



UNIVERSITY
OF MALAYA

INSTITUTE OF CHINA STUDIES

马来亚大学中国研究所

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Opening Ceremony ICS New Office Premise



Professor Dato' Dr Mohd Amin Jalaludin, Vice Chancellor of University of Malaya activated the access door of new office premise.

On 18 February, ICS held a ceremony on the new office premise at the 4th floor of Institute of Graduate Studies, IPS Building in University of Malaya. The ceremony was attended by more than 100 guests including representative from other important think tanks in Malaysia such as Institute of Strategic and International Studies (ISIS) Malaysia and Malaysian Institute of Maritime Affairs (MIMA). Representatives from several foreign embassies, including Ms. Wang Hongliu, the Political Secretary of the Embassy of the People's Republic of China in Kuala Lumpur, also attended the ceremony.

Vice Chancellor of the University of Malaya, Professor Dato' Dr Mohd Amin Jalaludin, gave the opening speech. In his speech Prof. Amin reaffirmed the commitment of the university to fully support the development of ICS. Dato Abdul Majid Ahmad Khan, the President of Malaysia-China Friendship Association, was the keynote speaker. His speech was entitled "The Importance of Studying China in Malaysia." In this speech, Dato Majid stressed the growing importance of China to Malaysia, due to a

number of factors, including geopolitics, economics, and cultural ties. He also stressed the importance of developing a Malaysian and regional thinking on China and not to rely too much on western perspectives. ♦



Prof. Amin delivering his opening speech during the opening ceremony.



Panellists of the forum with the Director of Institute of China Studies, University of Malaya, Professor Danny Wong (forth from right). From left, Dr He Yanqing, Dr Li Ran, Dr Zhang Miao and Professor He Baogang. From right, Mr Charles Au, Dr Yap Teck Lee and Dr Ngeow Chow Bing.

ICS FORUM “China 2016: Review and Prospects”

In collaboration with Sin Chew Daily, the Institute of China Studies (ICS) organized a one-day forum on “China 2016: Review and Prospects.” The forum was conducted in Mandarin and attracted about an audience of about 150 persons. In his opening speech, Prof. Danny Wong, Director of ICS announced that the forum, first of its kind in Malaysia, will be an annual flagship event for ICS.

The forum held on 26 March 2016 was divided into three panels. The first panel reviewed the overall picture as well as various dimensions of Chinese political development in 2015. Dr. Ngeow Chow Bing, Deputy Director of ICS, presented an overview of the major political developments of China, including judicial reforms, anti-corruption campaigns, personnel and policy changes and continuities in the major meetings of the party and the state such as the Fifth Plenum of the 18th Party Congress, and others. Dr. Ngeow contended that for the near future judicial reforms, anti-corruption and welfare

policies will still be the main political developments in China. Professor He Baogang, from the Nanyang Technological University, shared with the audience his research on local deliberative democratic practices and institutions in China and their newest development in recent years, such as participatory budgeting and deliberative hearings. Professor He argued that there is great future prospects for this kind of grassroots deliberative democracy because the people actually demanded it and the local governments also found it useful. Dr. He Yanqing, a Research Fellow of ICS, discussed the major developments of the Chinese Communist Party in 2015, highlighting the strengthening and institutionalization of party rules and discipline, the most significant of which was the publication of two internal party rules governing party members’ behavior. Also, the party strengthened control over the ideological scene and stressed the work on united front.

The second panel was devoted to economic and financial issues of China in 2015. Dr. Zhang Miao of ICS first reviewed China’s domestic economic development. China in 2015 entered the “New Normal” which stressed structural changes from an investment-driven model to a consumption-driven model,



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ICS Forum “China 2016: Review and Prospects”



Packed audience for the ICS Forum: China Review 2016”



Discussion during Panel 1. From left, Dr Ngeow, Dr Peter Chang (Chair), Prof He Baogang and Dr He Yanqing.

.....Continue from previous page

and Dr. Zhang Miao illustrated the difficulties and challenges China has been facing and the policy reactions. She noted the government has focused on strengthening the supply side as a way to make the transition. Dr. Li Ran of ICS reviewed China’s foreign economic relations in 2015. Dr. Li Ran noted due to the “new normal” domestic situation in China as well as the international economic environment, in 2015 China’s foreign trade declined along with both export and import, although China’s trade surplus also increased significantly. Still, China maintained its status as the number one trading country in the world. Dr. Li Ran also discussed the future prospects of China’s foreign trade and investment as China’s “One Belt One Road” initiative is being put into implementation. Dr. Yap Teck Lee, a business consultant, discussed China’s financial situation in 2015. Important developments and events that were covered in his talk included the increased share of Chinese currency in the Special Drawing Rights of the International Monetary Fund, the marketization of Chinese interest rate, banking reforms such as deposit insurance regulation, and the beginning of some private banking initiatives.



