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<http://www.ccpit.org>

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Jiangxi Changhe Motors Co.,Ltd.

I. The introduction of Changhe Motors

Established on Nov. 26, 1999, Jiangxi Changhe Motors Co.,Ltd. is located in Jingdezhen, Jiangxi province, the famous city of China. It was sanctioned by National Economic and Trade Committee, Changhe Aircraft Industries Group is the main sponsor.

Jiangxi Changhe Motors Co., Ltd. (Changhe Motors) is one of the leading motor manufacturers, and the R&D and production base of small emission autos. The first microbus of China was manufactured here.

Changhe Motors has 6000 employees, with the registered capital of RMB 410 million. It has three bases of finished car manufacturing, including Jingdezhen, Jiujiang and Hefei, one engine manufacturing base in Jiujiang, and a industrial park of auto parts production. With a production pattern of crossing over two provinces and three cities, the company has developed an annual production capacity of 300,000 finished cars and 150,000 auto engines.

The company covers a wide business range of the series of mini cars, the design, development, manufacture, sales, aftersales services for economic vehicles, and the development, consultation and services of the relevant projects.

The company adheres to the concept of "Striving for the mission of letting cars drive into the average families". The company is devoted to the mission of boosting China's auto industry, making great contributions to the clients, shareholders and the society with the highest quality.

The government leaders have shown great concerns to Changhe Motor's development. Jiang Zemin, Li Peng, Wu Bangguo, Zeng Qinghong, Wu Guanzheng, Hui Liangyu, and some other national leaders, have visited the company, and given high praise to it.

II. The main products

By adhering to the concept of safety, environmental protection, and energy saving, Changhe Motors has kept developing new family cars. Since 1982, when the company produced the first mini lorry, up to now,





it has developed and introduced in new products to meet the market demand. It has produced mini lorries, mini buses, mini aslooon cars, middle level saloon cars, etc. It has developed five platforms, and 8 major systems of a hundred kinds of vehicles, which are smoothly sold across the country.

The first generation of leading products was named series of CH1010, which took quite considerable market shares in the domestic mini car market. It has made quite a good foundation for the development of the company. Former Premier Li Peng gave it a pretty name "locust".

The products of the second generation was called series of CH1018 system, with a development rate of over 40%, marking the most splendid period of the company, the sales and production have topped the domestic car industry for many consecutive years.

The products of the third generation are named "Charles's Wain" and "Ideal".

Jiangxi Changhe Automobile Co., Ltd.

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Web Site: www.changheauto.com

Lifestyle

ON STAGE

Ballet *Raymonda* by The Bayerische Staatsballet

Time: June 24-June 26, 2009 **Venue:** NCPA-Opera House
Price: RMB 120/180/280/480/680/880
Tickets are available at 86-10-64177845



The ballet *Raymonda*, honored as “the treasure in the crown of classical ballet”, was choreographed by Marius Petipa, the father of classical ballet, who also created many other world-renowned ballets such as *Swan Lake*, *The Sleeping Beauty* and *The Nutcracker*. *Raymonda* was a creation of Petipa in his eighties and also the last ballet opus in his life.

Raymonda shows a perfect combination of gorgeous colors and untamed passions. It represents the basis and essence of the classical ballet because of not only the breathtaking cadenzas and group dance scenes but also the even more breathtaking Pas de Deux of the hero and heroine, which demonstrates an imposing manner and incredible ballet skills.

The heroine *Raymonda* has always been one of the most complex roles in ballet works, which requires the actress has excellent dance skills, graceful posture and convincing performance skills to express the character's inmost conflicts. The choreographer master Ray Barra said, “No classic ballet would be like *Raymonda* to demand the heroine to shape such a role with multiple characters... It's a perfect blending of classic dance and human's mind.”

Synopsis

At the birthday party of Countess *Raymonda*, her fiancé, Jean de Brienne sent her a white silk scarf and said his farewell to her for he would join in the Crusades. As a result, an Arab knight called Abdéràme, who had been fascinated with *Raymonda*'s beauty, took this opportunity to express his love to her.

At the ceremony for celebrating the triumph of Brienne, Abdéràme came again and proposed to *Raymonda*. Finally, at the order of the king, the two men decided to settle the argument with a duel.

Raymonda's ancestral statue in this castle transformed into a white lady and assisted Brienne with magic power to snatch a victory out of defeat. In the end, Brienne and *Raymonda* married happily.

Peking Opera: *Matchmaker*

Time: June 27, 2009
Venue: Mei Lanfang Grand Theatre
Price: RMB 50/80/120/180/280/380/580/680/980/1880/2080
Tickets are available at 86-10-64177845

During Yuanzhen period of Tang dynasty, Zhang Junrui from Luoyang went to take part in the examination and passed Pudong.

He lived in an old temple - Pujiu Temple and met Cui Yingying – the daughter of Cui Yu, the former premier. They fell in love at the first sight. Sun Feihu and his garrison mutinied and trapped the temple to ask for Yingying. Mrs. Cui promised anyone who could retreat the army could marry Yingying. Zhang Junrui let the monk take a letter to his friend Du Que, named White Horse General, to rescue them. After they were rescued, Mrs. Cui broke her words, so Zhang Junrui asked the matchmaker how to do. The matchmaker told him to write poem to show his love. Zhang jumped the wall to see Yingying at night, but Yingying blamed his behavior, which made Zhang feel sorrowful, angry and got sick. Then, the matchmaker led Yingying to Zhang Junrui for engagement, which was known by Mrs. Cui who blamed and beat the matchmaker. The matchmaker scolded Mrs. Cui breaking her words, so Mrs. Cui had to agree the engagement and promised to marry after the Zhang Junrui's winning of the examination.

Ballet Spectacular Watercube — *Swan Lake*

Time: June 26-June 29, 2009
Venue: National Aquatic Center (Watercube)
Price: RMB800/600/400/200
Ticket packages: RMB400 (200*3); RMB300 (200*2)
Tickets are available at 86-10-64177845



Jay Chou, Lang Lang, Placido Domingo, Song Zuying 2009 Beijing Concert

Time: June 30, 2009
Venue: National Stadium (Bird's Nest)
Price: RMB 100/180/280/380/580/780/980/1280/1680
Tickets are available at 86-10-64177845

Grammy-nominated mainland soprano Song Zuying and Taiwan pop star Jay Chou and Spanish Tenor Placido Domingo, and pianist Lang Lang will perform at the Bird Nest in June.



“The crossover between classical, pop and Chinese folk music will be the essential feature for this concert.”

It will be the second cooperation between Song Zuying, whose work was nominated for the Best Classical Crossover Album of the 49th Grammy Awards, and Taiwan pop king Jay Chou. In addition, Spanish tenor Placido Domingo, who performed a duet with Song

at the closing ceremony of the Beijing Olympic Games, and Chinese piano talent Lang Lang will also join the event.

Their performance will be part of the first “Bird's Nest Summer Concert” in Beijing, which is due to kick off on June 30 in the centerpiece of the 2008 Olympic Games.

The Sound of Yunnan by Yang Liping

Time: June 30-July 5, 2009 **Venue:** Poly Theatre
Price: RMB 180/280/480/680/980/1280
Presenter: Sound of Yunnan Culture Spreading, Co., Ltd.

Tickets are available at 86-10-64177845
Every stone, every leaf, and every drop of water can make a sound,

They are not simulative, but the sound of the true nature.

The Sound of Yunnan is the recent work by renowned choreographer Yang Liping, with music mainly based on percussion and choreography led by Yang Liping. It's a successful show after Yang and her companions spent nine months searching various types of instruments and collecting different types of the sound of nature.



Guitar China - BASS NIGHT

Artists: Huang Yong, Gao Yufeng, Gao Boqian, Song Yang, Cui Kai, Mi lading, Zhang Yong, David and so on

Time: 19:30, July 9

Price: On door RMB 50, In Advance RMB 40, Students RMB 40

Add: The Star Live, 3Floor, No.79, Hepingli Xijie, Dongcheng District, Beijing
Tel: 86-10-64255677



SCREEN

Isabelle Huppert Film Season~JULY

French Cultural Centre celebrates the special appearance by Isabelle Huppert in China with a retrospective of her best performances.

The famous French actress will be present both in Shanghai and Beijing within the frame of the Shanghai International Film Festival and on the occasion the festival Croisements with the exhibition "ISABELLE HUPPERT - LA FEMME AUX PORTRAITS", a series of portraits of the actress taken by some of the world's most famous photographers.

FRENCH CULTURAL CENTRE

French films with Chinese (and sometimes English) subtitles

Venue: 18 Gongti Xilu, Chaoyang District, Beijing

Ticket: RMB 20 (Students RMB 10)

Tel: 86-10-65532627

www.ccfpekin.org/cinema

A Judgement in Stone

France, 1995, 111'

Drama - Director: Claude Chabrol

Actors: Isabelle Huppert, Sandrine Bonnaire

French version with Chinese subtitles
Sophie, a quiet and shy maid working for the upper-class family Lelievre, hides her illiteracy under the cloak of a perfect household and obedience. She finds a friend in the energetic and uncompromising postmaster Jeanne, who encourages her to stand up against her bourgeois employers.

