council's guidelines on unifying with the mainland, said Wen while answering a question raised by a reporter from Taiwan.

As an ancient Chinese saying goes, the leader of Taiwan authorities will "find little support" for his unjust cause, and his move was a hazardous, dangerous and deceitful step, Wen said.

The leader of Taiwan authorities "has forgotten his root" and attempted to cut the links of Chinese compatriots on both sides of the Taiwan Straits, the premier said.

"He ran counter to the trends of peace, stability and mutual benefit between Taiwan and the mainland, and also went against the wishes of the whole of the Chinese people including Taiwan compatriots," Wen said.

The Taiwan leader undermined the interests of Taiwan compatriots and "did no good" to Taiwan's economic development by obstructing the "three direct links" and restricting the trade between Taiwan and the mainland, Wen said.

Despite the provocative activities of the leadership of Taiwan authorities, the Chinese mainland is willing and ready to hold consultations and negotiations with any individuals or political parties in Taiwan, including the Democratic Progressive Party, on an equal footing on the basis of the one-China principle, Wen pledged.

"The negotiations will be held on an equal footing, and there is no question as one side will swallow up the other one," Wen said.

"No matter what party affiliations they may have, no matter who they are, what they said or did in the past, so long as they are committed to the one-China principle, we are ready to have dialogues and negotiations with them, even including those people from the Democratic Progressive Party in Taiwan," Wen said.

The mainland is willing and ready to make positive responses to their move and have contact and negotiations with them, as long as the parties give up the stand of "Taiwan independence", he said.

The mainland's commitment to the one-China principle has been consistent and explicit, said Wen, reiterating that there is only one China in the world and both sides across the Taiwan Straits belong to one and the same China.

"China's state sovereignty and territorial integrity allows no division," Wen stressed.

### **China pursues self-defense policy**

China pursues a national defense policy of self-defense, and its limited increase of military expenditure is mainly used to improve the living conditions of officers and soldiers and improve self-defense capability, said Chinese Premier Wen Jiabao.

The country's defense policy is transparent, said Wen, adding that China has never dispatched even one soldier abroad except its peacekeepers, and has not occupied one inch of foreign land.

The Chinese premier said China sticks to a road of peaceful development, which primarily results from China's traditional culture, development needs and national interests, emphasizing that China is already "a responsible country" of the international community. Wen added that through reform and development, China has successfully solved the problem of feeding 1.3 billion people and lifting 200 million out of poverty.

After years of efforts, China has found a more scientific development road, which stresses the resources conservation and environmental protection, he said.

China firmly carries out an independent foreign policy of peace, and is willing to develop good-neighborly relationships with surrounding countries, he said.

China has taken part in over 100 international organizations and signed nearly 300 international treaties, and is ready to work shoulder by shoulder with the international community for the establishment of a new international political and economic order.

The premier said China is a country that firmly safeguard world peace, and resolutely oppose terrorism and nuclear proliferation.

After China's entry in the World Trade Organization, the country has faithfully fulfilled its commitments, the premier said.

Despite the fact that China is still a developing country, it has played an active role in implementing the millennium goal of the United Nations, said the premier, adding that China has reduced 20 billion RMB yuan of debts for 44 underdeveloped nations, and in the forthcoming three years, China is scheduled to provide 10 billion U.S. dollars of favorable loans for world's underdeveloped countries.

### **Sino-Japanese ties hard to develop if shrine issue not resolved**

It will be very difficult for the Sino-Japanese relations to make progress if the issue of Japanese leaders' visits to a shrine worshipping war criminals cannot be well resolved, Chinese Premier Wen Jiabao said.

It is not China nor the Japanese people, but the leaders of Japan, to blame for the souring Sino-Japanese ties, Wen said.

The premier stressed that the China-Japan relations could "hardly develop in a smooth manner" if the issue of Japanese leaders' visits to Yasukuni Shrine worshipping class-A WWII war criminals can not be well resolved.

It is China's unswerving effort to develop Sino-Japanese friendly relations from generation to generation, Wen said.

The development of the Sino-Japanese relations should follow the spirit and principle of "taking history as a mirror and looking forward to the future" and the three political documents signed by the two countries.