Dr Ling Tek Soon (second from left) chaired the Panel 2. Panellist from right, Dr Yap, Dr Li and Dr Zhang.



Panel 3 chaired by Dr Ngeow (second from left) and the panellist from right, Dr Ling, Mr Charles Au and Mr Lee.

In the third panel, three speakers highlighted developments in China’s foreign and security policy in 2015. Mr. Lee Chee Leong, a PhD candidate at Monash University of Malaysia, presented on China’s foreign policy developments. Mr. Lee highlighted three significant focuses in China’s diplomacy in the year: relations with neighboring countries, relations with major powers, and the “One Belt One Road” initiative. In addition, China also achieved numerous diplomatic achievements such as the strengthening of ties with African and European countries, the establishment of multilateral institutions under China’s leadership (such as Asian Infrastructure Investment Bank), and successes in international fora (such as climate change negotiations). Mr. Charles Au, an independent military analyst from Taiwan and also an Associate Member of ICS, reviewed the developments regarding the People’s Liberation Army. In particular, he analyzed the reform of the command structure of the PLA since the military reforms in late 2015 and the implications of such reforms. In addition, Mr. Au also reviewed the new weapons systems and platforms that the PLA has acquired in recent years, and discussed what future directions the PLA will go into, such as acquisitions of new bases abroad. Finally, Dr. Ling Tek Soon of ICS reviewed Malaysia-China relations in 2015. Bilateral relations in 2015 featured many positive developments such as the first Sino-Malaysian joint military exercise held in September, increased Islamic cultural exchanges, and growing China’s investments. However, there were also issues, such as the reported incursions of Chinese ships in waters close to Malaysian shore. ♦

Maritime Silk Road: A View from Bangkok

by Anuson Chinvanho



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In October 2013, President Xi Jinping and Premier Li Keqiang embarked on high profile trip to five Southeast Asian countries. President Xi made a statement to the Indonesian Parliament on 3 October 2013 stating that China wants to build “a community of common destiny” with ASEAN member states, while at the 16th ASEAN-China Summit, on 9 October 2013, Premier Li made a proposal known as the “2+7 cooperation framework”. They revealed the new leadership’s policy declaration on Southeast Asia for the next decade and signaled China’s attempt to find a new direction for its relations with ASEAN.

The “2+7 cooperation framework” consists of a two-point political consensus that the basis for promoting cooperation is deeper strategic trust and good neighborliness and that the key to deepening cooperation is to focus on economic development and expanding mutual benefit. The seven-point proposal included some interesting ideas for further cooperation, including signing a treaty on good-neighborliness, upgrading the ACFTA, setting up an Asian infrastructure bank, and building a 21st-century “Maritime Silk Road”.

Since then, there have been wide discussions on the “one belt, one road” initiative. But they have been broad rather than deep. The initiative is also still under consideration of many governments. This is perhaps inevitable as there are perhaps still more questions than answers. In Thailand, the initiative has been the subject of discussions at many forums organized by government agencies, business and academic sectors. The initial reaction, as can be gauged from these discussions, seems favourable, as the Chinese initiative seems to fit in with ASEAN’s own effort at developing regional connectivity under the “Master Plan on ASEAN Connectivity” adopted at the ASEAN Summit in Hanoi in 2010.

The Master Plan is both a strategic document for achieving overall ASEAN Connectivity and a plan of action for the period 2011-2015 to connect ASEAN through enhanced physical infrastructure development (physical connectivity), effective institutions, mechanisms and processes (institutional connectivity) and empowered people (people-to-people connectivity). It is intended that through an enhanced ASEAN Connectivity, the production and distribution networks in the ASEAN region will be deepened, widened, and become more entrenched in the East Asia and global economy. The focus of the physical connectivity is on road networks, rail links, maritime and port infrastructure, inland waterways and aviation facilities. The Plan

also addresses enhanced ICT infrastructure and a regional energy security framework.

But the challenges to the effective implementation of physical connectivity are not difficult to see. They include poor quality of roads and incomplete road networks, missing railway links, as well as inadequate port infrastructure. Moreover, a critical issue is the mobilization of required financial resources and technical know-how to implement the Plan. While intending to mobilize resources within ASEAN, through such measures as the possible establishment of an ASEAN fund for infrastructure development, public-private sector partnerships (PPP) and development of local and regional financial and capital markets, ASEAN will also strengthen partnership with external partners.

Therefore, the key to the successful implementation of the ASEAN physical connectivity is how to mobilize financial and technical resources. While a variety of traditional funding sources, particularly multilateral development banks, e.g. the ADB and World Bank, are available to contribute to the financing of ASEAN Connectivity projects, the role of external partners is increasingly crucial. A variety of infrastructure financing initiatives have been established by these partners, such as the Facility for Asia Cooperation and Environment (FACE), financed by Japan; the Asia Infrastructure Financing Facility (AIFF), financed by the Republic of Korea; and the China-ASEAN Investment Cooperation Fund (CAICF).