Sunday 7 / 5 - 7:30 pm

Monday 7 / 13 - 7:30 pm

Friday 7 / 24 - 7:30 pm

Wednesday 7 / 29 - 7:30 pm



risian upper middle class. During three days, Louise and her obvious happiness exasperate Martine and set her life in glares....

Friday 7 / 3 - 7:30 pm

Wednesday 7 / 8 - 7:30 pm

Friday 7 / 17 - 7:30 pm

Monday 7 / 20 - 7:30 pm

Saturday 7 / 25 - 7:30 pm



The Separation

France, 1994, 88'

Drama - Director: Christian Vincent

Actors: Isabelle Huppert, Daniel Auteuil, Karin Viard

French version with English and Chinese subtitles

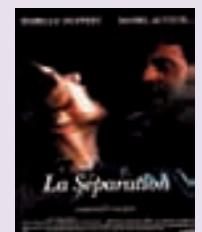
Anne and Pierre live together with their young son until Anne admits to having fallen in love with another man.

Saturday 7 / 4 - 7:30 pm

Saturday 7 / 11 - 7:30 pm

Wednesday 7 / 15 - 7:30 pm

Sunday 7 / 19 - 7:30 pm



Madame Bovary

France, 1991, 140'

Drama - Director: Claude Chabrol

Actors: Isabelle Huppert, Jean-François Balmer, Christophe Malavoy

French version with Chinese subtitles

Emma, daughter of a country squire, marries a local doctor. Idealistic and full of romantic fancy, she soon loses all her illusions of happiness when she comes into

contact with successful, middle-class men. She becomes the mistress of a local gentleman, who leaves her, then a trainee lawyer.

Wednesday 7 / 1 - 7:30 pm

Monday 7 / 6 - 7:30 pm

Friday 7 / 10 - 7:30 pm

Saturday 7 / 18 - 7:30 pm

Monday 7 / 27 - 7:30 pm



Me and My Sister

France, 2004, 93' **Comedy - Director:** Alexandra Leclère

Actors: Isabelle Huppert, Catherine Frot, François Berléand

French version with Chinese subtitles

Louise, younger sister, natural and straightforward, lives in province; Martine, older sister, beautiful and aloof, lives in the Pa-

The Piano Teacher

France, 2001, 130'

Drama - Director: Michael Haneke

Actors: Isabelle Huppert, Benoit Magimel, Annie Girardot

Certificate: 16 - Warned audience

French version with English and Chinese subtitles

Erika teaches classical piano in a cold and often abrasive style. Approaching middle age, Erika lives with her doting mother and still sleeps in the same bed with her.

Erika's social life consists of occasionally sneaking away to a peep show where she secretly comes into contact with perverse passion, often using the discarded trash of previous customers.

Sunday 7 / 12 - 7:30 pm

Wednesday 7 / 22 - 7:30 pm

Sunday 7 / 26 - 7:30 pm

Friday 7 / 31 - 7:30 pm



Lifestyle

ART & GALLERY

HUANG RUI

Comerchina

Date: May 23 – June 22, 2009

Huang Rui's solo exhibition Comerchina will be on display May 23 – June 22, 2009 at Chinese Contemporary's Beijing gallery in Factory 798.

Highly regarded for his elaborate installations and contemplative performance art, Huang Rui is one of the founding members of the Stars Group of 1979 and a seminal figure of the Dashanzi Factory 798 Art District. Since co-organizing China's first public art exhibition in Beijing in 1979, Huang Rui has sought to express art's function as a reflection of society and its strength in addressing contemporary concerns. In his latest work Comerchina, the artist focuses on the latest development of China's fascination with money and the economy. In the artist's words, "Comerchina is a coined word meaning 'made in China' or 'commercial China'".



For the exhibition, the artist has created 27 silk-screened canvases which placed together resemble a massive, five and a half meter Renminbi note. By referring to currency, Huang Rui calls into question the Chinese contemporary art market. When collectively mounted on a wall, the set of canvases are publicly raised to the level of high art. When broken apart, however, the works revert to their original form – objects to be bartered and sold, a form of artistic currency in itself.

To accompany the RMB work, Huang Rui has composed another series of prints that look at the notion of commercialization. Earlier in 2009, the artist called for submissions of printed material depicting saleable images. These materials serve as base images over which he has silk-screened the layout of a mobile phone touch pad. In 21st century China, the cellular telephone has become a ubiquitous necessity. Often a person will spend an obscene amount of money on a telephone in order to exude an aura of sophistication. The combination of advertisements with this symbol of wealth speaks for the materialistic turn society has taken.

Also included in the exhibition are sculptural works mirroring the idea of the mobile phone as a Comerchina emblem as well as the artist's earlier photography work Super Shopping (2002).

Don't Go So Fast ~ Zhang Qing Solo Exhibition

Curator: Philip Tinari

Opening: Saturday 30 May 2009 at 4pm

Date: May 30 – June 21, 2009

Location: ShanghART Beijing, No. 261 Caochangdi, Beijing

Opening hours: 11am – 6pm (Closed on Mondays)

Entitled Don't Go So Fast, the exhibition presents a cycle of photographic and video works set in the mud cave-homes of Shaanxi province, one of China's poorest provinces. These images depict a group of attractive young professionals, wearing the signature name-brand uniform of the urban upwardly mobile, as they inhabit the signature ramshackle spaces of China's far inte-

rior. Despite their incongruous surroundings, Zhang's subjects carry themselves as if they had never left Shanghai's Xujiahui or Beijing's CBD, frenetically pacing in and out of humble homes as if these buildings were the gleaming office towers of the coastal cities. Their actions play out not only against the backdrop of these rural surroundings, but also against a series of outlined images of developed splendor which the artist has scrupulously chalked onto the interior and exterior walls of the village dwellings. Here, a young woman applies lipstick, sitting on a fire-heated kang with an image of a canopy bed from Dubai's most luxurious hotel behind her; there, the assembled group stands between a pile of corn stalks and a peasant home across which runs a drawing of the Pudong skyline.

Don't Go So Fast weaves images still and moving into an extended reflection on the disparities of China's development and the technologies of control which make that development possible. At the heart of the project lies a nine-screen television wall, showing a rolling loop of footage shot by static surveillance cameras placed around the village. Unlike in his posed still photographs, here Zhang Qing abandons control over his lens in favor of an omniscient, "neutral" perspective identical to the one taken by the thousands of security cameras that audit life in cities around the world each day. The cameras' grainy remove from their subjects, along with the resolute stillness of their angles, belies the intricacy with which the artist has scripted the actions which they record. Installed in configurations that mirror the architectural layouts of the spaces in which it was shot, the works manage to drive home to the gallery-going audience the disparity between these two basic poles of contemporary China.

This expansive photographic and video project continues a turn toward the filmic — and a bending of the line between fiction and reality — that first emerged last year in Zhang Qing's video installation Don't be Cruel.

For that piece, Zhang tracked down individuals he remembered for having given him dirty looks during his childhood, and subsequently layered his intricately crafted moving portraits of these individuals flashing their "mean" expressions over his own voiced recollections of the incidents that led to such displeasure, or perceived displeasure. In this exhibition, Zhang pushes this investigation further, choreographing the movements of a team of actors in a spectacle that courts realism even as it defies reality.



Festival Croisements~Painting Exhibition Olivier O. Olivier

Beijing, Dashanzi, Cheng Xindong Gallery, May 30 – June 28

"Between humour and surrealism, his work is joyful and full of imagination."

The French painter Olivier O. Olivier was born in Paris in 1931. After completing a Bachelor's degree in philosophy and fine arts, he co-founded the neo-surrealistic movement Panique in 1962



along with the writer Fernando Arrabal, the illustrator/author Roland Topor and a few others. Whilst cubism represented the pinnacle of art at the time, the Panique movement, without any formal membership system or a high-profile leader, challenged conventions and schools of thought, especially in the artistic domain.

Olivier O. Olivier pushes himself to find a key in every painting, imagining slowly its appearance while using concrete objects, scaled-down animals or fragments of nature as visual aids. He tends not to unveil the key to this works immediately, but instead prefers to convey a sense that the action is taking place somewhere else, in an invisible world removed from the tangible image.

Since 1995, Olivier O. Olivier has been a member of Oupeinpo (Ouvroir de Peinture Potentielle, or the Workshop of Potential Painting, which is part of the Collège de Pataphysique group), created in 1980 with the aim of inventing structures, mathematical constraints and logical rules of engagement capable of supporting painters in their work. The spirit of Oupeinpo is mildly provocative, ironic and enamoured with surprising inventions.

Among Olivier's most important influences are the surrealists Max Ernst and Magritte, the école belge style, and the metaphysical paintings of Giorgio De Chirico.

