

QUOTABLE

"If the government only releases 'dogmatic' information and ignores negative opinions from the public, it will result in a communication imbalance and impair the credibility of government micro blogs."

XIE WEN, deputy director of the information office of the city government of Chengdu, capital of Sichuan province, said if government micro blogs want to make themselves more influential, they must not avoid exposing "negative information" and should do more to interact with the public and assist in addressing their problems.

THE NUMBER

6.5

BILLION YUAN

China has allocated 6.5 billion yuan (\$1.03 billion) from the central budget to fund the country's shantytown renovation projects, the Ministry of Finance said on Monday. The amount brings the central government's total investment in such projects this year to 277 billion yuan, which is expected to benefit 1.9 million urban households nationwide.

ON THE WEB

Highlights from chinadaily.com.cn



Video: The latest episode of *Superbodies 2012* looks at what happens to an athlete's body during a game of beach volleyball.

News: Xiamen University adds a new course to its curriculum: tree-climbing. The idea is to better equip students with the skills to escape a disaster.

Buzzwords: Soft benefit, which refers to a non-monetary perk, such as a company car, offered by employers as incentives to staff members.

Pictures: Chicheng, a paradise in Beijing's backyard. Located 180 km north of the capital, the county boasts natural mineral fountains, primeval forest, mountain meadows and glacial vestiges.

Culture: Discover the beauty and intricacy of decorative furniture from the Ming (1368-1644) and Qing (1644-1911) dynasties, which often incorporated flowers, animals and characters from history and folk tales.

On China Forum <http://bbs.chinadaily.com.cn/>

Activity: Share pictures of something you think is unforgettable.

Discussion: Are human beings born good and evil?

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around china

BEIJING

'Enhance efforts to improve Party'

Vice-President Xi Jinping called on officials and members of the Communist Party of China on Tuesday to enhance efforts to build socialism with Chinese characteristics and improve the development of the Party.

Xi made the remarks at the closing ceremony of a high-profile seminar attended by provincial and ministerial-level officials, ahead of the CPC's upcoming 18th National Congress.

Socialism with Chinese characteristics is "deeply rooted" in China, and it accords with the country's situation and has a strong vitality, Xi said, adding that this was well-demonstrated by the achievements made by the country over the past 30-some years.

Phishing scams target netizens

China had tracked and dealt with 13,923 phishing websites in the first half of the year, according to the Anti-Phishing Alliance of China.

The phishing websites lured users to fake sites in an attempt to obtain user information, the APAC said.

Online payment, financial securities and social networking service sites were the most commonly used platforms for the scams, the alliance said, urging netizens to take care when giving away personal information online.

China's online population had hit 538 million by the end of June.

Cash for tips in crime crackdown

Cash rewards totaling 4.2 million yuan (\$657,800) have been handed out to members of the public who helped police during a five-month crackdown on economic crime, China Youth Daily reported on Monday.

During the nationwide crackdown, which started on March 1, police recorded 264,000 cases of suspected economic crime and identified 189,000 possible criminal cases in which some 143,000 suspects have been sent to court for trial.

The crackdown was strongly supported by the public, which provided 36,000 tip-offs to police

who investigated 12,000 cases based on the information. People who gave tips to the police were rewarded with cash.

According to the Ministry of Public Security, 51.5 percent of the cases involved the manufacture and sale of counterfeit goods, pyramid schemes, illegal fundraising, credit card fraud, embezzlement and contract fraud.

GUANGDONG
Nine illegal mines closed

Police in South China's Guangdong province said on Tuesday that they have closed nine illegal rare earths mines in Longchuan county of Heyuan city, a major rare earths reserve, over the past six months.

Police have arrested 45 people and seized more than 100 metric tons of rare earths from the mines, according to the police in Heyuan.

Rare earths reserves have continued to decline in major mining areas in China, while excessive mining has resulted in pollution-related disasters and even major natural disasters in some places.

To limit environmental damage and protect the non-renewable resources, China has implemented multiple policies, including production caps, export quotas, stricter emission standards and higher resource taxes.

Over the past few years, Longchuan has closed more than 110 illegal rare earths mines.