It should be noted that, so far, the most tangible result on connectivity has been on the Southeast Asian mainland in the form of road and rail network development. This effort has been carried out under the Greater Mekong Sub-region (GMS) framework, comprising Cambodia, Lao PDR, Myanmar, Thailand, Vietnam and China. Thailand has played an active and leading role in this framework. The GMS strategic framework envisions a well-integrated, prosperous and harmonious Mekong sub-region through enhanced connectivity, increased competitiveness, and fostering a greater sense of community. GMS has made considerable progress in implementing high priority projects in transport, with completed or ongoing infrastructure projects supported by the Asian Development Bank (ADB), GMS governments and development partners, focusing on corridor development strategy. There are three priority corridors under development: North-South, East-West, and the Southern economic corridors. The initial emphasis on physical development will be followed by transport and trade facilitation. The key issue and challenge facing the GMS

By facilitating communication between countries along the road, the Maritime Silk Road will help build a community that represents the common concerns, interests and expectations of all countries.

connectivity is in transforming the transport corridors into economic corridors.

With regard to maritime transport, which is the most important mode of transportation in terms of the traffic volume in international trade, many ASEAN countries, with the exception of Singapore and Malaysia, rank poorly relative to China and Hong Kong in the UNCTAD Liner shipping Connectivity Index. At the same time, most of the gateway ports of the ASEAN Member States are already “fairly full” which means that investments in capacity expansion would have to be made in order to meet the growth in trade expected from the deeper economic integration of the ASEAN Member States among themselves and with the rest of the world.

Taking into consideration ASEAN's efforts at achieving regional connectivity, as mentioned above, China's initiatives on the “21st century Maritime Silk Road”, as well as the “Silk Road Economic Belt”, hopefully, will play a significant complementary role to ASEAN's own efforts as their current priority is also infrastructure connectivity. A particular important parallel development is the establishment of the Asian Infrastructure Investment Bank (AIIB) in October 2014, as the question of how to finance the various connectivity plans is of paramount importance.

Generally, Thailand's strategic location at the heart of mainland Southeast Asia and status as the region's second-largest economy make it well-positioned to serve as a bridge between ASEAN and China. Specifically, Thailand, which is at the crossroads between North-South and East-West Corridors, is in an excellent geographical position to provide a physical link between China and the “maritime” region of ASEAN through the railway project which, when completed, will link Bangkok with Nong Khai in northeast Thailand and Lao PDR. A further development of the rail line in Lao PDR, linking up with the line to Kunming, as well as the improvement of the rail line from Bangkok to southern Thailand, linking up with Malaysia and Singapore, will eventually complete the long-time envisioned Singapore-Kunming Rail Link.

As a “continental” rather than a “maritime” country, Thailand has shown more interests in land rather than sea links, giving priority to the completion and utilization of the GMS Corridors. Apart from the North-South and East-West Corridors, which are more or less completed, the development of the Southern Corridor, linking Dawei in Myanmar with Bangkok and Ho Chi Minh City, is now underway. However, Thailand has also shown interests in developing coastal shipping with its neighbours, especially Cambodia and Vietnam. It has also discussed cooperation in cruise tourism with Singapore and is now planning to develop a cruise terminal in Phuket and yacht marinas in key coastal tourism destinations.

Controversially, following the announcement of the “One Belt, One Road” initiative in 2013, some sectors in China and Thailand have expressed their interest in and support for the building of a canal in southern Thailand, connecting the Gulf of Thailand with the Andaman Sea, to form part of the new 21st Century Maritime Silk Road. The idea of such a canal, through the Kra Isthmus, was first suggested as early as 1677, when King Narai asked a French engineer to survey such a possibility. It has been raised and rejected repeatedly in more recent times. The proponents of the canal often point to the advantages to be gained from the shortening of the maritime route linking the Pacific and the Indian Oceans as well as the relieving of traffic congestion in the Malacca Straits, while the opponents dispute the time-saving claim and

question the benefits to be gained considering the cost involved. Some also object on political and security grounds. Nevertheless, the latest attempt to raise this issue showed that interested parties saw advantages in linking the canal proposal to the “one belt, one road” initiative.

It is clear that China's proposed initiatives to ASEAN and to the Asia-Pacific are, of course, commensurate with its rising status in the region. For many, these initiatives represent efforts to engage constructively with the region and build a secure and peaceful foundation for economic growth. This was captured in a 2014 paper by the China Institute of International Studies which stated:

As the world's economic and political center shifted towards the Asia Pacific, the region has stepped into a stage of geopolitics characterized by intersecting, overlapping and conflicting interests. By facilitating communication between countries along the road, the Maritime Silk Road will help build a community that represents the common concerns, interests and expectations of all countries. The community is expected to guide and support a peaceful and stable Asia Pacific landscape. Moreover, the Maritime Silk Road will further bring together the “Silk Road Economic Belt,” the “Bangladesh-China-India-Myanmar Economic Corridor” and the “China-Pakistan Economic Corridor” that together connect Europe and Asia. Such connections will greatly enhance China and other countries' abilities to develop economically while limiting external risks. The Maritime Silk Road will also enhance cooperation in non-traditional security areas while maintaining maritime security.

