

# Insurance official under investigation



Chairman of the China Insurance Regulatory Commission Xiang Junbo  
[Photo/China.org.cn]

Xiang Junbo, chairman of the China Insurance Regulatory Commission, is under investigation by China's top anti-graft authority, according to an online statement published on Sunday.

The Central Commission for Discipline Inspection of the Communist Party of China said in its online statement that Xiang was being investigated for suspected serious violation of the Party's code of conduct.

The investigation began after China's top leadership vowed to contain systemic financial risks.

Xiang, 60, has headed the insurance commission and served as a member of the monetary policy committee of the Chinese central bank since 2011.

The insurance regulator under Xiang had stepped up the crackdown on the radical acquisition of listed companies by the insurers and their risky and highly leveraged investments using short-term proceeds from sales of high-yield policies.

Xiang told a news conference in February the insurance sector should not be the "club of the rich" or a "hideout for financial titans".

He also warned that the regulator will "severely punish" short-term speculation by insurers and their hostile takeovers of listed companies' stakes.

His agency also banned Chinese business tycoon Yao Zhenhua, chairman of the private conglomerate Baoneng Group, from the insurance industry for 10 years for illegal investments.

Xiang oversaw the rapid growth of China's insurance sector, with total assets reaching 15.1 trillion yuan (\$2.19 trillion) at the end of 2016, tripling since its assets reached 5 trillion yuan in 2010.

Xiang, one of the most prominent financial regulators in China, served as deputy governor of the People's Bank of China between 2004 and 2007. Later he served as the chairman of the Agricultural Bank of China, one of the big five State-owned commercial banks. He oversaw the shareholding restructure of the bank, listed in Shanghai and Hong Kong in 2010.

Xiang also had extensive experience in auditing and served as the deputy auditor-general of the National Audit Office.

Separately on Sunday, the top anti-graft authority also announced the investigation of Li Changjun, former Party chief and president of the Beijing Branch of the Export-Import Bank of China, for suspected serious violation of the Party's code of conduct.

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## Doorstop

### **PRIME MINISTER:**

We're coming to the end of our visit here in Papua New Guinea. It's been a very successful one. We've reflected on the extraordinary sacrifice of Australians and Papua New Guineans 75 years ago, a sacrifice that secured for us freedoms that we enjoy today. We honour that and thank those men and women for the work they did and the sacrifices they made, of the mateship, endurance, courage and sacrifice that they showed in those dark years.

And our economic relationship and our relationship in every respect; defence and security, strategic gets stronger and stronger. We've had very constructive, warm practical discussions with Prime Minister O'Neill and his Ministers and of course our engagement with PNG is so multi-faceted in so many agencies, so many Ministers, Departments, our High Commissioner of course and his team doing an outstanding job ensuring that Australia was always there to work in partnership, to support PNG in its development and securing its future. So it's been a very good visit.

Now today I'm leaving to India as you know. What a remarkable story India presents. You know this is one of the great achievements of our times, 1.2 billion people, world's second most populous nation, shortly to become the most populous, growing at 7 per cent a year in terms of its economic growth, but above all consider this, a democracy, this giant democracy, this giant,

vibrant democracy with more than a dozen languages, more than a dozen scripts, many, many religions, so diverse and a nation that had not been a nation within those borders prior to 1947. So this is an extraordinary political achievement. The very fact that India has succeeded is remarkable and a great tribute to the enterprise and the energy of the Indian people.

And of course led by a Prime Minister who is determined to super charge India's growth into the 21st Century. Indians used to lament about a low rate of growth they use to talk about the Hindu growth rate and compare their growth rate unfavorably to that of China. Well India is showing it can grow at a rapid rate and that is offering enormous opportunities for Australia.

Our two-way trade is \$20 billion a year versus say \$150 billion with China. So you can see that our trade with India has a lot, there is a lot of untapped potential there. Now this is a key part of my visit and of course all the other engagement that my Ministers and Australian business men and women are having with India at the present time. Of course we're supported by a very strong Indian community in Australia, half a million Australians of Indian background, it's the largest single source of migrants to Australia last year and that's a vital part of our most, ours is the most successful multicultural society in the world.

Education is a very big part of our relationship. 60,000 Indian students studying in Australia and Australia the most preferred place for foreign education for young Indians after the United States. That is a very big statement. So there's going to be a lot to discuss. It is a relationship of enormous potential. India is a giant now and will become stronger and more substantial, more significant in the years ahead as it continues to grow.