Wen called for the two countries to continue strategic dialogue between the governments so as to remove obstacles affecting the bilateral relations.

"We should also strengthen people-to-people exchanges and enhance mutual understanding and trust," Wen said.

Wen also urged to stabilize and develop Sino-Japanese trade and economic ties, in a bid to expand "mutual beneficial cooperation for win-win results."

### **Strong China-India relations to usher**

Chinese Premier Wen Jiabao highly valued relations between China and India, saying strong bilateral ties will usher in a true Asian century.

It is when China and India are really strong enough and fully bring out their vitality that it will "usher in a new true Asian century," Wen said.

We recalled his successful visit to India last year, and said the two countries reached a strategic partnership for peace and prosperity, signed a political principle guiding the settlement of the border issue and worked out a five-year plan for China-India trade and economic development.

This year marks the year of friendship between China and India, Wen said, adding, "cultural exchanges will be high on the agenda."

"Now China-India relations have entered a new historical stage," he said, hoping the China-India "fraternal friendship will become vibrant and strong" and remain in the hearts of the two oriental states.

## **2. Latest Comments by Spokesman of Foreign Ministry**

### **Q: The White House announced the date of President Hu Jintao's visit to the US. What is the main goal of President Hu's visit?**

A: At the invitation of US President Bush, President Hu Jintao will pay a state visit to the US in mid or late April. President Hu is looking forward to exchanging ideas with President Bush on China-US relations and major international and regional issues of common interest. Both sides are making preparation for this visit. We will make official announcement at an appropriate time in line with our usual practice.

This visit is agreed upon by China and US, especially by our two leaders last year with the aim to enhance mutual trust and expand common ground to further promote the development of China-US constructive and cooperative relations in the 21st century.

**Q: What have been achieved during President Putin's visit?**

A: Russian President Putin paid a state visit to China from March 21 to 22. He had an in-depth exchange of ideas with President Hu on bilateral relations and major international and regional issues of common interest and reached broad consensus. The two leaders signed the Joint Statement between China and Russia together and attended the opening ceremony of "Russian Year in China" and the ceremony of China-Russia Economic and Business Summit Forum and made speeches respectively. President Putin also met with Wu Bangguo, Chairman of the NPC Standing Committee, Premier Wen Jiabao and other Chinese leaders. During his visit, our two sides signed 22 documents on cooperation in the fields such as politics, diplomacy, energy, investment, finance, transportation, and communication with productive results.

President Putin's visit this year took place on the occasion of the 10th anniversary of China-Russia strategic and cooperative partnership and the 5th anniversary of China-Russia Agreement on Good-neighbourliness, Friendship and Cooperation, which is of special significance. During the visit, the two leaders formally launched the activities for "Russian Year in China". To hold the activities of "Russian Year in China" and "Chinese Year in Russia" is a pioneering work in our bilateral relations and an embodiment of China-Russia strategic and cooperative partnership. It is of great real and historical significance for the enhancement of mutual understanding and friendship between our two peoples and the promotion of the cooperation in various fields.

During President Putin's visit, Chinese and foreign press paid great attention to China-Russia bilateral cooperation and made full coverage in this regard. You may have noticed that there emerged some new ideas in expanding China-Russia bilateral cooperation. For example, President Hu Jintao proposed to have the coordination of our economic development strategy as the direction for deepening our bilateral cooperation. He proposed to offer vigorous guidance and support for the efforts at regional or enterprise level to explore new opportunities and fields for cooperation, so as to realize mutually-beneficial, win-win and common development. President Bush agreed with President Hu Jintao on his proposal.

We believe that President Putin's visit is a successful and productive one and it will forcefully promote the development of China-Russia strategic and cooperative partnership.

**Q: Premier Wen Jiabao made three proposals on the development of China-Japan relations in his press conference during the NPC and CPPCC sessions this year, and one of them is the strengthening of strategic dialogue of the two countries. What measures will China take in this regard this year? Has the time for the next round of consultation on East China Sea been set?**

A: There is a mechanism for strategic dialogue between the Foreign Ministries of China and Japan. Up to now the strategic dialogue has gone through four rounds, the time for

the next round of strategic dialogue shall be decided by the two parties through consultation.

