
China Briefs

Chinese Train Cars Delivered to Chicago's L Transit System

With all the hype about the “dangers” of doing business with China, there is a real success story coming out of Chicago. CRRC Sifang America Inc.—an Illinois subsidiary of China Railway Rolling Stock Corporation—began delivery the first week in June of the first of 400 train cars to its client, the Chicago Transit Authority (CTA), after the CTA completed operational tests on the 10 passenger rail car prototypes.

The new rail cars have a lot going for them. They are equipped with LED lighting, an improved active vehicle suspension system, new touchscreen controls with an operator alert system, remote access capabilities for maintenance diagnostics, and additional high-definition security cameras. They also have redesigned, all-glass windbreak panels flanking the passenger side doors, double-sided displays in the center of cars identifying the next and upcoming stations, an “express mode” for hearing impaired customers, and distinct door chimes for the opening and closing doors to aid vision-impaired riders.

CRRC Sifang America invested \$100 million for the project and constructed a factory on the South Side of Chicago. The assembly factory has not only generated hundreds of jobs for Chicagoans, but also created significant opportunities for local suppliers and related businesses. More importantly, the factory marked the first time in more than 50 years that rail cars have been produced in Chicago.

Blinken Says U.S. Will Aid Philippines If Chinese Vessels Attack

Approaching the sixth anniversary of the Permanent Court of Arbitration's controversial decision on the South China Sea on July 16, 2016, Secretary of State Antony Blinken took the opportunity to spark more controversy over the issue. On the occasion of the anniversary, Blinken issued a statement reaffirming “that an armed attack on Philippine armed forces, public vessels, or aircraft in the South China Sea would invoke U.S. mutual defense commitments.” Chinese Foreign Ministry Spokesman Wang Wenbin responded that China had never accepted the arbitration, which was conducted without its consent, a breach of procedure as arbitration generally only occurs when two parties agree that they cannot resolve the matter between themselves. One party cannot be “dragged into court,” Wang said.

Wang responded to Blinken's statement, saying the U.S. “has broken its public commitment of taking no position on sovereignty claims in the South China Sea, and sought to drive a wedge between regional countries and undermine peace and stability in the region. This is extremely irresponsible.”

Xi Underlines Hong Kong's Importance to 'Innovation Bay' Project

On June 30 Chinese President Xi Jinping visited Hong Kong on the oc-

casional of the 25th anniversary of its return to China. It was five years ago that President Xi last visited the island. In a lengthy speech he went through some of the history of the island from the Opium Wars to the present. He also noted the uneasy times that it had had during the recent years' riots. Xi underlined the fundamental importance of the “one country, two systems” policy and the importance of patriots (i.e., lovers of their country) being in charge of the governance of the island. He underlined the importance of Hong Kong as a financial and shipping center, an importance it would continue to have in the future. “Over the past 25 years, Hong Kong's economy has flourished, its status as an international financial, shipping, and trade center has been solid, and its innovative technology industry has emerged rapidly,” he said. Hong Kong's business environment is “world-class. The original laws, including common law, have been maintained and developed. All social undertakings made progress in an all-round way, and the overall social situation was generally stable. The vitality of Hong Kong as a cosmopolitan city has amazed the world,” he added.

Xi noted that Hong Kong had maintained longer ties with the outside world than cities on the mainland and has thus had a greater opportunity to partake in international scientific and technological projects. The Hong Kong capabilities will now become part of the project to build the Greater Bay Area with the other dozen cities in the region. Xi also visited the science park and took time during his two days there to talk with entrepreneurs, scientists and students.

Economic Growth Is Low, Local Infrastructure Bonds Authorized

China's GDP for the first half of 2022 was announced June 15 at 2.5% greater than in the first half of 2021, with the second quarter 2022 characterized by extensive COVID-19 lockdowns, rapid producer price inflation, and economic growth of just 0.4% over the second quarter of 2021. Various forecasts now say that GDP growth for 2022 as a whole is likely to recover to 4%, historically low for China; it has consistently (and uniquely) prioritized public health and preservation of life against the pandemic, over economic growth as such.

Both fixed capital investment and, on the consumer-economy side, retail sales, held up. The former was 6.1% up from the same period in 2021, the latter 8.3% for physical goods sales and 3.1% overall (including services). Industrial production was 4.1% higher than in 2021.

The Chinese government has authorized issuance of infrastructure bonds by local governments for the first time in a year, totaling 1.5 trillion yuan, equivalent to about \$220 billion. Unemployment overall has remained low, below 6%, but according to a *South China Morning Post* report, it is much higher for young people 16-24 in China's cities, and high-quality jobs are needed.

China's GDP reports cannot really be compared to those of the United States or EU countries, because China's direct comparison of total GDP to the same period one year earlier is not used in either American or any European statistics.

ASEAN Ambassadors and Other Diplomats Meet Leaders of CPPCC

ASEAN ambassadors to China and other diplomats from Southeast Asia met on July 15 with representatives of the Chinese People's Political Consultative Conference (CPPCC), the second body of China's legislature, which serves in an advisory role to the government and the National People's Congress and which includes many non-party members. The members of the CPPCC explained to the diplomats the nature of China's whole-process conception of democracy, democracy in the Chinese context, and the mechanisms by which the general population participates in the political process.

The diplomats also discussed ties between China and the ASEAN nations. It is an unusual role for the CPPCC to play in the diplomatic arena, but is no doubt a part of China's new emphasis on public diplomacy.

Xinjiang Will Be a Major Belt and Road Hub, Says Xi on Visit to the Province

Chinese President Xi Jinping visited Xinjiang from July 12 to 15, his first visit in eight years, underlining the new stability in the region and the importance of the area as a major hub of the East-West Belt and Road Initiative. *Global Times* reported that the visit emphasized the role of Xinjiang as the hub of the Belt and Road for westward opening-up, to "break the U.S. economic blockade."

On July 13 President Xi visited the Ürümqi International Land Port, observing the operation of various areas of the China-Europe Freight Train as-

sembly center. "The Belt and Road Initiative has borne fruit since it was initiated. As the joint building of BRI continues to advance, Xinjiang is no longer a remote corner but a core area and a hub. What you have done is of historic significance," he told the local representatives.

Xi also visited Xinjiang University and learned about its history. Xi said that all ethnic groups enjoy equality, unity and progress under the socialist system, stressing that the Communist Party's theories and policies concerning ethnic groups are sound and have produced the desired effect. He called for promoting research on the basic issues of the community for the Chinese nation.

He also visited the Xinjiang Production and Construction Corps (XPCC), somewhat equivalent to the Army Corps of Engineers. Xi urged the XPCC to play a greater role in ensuring the country's food security and the supply of important agricultural products. Calling the XPCC's strategic status "irreplaceable," Xi expressed his hope that the XPCC will give full play to its role as a stabilizer for securing border areas, a melting pot for bringing people of all ethnic groups together, and a demonstration area for advanced productive forces and culture.

President Xi also visited the Guyuanxiang local community in Tianshan District in Ürümqi, whose population is 95% ethnic minorities. He also visited the Museum of the Xinjiang Autonomous Region and watched a cultural performance by a Kirghiz dance group. He underlined that the cultural mix in Xinjiang represented treasures that should be cherished and maintained by the region and by the nation.

Xi's visit is a clear affirmation that the Xinjiang region, a target of the China hawks in the West, is in fact secure and developing under the policies of the central government.