So I'm looking forward to the visit and to the discussions with Prime Minister Modi, they play a key part in securing Australia's prosperity. Our future prosperity lies as I said in the room this morning, in free trade and in open markets. We Australians can do anything, we can be and we are the best in the world but we want to have the biggest field, the most open fields to run onto because that's how we can succeed.

**JOURNALIST:**

Mr Turnbull will you be promoting the Adani coal mine while you're in India as part of your energy talks?

**PRIME MINISTER:**

Well we'll certainly be talking about the importance of energy exports to India as you know India has a massive program of expanding electrification across the country and Australian coal has a very big role to play in that.

**JOURNALIST:**

Prime Minister, sorry if you can just take a question from my Papua New Guinean colleagues.

**PRIME MINISTER:**

Sure.

**JOURNALIST:**

[inaudible]

**PRIME MINISTER:**

Well this is a, that's a matter for the people of PNG absolutely but you know the relationship between PNG and Australia and the engagement between PNG and Australia is of vital importance to both countries and it continues before and after elections. We're democracies. We regularly have elections. We have them more often than you do, we have three year terms, yours are five-year terms, but it's important to continue that engagement and the visit and the timing of my visit is entirely unrelated to any domestic political events in PNG.

**JOURNALIST:**

The Russians [inaudible] cruise missile capable vessel to the Mediterranean off the Syrian coast, they also say that [inaudible] treaty that we were talking about yesterday has been cancelled. Could you give us your judgement as to whether the risks in the region have increased in the last two days or are you satisfied that this is posturing from Moscow?

**PRIME MINISTER:**

Firstly, on the question of deconfliction. And what we're talking about here is the arrangement whereby both Russians and coalition forces, US led coalition forces keep each other posted as to where they will be operating so as to avoid conflicts. I've spoken to the Chief of the Defence Force just a few minutes ago, my information is based on that discussion but in practical terms the parties are doing what I expected them to do as I said to you yesterday that is, acting in their own mutual self-interest which is to avoid operating in areas where there would be confliction that could occur. So that is the current practical position as I'm talking to you now based on my discussion a few moments ago with CDF.

In terms of Russia. The onus is now on Russia to pull Assad into line. Let's be quite clear, the Assad regime is a client state of Russia. Now the Americans have taken a very carefully calibrated response designed to prevent that airbase at Sharyat being used for further chemical attacks and to send a strong message to the Assad regime that they will not tolerate this breach of international law, this gassing of the Syrian population. Now the Americans are not, have made it very clear, that that is a one-off response, they are not proposing to escalate or take further steps in the absence of any other action by the Syrian Government.

So the onus now is on Russia to ensure that Syria does not engage in any other provocative actions and Russia itself is not engaged in any other provocative actions. The pressure now should be on all of the parties including Russia and the Assad regime to bring this conflict to an end. You've got to be very clear about this. The American response was swift, it

was just and it was very calibrated.

**JOURNALIST:**

Prime Minister, is there any concern for Australia that the Papua New Guinea Government is broke? It's got a desperate search for credit internationally to shore up its Forex problems and it can't pay its own bills, you've just talked about the importance of Australia's business link to PNG, what if the PNG Government is in this position, is that a problem for you and for Australia?

**PRIME MINISTER:**

Well the management of the public finances of PNG is a matter for the PNG Government. The Australian Government works closely with PNG as you know. We have a very large development aid program here in PNG and we look forward to continuing that work. But matters concerning the administration of the public finances of Papua New Guinea should be addressed to the Government of Papua New Guinea and no doubt all of those issues will be lively ones in the weeks ahead.

Thank you all very much, and I look forward to seeing the travelling party in India.

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## [Shanghai sets up medical aid fund for treating rare diseases](#)

A fund for assisting the medical treatment of patients with rare disease was initiated in Shanghai Sunday.

The fund with starting money of 3 million yuan (US\$435,000) was jointly raised by rare disease prevention and treatment institutions in Shanghai and drug firms such as Sanofi.

Li Dingguo, chair of the Shanghai Rare Disease Prevention and Treatment Fund, said that the funding would encourage more effective prevention and medical treatment of rare diseases.

He said the fund would help pool more financial support and company donations for rare disease patients.

"The fund will be primarily used for improving medical treatment for lysosomal storage diseases, which contain some 50 rare diseases of inherited metabolic disorders," Li said.

Globally, there are some 6,000 to 7,000 recognized rare diseases. Only a few of them have established medical treatment, such as Gaucher Disease and Pompe Disease.

About 60 percent of rare disease patients are children, with 30 percent living less than five years.