FUJIAN

Road accident claims 14 lives

Fourteen people have died after a motor tricycle plunged into a valley in East China's Fujian province on Tuesday, local authorities said.

Eight others were injured and are being treated at a local hospital. Two of them are in critical condition.

The accident happened around 7:50 am, when the tricycle illegally carrying 22 people veered off a bridge and plunged into the valley near Shankeng village in Ningde city, a city government spokesman said.

Thirteen people died at the scene. Chinese law forbids farm vehicles to be used to transport passengers.

The cause of the accident is under investigation.



TYPHOON MAKES LANDFALL

PHOTO BY LI JIANSU / FOR CHINA DAILY

A boat is grounded in Zhuhai city, South China's Guangdong province, after gales and downpours brought by typhoon Vicente hit the province on Tuesday. Three people were killed and six remain missing in disasters caused by typhoon Vicente, which made landfall on Tuesday morning over the city of Taishan in Guangdong.

YUNNAN

Young mothers smuggle drugs

Police have arrested two Chinese women suspected of smuggling a large amount of heroin into the country across the Myanmar border in the latest crackdown on drug trafficking in the region, local officials said on Tuesday.

The two women were caught in a rural area of Lincang, a border city in Southwest China's Yunnan province, on Monday. Twelve stacks of heroin weighing 11.82 kg and a small amount of methamphetamine, commonly known as "ice", were found in the truck they were driving, police said.

Police were tipped off that the pair would attempt to smuggle

drugs from Laukkai in Myanmar five days in advance. One of the women was pregnant while the other was traveling with her 8-month-old infant, police said. Their identities were not revealed.

People convicted of trafficking more than 50 grams of heroin can face the death penalty, according to China's laws.

TIBET

Panchen Lama calls for stability

A spiritual leader of Tibetan Buddhism on Tuesday called on monks to promote social stability in Tibet.

"If a person does not protect social stability, he is not fit to be called a man of religion," said the

11th Panchen Lama, who met with leaders of the Tibet autonomous region in his Lhasa residence on the second day of his visit to the city.

The Panchen Lama said it is the responsibility of a religious person to help people do good deeds, and promote harmony and social development by religious preaching.

"And religious people should abide by the laws and religious code of conduct themselves," he added.

His words came after some of China's Tibetan areas reported self-immolations in recent months, most of them involving people from monasteries.

He urged monks to appreciate what they have now and do more to safeguard social stability.

Bus service launched in Ngari

Buses started operating on Monday in Ngari prefecture, the highest area in Southwest China's Tibet autonomous region.

Six buses started operating on three lines in Sengye Tsangpo township, which contains the prefecture's government seat. Local authorities have invested more than 2 million yuan (\$313,200) in the service.

It was introduced in response to the fast urban and economic development seen in the township, which has become a business and transport hub in western Tibet, said Losang, vice-commissioner of Ngari prefecture. Ngari sits 4,500 meters above sea level.

XINHUA — CHINA DAILY

Factory activity indicator improving

Rising output 'shows effect of policy easing'

By CHEN JIA in Beijing and YU RAN in Shanghai

A key indicator of factory activity saw manufacturing contracting at a slower pace in July from the previous month. This could signal further easing by the government in the next six months, analysts said.

There was further good news as a sub-index to the HSBC flash purchasing managers' index (PMI) recorded a rise in output.

The PMI gauges manufacturing activity and it rose to 49.5 from 48.2 in June. This still represents a contraction as a reading above 50 indicates expansion.

However, a HSBC sub-index showed that manufacturing

output jumped to 51.2 this month from 49.3 in June, a nine-month high, the main force boosting the PMI.

"The effects of policy easing are being transmitted to the economy and reinforces our view that growth has bottomed in the second quarter at 7.6 percent and will rebound in the third quarter to 8.1 percent," said Zhang Zhiwei, chief economist in China for Nomura Securities.

