



## NSA accessed data of Chinese telecom company

By **AGENCIES** in Washington and Berlin

The US National Security Agency secretly tapped into the networks of Chinese telecom and Internet giant Huawei, The New York Times and Der Spiegel reported on their websites on Saturday.

The NSA accessed Huawei's e-mail archive, communications between top company officials, internal documents and even the secret source code of individual Huawei products, according to the reports, based on documents provided by fugitive NSA contractor Edward Snowden.

"We currently have good access and so much data that we don't know what to do with it," said one internal document cited by Der Spiegel.

Fang Xingdong, founder blogChina.com, said this event was further evidence that Huawei was a victim of cyberattacks. "It is unfair for the US government to use its national power to monitor foreign leaders and enterprises' data. Not only Huawei, but Yahoo and Google were also targeted, because they were weak compared to the US."

"Huawei was China's strongest company in technology research, but it also fell. How

could our cybersecurity be protected?" he said.

Huawei — founded in 1987 by former People's Liberation Army engineer Ren Zhengfei — has long been seen by Washington as a potential security Trojan horse due to perceived close links to the Chinese government, which it denies.

The US and Australia have barred Huawei from involvement in broadband projects over espionage fears.

Shenzhen-based Huawei is a major network equipment provider and the world's third-largest smartphone vendor.

The original goal of "Operation Shotgiant" was to find links between Huawei and the Chinese military, according to a 2010 document cited by The New York Times.

But it then expanded with the goal of learning how to penetrate Huawei computer and telephone networks sold to third countries. "Many of our targets communicate over Huawei-produced products," the NSA document said, according to the US newspaper.

"We want to make sure that we know how to exploit these products," it added, to "gain access to networks of interest" around the world.

According to The New York

Times, William Plummer, a senior Huawei executive in the United States, said the company had no idea it was an NSA target.

Plummer said, "The irony is that exactly what they are doing to us is what they have always charged that the Chinese are doing through us."

"Huawei has declared its willingness to work with governments, industry stakeholders and customers in an open and transparent manner, to jointly address the global challenges of network security and data integrity," Plummer said in an e-mail.

"The information presented in Der Spiegel and The New York Times article reaffirms the need for all companies to be vigilant at all times."

US officials say that the spy agencies are not waging an industrial espionage campaign on behalf of US companies, as Snowden has alleged.

"The fact that we target foreign companies for intelligence is not part of any economic espionage," a senior intelligence official told reporters on Thursday.

The goal of economic intelligence efforts is "to support national security interests," the official said.

AFP—AP—CHINA DAILY



### 12 PROTESTERS ARRESTED

PHOTO BY PEDRO ARMESTRE / AGENCE FRANCE-PRESSE

Demonstrators attack the facade of a Bankia branch during clashes with police at the end of a march dubbed "The Marches for Dignity 22-M" to protest against austerity in Madrid, Spain, on Saturday. Police said six officers were injured and 12 people were arrested.

## Russia rejects claims of threat

By **REUTERS** in Moscow

Russia's defense ministry said on Sunday that it is complying with international troop limits near its border with Ukraine, after NATO's top military commander voiced concern over the size of Russian forces near the border.

"The Russian Defense Ministry is in compliance with all international agreements limiting the number of troops in the border areas with Ukraine," Russian Deputy Defense Minister Anatoly Antonov was quoted by Russian news agencies as saying.

NATO's Supreme Allied Commander Europe, US air force General Philip Breedlove, said on Sunday that the Russian force near its Ukrainian border was "very, very sizeable and very, very ready."

He said he was worried it could pose a threat to Moldova's mainly Russian-speaking separatist Transnistria region.

Russia launched a military exercise involving 8,500 artillery soldiers near Ukraine's border 10 days ago.

On Sunday, Russian forces consolidated control over Crimea, two days after

President Vladimir Putin signed laws completing Russia's annexation of the Black Sea peninsula. The Russian Defense Ministry said on Sunday that the Russian flag had been raised over 189 Ukrainian military installations in Crimea.

With Russia's military on the move, some have voiced fears Putin may try to grab more territory in the east of Ukraine.