GLOWING DAWN~Ludwig

Exhibition from Friday June 5 to Tuesday June 30 at the French Cultural Center / Alliance française (Gongtixilu 18, Chaoyang District, Beijing; 86-10-6553 2678)

Free entrance

Friday June 5th at 6.30 pm: presentation of an installation and exhibition opening with Ludwig



Sky views of Siberia, sunsets in the Gobi deserts, frozen sunrises upon Kashgar... "First glow" is an invitation to travel. This itinerary exhibition of French artist Ludwig (who has been living in Wuhan for the past few years) will feature a series of photographic artworks and installations. Using water, air, light or perfume as major materials, Ludwig's work focuses on natural phenomena and offers the audience the opportunity to enjoy a "climatic experience".

PARIS ~ Pauline Choi Solo Exhibition

Venue: EGG Gallery, Beijing

Date: May 23 – July 4, 2009

The Canadian Embassy in Beijing is pleased to announce that the Solo Exhibition of Pauline Choi's art works will be held at the EGG Gallery in Beijing from May 23 to July 4, 2009.

Pauline Choi is a Canadian artist who was born in Korea. She grew up in Canada and studied art in Toronto and New York before receiving a Cité Internationale des Arts grant and moving to Paris. Since then she has exhibited her work widely in Europe, Korea and Canada.

Having emigrated first to Canada as a child, Choi lives in Paris twice removed from her origins, and her sense of cultural identity combines opposing forces and traditions. Her latest paintings and light boxes seek to capture the atmosphere of the natural and man-made worlds, exploring the contrasts between each. Like all of Choi's work, they have a strong sculptural presence that transforms the base matter of the material world into evocations of memory and desire.

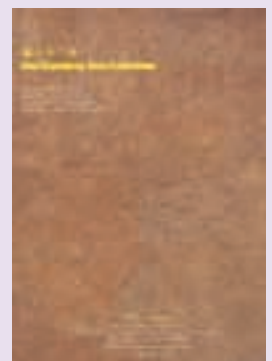
Choi's first exhibition in Beijing – "PARIS" seeks to capture the atmospheric qualities of Paris's celebrated light and transport it, via paintings and light boxes, to the Chinese capital. Choi has long been interested in the interplay between the ephemera of light and air and the unchanging qualities of the city of Paris.

Some of her images are based on photographs by Eugene Atget, made especially for the artist's use, as well as on 1960s French new wave films by Truffaut, Rivette and Malle, which through a new found spontaneity and freedom use of the camera lend both a timeless and contemporary sense to Paris. At once magical and realistic, elusive and concrete, Choi's work is always concerned with light and its interplay with dark and shadow. It is that interplay that transforms what might look at first like a static image into works full of movement and change in time and space.

Her paintings are built up of thin layers of oil paint on mylar, a translucent film, which create an intangible, highly elusive impression. The light boxes generate ambience of the space while at the same time amplifying the effect of each individual work. Choi's light boxes of Paris are utterly abstract but nonetheless evoke the City of Light's night sky and air. It is as if she had transferred it whole to Beijing.

Choi has been awarded many prizes and grants during her career. She has taught at the Ontario College of Art and Design in Toronto and at Parsons School of Art in Paris.

More information on the artist and the gallery can be found at <http://www.paulinechoi.com> and <http://www.eggartgallery.cn>





28 As the economy in China grows quickly, the beverage market is expanding at the same time, bringing in intense competition in the market, as no one can hold it alone. Meanwhile, the competition provides the consumer more choices.



34 Inactive volcanoes, crystal-clear lakes and looming trees – the unspoiled natural beauty of Changbai Shan rewards the intrepid travelers who make their way out to this northern diamond.



54 Due to China is one of the important emerging powers to accelerate recovery the world economy, many foreign ports want to take an occupy here, and Zeebrugge Port is one of them.

BI-WEEKLY WATCH

- | | |
|-------------------|----------------|
| 8 Figure | 9 Agriculture |
| 10 Energy | 11 Chemical |
| 12 Environment | 13 Steel |
| 14 Auto | 15 Electronics |
| 16 Light Industry | 17 Textile |
| 18 Transportation | 19 Culture |
| 20 Investment | 21 Finance |

SPECIAL REPORT

- 24 Light Up the Light Industry
- 25 Light Industry Feels the Pinch
- 26 Warning: Export Sharp Decline
- 28 Beverage Company: Hotter Competition in Summer
- 31 Shoes and Toys: Victims of Anti-Dumping
- 32 Yiwu, China's Brand in Small Commodity
- 33 Ways of Light Industry Development

CITY

- 34 Mt. Changbai, the Northeast Diamond

FOCUS

- 38 New Round of Petroleum Products Price Adjustment

UPDATES

- 40 Im/Ex Difficulty Lasts in the First 5 Months

FAIRS & EXPOS

- 42 China Fairs & Expos

WORLD EXPO

- 46 US Pavilion Position Paper on Sponsorship Released



62

With this strong show of support from all sectors, I believe SMEs in China will certainly be able to overcome the current challenges and blossom out onto a broader stage.



GUIDE

- 50 Overview of FDI in China
51 Finance and Foreign Exchange

INVESTMENT INFO

- 52 Investment Projects in Western China

GLOBAL

- 54 Zeebrugge Port, New but Modern Comer in China Biz
57 Sino-Russia Trade, Bearing Confidence in Crisis

EXCHANGE

- 58 The 20th HTF Gained Hard Wins
60 Should CSR Be Ignored Due to the Economic Crisis?
62 The 4th Annual "A Legend of the Future China's
Leading Enterprises of Tomorrow Award"
Was Launched
62 Chinese Artists Presented on UN Public Servants' Day
63 2010 Para Games of Asia Slated For December 2010

RULE

- 64 Measures of the General Administration of
Customs of the People's Republic of China for the
Administration of Manifests of Inbound and
Outbound Means of Transport

SUPPLY INFO

- 68 2009 China Market Suppliers List

Index of Advertisement

江西昌河汽车股份有限公司
Jiangxi Changhe Motors Co.,Ltd
贵州茅台酒股份有限公司
China Dweichow Moutai Distillery Co.,Ltd

国际投资促进网
www.sino-investment.org

2009 中国(青海)国际清真食品及用品展
The 2009 China (Qinghai) International Halal Food and
Products Fair

东北亚投资贸易博览会
The Fifth China Jilin Northeast Asia Investment and
Trade Expo

Cooperation Media



Bi-Weekly Watch

CPI: 1.4% ↓ in May

China's consumer price index (CPI), the main gauge of inflation, in May fell 1.4 percent year on year, the National Bureau of Statistics (NBS) announced on June 3.

This marks the fourth consecutive monthly decline since the index dropped 1.6 percent in February, the first fall since October 2002. The decline was 0.1 percentage point lower than the April level.

Food prices, which comprise a third of the CPI, dropped 0.6 percent, as pork prices continued to fall by 32 percent on oversupply and concerns that the A/H1N1 influenza virus was connected to pigs. Non-food prices fell 1.7 percent.

The index recorded a month-on-month decrease of 0.3 percent, according to NBS, and consumer prices for the first five months in 2009 fell 0.9 percent from the same period last year.

The core CPI, which excludes food and energy prices, dropped 1.3 percent year on year, said NBS. The bureau had noted in a statement on its website that grain prices rose by 0.8 percent in May, the fifth straight rise since January.

"It needs further observation to see whether the grain price hike would have an impact on the CPI trend," said the statement.

The May data was in line with market expectations, said Zhuang Jian, a senior economist with the Asian Development Bank. The slowly year-on-year decline in CPI last month had shown a more solid and stable recovery in China's economy, he said, forecasting that the CPI would turn positive before the end of this year.

"With money supply and domestic demand growing, the downward trend in CPI will not last long," he said. (NBS)

PPI: 7.2% ↓ in May



China's producer price index (PPI), a major measure of inflation at the wholesale level, in May fell 7.2 percent year on year, the National Bureau of Statistics (NBS) announced on June 3.

The decline compared with a 6.6-percent drop in April and a 4.6-percent fall in the first quarter from the same period last year. Producer prices of production materials fell 8.8 percent in May and those of consumption goods were down 1.9 percent, the NBS said in a statement.

The PPI for January-May fell 5.5 percent over the same period last year. A statement on the NBS website attributed the larger-than-expected PPI fall to three factors.

First, the global economic downturn continued to weigh on the country's economy. Despite price rebounds in major industrial products during the past two months, prices are still lower than the same period of last year.

Second, prices maintained fast growth in the first eight months of 2008. For instance, the month-on-month PPI growth stood at 0.8 percent in May last year, compared with just 0.1 percent last month. That contributed to a larger fall in the year-on-year figure.

Third, despite the fact that the PPI has risen month on month for two consecutive months since rising 0.2 percent in April from March, a rebound in the year-on-year figure cannot be seen in the near future as domestic supply will remain excessive in the short term.

Zhuang Jian, a senior economist with the Asian Development Bank, said the market was experiencing adjustments in inventory and a trend was difficult to discern. (NBS)

China urban fixed-asset investment: 32.9% ↑ in first five months



China's urban fixed-asset investment in the first five months rose 32.9 percent year on year to RMB 5.352 trillion (US\$787 billion), the National Bureau of Statistics announced on June 2.

