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PROPERTY RIGHTS BETTER PROTECTED

Increased focus on rule of law leads to acquittal of retail tycoon

By CAO YIN and WANG ZHUOQIONG



Chinese retail tycoon Zhang Wenzhong has experienced many turning points in his life, but none compare with the moment when he heard the country's top court pronounce him "innocent" on Thursday.

As the founder and former chairman of Wumei Holdings, the parent of retail chain Wumart Stores, Zhang had been hoping for the moment for more than a decade after being sentenced to prison for 18 years for fraud, embezzlement and corporate bribery in 2008.

However, on Thursday, the Supreme People's Court — after a final retrial — made the ruling that the original sentence was based on insufficient evidence and the laws applied were improper.



Zhang Wenzhong

"When I heard the word 'innocent', I was trying hard to hold my tears," Zhang said. "After going through all these difficulties, I finally got such a result."

Zhang, 55, has been the first high-profile entrepreneur in the country whose name was cleared in such controversial property-related cases. Experts said the acquittal reflects ongoing efforts by the Communist Party of China and judicial authorities to better protect the legitimate rights of businessmen, particularly their property rights.

"It's the central leadership's determination and concrete measures that helped clear my name," Zhang said.

"The ruling is not only about me, but all entrepreneurs and entrepreneurship," he said. "I believe my case is a new beginning to rectify similar property-rights disputes involving private companies, and the correction will inject a new driving force into the development of private enterprises in China," Zhang said.

The correction has also been regarded by law professionals as an example of how the country is implementing its increasing focus on the rule of law.

Chen Weidong, a law professor at Renmin University of China, said some controversial court rulings in such cases reflected the historical limitations on how to view and handle private enterprises in China at that time. Judicial authorities' misunderstanding and wrongful application of laws should also be blamed.

Zhou Guangquan, a law professor at Tsinghua University, said the case provides a standard on how to try property-rights-related cases for grassroots courts.

Guilty verdicts

The case began to unfold in 2006, a year of both glory and a deep abyss for Zhang, a scholar and retailer. But his story first really got going years earlier, when, as a post-doctoral graduate from Stanford University School of Engineering, Zhang returned from the United States to China and set up his computing company in 1992, encouraged by China's reform and opening-up policies.

In 1994 Zhang established the first Wumart store in Beijing, which initially was designed to showcase the information-management system and point-of-sale devices he developed for Chinese retailers. The supermarket quickly drew the attention of millions of Beijing residents and reached revenue of 100 million yuan in the first year. In 2004, Wumart took up about one-third of Beijing's retail market.

In November 2003, Wumart was listed on the Hong Kong Stock Exchange, and quickly expanded its retail empire through acquisitions and mergers of local retailers, including Merry Mart and Ningxia Xinhua Department Store. The information system developed by Zhang also received top awards by the China General Chamber of Commerce.

However, at the peak of Wumart's expansion in 2006, his days of glory, Zhang was probed by the country's top

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Vice-Premier Liu He (center) chats with US Commerce Secretary Wilbur Ross (center left) during a group photo session after their meeting at the Diaoyutai State Guesthouse in Beijing on Sunday. ANDY WONG / REUTERS

Positive progress seen in Sino-US trade talks

China still insists both sides meet in middle to avert further action

By LI XIANG, ZHONG NAN and JING SHUIYU

China and the United States achieved positive and concrete progress in the fields of agriculture and energy during the latest round of trade consultations, with the details subject to finalization by both sides, according to a Chinese statement issued on Sunday.

While acknowledging the positive development, the statement emphasized that the results achieved between China and the US should be based on the condition that the two sides meet each other halfway and agree not to engage in a trade war.

If the US introduces trade sanctions, including tariff increases, all the economic and trade achievements negotiated by the two sides will not take effect, according to the statement.

The statement came after Vice-Premier Liu He held talks with US Secretary of Commerce Wilbur Ross in Beijing on Saturday and Sunday. The talks were a continuation of the China-US trade and economic consultations

in Washington two weeks ago. China reiterated in the statement that its attitude has been consistent and it is willing to increase imports from numerous countries around the world, including the US, to meet the Chinese people's growing demand for a better life and the requirements of high-quality economic development.

Sunday's statement also emphasized that reform and opening-up as well as boosting domestic demand are China's national strategies and the established pace (of implementing the strategies) will not change.

Experts viewed the statement as a reflection of China's desire to resolve the trade disputes and to respond to external challenges by firmly upholding its reform and opening-up policies.

"China is pursuing long-term goals and is trying to focus on upgrading its economy and meeting the growing demand of domestic consumers while the US is seeking short-term gains. Judging from the talk results, the country (China) has ensured its

The firm stance on opening the market wider is China's response to the challenges facing the global economy.

Dong Yan, researcher, Chinese Academy of Social Sciences

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core interests," said Mei Xinyu, a researcher at the International Trade and Economic Cooperation Institute, part of the Ministry of Commerce.

Mei pointed out that greater energy imports, such as crude oil and natural gas, from the US at reasonable prices could help China reduce its manufacturing cost and boost the sector's strength in the world market.