We have all along held that the East China Sea issue shall be properly solved through consultation between China and Japan. Now China and Japan have had several rounds of dialogue on this issue and we have agreed that the time for the next round of consultation shall be set at an early date.

**Q: Japan said that it will freeze the 2005 Yen loan to China. What's your comment on that?**

A: According to the consensus reached by China and Japan, putting a satisfactory end to the Yen loan to China comply with the interest of both sides. The unilateral decision by the Japanese government is not conducive to the improvement of the atmosphere of the Sino-Japanese relations.

**Q: What's China's comment on the tripartite security dialogue between the US, Australia and Japan?**

A: We hoped that the three parties could do things conducive to the mutual trust between countries in the region and conducive to maintaining the peace, security and stability in the region. Some said that this meeting was directed against China. What I want to emphasize is, it is an important consensus reached by the leaders of China and the US to develop their constructive and cooperative relations. Under the guidance of the consensus and with the joint efforts from both sides, the Sino-US relations have maintained stable development in general in recent years. The two countries has held productive consultations and cooperation in many bilateral fields and on important international issues, which not only comply with the fundamental interest of both peoples, but also promote forcefully the peace, stability and development in the Asia-Pacific region and the world at large. This good situation has not come by easily and deserves being cherished. China's internal and foreign policy and its road of development has long been set, which is to unswervingly adhere to the road of peaceful development, adhere to an independent foreign policy, and dedicate itself to the joint efforts by the world people to build a world of peace, friendship and cooperation. China adopts a defensive national policy, and the limited national defense force it has is purely a self-defensive one. The 28 years of China's opening-up and reform policy has proved that the peaceful development of China has brought unprecedented opportunity to the Asia-Pacific region and the world at large, and has made important contribution to maintaining the world peace and promoting common development. That much was an obvious fact to all. We hope that the US could, by following the consensus reached by the leaders of the two countries, take China and China's policy with an objective and just view, and avoid making any comments not conducive to the healthy development of the Sino-US relations, not conducive to enhancing mutual trust and not conducive to the peace and stability of the region.

**Q: Recently, Japan submitted to the Fifth Committee of the UN General Assembly a proposal on modifying the scale of assessments, maintaining that a 3% minimum and 5% maximum limit should be set up for permanent members of the Security Council. What's China's comment?**

A: Japan's proposal on the scale of assessments attempts to deny the worldly recognized principle of "capability to pay" with its concept of "responsibility to pay." The Chinese Government is firmly opposed to it.

Japan's proposal is essentially trying to link the financial contributions with power, so as to pave its way to buy power with cash. This will shake the root of the basic principle of equal sovereignty for all countries, which is stipulated by the UN Charter, and gravely undermined the interest of the developing countries.

The principle of "capability to pay" is a basic principle in determining the UN assessments scale. It has long been proven effective through practices and drawn forth broadest consensus. Therefore, this principle admits of no alteration.

China has been kept on the track on economic development, but its income per capita is still standing at a low level. Despite of this fact, China ranks the ninth in term of scale of assessments and has always been faithfully honored its budgetary obligation in the UN. It pays its financial contributions in due time and commits itself to some of the apportioned cost relieved from other countries in peacekeeping budget, thus making important contribution to the UN budget as a whole. Along with China's economic development, we are ready to make greater contribution.

The issue of scale of assessments bears on whether the UN will function effectively and the interest of member states. We expect a fair and rational plan to be reached on the basis of broad consultation and in line with the UN Charter and the relevant principle.

### **3. Reception Hosted by Commissioner Lü Xinhua on the Occasion of his Assumption of Office**

On March 22, 2006, Commissioner Lü Xinhua hosted a grand reception on the occasion of his assumption of office at the Office of the Commissioner of the Ministry of Foreign Affairs in Hong Kong. Vice Chairman Tung Chee Hwa of the CPPCC National Committee, Chief Executive Donald Tsang, Director Gao Siren of the Central Liaison Office, Commander Wang Jitang of the PLA Hong Kong garrison, and other 400 guests from the HKSAR government, the Executive Council, the Legislative Council, the business circle, the media and the consular corps were present.

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