There has also been an argument that the improving connectivity under this initiative would help improve China's internal economic integration and provide stimulus to help cushion the effects of China's economic slowdown. Some of China's local governments and state-owned enterprises have been lobbying for preferential policy and financial support from the central government.

But it is clear that these initiatives are also driven by political, and to a certain extent social/cultural, considerations. The projection of China's political and military power beyond its shores can be seen clearly in the latest cycle of reclamation and fortification activities in the South China Sea. There is some apprehension that the Maritime Silk Road initiative could expand China's capacity to project its growing naval power abroad. But at the same time, China has also been active in projecting its “soft power” by promoting cultural cooperation with its neighbours, through such activities as the Chinese-language instruction by the Kong Zi Institute.

However, while tangible benefits of closer connectivity and the anticipated economic development and regional integration are widely recognized, the so-called “dark side of connectivity”, problems such as transnational crime, illegal immigration, environmental pollution, and other cross-border challenges, also need to be addressed properly. Moreover, the initiative's geopolitical impact need to be fully understood, as there is a clear risk that geopolitical tensions in an already tense region could be heightened further.

But, for the time being, from Thailand's perspective, the initiative highlights China's growing resources that could assist regional countries in closing the infrastructure gap. It is expected that successful implementation of the initiative could help deepen regional economic integration and increase regional trade and investment.

This article is the personal opinion of the writer.

China's Economy and World Commodity Markets

- by Yap Teck Lee



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Financial statistics from the past six months show that the world commodity future prices have declined significantly, which led to a highly volatile trend. As shown in Figure 1, the Commodities Price Index has declined 19 percent since August 2015. The diminishing growth prospects for China, combined with the abundant supply problems by the manufacturers and exporters, are the main factors that contributed to the downward pressure on world commodities' prices. Although the correlation of forces and determinants may differ across commodities, the systematic risks that affected the price trends were obvious and would continue in longer trends. Two of the significant cases are shown here: the world oil prices and metal price trend.

The world oil prices have significantly declined mostly on account of strong supply from members of the Organization of the Petroleum Exporting Countries (OPEC), magnified by risk-off behavior in financial markets. Currently the investors are moving away from what they perceive to be riskier assets including commodities and stocks investment. The further collapse in oil prices has proceeded in spite of geopolitical tensions in the Middle East, which suggest that market expectations are firmly anchored in low oil prices in longer term. Basically we can find that the oil supply has been quite resilient in spite of low prices,

mostly on account of strong Organization for Economic Co-operation and Development (OECD) and Russian production, as well as the Islamic Republic of Iran's return.

Besides, metal prices have declined 9 percent since August 2015 as shown in (Figure 2). The metal prices have been gradually declining because of a slowdown and a shift away from commodity intensive investment in China, which consumes roughly half of global metals. This makes a significant difference compared to the demand level at the past 10 years of super-business cycle for metal and mining industry. The metal prices are projected to decline by 14 percent in 2016 and 1 percent in 2017.

It is to be expected that the world metal prices will still be in the low price bandwidth; the world's commodity trades in their metal future prices also pointed to continuing low prices. Since the Chinese economy, as the world largest metal buyer, is in the middle of going through industrial transformation in the "new-normal" era, we can foresee the uncertainty on account of both demand and supply, and this will still become a challenge in forecasting the world metal prices.

In the meantime, when reviewing the economic performance of the five BRICS economies (Brazil, China, India, Russian Federation, and South Africa), we can find that four countries slowed or even contracted in 2015. China's economy continued to slow,

The slowdown in metals and primary energy demand from China has been going on steadily, in which the metal annual consumption growth declined from an average of 10.3 percent during 1995-2008, to an average of 3.2 percent during 2010-14