"China had already planned to import the goods it agreed to purchase from

the US a long time ago. Therefore, it will not be an issue if China imports more US energy and agricultural products," he said.

Dong Yan, director of the International Trade Office at the Institute of World Economics and Politics of the Chinese Academy of Social Sciences, said that China's reform and opening-up have been a consistent policy, which cannot be hindered by external pressure of trade conflicts.

Dong warned that a trade war will not only hurt China and the US, but it will also become a drag on the global economy.

"The firm stance on opening the market wider is China's response to the challenges facing the global economy. It illustrates the country's inclusiveness to share opportunities with the rest of the world and to fulfill its responsibilities," she said.

Zhang Yansheng, a researcher at the China Center for International Economic Exchanges, said boosting imports will be an important policy of China for the next step as it will increase the interconnection of the country has with the world.

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US patrols destabilize region, experts say

By ZHANG ZHIHAO zhangzhihao@chinadaily.com.cn

The intensifying United States naval patrols in the South China Sea will increase militarization and destabilize the otherwise peaceful region, leading to greater risks and possible confrontation between China and the US, Chinese experts have warned.

On Sunday, Reuters reported that the Pentagon is considering more assertive types of freedom-of-navigation operations close to Chinese islands and their surrounding waters in the South China Sea. The news agency cited two unnamed US officials and Western and Asian diplomats.

Such moves could involve longer patrols, larger numbers of ships and closer surveillance of Chinese facilities in

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the area, the report said, adding that the US also is pushing its allies to increase their own naval deployments to counterbalance China's military presence in the region.

At the ongoing 17th Asia Security Summit, also known as the Shangri-La Dialogue, He Lei, vice-president of the Academy of Military Science of the Chinese People's Liberation Army, said that the US has been intruding on Chinese territorial waters and airspace by sending military vessels and aircraft to conduct surveillance and flex military muscle in the region — all under the pretense of uphold-



General He Lei (left), vice-president of the Academy of Military Science of the Chinese People's Liberation Army, and Hajit Sajjan, Canada's defense minister, attend the 17th Asian Security Summit of the International Institute for Strategic Studies Shangri-La Dialogue in Singapore on Saturday. ROSLAN RAHMAN / AFP

ing freedom of navigation.

These moves have undermined China's security interests and territorial sovereignty and are the root causes of mounting tensions and militarization in the South China Sea, he said on Saturday at the dialogue, which opened in Singapore on Friday.

He made the comments in response to remarks from US Defense Secretary James Mattis, who said at the meeting on Saturday that China's "militarization" of the South China Sea was a reality and Beijing would face unspecified consequences.

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Mattis: 'Bumpy road' to summit

By PAN MENGQI panmengqi@chinadaily.com.cn

US Defense Secretary Jim Mattis said the DPRK will receive relief only after it takes clear and irreversible steps to end its nuclear program, adding it would be a bumpy road to a summit between leaders of the United States and the Democratic People's Republic of Korea.

Mattis made the remarks on Sunday at the 17th Asia Security Summit, commonly known as the Shangri-La Dialogue, which opened in Singapore on Friday.

"We can anticipate, at best, a bumpy road to the negotiations," Mattis said. "In this moment we are steadfastly committed to strengthening even further our defense cooperation as the best means for preserving the peace."

Plans are moving forward as US President Donald Trump confirmed his meeting with DPRK top leader Kim Jong-un will be held on June 12 in Singapore as originally scheduled. And Mattis repeated the US position that the DPRK will only receive relief from UN national security sanctions when it demonstrates "verifiable and irreversible steps" to denuclearization.

Mattis's remark shows that Washington's attitude on the denuclearization has never changed, which is different from Pyongyang's understanding in the same issue, said Ruan Zongze, deputy head and senior fellow at the China Institute of International Studies.

Ruan said that to have an agreement on the concept of denuclearization is still seen as a major obstacle for the two sides to reach a deal in the summit.

On Friday, Trump met the visiting vice-chairman of the DPRK's Workers' Party of Korea Central Committee Kim Yong-chol for two hours. Trump told reporters at the White House that his meeting with Kim Jong-un is back on after receiving a personal letter from the DPRK leader.

Foreign Ministry spokeswoman Hua Chunying on Saturday said that the Chinese side hopes and supports the DPRK and the US in actively pushing forward preparations for the summit, reiterating that the current situation on the Korean Peninsula is at a rare historical juncture and the summit is crucial to denuclearization and lasting peace on the peninsula.

The Republic of Korea's presidential office also welcomed Trump's decision to revive the summit.

The key thing is "to establish a mechanism that can maintain the momentum of dialogue for a long run", Ruan said. He said China had long urged direct dialogue between the DPRK and US.

"What relevant parties are doing to ease tensions on the peninsula is actually in line with China's proposals", Ruan said.

Pollution victim



Volunteers with ThaiWhales, a private whale conservation group, and government marine veterinarians from Thailand's Department of Marine and Coastal Resources, try to rescue a sick male pilot whale in coastal waters off southern Thailand near the Malaysian border last week. The group tried to nurse the mammal back to health, but it died after consuming over 80 plastic bags. PHOTO BY THAIWHALES VIA AFP

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