However, Antonov said eight groups of international inspectors had conducted missions in Russia in the last month to check on Russian troop movements.

### briefly

#### SYRIA Turkey accused of downing jet

A Syrian military spokesman said Turkey's armed forces have shot down a Syrian warplane near the countries' border, and called the act "blatant aggression". The unnamed spokesman was quoted by Syrian state TV as saying the plane was downed on Sunday in Syrian airspace as it was attacking rebels who have been on the offensive in the coastal province of Latakia. The spokesman said the pilot ejected from the aircraft. Turkey is among the main backers of Syrian opposition fighters trying to remove President Bashar al-Assad from power.

#### GUINEA Ebola linked to death of 50

Guinea said some of the more than 50 people killed in recent weeks by a viral hemorrhagic fever have tested positive for the Ebola virus. Government spokesman Damantang Albert Camara said on Sunday that the virus was found in tests conducted at a laboratory in Lyon, France. A Health Ministry statement on Saturday said 80 cases, including 59 deaths, had been reported, mostly in three southern prefectures.

AP

### chengdureport

# Logistics matter as Chengdu leads western development

By **ZHUAN TI** zhuanti@chinadaily.com.cn

China's newest panda ambassadors to Belgium — named Star and Friendship — arrived in Brussels on Feb 23 courtesy of shipping services provided by a branch of DHL in Chengdu established in the city's drive to improve logistics services.

Their arrival not only represents the friendship between Chinese and Belgian peoples but also symbolizes that Chengdu is opening up "in all aspects", said government officials of the capital city in Southwest China's Sichuan province.

The relocation of industrial infrastructure and redirection of investment to inland western regions has already provided Chengdu a historic opportunity to build an international metropolis, they said.

Recognizing the potential, the city government mapped out a comprehensive development strategy aimed at opening the city to more outside investment.

Part of the effort is to draw capital and expand its logistics network.

In light of the city's growth potential, global logistics giant DHL established an operations center in Chengdu in 2012 and thus moved its business focus within China to the western regions.

"Our company places a high value on Chengdu as an emerging market," said Zou Yin, general manager of DHL supply chain in China.

"In the next five to 10 years, the city will no doubt be an investment focus of the entire DHL group," Zou said.

Underlying the company's ambitions is a growing demand from investors drawn to Chengdu and local authorities' determination to develop logistics for a modern and international industrial structure.

Before he decided to invest in Chengdu, Terry Gou, present of Taiwan-based Foxconn, one of the world's largest electronics contract manufacturers, told the city govern-

ment that his company had developed as much as it could in the eastern coastal region and that it was time to look west.

The question of whether to relocate all operations inland or just some depends on the quality and amount of logistical services available in the western regions, which Gou pointed out has long been a hindrance to local development.

Realizing that Gou was not alone in his concerns, Chen Zhongwei, director of the city's logistics office, said Chengdu's opening-up and internationalization could not be sustained without an advanced transportation and logistics network.

That is why the city government set up a logistics office, the first of its kind in the country, to boost the industry, Chen said.

Satisfied with the city's response, Foxconn established facilities in Chengdu and employed tens of thousands of workers there to make iPads for Apple.

At the same time, the investment-friendly atmosphere has also drawn other leading IT industrial players, including Dell, Lenovo and Compaq, to the metropolis.

Now two-thirds of Apple iPads and half of laptop computer chips worldwide are made in the city and then are shipped to around the globe through international freight companies.

The advanced logistics services have integrated Chengdu into the global modern industrial system, local officials said.

#### International railway

An international railway linking Chengdu to Europe was put into operation last year. It runs almost along parts of the legendary Silk Road, where caravans shipped silk, jewelry and spices between China and European countries for sale some 2,000 years ago.

The ancient route was still in use until about six centuries ago. Nowadays, the land transport line totaling



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Chengdu, Sichuan province, is famous for its giant panda refuge.

**“Only through building an international, first-class administrative environment can we gain a favorable position in the global economic landscape and seek better development.”**

HUANG XINCHU, PARTY CHIEF OF CHENGDU

9,826 kilometers has gained a new lease on life.