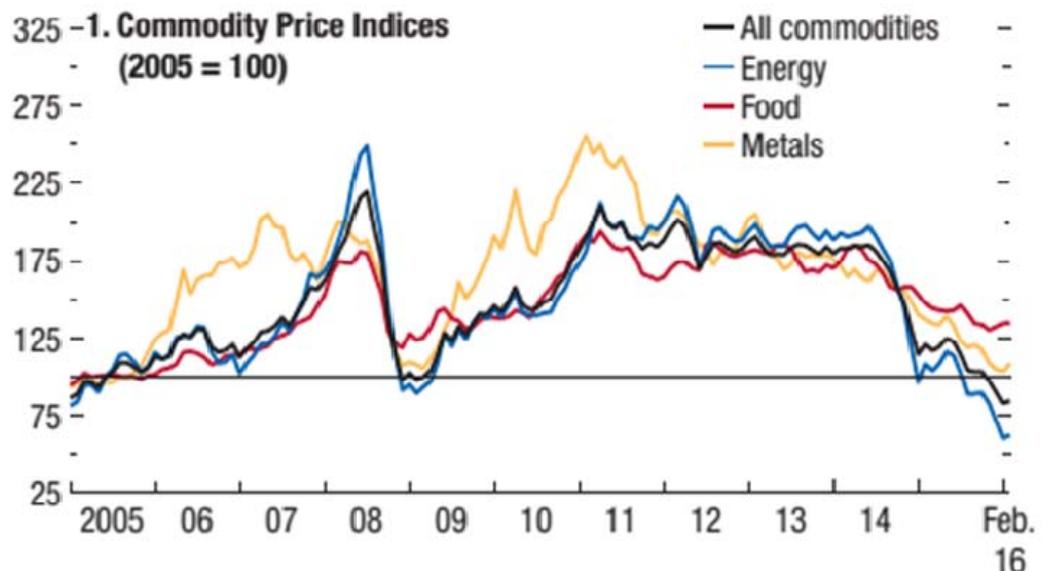


Figure 1: The Commodities Price Index has declined 19 percent since August 2015.

and its re-balancing away from commodity intensive activities toward services has weighed on global trade and commodity prices. Brazil and Russia as the two large commodity exporters, are in deep contractions accompanied by currency depreciation, above target inflation and deteriorating public finances. While in South Africa, chronic power supply bottlenecks are a major factor behind the weak economic growth.

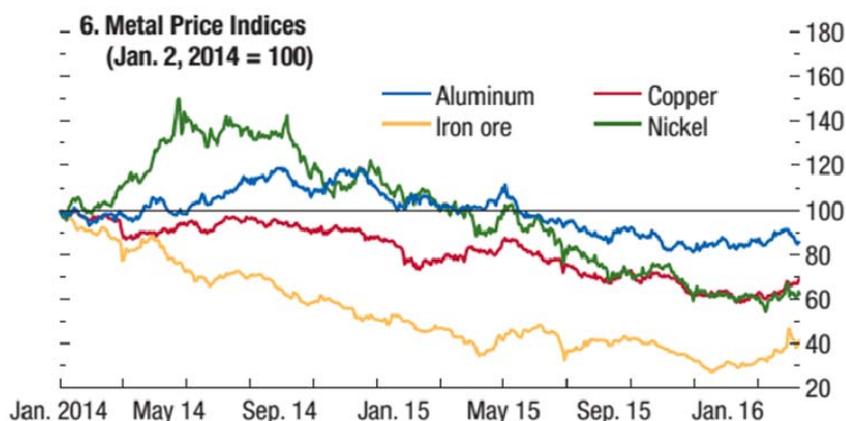
From the statistics of the past five years, the four largest emerging markets, i.e. Brazil, Russia, India and China, had accounted for 20 percent of global gas and oil production, and 40 percent of global coal and grain production. At the same time, their commodity consumption has grown rapidly to about 40 percent of global primary energy and food commodity consumption, and also more than 50 percent of global metal consumption.

In contrast to the other four BRICS countries, the growth in India remained robust as it was buoyed by strong investor sentiment and the positive effect on real incomes of falling oil prices. In fact, India is the world's fourth largest crude oil consumer after the United States, China, and Japan, and imports most of the oil it consumes.

In the long-term, the metal price trends, which represent the manufacturing activity recovery, are projected to decline by 10 percent in 2016 due to slowing demand in emerging market economies especially China, and increases in new production capacity. Iron ore prices are projected to decline most due to reduced imports from China's steel producers and new capacity in Australia and Brazil, followed by nickel, down by 16 percent, and copper, down by 9 percent. Markets are expected to tighten in the medium term due to reduced investment in production capacity, stronger global demand, and some specific factors, including the continued impact of Indonesia's ore export ban and closure of large zinc mines due to exhaustion.

The slowdown in metals and primary energy demand from China has been going on steadily, in which the metal annual consumption growth declined from an average of 10.3 percent during 1995-2008, to an average of 3.2 percent during 2010-14. This phenomenon has partly reflected a gradual economic re-balancing in China, which the Chinese government intends to shift away from commodity-intensive investment and industry towards domestic-consumption and services-oriented economic development model.

On the other hand, the external economic factors that exert significant influence,



Sources: Baker Hughes Inc.; Bloomberg, L.P.; IMF, Primary Commodity Price System; Thomson Reuters Datastream; and IMF staff estimates.

Note: WTI = West Texas Intermediate.

¹World Economic Outlook (WEO) futures prices are baseline assumptions for each WEO report and derived from futures prices. April 2016 WEO prices are based on February 26, 2016, closing.

²Derived from prices of futures options on February 26, 2016.

