

# China Politics Weekly

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Dear friends and colleagues,

I'm still on the road, so another abbreviated version this week. Old issues are always available at [www.chinapoliticsweekly.com](http://www.chinapoliticsweekly.com). Sign up or unsubscribe by sending an email to [info@chinapoliticsweekly.com](mailto:info@chinapoliticsweekly.com).

## Preparing for war

After declaring war on pollution at the NPC, Li Keqiang started laying out a battle plan in the past week. Wednesday's State Council meeting set priorities for the coming year, with ensuring clean water at the top of the agenda. This was followed by a special meeting on Sunday on reducing emissions and combatting climate change. Sustainable development was then front and center in Li's talks with foreign CEOs at the China Development Forum and in his meeting with IMF Managing Director Christine Lagarde on Monday and Tuesday.

Talks of Li's being sidelined in the new administration have been overblown. In his first year he led the charge in a massive effort to reform China's vast bureaucracy; by all accounts these efforts have been successful in producing positive changes in the way the officials manage the economy and interact with business. These efforts will continue, as Li stated at the same State Council meeting that a further 200 administrative approvals will be abolished or devolved this year.

Nevertheless, it is positive to see the premier coming out strong on the environment and seemingly making it "his issue". This bodes well for China's environment, and for MNCs. China is the strange place where large producers often do not achieve the benefits of economies of scale because small producers are able to cut corners when it comes to pollution. The problem is exacerbated by a procurement culture that cares a lot about price, and little about quality. Tighter enforcement of stricter environmental standards should allow MNCs and larger Chinese firms to more fully exploit their advantages in efficiency and quality.

## Nuclear spring, natural gas summer

Xi's in Europe for the first time as president in order to attend the third Nuclear Security Summit at the Hague. During his time on the continent, Xi will meet with Obama and a host of European leaders. He will not meet with Vladimir Putin, who is not attending this year's meeting.

Russia's annexation of Crimea will dominate Xi's time in Europe, and Xi is bound to be reminded over and over of the problems that an expansionist Russia could cause for China.

Such conversations will not change China's official position on Crimea, but they could give Xi leverage in his own dealings with Russia. As Russia becomes further isolated from the European community, its need for China's support grows. It will be interesting to see if Xi can parlay Russia's need to maintain good relations with China into a favorable natural gas deal for CNPC. We should get our answer this May when Putin visits Beijing.

## PBSC Week in Review

- Xi Jinping**    **Mar 24**    **Xi gives keynote address at the Nuclear Security Summit.**
- Xi met with Dutch parliamentary leaders.**
- Xi met with American president Barack Obama.**
- Mar 23**    **Xi sent a congratulatory telegraph to Prime Minister of Dominica Charles Savarin congratulating 10 years of bilateral relations.**
- Xi met with Kazakh president Nursultan Nazarbayev in the Netherlands.**
- Xi met with South Korean president Park Geun-hye.**  
*Fifth meeting between the two in the past 13 months. Bilateral FTA could be completed by end of year.*
- Xi met with Finnish president Sauli Niinistö.**
- Xi held talks with Prime Minister of the Netherlands Mark Rutte.**
- Mar 22**    **Xi arrives in Amsterdam, has dinner with Dutch king Willem-Alexander.**
- Mar 21**    **Xi Jinping congratulated the China Foundation for Disabled Persons on its 30<sup>th</sup> anniversary.**
- Mar 20**    **Xinhua announces that Xi and the Central Military Commission approved the Opinions Regarding Improving the Standard of Actual Combat Military Training Exercises.**  
*Trying to address one of the biggest weaknesses of the PLA- the fact that they haven't had real combat experience since 1979 war with Vietnam.*
- Xi received credentials of 14 new ambassadors to China, including new US ambassador Max Baucus.**
- Xi speaks to Australian prime minister Tony Abbot by telephone.**
- Mar 19**    **Xi met with Prime Minister of New Zealand John Key.**

	Mar 18	<b>Xi picks Lankao County in Henan as his “touch point” for the second phase of the Mass Line Education Campaign.</b>
	Mar 17	<b>Xi visits the Jiao Yulu memorial in Lankao County, Henan.</b> <i>Xi’s visit further illustrates that Party reform is a top priority. Jiao Yulu was Mao-era icon of the honest, hardworking cadre.</i>
<b>Li Keqiang</b>	Mar 25	<b>Li spoke with foreign participants in the China Development Forum.</b>
	Mar 24	<b>Li met foreign CEOs at the China Development Forum.</b> <b>Li met with head of the IMF Christine Lagarde.</b>
	Mar 23	<b>Li sent a congratulatory telegraph to Prime Minister of Dominica Roosevelt Skerrit congratulating 10 years of bilateral relations.</b>
	Mar 21	<b>Li chaired the Meeting on Saving Energy, Reducing Emissions and Responding to Climate Change.</b> <i>“The State Council, China’s Cabinet, will organize both open and secret investigations into energy saving and emission cuts this year, to ensure responsibility in environmental protection, Li added.” Lack of effective monitoring mechanisms is biggest obstacle to achieving reductions in emissions; the fact that State Council appears to be addressing the problem head on is encouraging.</i> <b>Li sent comments to the Spring Agricultural Production Conference held in Jinan, Shandong.</b>
	Mar 19	<b>Li met with Deputy Chairman of India’s Planning Commission Montek Singh Ahluwalia.</b> <i>Third round of India-China Strategic Economic Dialogue concluded; high-speed rail development no longer on the table, seems India might prefer Japan.</i> <b>Li chaired an executive meeting of the State Council.</b>
	Mar 18	<b>Li met with New Zealand Prime Minister John Key.</b> <i>NZD becomes sixth currency to be directly traded with RMB after USD, AUD, JPY, RUB and MYR.</i> <b>Li meets with Ugandan foreign minister Sam Kutesa.</b>
	Mar 17	<b>Li speaks to Malaysian Prime Minister Najib Razak by phone.</b>
<b>Zhang Dejiang</b>	Mar 17	<b>Zhang met with a delegation of US congressmen.</b> <i>Delegation headed by Rick Larsen and Charles Boustany, co-chairs of House US-China Working Group.</i>
<b>Yu</b>	Mar 21	<b>Yu spoke at a ceremony celebrating the 30th anniversary of the China</b>

<b>Zhengsheng</b>		<b>Foundation for Disabled Persons.</b>
	<b>Mar 20</b>	<b>Yu presided over a CPPCC meeting to discuss the Production Safety Law.</b>
<b>Liu Yunshan</b>	<b>Mar 22</b>	<b>Liu chaired a meeting of the Mass Line Education Campaign Leading Small Group.</b>
	<b>Mar 20</b>	<b>Liu met with Chairman Miegombyn Enkhbold of the Mongolian People's Party.</b>
<b>Wang Qishan</b>		
<b>Zhang Gaoli</b>	<b>Mar 24</b>	<b>Zhang held talks with Romanian Deputy Premier Liviu Dragnea.</b>
	<b>Mar 23</b>	<b>Zhang delivered the keynote speech at the China Development Forum.</b>
	<b>Mar 21</b>	<b>Zhang attended the Meeting on Saving Energy, Reducing Emissions and Responding to Climate Change.</b>

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