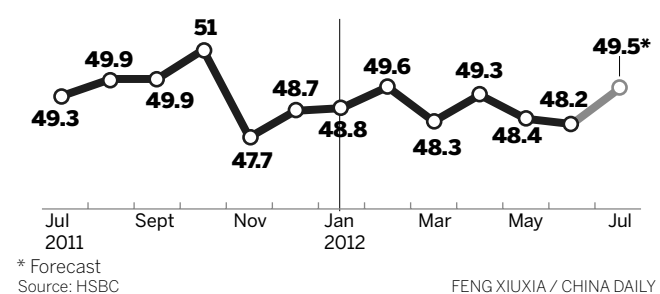
Gross domestic product fell to the slowest rate in three years in the second quarter, prompting the central bank to take the rare step of slashing interest rates in June and July.

It has also cut the amount of money banks must keep in reserve three times since December.

The government has vowed to take further measures as stabilizing growth is a priority.

As the PMI still shows contraction and demand remains weak, "this calls for more eas-

PMI



ing efforts to support growth and jobs", said Qu Hongbin, chief economist in China with HSBC.

Qu expected that the consumer price index may continue to decline to less than 2 percent in July, which will allow the government more room to further loosen policies.

"A greater improvement in growth is expected in the coming months when these measures fully filter through," he said.

Further easing monetary conditions might start with

another reduction in the bank reserve ratio, to inject liquidity into the economy, according to Qu.

"This, plus fiscal measures and the opening up of more sectors to private investment, should help to generate a meaningful improvement in growth in the coming months," he said.

While the sub-index showed an increase in output, employment deteriorated to its worst level since March 2009, with a reading of 47.4, down from June's 48.8, the fifth consecutive monthly fall.

Meanwhile, new orders continued to contract but at a slower pace, with a reading of 48.9 in July, against 47.2 in June.

The HSBC flash index is based on purchasing manager survey responses, which are to be published in full in about a week.

Hu Xudong, manager of Zhejiang Fuyang Jinaobo Shoe Co, was worried about shrinking profits.

About one-third of workers in his company have been let go after a production line was shut down in March.

"Our exports are about the same over the last six months but costs have risen," he told China Daily.

A report from the JPMorgan Chase said that the most dangerous threat to the world's second-largest economy could be declining corporate profits. This will deliver a double blow of reducing investment and weakening domestic demand.

"Most small and medium-sized companies are struggling with reduced profits, due mostly to the slump in Europe," said Guo Junwei, the owner of a clothes manufacturer in Taizhou, Zhejiang province.

Guo added that cutting down the number of employees every three months is the most direct way to reduce labor costs if orders don't improve quickly.

More job losses are likely in the coming months, said Huang Yiping, chief economist in Asia with Barclays Capital.

"It has not been until this month that reports of job losses and migrant workers returning home have started to emerge," Huang said.

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Shi Jing in Shanghai contributed to this story.

Pirates: Fishing boats urged to upgrade security measures and work in groups

FROM PAGE 1

Liu also expressed his gratitude for the efforts made by the government and the ship owner for "not giving up on them".

Fight against pirates

Xu Fu 1 was just one of a number of vessels seized by Somali pirates.

From January to November 2008, about 20 percent of Chinese merchant ships pass-

ing through the waters were attacked by pirates. A significant amount of China's oil imports from the Middle East passes through, or near, the Gulf of Aden.

Somali pirates can stay out at sea for long periods, with captured merchant vessels as mother ships, and have been using Yemen's remote island of Socotra as a refueling hub.

Small fishing boats, without fixed routes, are hard to trace, and captives from different

regions or countries can slow mediation efforts, said Zhou Qing'an, an expert on public diplomacy with Tsinghua University in Beijing.

"Vessels can improve their chances of not being hijacked by upgrading security systems and by fishing in groups, rather than working alone," he said.

Wang, the deputy director, also suggested Chinese fishing boats stay away from dangerous waters.

Chinese naval ships have

undertaken anti-piracy operations off Somalia since late 2008, and statistics show that the navy has escorted more than 4,700 ships from countries all over the world.

In early 2010, Beijing also agreed to join a multinational effort to protect shipping in the Gulf of Aden and nearby stretches of the Indian Ocean.

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Crew members of Taiwan trawler *Xu Fu 1* arrive in Beijing on Tuesday after their release by Somali pirates on July 17.

ZHU XINGXIN / CHINA DAILY