Li said there has been no epidemiological survey of rare disease patients made in China.

“Early diagnosis and treatment can effectively check on the progress of rare diseases and even cure them,” said Zhang Huiwen, a doctor with the Xinhua Hospital affiliated with Shanghai Jiaotong University.

She said that it could take years for doctors to diagnose a rare disease, while patients miss the best time for treatment and suffer from inflicted problems leading to mental difficulties, heart problems and atrophied muscle.

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## [Business Breakfast with Australia-PNG Business Council](#)

### **PRIME MINISTER:**

Well thank you very much Geoff and Susil. It is great to be here with you and I just want to say that we've had really productive, warm, constructive, practical discussions with Prime Minister O'Neill and his colleagues. It's been a very effective visit. When old friends get together, you have the usual courtesies but you don't need to spend a lot of time on formality. So we've had a very, very practical set of meetings and I just have to say, guided by our outstanding High Commissioner who is here today with us, we've been able to get to the heart of a lot of the issues that you raised Geoff, so I want to thank you for that, for outlining them.

Now yesterday as you know I visited Isurava on the Kokoda track and also the Bomana War Cemetery to pay my respects to the Australians and Papua New Guineans who made the supreme sacrifice to halt the advance of the Japanese in the Second World War. That period in 1942 was truly, as Churchill described, the hinge of fate, so much depended on the courage, the endurance, the sacrifice, the mateship of those men and women who fought to stem the tide. But they succeeded, they triumphed, victory was theirs and we are enjoying the freedoms of today because of the sacrifices that were made three quarters of a century ago.

Now we were fighting side by side then, but since then we have continued to work side by side during these extraordinary times. A period of human history where the pace and scale of change is entirely without precedent.

Yesterday when I was with Lesieli Taviri from Origin Energy and a number of other outstanding Papua New Guinean entrepreneurs and innovators we saw how new technologies, the smart phone- ten years old – photovoltaic panels a bit older than that but nonetheless, it is only in relatively recent years that the cost of per watt has come down precipitously to the point that they are now, energy from solar is so affordable. But what we've seen, those two technologies powered so much of the innovation, the ability to bring power, telecommunications, lighting to remote locations, to remote villages all made possible by technology.

And PNG coupled with the imagination and the enterprise of its people, working with friends and partners from Australia are able to use these new technologies to overleap the technology of the past, overleap the systems that we have had in developed countries like Australia for so many years and strike out into new fields and achieve the outcomes we need in terms of amenity, economic progress, education, improved health services so much more quickly.

But today, this morning I want to talk about trade and economics above all. Now almost 5000 Australian businesses, companies, doing business here in PNG. The two way trade relationship as you know is valued at \$5.8 billion. Australia is a very welcoming market for two of PNG's best agricultural products; coffee and cocoa. And I look forward to Queen Emma's chocolates making a big appearance in Australia before too long.

This morning we were glad to discover that there is still some fine coffee left in PNG despite the fact that you've exported the record volume of Niugini Arabica to the baristas and kitchens of Australia in 2016.

And as I know that we have a national addiction to chocolate so we're helping the cocoa farmers in Papua New Guinea maximise the export value of their crop with programs to improve the quality and consistency of exported beans. Your cocoa is now being used by some of our best and most beloved chocolatiers and of course as I said, Queen Emma I'm sure will be making a suitably royal appearance in Australia before too long.

We're also a very big investor in PNG. Our investment in Papua New Guinea of more than \$18 billion is more than Australia's total investment in Indonesia for example. And that says a lot about the level of commitment to PNG. It involves so many industries and sectors, particularly gold mining, oil and gas. It contributes to PNG's economic growth and employment, directly benefits the quality of life here. A great example of this as I noted a moment ago is Origin Energy's program to provide solar panels to homes through a lease-to-own program. Origin is also looking to the future by using block chain, the technology that underpins Bitcoin, to allow communities to reliably share their off-grid solar power and further spread its benefits.

Airborne Logistics Operations Manager Doug Allgood never planned to make small villages in the Kokoda track region a part of his business but when bad weather forced him into a remote area on the track, he discovered true village hospitality.

The relationships he built through this has led Airborne Logistics to use spare helicopter capacity to help 39 villages in the fertile region bring five tonnes of fruit and vegetables to market in Port Moresby each week. So the service helps unlock the economic potential of the region, bringing benefits to hundreds of families.

Our investments in infrastructure, health, education, promoting and empowering women and girls, law and justice, governance, through our development cooperation and partnerships with the private sector all are supporting the PNG Government to build strong foundations for economic growth. And this year as you know we've opened the Consulate-General in PNG's commercial capital, Lae, which reflects confidence in the opportunities now and into the future.