Figure 2: The metal prices have declined 9 percent since August 2015.

including the weak global trade, financial market volatility, persistently low commodity prices and other domestic determinants have contributed to the regional economic slowdown. Thus, the resulted adverse external developments have hit commodity-exporting developing economies hardly. The growth in several of the large commodity exporting countries, for instance Brazil, Colombia, Nigeria, Peru, South Africa, have been weakening as the impact of deteriorating terms-of-trade on exports was compounded by tightening macroeconomic policy and declining investor confidence.

The commodity exporting countries' governments are now responding to the falling fiscal revenues from the resource intensive sectors with economic reformation and reduce fiscal spending. As a reaction to the changing macroeconomic environment, the central banks also are taking fiscal action to moderate pressures on exchange or inflation rates. Thus, the investors' confidence has weakened on account of deteriorating growth prospects and credit ratings, which resulted in declining capital inflows and currency depreciation.

However, we can expect a re-bounce of commodity market once the world demand-supply of commodities approach to an equilibrium stage, and the chaotic situations in the futures trading markets become dissolved. It is obvious that China is the economy that should play a pivoting role in the commodity market recovery. In the long term, we can expect a stronger and sustainable commodity demand from the transforming Chinese economy and other emerging economies leading the world commodity market and development of mechanism coordinating demand and supply. ♦

This article is the personal opinion of the writer.

Climate Change Risk And Resilience In China



Dr Rebecca Nadin,
Asia Pacific Regional Director of
INTASAVE-CARIBSAVE Group

Dr Rebecca Nadin is the Asia-Pacific Regional Director of an international environmental NGO, INTASAVE-CARIBSAVE Group. She is trained as a political scientist and is known as an international expert on climate risk, political risk and foreign policy in China and Asia. Her recent book, *Climate Risk and Resilience in China*, is based on research and data from a wide range of Chinese sources. She is also an adjunct lecturer at the Centre for Environment and Population Health, Griffith University, Australia. In this seminar, Dr. Nadin discussed the challenges and opportunities China is facing in responding to and anticipating possible climate risks and impacts. This seminar provided the audience with an overview of climate risk and adaptation policy making in China. For instance, the role of National Development and Reform Commission (NDRC) in coordinating the different bureaucratic bodies in the process of climate change policy was highlighted in the talk. After initiation of strategic policies from the central level, however, challenges remain abundant at the provincial and local levels, Dr. Nadin noted, as many local government officials still did not understand the serious adverse impacts as a result of climate change. In addition, Dr. Nadin also noted that recently the policy direction of China had shifted to equal emphasis on both mitigation and adaptation from the past emphasis on mitigation only. China's environmental commitments were also noted and highlighted in the seminar, as shown in China's leading role in reaching the agreement on climate change in Paris and in its own environmental programs derived from the 13th Five-Year Plan. ♦



Public Lecture: China and Thailand's Domestic Politics



Public Lecture by Professor Kevin Hewison,
Murdoch University.

Professor Kevin Hewison, a renowned scholar on Thailand's politics and also the editor of *Journal of Contemporary Asia*, has been associated with ICS since December 2015. Professor Hewison delivered a public lecture that dealt with the intricate issues of China's influence in the domestic politics in Thailand. In this lecture, Professor Hewison first reviewed the long and complicated relationship between Thailand and China, with periods of strain associated with the lead-up to and period of the Second World War and during the Cold War. In recent years, however, and especially following the Asian Economic Crisis, there has been a blossoming of the relationship, built on careful diplomacy, a renewal of interest in ethnicity and an expanding business role. Professor Hewison also noted that in the contemporary period, the relationship has seemingly been taken to an even higher level. Under the military junta that came to power in 2014, China has become a significant diplomatic, economic and strategic partner. Part of this has to do with the military junta's uneasiness with the US alliance that has been dominant for several decades. The turn to China has is not, however, simply a change to Thailand's diplomacy. In this lecture, Professor Hewison suggested that the embrace of China has much to do with Thailand's turbulent domestic politics. In examining this influence, Professor Hewison also addressed issues related to infrastructure, business, domestic political conflict and the domestic impact of geo-politics. ♦



Participants at the public lecture.

ICS Workshop: The Rise of China and Malaysia: the Investment Dimension

The first ICS workshop in 2016 was held on 24 February on the topic of Chinese Investment in Malaysia and Malaysia's investment in China. Four papers were presented. Professor Lee Poh Ping of ICS presented a paper introducing the various dimensions of the political economy of Malaysia-China relations in recent years. Professor Cheong Kee Cheok of the Faculty of Economics and Administration at UM, in his paper, analyzed the changing rationale and motives for Malaysian Chinese economic activities in China, which he and his coauthors argued signify a shift from patrimonialism to profit. Dr. Zhang Miao of ICS examined the case of Chinese investment in the Malaysian automobile industry, principally Chery the car manufacturer. Dr. Li Ran of ICS examined another case, the Chinese investment in Malaysian telecommunications industry, which is symbolized by ZTE and Huawei. Both Dr. Zhang and Dr. Li examined the Chinese firms' marketing partnership, business strategies, and other factors related to their success or limitations in investing in Malaysia. ♦



ICS workshop:
"The Rise of China and Malaysia: the Investment Dimension"

Peace and Prosperity in East Asia: Players and Factors



Director of ICS, Prof Danny Wong presenting a token of appreciation to Ambassador Dr Miyagawa.