The growth rate was 2.4 percentage points higher than that of the first four months. The growth rate in the primary sector (farming, fishing, forestry and the like) remained highest, up by 79.7 percent to RMB 91.5 billion in the first five months. The secondary sector saw investment rise by 29.1 percent to RMB 2.3 trillion and the tertiary sector by 34.9 percent to RMB 2.956 trillion.

Investment in real estate rose 6.8 percent to RMB 1.016 trillion. The growth rate was 1.9 percentage points higher than the first quarter. From January to May, 123,878 new projects were begun, 39,510 more than a year earlier, with total investment surging 95.9 percent to RMB 5.33 trillion.

Zhang Liqun, a research fellow with the Macroeconomic Department of the Development and Research Center of the State Council, said the rapid growth in the number of new projects would provide continued driving force for economic growth.

He attributed the surge in fixed-asset investment to the 4-trillion-yuan stimulus package unveiled last November, and a growth in bank credit.

Central government project investment rose 28 percent to RMB 473.4 billion from January to May, with investment by local governments up 33.4 percent to RMB 4.87 trillion.

The General Administration Customs also announced on June 2 that the country's exports and imports shrank for the seventh month in row in May. Exports fell 26.4 percent in May from the same period a year ago to US\$88.758 billion. Imports were down 25.2 percent to US\$75.36 billion. The trade surplus was US\$13.39 billion.

Exports in the five months to May totaled US\$426.14 billion, down 21.8 percent, and imports were down 28 percent to US\$337.34 billion over the same period. (Xinhua)

China races extreme weather for wheat harvest



China is racing extreme weather including hail, heavy rain and strong winds to harvest wheat.

As of June 9, 57.3 percent or nearly 13.3 million hectares, had been reaped, according to the Ministry of Agriculture. "Heavy rains hit central and eastern parts of the country delayed the harvest of wheat," the ministry said on its website.

Main wheat producers in Henan, Shandong and Hebei Provinces were summoning harvesters, sending weather messages to the mobile phones of farmers and firing chemical-laden shells into the clouds to reduce the effects of extreme weather.

Storms claimed at least 60 lives in different parts of the country since the beginning of this month as the country entered its main flood season which ends in August. The National Meteorological Center warned of extreme weather including typhoons, heavy rains, high temperatures and drought for this year which could result in severe damage.

Wheat and corn on more than 2,000 hectares in Pingshan County, Hebei Province, was destroyed by a hailstorm. "Hail was as big as walnuts, breaking several windows of my house," a farmer named Feng Cuishu recalled. Farmers were having to harvest crops which fell over in the storms by hand, then reseeded fields.

Shandong Province, the second largest wheat growing area after Henan Province, fired 1,084 shells and 58 rockets with chemicals into the clouds to make them rain instead of form hail.

Shandong summoned back 21,000 harvesting machines that went to work in other provinces and hired another 5,500 machines from neighboring areas to speed up the harvest. There were a total of 53,747 combines working on Shandong's farms, the provincial agricultural department reported. (*Xinhua*)

Shape up, chaotic health food sector told



The chaotic health food market would be closely supervised and managed under a draft regulation released by the State Council.

"The regulation has been formulated to ensure citizens' health and life safety, and to strictly monitor the health food industry," said the draft regulation issued by the State Council Legislative Affairs Office late on May 31.

Under the draft, market access would be tightened for health food products, which could include bee glue, spirulina or any foods with vitamin and mineral substance.

Health food must be examined and approved by the State Food and Drug Administration (SFDA) and acquire a registration certificate before entering the market.

The SFDA would evaluate and examine the application of a health food in terms of safety, functionality and quality standard. The authority would not issue the registration certificate for those fail to meet the requirements, it said.

The draft stipulates the producer is responsible for the authenticity of the health food's labels and instruction leaflets, which should clearly state suitable and inappropriate consumers, as well as its function components and contents.

The ads of health food should be true and lawful, and cannot not contain exaggerated or false content, or claim the products can prevent or cure illness.

The draft said that health food should not be intended to cure disease and should not pose any acute, sub-acute or chronic hazard to the human body. It also strengthened requirements on production and sales.

The authority has detailed punishment in accordance with the Food Safety Law, and planned to establish a health food recall system. The Food Safety Law took effect on June 1, after three years of drafting and review.

According to the draft regulation, health food refers to specific foods legally approved to be beneficial to health. (*China Daily*)



Tea exports expected to hold firm in global economic downturn

China's tea exports in 2009 are expected to remain stable or grow slightly, said Huo Jianguo, chairman of China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce and Animal By-Products, in Chengdu on June 7.

China's tea export increased by 4.5 per cent year-on-year in the first four months, while total exports dropped more than 20 percent over the same period.

"Tea is a daily food item, and there is still considerable demand for China's tea amid the global downturn. As tea stockpiles in the international market reduce, China's tea exports will see further growth in the second half," said Cai Jun, secretary general of the association.

China exported 297,000 tonnes of tea valued at 682 million U.S. dollars in 2008, accounting for a fifth of the total international tea trade.

China has exported to more than 120 countries, and 80 million people work in the mainland tea industry.

"As the largest tea production country and the third largest tea export country, China still faces challenges in building a standard production and quality control system, and fostering and promoting its own tea brand in the international market," said Huo. (*Xinhua*)

Thousands of milk collection stations closed

Close to four thousand milk collection stations in China have been shut down due to substandard conditions, Song Kungang, director-general of the China Dairy Industry Association, said on June 3.

In remarks at a dairy farmers union forum, Song said agriculture authorities inspected all of the country's 20,393 milk collection stations between November 2008 and April of this year. Of those, 3,908 lacked testing equipment or were not sanitary and were therefore shut down.

Milk stations collect fresh milk from local farmers and sell it to dairy companies. The remaining 16,485 stations still in operation are now subjected to rotating inspections by provincial and regional agriculture departments.

"All the working milk stations have been under close supervision," Song said while in Hohhot, capital of the northern Inner Mongolia Autonomous Region. Milk stations came under scrutiny last September when it was discovered owners and farmers were adding melamine to diluted milk to make it appear higher in protein. At least six Chinese infants died and almost 300,000 developed kidney problems and other symptoms as a result.

Song also added, China's dairy industry is also producing more milk. "China's dairy industry has seen growth in the first quarter since last September when the melamine scandal broke," said Song. Industrial output is up 5.53 percent in the Jan-March period compared to the first quarter in 2008. (*Xinhua*)

Central government purchased mainly energy-saving products in 2008

According to a report by the *China Financial and Economic News*, central government department purchases continued to increase in 2008, reaching RMB 58.98 billion. Of these, energy-saving products accounted for 93.5 percent of all similar products purchased.

In 2008, the central government saved RMB 5.87 billion in purchasing, a saving rate of 9.05 percent, Zhang Tong, Assistant Minister of the Ministry of Finance, revealed recently.

In addition to strictly implementing compulsory and preferred purchases stipulated on the list of energy-saving products for government purchasing, the procurement center of departments under the CCP (Procurement Center) also organized various energy-saving, environmentally-friendly procurement projects involving the cleaning of central air conditioners, energy-saving cookware and solar photovoltaic power generation. In 2008, energy-saving products purchased by the Procurement Center accounted for 93.5 percent of all similar products purchased.

Procurement activities have become more transparent and regulated. Of the 237 procurement projects organized by the Procurement Center in 2008, public bidding projects accounted for 86.1 percent.

Group purchasing has also significantly increased. In 2008, the Procurement Center and the Procurement Center of the Central People's Government (PCCG) purchased a total of RMB 13.71 billion, an increase of 7.2 percent and 10.1 percent respectively. The two centers' group purchases accounted for 23.2 percent of all central government department purchases. (*People's Daily Online*)

China to Accelerate Restructuring of Energy Sector



China will step up the elimination of outdated power plants to reduce excess capacity, while continuing to develop renewable energy and the recycling sector, said National Development and Reform Commission vice director Zhang Guobao.

Zhang, who also heads China's National Energy Administration, said weak demand for energy amid the economic crisis had proffered an opportunity to restructure the industry.

China is expected to invest over 3 trillion yuan in renewable energy by 2020, *China Business News* reported earlier, citing an official with the National Energy Administration.

Zhang said the government is keen to promote projects that will transmit power and transport gas from the country's relatively underdeveloped west to the eastern coastal regions that generate the majority of its industrial output. (*Caijing*)

Sino-Kuwaiti oil project looks for site



A Kuwait Petroleum Corporation (KWC) delegation will start inspecting some cities in Guangdong province from June 20 to set up the largest Sino-Kuwaiti oil processing and chemical project.

The joint venture was to be based in Nansha district of Guangzhou, but last month the provincial government decided to move it to another city because of environmental concerns, Nameer Alquraini, Kuwait's consul general in Guangzhou, said on June 19.

"The KWC delegation will begin inspecting cities such as Zhanjiang, Maoming, Taishan and Huizhou from June 21", Alquraini said. But the project will definitely be located in Guangdong.

Judging by the infrastructure and transport facilities, Zhanjiang seems to enjoy a slight edge over the other cities, and the city's officials are trying their best to attract the Kuwaiti delegation.