It takes 14 days to ship millions of laptop computers as well as PC accessories from Chengdu to Lodz in Poland. Then within three days, the shipments are delivered to customers in London, Paris, Berlin and Rome through the widespread European railway and road network.

This year, the running time of the trains is anticipated to be reduced to 12 days and freight trains will be doubled, according to the city's logistics office.

The international train service brought a change in the conventional development mode that an inland city had to depend on ports for an export-oriented economy.

The Chengdu-Lodz train service has become a new engine to realize Chengdu's goal as China's western gateway to opening-up, local officials said.

DHL announced in June 2013 that it launched weekly express freight train services, via the Chengdu-Lodz line.

Electronics manufacturers, including Dell, have begun to deploy the line for export from China.

If companies choose water routes, they will spend five weeks in total shipping products from inland plants to coastal cities of Shenzhen or Shanghai, then going around India and finally sail through the Suez Canal to Europe.

While ocean shipping costs 25 percent less than railway freight, the longer shipping time is still seen as a considerable cost for businesspeople, industry insiders said.

Jonney Shih, board chairman of computer maker Asustek, said shifting from ocean to railway will bring a marked improvement in inventory costs and delivery time. Asustek, the world third largest manufacturer of

tablet PCs, next to Apple and Samsung, has begun to employ the train service.

#### Air routes

In addition to rail, Chengdu also has an edge in air transportation.

The first direct flight linking China's western and central regions to Los Angeles will take off from Chengdu in June, making it the fourth mainland city to offer direct flights to the United States.

The Chengdu Shuangliu International Airport has opened 21 direct passenger flights to overseas destinations — including Tokyo, London and Abu Dhabi — and 22 charter and transit flights, covering Europe, Oceania, the Middle East, and South and East Asia, as well as Macao and Hong Kong regions.

With new facilities, including an airport runway and terminal, put into use, the Shuangliu airport managers are planning to open routes to Russia and Africa.

People entering or leaving China through the Chengdu airport's immigration entrance were reported at an average annual growth rate of 37 percent during the past four years, with a record 2.3 million last year.

And construction on another airport is planned to begin this year, enabling Chengdu to become the third city on the Chinese mainland that has two airports, after Beijing and Shanghai.

The move will reinforce Chengdu's strategic position as an aviation hub in western China and help to expand its global logistics network, government officials said.

As the fourth city on the mainland to adopt a "72-hour in-transit visa" policy, after Beijing, Shanghai and Guangzhou, Chengdu has drawn more tourists and business people, which increased passenger flows at the Shuangliu airport.

The transit visa policy granted to Chengdu shows the Chinese government's attitude to advance the western regions' opening-up and partici-

pation in global economic competition, said Tang Jiqiang, a researcher at the Chinese finance research center at the Southwestern University of Finance and Economics.

#### Favorable environment

The flourishing logistics sector helps to secure more overseas investments. Foreign capital increased by 20 times over the past decade, with 252 Fortune 500 companies establishing facilities in Chengdu.

Among them is Maersk, one of the world's largest shipping logistics service providers. It set up a global information-processing center in Chengdu in 2010, moving its related businesses in Guangzhou and Shenzhen to the western inland city.

"The center has more than 1,200 staff, 90 percent of them from Chengdu," said the company's executives. "Why we chose it — the city is rich in human resources."

Huang Yunfei, a director of Dell's Sichuan project, said "it is not only the cheap yet high-quality labor force, but also Chengdu's influence over the entire western regions, that prompted our decision to invest here."

"Through this platform, we can freight our products to Northeast China or Southeast Asia, or ship them to North America and Europe via the international railway," Huang said.

Intel, another on the Fortune 500 list, has also joined the ranks of overseas investors in Chengdu.

As its plants have strict requirements for voltage stability, local officials streamlined administrative procedures and helped install high-quality wires in the shortest time to ensure the stability of power supply.

Huang Xinchu, Party chief of the city, said, "Only through building an international, first-class administrative environment can we gain a favorable position in the global economic landscape and seek better development."