Ambassador Dr Makio Miyagawa, Ambassador of Japan to Malaysia, presented a seminar on the players and factors influencing peace and prosperity in East Asia. This was an in-house seminar with only selected participants from within and outside of ICS and UM. Other than being a professional diplomat, Ambassador Dr Makio Miyagawa is also a highly accomplished scholar. Issues that were raised and discussed in the seminar included the factors influencing future development of Asian regionalism, the role of the United States and China, and the direction of Malaysia-Japan relations. ♦

Visit by Professor Wang Gungwu, East Asian Institute, National University of Singapore



Professor Wang Gungwu, the Chairman of East Asian Institute, who is also the academic advisor to ICS, paid a visit to ICS on 23 March. Professor Wang reviewed the progress that has been made by ICS in the past couple of years and offered recommendations and suggestions, and shared with ICS's staff his views on contemporary developments during his visit to ICS. ♦

Visit by Associate Professor Jeremy Taylor, University of Nottingham



Associate Professor Jeremy Taylor, from the School of Contemporary Chinese Studies at the University of Nottingham, visited ICS on 14 April. Professor Taylor is an expert on Fujianese films, Chinese architectural design, and history of Chinese overseas and China. Both sides held discussions for future academic collaboration. ♦

Visit by Dr. Tang Chong, Jinan University

Dr. Tang Chong from the School of International Relations at Jinan University in Guangzhou visited ICS on 8 April. Dr. Tang revealed that at the School of International Relations at Jinan University, a new Center for China-Malaysia Relations has been set up. A first workshop on to be held by this Center with ICS participation was discussed during the visit. ♦



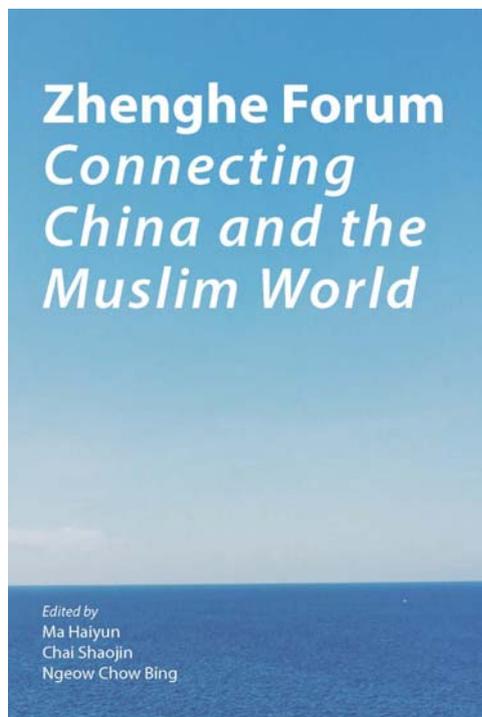
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International Journal of China Studies

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The new issue of the International Journal of China Studies (Volume 7, Number 1) has just been published in April 2016. The issue features 4 research articles, 1 research notes and 1 book review. Among the featured articles are:

- **Assessing the Progressive Services Liberalization in the ASEAN-China Free Trade Area (ACFTA)** (Yoshifumi Fukunaga)
- **The Challenge of Conflict Resolution in the South China Sea Dispute: Examining the Prospect of a Stable Peace in East Asia** (Renato Cruz De Castro)
- **The Effect of International Relations on Cross-Border Economic Ties: A Case Study of Taiwan's Economic Policies toward China** (Chien-Kai Chen)
- **US-China Relations: A Media Perspective** (Chen Xi)
- **Shaping Collective Attitudes: A Textual Analysis of the "China Dream"** (Lim Tai Wei)



ZHENGHE FORUM

CONNECTING CHINA AND THE MUSLIM WORLD

This recently published book by ICS is a compilation of articles presented in a conference last year jointly organized by ICS and Zhenghe International Peace Foundation. The book explores several themes pertaining to the relationship between China and the Muslim world. Such themes include the legacy of Zheng He, Chinese Muslim migration experiences, Chinese perspectives on Islam and Islamic perspectives on China, interactions between China and the Muslim world in the early 20th century, developments of Islam within China today. The book is coedited by Dr. Ma Haiyun, Dr. Chai Shaojin, and Dr. Ngeow Chow Bing. Featured chapters include:

- **China-Malaysia Relations: Zheng He and the Islamic Link** (Lee Kam Hing and Ngeow Chow Bing)
- **Chinese or Muslim or Both? Modes of Adaptation among the Chinese Muslims in the United Arab Emirates** (Wang Yuting)
- **Qingzhen and Huimin: A Muslim Historiography of Late Imperial China** (Ma Haiyun)
- **Chinese-Style of "Democracy in Mosque? Mosque Administration and the "Islamic Revival" in China** (Mitsuo Sawai)

Staff Activities

On 21 April 2016, Professor Danny Wong (Director of ICS), Dr. Ngeow Chow Bing (Deputy Director of ICS), and Professor Lee Kam Hing (Senior Research Fellow of ICS) were invited to have an informal meeting with Ambassador Dato' Ganeson Sivagurunathan, Undersecretary for East Asia at Wisma Putra (Ministry of Foreign Affairs of Malaysia), Putrajaya. They discussed issues pertaining to Malaysia-China relations, China's outgoing investments, the South China Sea, and others.



Professor Dr Danny Wong Tze Ken

- Prof. Danny Wong Presented a paper entitled “Deepen Economic Cooperation between China and ASEAN: Opportunities and Challenges for Malaysia”, at the International Conference to Celebrate the 25 years of China and ASEAN Dialogue Relations, Co-hosted by: China Institute of International Studies (CIIS) ASEAN-China Centre (ACC), Beijing, 11 April 2016.
- Prof. Danny Wong carried out a Research Fieldwork in Hong Kong from 24-30 April 2016, tracing the links between the Hakka Christians and the Basel Mission. He visited Hakka Christian villages in New territory as well as the Tshung Tsin Church Headquarters and the Tshung Tsin Association. The project is an extension of a project funded by the Chiang Ching Kuo Foundation. Prof Wong collaborators are from the Hakka Colleges of National Chiao Tung University and National Central University, both in Taiwan.



Photo with Ambassador Zainuddin Yahya and Dr. Tang Siew Mun of Yusoff Ishak-ISEAS



Dr Ngeow Chow Bing

- Dr. Ngeow Chow Bing made a presentation at the International Conference on “Tracing the Contours of a Rapidly Changing East Asia: Issues and Perspectives”, organized by International Studies Department, De La Salle University, at Bayleaf Hotel in Manila, from 10-11 March 2016.
- Dr. Ngeow Chow Bing was invited to participate in a Closed Door Roundtable on Asian Maritime Issues on 6 April 2016 at Institute of Strategic and International Studies (ISIS) Malaysia. The roundtable involved a select group of Malaysian policymakers and scholars to engage in a closed-door, off-the-record discussion with a delegation from the United States, which will consist of 25-30 officials from the State Department, the Office of the Secretary of Defence, the U.S. Pacific Command as well as U.S. Missions in ASEAN Member States, China, Japan, Australia and New Zealand. The delegation will be led by Deputy Assistant Secretary of State Colin Willet, formerly Director for Southeast Asia at the U.S. National Security Council.
- Dr. Ngeow Chow Bing made a presentation at International Conference on “The Belt and Road Initiative: The China-ASEAN Relations” organized by the Institute of Strategic Analysis and Policy Research (INSAP) and Shanghai Academy of Social Sciences, on 9th April, 2016, at Persada Johor International Convention Centre, Johor Baru.



Dr Fan Pik Shy

- Dr Fan carried out research field work in Bangkok and Ayutthaya from 21-30 April 2016. This is for UMRG project: The Survival and Sustaining of Hakka Dialect in Malaysia and Southeast Asia. She attempts to assess the current situation of upkeep and usage of Hakka dialect in Ayutthaya and Bangkok. She also visited Hakka associations in Bangkok and Ayutthaya.



Dr Ling Tek Soon

- Dr. Ling Tek Soon made a presentation at the International Conference on “Tracing the Contours of a Rapidly Changing East Asia: Issues and Perspectives”, organized by International Studies Department, De La Salle University, at Bayleaf Hotel in Manila, from 10-11 March 2016.



Dr Li Ran

- Dr Li Ran presented a paper entitled “Explaining the Gaps in China’s Economic-Security Nexus: Power-Maximization, Security-Maximization, and Authority-Optimization” jointed paper with Associate Professor Dr Kuik Cheng Chwee in an International Workshop on “China and the Economics-Security Nexus in Southeast Asia” Organized by China Programme and United States Programme, Institute of Defence and Strategic Studies (IDSS), S. Rajaratnam School of International Studies (RSIS) & Institute of International Studies, Yunnan University on 26 March 2016 in Singapore.

Opening Ceremony ICS New Office Premise



ICS new office premise



Ribbon cutting marked the formal opening of the ICS new office premise.



Keynote Speech by Dato' Abdul Majid Khan, President of the Malaysia-China Friendship Association.



Invited guests during the opening ceremony



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