Speaking during an inspection tour of western Guangdong, organized by the provincial foreign affairs office, Alquraini said KWC would give top priority to communication and transport links and environmental protection in choosing the new site.

"Since the agreement signed four years ago, the two countries have attached utmost importance to environmental assessments. That's why we are still looking for an appropriate site," he said.

The project will be the largest Sino-foreign oil processing and chemical joint venture in China. The two countries signed the US\$8-billion deal in 2005, and expect the plants to produce 15 million tons of petroleum products a year.

Chen Yaoguang, Party chief of Zhanjiang in western Guangdong, said the coastal city was ready to show the Kuwaiti delegation the advantages its transport network enjoys.

"The project will help boost economic development in the area. We are trying our best to get the Kuwaiti officials to choose Zhanjiang as the site," Chen said.

The Guangdong provincial development and reform committee recommended Zhanjiang as an alternative site for the project after moving it out of Nansha. (*China Daily*)

China's coal imports up, exports down



China's coal import hit a new monthly high in May, while coal export slumped to a 11-year low, *China Securities Journal* reported.

The latest statistics from the General Administration of Customs showed China's coal import reached 9.43 million tons in May, more than double that in the same period of last year. China's coal import and export amounted to 32.20 million and 10.53 million tons respectively in the January-May period, or a net import of some 22 million tons.

Industry insiders predicted a net import of more than 30 million tons of coal for the whole year of 2009.



China imported 10.02 million tons of anthracite, one of the main types of coal imported by China, in the first four months of this year, up 19.5 percent year-on-year. The import of coking coal also surged to 6.27 million tons in the same period.

Coal demand of steelmakers and metallurgy enterprises was the main driving force behind the increase of coal import, some analysts said.

The deadlock between coal suppliers and power producers is also responsible for the rise of China's coal import. Key power generators preferring to purchase overseas coal with a lower price drove up the coal import, according to the customs. (*Chinadaily.com*)

Sinopec denies Addax Petroleum deal



China's largest refiner Sinopec Corp has not made a bid for Geneva-based oil producer Addax Petroleum Corp, on June 16 China Daily quoted Huang Wensheng, a spokesman from the Chinese company, as saying.

The UK's Sunday Times reported earlier that Sinopec bid 4.8 billion pounds (7.9 billion U.S. dollars) for Addax Petroleum without saying where it got the information.

Domestic media also reported last week that the Beijing-based Sinopec prepares talks with Addax for an estimated 8 billion U.S. dollars takeover.

Xu Dongmei, manager of overseas cooperation projects for Sinopec Group, told the newspaper that she has no knowledge of the bid and her department is not in charge of making the offer.

The Geneva-based Addax, which is listed on the Toronto Stock Exchange, said on June 9 that it was conducting preliminary talks with third parties expressing an interest in a "potential transaction" with the company.

China is seeking to increase investment in overseas petroleum fields as acquiring overseas energy assets became cheaper due to a 51 per cent oil prices slump from a July record. Despite denying the Addax bid, one company source, declining to be named, told the newspaper Monday that Sinopec is now in talks with "several overseas companies for deals". Given relatively low crude oil price, China's oil producers have speeded up the pace of developing overseas market.

The country's largest oil company PetroChina earlier announced it would acquire 45.5 per cent of Singapore Petroleum Co (SPC) from Keppel Corp for 6.25 Singapore dollars (4.25 U.S. dollars) a share. The deal is still subject to approval from the Chinese regulator. (www.chinaview.cn)

China to store more oil in by 2015



China is expected to stockpile 70 million cu m of refined oil by 2015, up from 52 million cu m at the end of last year, said industry insiders.

The country's two leading oil producers, PetroChina and Sinopec, are key to building these refined oil reserves, said Gong Manying, an executive with China Petroleum Planning and Engineering Institute. The two companies' stockpile will reach 40 million cu

m by 2015, he said.

Refined oil reserves built by other domestic companies, including China's third largest oil company CNOOC, are expected to exceed 28 million cu m, said Gong. China has seen a rapid increase in oil reserves construction in recent years, and the sector has witnessed a 9 percent increase in capacity annually from 2005 to 2008, said Gong.

Under a three-year (2009-11) blueprint outlined by the National Energy Administration, China will accelerate the construction of oil reserves to enhance energy security. The country will form 44.6 million cu m of crude oil reserves by 2011. The blueprint has not disclosed how large the refined oil stockpile would be in 2011.

Analysts said the timing was just right to build more reserves of oil products such as gasoline and diesel, as market demand is benign and stockpiles of domestic refiners are relatively high.

"It can help stabilize domestic gasoline and diesel prices," said Lin Boqiang, professor, Xiamen University. The government can use the reserves to ease the pressure of domestic refiners whenever there is a big gap between domestic and international prices, he said.

Both PetroChina and Sinopec have quickened the pace of building refined oil reserves. Wang Tianpu, president of Sinopec Corp, earlier said the company was planning to build four refined oil stockpile bases in the country. The four bases will have a total capacity of 8 million tons.

China has now completed construction of the first four State strategic oil reserve bases, which are respectively in Zhenhai and Zhoushan in Zhejiang province, Huangdao in Shandong province, and Dalian in Liaoning province. The four national oil reserve bases have all been fully filled with crude. China will start building eight more national oil reserve bases, including one in Huangdao in Shandong and one in Jinzhou in Liaoning. (*China Daily*)

Construction of Sino-Myanmar oil-and-gas pipelines to begin in Sept

The construction of pipelines that will transport oil and gas to China via Myanmar will begin in full swing in September, an insider from PetroChina said on June 16.

The project will open the fourth route for China's oil and nature gas imports, after ocean shipping, the Sino-Kazakhstan crude oil and natural gas pipelines, and the Sino-Russian oil pipeline, according to the insider, who declined to be named.

According to an agreement signed in March 2009 between the Chinese and Myanmar governments, the oil and natural gas pipelines will run in parallel. Both will start in Kyaukryu port on the west coast of Myanmar and enter China at the border city of Ruili in China's Yunnan province.

The 1,100-kilometer oil pipeline will end in Kunming, capital of Yunnan Province. It is expected to transfer 20 million tonnes of crude oil to China from the Middle East and Africa annually.

The natural gas pipeline will extend further from Kunming to Guizhou province and the Guangxi Zhuang Autonomous Region, running a total of 2,806 kilometers. It is expected to transport 12 billion cubic meters of gas to China every year.

The Sino-Myanmar gas pipeline will further increase China's gas import, which is projected to exceed 100 billion cubic meters over the next few years.

Compared with ocean shipping, the oil pipeline can reduce the transport route by 1,200 kilometers, experts said. What's more important, it will reduce China's reliance on the Straits of Malacca for oil import.

China has imported more than 10 million tonnes of crude oil through the Sino-Kazakhstan oil pipeline, which was put into service in 2006. Sino-Russian oil pipeline is also expected to put into use by the end of 2010. (*Xinhua*)

Beijing launches renewed green lighting campaign

China's national capital Beijing is to distribute 10 million heavily-subsidized energy-efficient lamps from June 22 to the end of September, which is its latest move to promote green lighting, according to the municipal government.

The move could save at least RMB 240 million (US\$35.1 million) a year in electricity bills, the Beijing Municipal Commission of Development and Reform said on June 20.

The 10 million energy-efficient lamps, doubling the number in 2008, intended for public service facilities in scientific, educational, cultural, health and sports sectors, as well as households of five districts in Beijing, the commission said.

With valid registration certificates, residents in Chaoyang, Haidian, Fengtai, Tongzhou and Shunyi districts can get an energy-saving lamp at 1 yuan, 10 percent of its cost, at the stands or the after-sale service centers set up by light suppliers in their communities.

Each household is limited to five lamps. The rest of the cost will be covered by government subsidy, according to the commission.

Citizens are also encouraged to turn in waste fluorescent tubes for energy-saving lamps in return, it said.

With three of this year's five appointed districts in the suburban areas, the commission said more efforts would be made to promote energy-saving lamps in the rural areas. (*Xinhua*)

Chopsticks makers get teeth into eco dispute



The country's wooden chopsticks industry on June 19 defended its disposable utensils after growing calls for a boycott on health and environmental grounds.

"Our disposable chopsticks are mass-produced from birch or poplar trees, which grow fast and have no economic value otherwise," said Lian Guang, president of the Wooden Chopsticks Trade Association in Heilongjiang province. Lian said there is "no better substitute" for wooden disposable chopsticks, with melamine-resin chopsticks posing sanitary problems because of their "high formaldehyde content". He was responding to reports of Vice-Minister of Commerce Jiang Zengwei calling for restaurant owners and diners to abandon the use of disposable chopsticks.

Jiang has suggested his ministry, the national quality surveillance agency and the State Administration for Industry and Commerce may impose a regulation to that effect.

The idea has fueled fierce debate. An online poll by major information portal Sina.com on June 19 of 5,807 online users showed 84.2 percent supported the end of disposable chopsticks. Another 2.4 percent were undecided. Of those polled, 13.4 percent supported the use of disposable chopsticks for health reasons and convenience.