But despite great momentum over the past few years our merchandise trade with PNG has declined somewhat. This is partly due to the downturn in the commodities market and partly due to do with difficulties faced by businesses in accessing the PNG market, and this is the points that Geoff was referring to earlier.

It works both ways. PNG already has duty and quota-free access to the Australian market but more can be done to help your farmers meet biosecurity requirements and deliver high-quality products to Australian consumers. So I'm pleased that ministers at the recent Ministerial Forum agreed to establish a trade investment and economic working group to address market access issues and foster further cooperation.

Now both of our governments recognise that there are many things we need to do to improve the business environment for companies wanting to invest here. Globally significant corporations have been coming here for decades, attracted by PNG's wealth of natural resources. Large scale investments from companies such as ExxonMobil, Santos and Oil Search and I see Peter Botten is here with us this morning.

We've seen how transformative this has been. Foreign investment has contributed to PNG's infrastructure and skills development. It's also contributed to the doubling of employment in PNG's private sector in the past ten years. And the flow-on effects are significant too, opportunities for local suppliers, support for local communities and investments in education, health and the environment. New mega projects are already in the pipeline, if you'll excuse the pun, including expanding ExxonMobil's \$26 billion LNG project and developing new gas fields.

To make these a reality and to extend the benefits of investment to more Papua New Guineans we must continue to work together to ensure policy settings and practices attract, rather than deter investment.

Protectionism as we all know is the road to poverty. There is no question that in our region and for both Australia and PNG, free trade, open markets have brought continuing growth, improvement of living standards, rise in prosperity. As I've said before, but it's a fair point, protectionism is not a ladder to get you out of the low growth trap. It is a great big shovel to



dig deeper and deeper. Open markets, free trade are keys to our prosperity in Australia, in PNG, in the region, around the world.

Now as critical as large projects are to the economy at the end of the resources construction building, and again, Geoff referred to this, diversification must be encouraged as part of a modern economy. And our resilience, our ability to avoid a hard landing following the wind down of the resources construction boom in Australia is a tribute to the enterprise and entrepreneurialism and the resilience and diversity, above all of the Australian economy.

Had it not been for the big free trade agreements that we secured and opening up access to what the full range of exports from Australia – the services, agricultural produce right across the board – had we not been able to do that we would not have had a successful a transition albeit with real difficulty and real pain in some parts of the country. But we would have had a very hard landing in my judgement, as many predicted we would I might add, after the downturn of the construction boom.

So a diverse economy, a resilient economy, an open economy is absolutely critical to enable you to recover from that. Now this means to do this, striving for and embracing science and technology and innovation is the key to solving some of the most difficult problems and again we saw so much evidence of that at the showcase yesterday. Finding new ways to help both our agricultural industries prosper despite drought is just one example.

Now many of PNG's entrepreneurs have come through challenging times to grow successful businesses which have in return helped strengthen your economy. I met yesterday in addition to Lesieli and others, I met Shadrach Juangere who graduated from the Kumul Game Changers Program. Shadrach is currently employed with Telekom PNG but in his spare time works on start-ups to link PNG companies, enabling them to lower costs, lower supply costs and overcome barriers including payment issues and delivery problems that prevent Papua New Guineans shopping online.

I met a Port Moresby woman, Florence Kuyei, who is starting her own mapping and spatial analysis company, Dinade Spatial Services, after participating in the WECREATE Challenge business accelerator program.

And I spoke with representatives of the Bank of Papua New Guinea who are working on using block chain for a range of financial applications related to identity and again this is a very interesting example of where with the technology, mobile phones, block chain, will be able to deliver unique digital identities for customers which will be of application to enable secure transactions not just at the bank but with government and other parties. And the technology enables you being a developing country to go further than a developed country already has. It is truly liberating. This combination of this distributed nature of technology, whether it is energy generation, solar as we talked about, solar combined with batteries of course or the smart phone and hence the importance obviously of continuing to push out the frontier of wireless telecommunications. The potential of that is limited only by your imagination and I know that the greatest natural

resource of any nation is the imagination and the enterprise of its people and unlocking that and coupling that with these technologies has enormous potential.

Now the centre of growth in the global economy as we know has moved to our region and both our nations will benefit from that and I'm leaving today from PNG to go to India, another extraordinary transformation. But of course also, part of another enormous opportunity for us in this part of the world.