Beijinger Yang Jie, a 28-year-old man studying at a university in the United States, said the consumption of wood for chopsticks was faster than the speed of forests' growth. "Nature will wreak its vengeance on humans if we continue to harm it for our own economic benefit," he said.

But Sun Jun, a 28-year-old Beijinger working for a patent agency, disagreed. "Most people prefer to use such items for hygiene reasons not every restaurant can provide me with a clean substitute."

Qiao Jie, general secretary of the China Cuisine Association, said the group will urge restaurants to become "more environmentally friendly and energy efficient" by encouraging fewer disposable chopsticks.

To help discourage the use of wooden chopsticks and protect timber resources, the government imposed a 5 percent consumption tax on their use in April 2007.

Since last year, more than 1,000 restaurants in Guangzhou and 300 restaurants in Beijing have answered the government's call to stop providing disposable chopsticks.

Industry association president Lian Guang said disposable chopsticks will be hard to replace. "The industry provides 300,000 jobs for Chinese workers and it exports products to more than 20 countries, raking in about US\$200 million every year," Lian said.

About 40 percent of the industry's products are used domestically, he added. (*China Daily*)

Pacific nations to cooperate on low-carbon economy



Asia's first regional low-carbon forum kicked off in Beijing on June 19 with a call for more cooperation among Asia-Pacific nations in the development of a low-carbon economy.

Delegates pushed for stronger regional ties, specifying that much more needs to be done to advance low-carbon research, promote renewable energy in the Asia-Pacific, and establish an evaluation benchmark system.

Promoting inter-governmental ties in the region to encourage technology transfer and trade is another area that needs more attention, they said at the Asia-Pacific Forum on the Low Carbon Economy - China Summit 2009.

"Asia-Pacific countries need to work together to develop a low-carbon economy. There is a lot of room for cooperation on economic development and climate change and energy issues," said Noeleen Heyzer, under-secretary-general of the United Nations and the Executive Secretary of United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

"We should have more multilateral and regional cooperation, and share innovative policies and capacity building among governments to seize the opportunity of development," said Liana Bratasida, assistant minister for global environmental affairs under Indonesia's environment ministry.

Han Wenke, director general of the Energy Research Institute of China's National Development and Reform Commission, said China was one of the world's largest emitters but the country has recognized the necessity of moving toward a sustainable future.

"Lowering carbon emissions is something China takes very seriously," he said. "In 2008, the Chinese government lowered energy consumption 4.59 percent per unit of gross domestic product, proving that a low-carbon economy can succeed in developing countries," Han stated.

By the end of 2010, China's wind power installed capacity is expected to exceed 30 gigawatts, up from 12 GW last year.

"This means that China is installing approximately one wind turbine of one MW each hour in 2009 and 2010," he said.

"China is showing the world that developing nations can play a leading role in low carbon development," said WWF-China Country Representative Dermot O'Gorman.

"But at this stage, establishing strong regional partnerships is a must, something the Asia-Pacific Low Carbon Economy Forum can help facilitate," he said. "More cities, companies and financial institutions are investing in low-carbon development, and they will be the real winners in the low-carbon economy future." (*Xinhua*)

China steel association opposes Rio-BHP iron ore JV

The China Iron and Steel Association (CISA) on June 9 said it “resolutely opposes” the iron ore joint venture between mining giants Rio Tinto and BHP Billiton.

“The joint venture agreement has a strong monopolistic color and Chinese steel mills will resolutely oppose the agreement,” the CISA said in a statement on its website. “The iron ore trade is gradually advancing in the direction of monopoly,” the association said. The joint venture has a direct bearing on the interests of Chinese steel plants as China is the biggest buyer of Australian iron ore, it added. China should have a say in the iron ore trade, especially in Asia, according to the statement.

The CISA said it will allow no market speculation on iron ore trade on the domestic market. It also urged regulators to revoke the licenses of these iron ore importers which were found to have engaged in speculation. Rio Tinto scrapped a proposed 19.5 billion U.S. dollars of investment by Aluminum Corp. of China, or Chinalco, on June 5. The world’s third-largest mining company has announced a joint venture with BHP Billiton, the world’s second-largest. In the agreement, BHP would pay Rio Tinto US\$ 5.8 billion to jointly run iron ore resources of both companies in west Australia.

Mei Xinyu, an economist with the Ministry of Commerce, told Xinhua June 8 that China should closely watch the joint venture process and be ready to work with other countries to curb market manipulation when necessary, with the help of anti-monopoly law. (*Xinhua*)

Anti-dumping investigation into U.S., Russian electrical steel begins

China’s Ministry of Commerce (MOC) has begun an anti-dumping investigation into grain oriented flat-rolled electrical steel imported from the United States and Russia. An investigation was also launched into subsidies for electrical steel from the United States, the MOC said in a bulletin on its website.

The investigation would cover the alleged dumping behavior and extent of underpricing of electrical steel products from the U.S. and Russia. The investigation would seek to ascertain whether dumping and subsidies had damaged China’s electrical steel industry and the extent of damage done to the industry, said the ministry. The investigation would strictly follow regulations of the World Trade Organization (WTO) and domestic trade laws to protect the rights and interests of domestic industries, said MOC spokesperson Yao Jian. The investigation would conclude before June 1, 2010, under normal circumstances, but it could extend until Dec. 1, 2010, under special circumstances. (*Xinhua*)

Steelmakers possibly turn to spot market if price talks break down

The spot market would be the decisive factor in China’s iron ore imports if the ongoing negotiations between the country’s steel mills and the overseas miners break down, *China Daily* quoted an industry insider as saying on June 17. The supply chain would continue working smoothly on the spot market, for many domestic steel makers and foreign suppliers had been tapping this as a main business model recently, the newspaper quoted Hu Kai, an analyst with Umetal.com.

The 33 percent price reduction reached between Japanese steel makers and the Australian miners in late May, and the proposed alliance between Rio Tinto and BHP Billiton, the world’s two largest miners, has imposed great pressure on the Chinese side in the negotiation. But with only two weeks left for the expiry of last year’s iron ore supply contract, the China Iron and Steel Association (CISA), leader in the iron ore talks, insists a 40 percent price cut from the Australian miners.

The major reason that China’s steel makers reject the 33 percent price cut was that the rate was at least 5 U.S. dollars higher than the current spot market price, according to Hu. In addition, Chinese steel plants will suffer huge losses if they agree to a 33 percent price reduction this year, said the CISA earlier. Many insiders believe if the Chinese side fails to reach the deal with suppliers before June 30, they may seek a new quarterly pricing system, within which the steel mills ask for quarterly price adjustment under the benchmark price in accordance with the ups and downs of steel mills’ cost and prices.

The Chinese government also expressed strong opposition to the Rio Tinto and BHP Billiton’s proposed alliance. An official with the Ministry of Industry and Information Technology (MIIT) said the proposal had a “strong monopolistic color”. China might have to seek new policies and regulations to enable its companies to have a bigger say in iron ore price talks if the tie-up was found to be monopolistic, the newspaper quoted Chen Yanhai, another official with the MIIT. (*Xinhua*)

Three favorable factors give Chinese steel mills edge amid price

A global iron ore oversupply, lower spot prices, and huge stockpiles in China’s domestic iron ore market will improve the odds of Chinese steel mills in securing more cuts in its iron ore price negotiation with overseas suppliers, Du Wei, an Umetal analyst told Xinhua on June 4. China Iron and Steel Association (CISA) refused on May 31 to accept the iron ore price cut between 33 percent and 44 percent reached between Rio Tinto and Japan’s Nippon Steel Corp, and insisted on a price cut of more than 40 percent in the annual contracts of iron ore.

Analysts and insiders believe an estimated global excessive supply and a considerable decline in demand impose great pressure on the miners amid the economic downturn. “The global iron ore supply surplus is estimated to be between 200 million and 300 million tonnes,” said Luo Bingsheng, vice chairman of the CISA in Shanghai on June 2. Total iron ore demand is expected to drop between 150 million and 200 million tonnes this year, according to Xu Xiangchun, chief information officer of Mysteel.com Wednesday. Luo also said China’s steel maker would turn to the spot pricing, abandoning the benchmark price system, if the suppliers deny its 40 percent to 50 percent price cut request. “Despite a 33 percent price cut, the long contract price is still 8 to 9 U.S. dollars higher than the spot price,” said Du Wei.

Huge stockpiles should prompt China’s steel makers to call for a bigger cuts in iron ore prices in the progressing negotiation, Du said. The latest data from the www.umetal.com shows that iron ore stocks at Chinese main ports exceeded 70 million tonnes as of May 31. Du estimated that China’s overall stocks had surpassed 110 million tonnes in consideration of 30 million tons of stocks by steel plants. However, analysts and insiders believe the negotiation will drag on beyond the end of June. According to Luo, China’s steel mills lost RMB 5 billion (US\$ 732 million) in the first four months this year.

If the CISA compromises, the long contract price would be set at a high level during the peak season, and China’s steel plants would suffer more in profit loss resulting from high costs, said Du. “We have not set a deadline of when the negotiation would end. Even if the two sides had not reached the deal by the end of June, it would not affect the production of China’s steel plants,” said Shan Shanghai on June 3. (*Xinhua*)

China's auto import volume down 30% in first 5 months

The combined volume of Chinese imported vehicles stood at US\$4.38 billion from January to May, a decrease of 30.3% from a year earlier, the General Administration of Customs (GAC) said June 10.

China imported a total number of 116,000 units of vehicles in the first five months this year, down 31.9% year on year. For May alone, China imported less than 24,000 vehicles, about 2,000 units less from April. The GAC attributed the trend partly to the purchase tax cut policy for Chinese consumers who buy small-capacity cars and the global economic slowdown. China in January halved the purchase tax on passenger cars to 5 percent for models with engine displacements of less than 1.6 liters. GAC figures showed that more than 60% of Chinese imported vehicles belonged to those with engine displacements of more than 2.5 liters.

China's exports and imports shrank for the seventh month in a row in May as economic downturn continued to dampen global trade. Exports fell 26.4% in May from a year earlier to US\$88.758 billion. Imports were down 25.2% to US\$75.37 billion. (*Xinhua*)

Chery introduces new CKD SUVs in Malaysia



Chery Alado, a joint venture found by China's automobile company Chery and Malaysian partners, unveiled its new CKD (Completed Knocked Down) sports utility vehicles (SUV) here on June 16.

The newly unveiled CKD cars were TIGGO SUV 2.0L Automatic and 1.6L Manual, the fourth model introduced into Malaysia by Chery.

The Chinese auto maker earlier has introduced into Malaysia three models — EASTAR MPV CKD, TIGGO SUV CBU (Completely Built Up) and A530 CBU, said Zhou Bi Ren, head of Chery International and Vice President of Chery Automobile. Chief Executive Officer of Chery Alado Automobile Sdn Bhd Meng Tao described that the latest 2.0AT TIGGO SUV as a modern, safe and easy-driving city car with advanced technology and complete configuration.

Meng said that the company would continue to introduce new models into Malaysia's market to strengthen the cooperation between China and Malaysia in economy and trade, while constantly contributing to the local automobile industry. The Chery TIGGO SUV has improved fuel-saving 2.0-liter ACTECO engine and its chassis was designed by Lotus from Britain. The new car also offered innovative features such as leather seat, dual airbag, cruise control and rear fog lamp to increase driving pleasure and safety performance. In addition, Chery Alado said that it would bring the TIGGO SUV bullet-proof model into the Malaysian automobile market in the near future.

The company believed that the bullet-proof model has market potential in Malaysia as it has been used to ensure the security and safety of key VVIPs and personnel during the 2008 Beijing Olympics. Chery Alado Holdings Sdn Bhd was established in May 2008 through a partnership between Chery Automobile Co., Ltd, and Alado Corporation Sdn Bhd to assemble and distribute Chery cars in Completely Built Up (CBU) and Completely Knocked Down (CKD). This strategic decision strongly reflects Chery's confidence in the long-term better future of Malaysia and also is the first step in their mission to make Malaysia a regional automotive manufacturing hub, the company said. (*Xinhua*)

China auto sales may touch 11 mln in 2009



China's automobile sales will "definitely break the 10-million-unit barrier" in 2009, the China Passenger Car Association said, raising its forecast for the automobile industry this week on the back of a robust growth in vehicle sales in May, the fifth consecutive month it has climbed this year.

The association said "automobile sales in China will touch 11 million units this year, on the basis of the total number of vehicles sold across the country in the first five months." Data released by the association showed that China sold 812,178 units of passenger vehicles, including minivans, sports utility vehicles, and multipurpose vehicles, in May, another monthly high. Sales jumped by a faster-than-expected 54.7 percent year-on-year, and up a slight 1.2 percent from April. Total passenger car sales in the first five months jumped 29.6 percent, to 3.64 million units from the same period last year, said the association.

China also has, for the fifth consecutive month, beaten the US as the world's largest automobile market. "The growth in the passenger car segment will probably continue in June to hit a new monthly record, which will boost the whole-year sales to the 11-million-unit mark," said Rao Da, secretary-general of the association. Moreover, sales in the second half are much better than that in the first six months in the automobile industry, said Rao. GM, which filed for bankruptcy protection earlier this month, reported a monthly sales record in China in May. The automaker's total vehicles sales in May surged by 75% year-on-year to 156,000 vehicles in China. Its minivan joint venture SAIC-GM-Wuling sold 100,258 units last month, the first time that a Chinese automaker has crossed the 100,000-unit monthly sales mark, while another venture, Shanghai GM's sales climbed more than 50 percent from a year earlier, and was ranked the third in China's sedan segment.

Volkswagen's joint venture, FAW-Volkswagen, sold 57,928 vehicles, while the German automaker's other joint venture, Shanghai Volkswagen, delivered 57,023 units in May, according to the association. (*China Daily*)

Tengzhong's executive expresses confidence on Hummer takeover

China's Sichuan Tengzhong Heavy Industry Machinery Co Ltd, which is reported having reached a tentative agreement on purchase of General Motors (GM) Hummer brand last week, said it has the financial resources and expertise to clinch the bid, *China Daily* reported June 12.

"The mergers and acquisitions we did in the recent years have provided us with rich experience to integrate resources in different industries or tap into a new industry," Yang Yi, general manager of Tengzhong, quoted by the newspaper as saying. The little-known Sichuan-based heavy machinery maker signed a preliminary agreement with the bankrupt General Motors to acquire its gas-guzzling Hummer brand for an undisclosed price.

"The public should not judge a private company's financial capability from its registered capital," said Yang, "we have the financial resources for the Hummer deal from our own capital and also funding from some financial institutions". Yang declined to disclose the exact quantum of money that would be spent on the takeover, but said "it would be a very worthy deal with a reasonable price" in respond to the 100 million to 500 million U.S. dollars speculation. The final result will be known in the next few weeks, and the transaction is also awaiting approval from the government, according to Yang.

Tengzhong said it will sign a long-term contract with GM on the assembly, spare parts and material supplies for the transferred Hummer. The company will also invest in research and development of a new power train system to help improve the gas guzzler's fuel efficiency, said Yang. (*Xinhua*)

Retailers' boycott makes Nokia under pressure in China



The relationship between Nokia and its distributors in China was once seemingly as smooth as a quiet river. However, the waters have become rough as the Finnish phone giant's retailers have been boycotting its products in protest over heavy fines Nokia levied on them for selling outside their assigned territories.

On June 16, more than 100 wholesalers in Hunan and Shandong provinces sent a letter written by a lawyer to Nokia, accusing the company of monopolizing prices to get windfall profits, reported the Beijing News. The letter said Nokia's policies, such as the heavy fines, not guaranteeing the quality of products sold outside the areas and dividing sales regions are an effort to monopolize prices and the marketplace. The dealers say this may be a violation of Chinese law and added that they will sue Nokia if the world's largest handset seller does not give them a "satisfactory response."

On June 10, 40 dealers in the Communications Market in Jinan, Shandong Province, hung a red banner saying "Boycott Nokia" in front of the mall, the fifth largest cell phone wholesale and retail market in China. Some Nokia distributors in Shanghai have also shifted to other brands, reported Dongfang Daily. And dealers in Hangzhou, Zhejiang Province have also reportedly joined the protest, according to Changsha Evening News. In response, Nokia said in a statement that it doesn't have business relationships with the protesting distributors and Nokia will not negotiate with them. Distributors can only receive their commissions if they meet their targets within their regions, but the problem they face is that they can only meet their quotas by selling outside their assigned sales areas, said Hu. Facing the criticism from the sellers, Nokia said its policy is its way to manage unauthorized distribution outside a distributor's sales area. And transferred-sold products will not receive any quality guarantees and after-sales service, said Nokia. Nokia under pressure.

Nokia is by far the world's dominant mobile phone maker with sales of 97.39 million units in the first quarter of 2009, giving it a market share of 36.2 percent, according to figures from research house Gartner. "The Asia-Pacific market has been an extremely important region for Nokia over the years and remains hugely important to Nokia," said Mary McDowell, executive vice president and chief development officer. However, Nokia's domination is being challenged by others. According to figures from GFK Group, a market research company, Nokia's market share in China declined to 39.9 percent in February from 42.6 percent in February, 2008, compared to the growth of South Korea's Samsung, which increased from 15.4 percent to 22.7 percent.

This year after the May Day holiday, Nokia's sales decreased by 70 to 80 percent, said an anonymous seller. According to the first 2009 quarter fiscal report from Nokia, it predicted the total world mobile terminal sales volume would be 255 million, down 14 percent year on year, and 16 percent lower than that in the previous quarter. And Nokia is expected to see a 19 percent year on year decline by the end of the fiscal year. (*Global Times*)

China's largest LCD panel completes RMB12 bln share placement



China's largest LCD panel maker BOE Technology Group has sold shares worth RMB 12 billion (US\$1.76 billion) to fund a new liquid crystal display panel production line, the most advanced on the Chinese mainland, reported China Daily on June 12. The Shenzhen-listed firm is likely to turn into the world's third largest LCD panel provider once the new assembly line becomes fully operational, the newspaper said.