PNG's future trade growth will not come solely from an enduring relationship with Australia naturally but from being able to supply the rapidly growing middle-class in the markets of the Asia-Pacific. When you consider that PNG has enormous untapped potential, or yet to be tapped potential in agriculture and fisheries, the markets demanding your products extend across all of the Pacific and Asia.

The bilateral relationship also has a strong role to play in enabling us both to take advantage of those opportunities. Our collaboration can help drive further growth in key sectors, resources and energy we touched on, innovation and market reach. The tourism sector is a good example. The Australian adventure eco-touring company Intrepid Travel has already booked out the majority of its trips around Rabaul, Matupit Island, Duke of York Island and Kokopo with include the 'Rabaul Mask Festival and the Baining Fire Dance'. Cruise tourism contributed \$5.7 million to the PNG economy in 2015, of which 43 per cent benefits local people directly. People like Maxine Nadile, whose business Egowalau Tours provides tailor made itineraries for cruise passengers. Maxine has also grown her business by working with local people to offer tours of villages which previously had no exposure to tourism but now host up to 180 people per tour. Now that's a sector with enormous potential.

It's not hard to picture a buzzing network of hotels and resorts in beautiful, accessible locations, staffed by Papua New Guineans, or cruise ships docked in harbours with visitors taking in the amazing scenery on guided tours. We are ideal partners to help make this happen.

And of course next year PNG has a unique chance to showcase this magnificent country, its products and its businesses as you host APEC 2018. I encourage all of you to engage in the APEC Business Advisory Council in the lead up to 2018 so you can capitalise on the opportunity. It's a chance to impress and influence not only the region but the world. Hosting the forum demonstrates PNG's commitment to the regional economic cooperation needed to grow our economy.

Now that I've met some exciting entrepreneurs and seen how technology is transforming how business is done here I am even more confident for the future of Papua New Guinea and its people.

Prime Minister O'Neill and I have agreed we need to speak with one voice on the imperative of defending free trade and open markets. We both know as I've said, this is the road to prosperity. With the energy and mineral markets we both export in high demand. From our large neighbours in Asia, big

markets in the Asia-Pacific, we can't let protectionism take hold.

Free trade means jobs, economic growth and sustainable economies. We've proven this together. So I want to thank you all for your commitment to supporting the growth of our contemporary economic partnership. I want to thank you for your commitment to seeing business between Australia and PNG flourish. We are proud to collaborate with you and be your strategic and economic partner. I'm delighted to have been able to come here over this weekend and I thank you particularly for coming to breakfast here on Sunday morning, that's a sign of your commitment to the enduring partnership between Australia and PNG and I know that what we are witnessing today is a new and prosperous chapter in the history of the relationship, the partnership between our two great nations. Thank you very much.

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## Premier Li vows clean governance, crackdown on financial corruption

Chinese Premier Li Keqiang has vowed more efforts in promoting clean governance, stressing reinforced supervision over the use of state assets and harsh crackdown on financial corruption.

Li said China has achieved new and important progress in clean governance and corruption fight in 2016, but there are still problems requiring stronger measures, according to a full text of Li's speech on clean governance delivered on March 21, which was released on Sunday.

State assets are properties owned by all the people and matter the national economy, Li said, urging authorities to take "powerful" measures to avoid loss of state assets and prevent corruption in the financial sector.

Currently the financial sector is vulnerable to risks such as bad assets, shadow banking and illegal Internet financing, and illicit acts of staff have been frequently reported, according to Li.

Authorities must promote reforms to improve the financial supervision system and "keep high pressure on" internal supervision, Li said.

They must crack down on bank violations in credit giving, insider trading in security market and fraud of insurance companies, and relentlessly punish internal supervisors and company managers who collude with big players in the market and steal and sell secret information, Li said.

On Sunday, China's top anti-graft authority announced that Xiang Junbo, chairman of the China Insurance Regulatory Commission, is being investigated

for suspected serious violation of code of conduct of the Communist Party of China.

“The violating supervisors must be punished to serve as a warning to others and safeguard the normal order in the financial sector,” Li said in his speech.

Li also called for further efforts in delegating power, streamlining administration and using the Internet to improve government services.

He asked governments at all levels to promote thrift and continue to cut taxes and fees, calling for better supervision and management of major outbound investment projects.

He stressed the importance of compliance with regulations in public bidding and government purchases, and vowed tough punishment of graft in poverty alleviation, social security, affordable housing and medical insurance.

In 2016, the Party’s discipline authorities across the country punished 415,000 people for violating code of conduct or other regulations, and took back more than 1,000 outlaws that fled abroad, according to Li.