The company sold 5 billion shares at RMB 2.4 each to 10 investors, including Haitong Securities Co, Southwest Securities Co and Xiamen Hengxing Industrial Co's Chairman Ke Xiping, it said in a statement to the Shenzhen Stock Exchange. The new investment by BOE Technology, whose major shareholders are state-owned enterprises in Beijing, Hefei and Chengdu, is expected to give a shot in the arm to the local economy. However, many experts are still cautious about BOE's new investment as supply of LCD panels far outpaced current demand. And, with more overseas LCD panel makers, mainly the Taiwan firms, moving their factories to the Chinese mainland, the LCD market in China is expected to get more crowded.

BOE recorded a net loss of RMB 807.5 million last year due to flat sales amid the financial crisis. The company said in a statement on June 10 that the company was likely to post a net loss of between RMB 700 ~ 800 million in the first half of this year due to the low prices of LCD panels. A company spokesman said BOE was likely to make a profit only in the third quarter, but analysts said it was highly unlikely the company would make a profit this year. (*Xinhua*)

Miles to go for 3G to make profits

After years of waiting, the country fully ushered in the 3G era last month when China Unicom became the last of the three carriers to launch the service on May 17. China Mobile, the world's largest mobile phone carrier in terms of the number of users, earlier this year received a license to deploy its 3G network based on TD-SCDMA, a homegrown 3G standard. Its smaller rivals got licenses based on two other widely adopted standards - China Unicom received one for the WCDMA, while China Telecom was issued one based on the CDMA2000 standard.

The rollout of 3G services and the telecom industry restructuring last year under which all three telecom companies are set to become full service operators, are part of the government's efforts to redraw the telecom industry landscape, which is currently dominated by China Mobile. The 3G licenses issued earlier this year was also part of the government's efforts to stimulate domestic demand, since 3G is expected to attract investment worth hundreds of billions. This will be mainly for network deployment and related projects and will come at a time when investment and consumption are badly needed to prop up the economy.

"The 3G rollout is expected to usher in RMB 1 trillion worth of investment and consumption in three years. This includes RMB 400 billion by telecom carriers to deploy their networks, some RMB 400 billion consumers are likely to spend on handsets, netbooks and other terminals, and RMB 200 billion on video and other 3G services," said Xi Guohua, vice-minister of Industry and Information Technology, at an industry forum last month.

Analysts, however, said that while the introduction of 3G services may immediately boost investment and spending, it may not be that effective in changing the industry landscape in the short term. Although the three carriers have all announced huge investment plans to build their networks, which incidentally is also a big shot in the arm for telecom equipment makers such as Nokia Siemens Networks, the move is likely to drag down their profitability numbers. (*China Daily*)

Chinese dairy firm reports sales surge after takeover of Sanlu

Hebei Sanyuan, the dairy firm that bought most of the assets of the Sanlu Group, China's largest milk powder producer before its bankruptcy in the melamine contamination scandal, on June 12 reported sales in May equal to total of the first four months. Gao Qingshan, general manager of Hebei Sanyuan, said the firm's revenue in May hit RMB 70 million (*US\$10 million*).

"Our daily milk powder output reached 24 tonnes, or 80 percent of the total production ability of Sanlu's former factories, and the daily output of liquid milk amounted to 300 tonnes, 65 percent of production ability. Production will be further expanded based on market response," he said. He said the firm was confident of meeting its goal of achieving Sanlu's former market domination in three years. Hebei Sanyuan Foods Co. Ltd. received capital from the Beijing Sanyuan Foods Co. Ltd. to buy the core assets of Sanlu Group Co. in March. Previously Hebei Sanyuan had leased the plants. Six of its seven factories presently in production were formerly owned by Sanlu. Gao said consumers in Beijing would see Sanyuan milk products produced by Hebei Sanyuan, based in north China's Hebei Province, in July. Previously, Sanyuan products sold in Beijing were all from subsidiaries of Sanlu Group Co. in Beijing.

"Our products are sold to 13 provinces. But entering the market in Beijing is very important for the market recognition of our products," he said. The firm was eyeing high-end market for milk powder products in Beijing. Hebei Sanyuan bought Sanlu's core assets at an auction in early March for RMB 616.5 million. The company has said it would use its untarnished reputation to improve its position in the market. Gao said 2,200 of the 2,500 Sanlu staff on the payroll had been re-employed in Sanyuan factories. The company would try to create jobs for the rest of the workers before October. Renewing labor contracts with Sanlu staff has been on the takeover contract. "Sanyuan plans to establish 300 retail dairy outlets, and set up a dairy farm this year, which would create 800 to 900 jobs," Gao said. Sanlu was one of a handful of companies whose products were found tainted with melamine, an industrial chemical used in the manufacture of plastics and fertilizer, which was added to watered-down milk to artificially boost protein content. The milk was blamed for the deaths of six babies and urinary problems in almost 300,000 others last year. The company had been China's leading seller of milk powder for 15 years until the melamine scandal broke in September last year. Sanlu's revenue hit RMB 10 billion in 2007, while Sanyuan's revenue was 1 billion yuan. (*Xinhua*)

Subsidies boost rural China home appliance sales 42% in May

Sales of home appliances under a rural subsidy program for farmers jumped 42 percent in May from April, a government official said June 15. Yao Jian, spokesman of the Ministry of Commerce (MOC), said 2.23 million appliances were sold in May.

The MOC said in March that the central government had allocated RMB 20 billion (about US\$2.9 billion) for the subsidy program this year, which would help increase household appliance sales by more than RMB 100 billion. The State Council, or Cabinet, approved a home appliance replacement plan on June 1, which allocated RMB 2 billion to encourage home appliance upgrades in nine pilot cities, including Beijing, Tianjin, Shanghai and Changsha. This was intended as a fresh move to spur domestic consumption.

Buyers would receive a subsidy equivalent to 10 percent of the retail price of new appliances including TVs, refrigerators, washing machines, air conditioners and computers, according to the plan. (*Xinhua*)

Dairy firms make new moos

China's dairy sector is struggling to claw its way back from the debilitating effects of last year's tainted milk scandal that saw one producer go bankrupt, losses at several others and an industry reputation in tatters.

The melamine-tainted milk scam claimed the lives of six infants and hospitalized nearly 300,000 others in 2008. The incident forced dairy firms to take their products off the shelves and go into damage control mode, chiefly by way of crisis marketing and quality control. The industry, which had witnessed a 20 percent growth rate over the past decade, also reported deep losses. Industry leader Mengniu, for the first time in several years, posted a loss of RMB 948.6 million in 2008, despite strong sales during the first three quarters of the year. Yili incurred losses of RMB 1.69 billion; Bright Dairy lost RMB 286 million. Only Sanyuan Food, one of the few producers to escape the crisis, made a profit of 40.76 million yuan in 2008.

Investors too shunned the industry. Yili and Mengniu shares nose-dived. Yili dropped to RMB 6 from RMB 17, while Mengniu fell to HK\$6.4 from HK\$24 last August. Bright Dairy shares went down to RMB 3.2 last December from RMB 7.6 in September 2008. And, in February this year, Sanlu, which was at the heart of the scandal, declared bankruptcy, leaving a dairy market worth RMB 10 billion for other players to grab.

Now, the industry is going through a shake-up of sorts. Sanyuan Food, a regional brand name in Beijing and Hebei, is gearing up to be a national player after it purchased Sanlu's key assets. Many other regional players are also looking at expansion, although analysts contend that the top two producers, Mengniu and Yili, cannot be replaced that easily. The industry is also focusing on bettering the source quality of dairy products. Yili is developing a new cow community model, and plans to organize 20 such communities by the end of 2009. Each community houses 1,000 cows collected from local farmers. Yili is entrusting a professional company with the task of raising the cows to make sure the milk is safe. "2009 will be the year of quality. Quality means life," Zhang Jianqiu, Executive President, Yili told *China Business Weekly*. (*China Business Weekly*)

China offers \$88 mln in subsidies for energy-saving light bulbs

The National Development and Reform Commission (NDRC), China's top economic planner, unveiled a plan June 10 to promote the use of 120 million compact fluorescent light bulbs (CFLs) this year, an effort aimed to boost consumption while saving energy.

The Ministry of Finance (MOF) has allocated RMB 600 million (US\$87.8 million) to subsidize this plan, the two agencies said in a joint statement. The energy-efficient bulbs will help save 6.2 billion kilowatt hours of electricity and cut carbon dioxide emissions by 6.2 million tonnes. They are also expected to cut electric bills by RMB 3.1 billion nationwide. Roughly 3.7 million bulbs were sold at a subsidized price of RMB 1 in Beijing last year, 9 yuan cheaper than the usual retail price. The city's government plans to promote sales of 10 million bulbs this year. (*Xinhua*)

Textile industry growth climbs to 8.3%



In May, value-added of the industrial enterprises above designated size (enterprises with an annual income over RMB 5 million yuan) was up by 8.9 percent year-on-year, or 7.1 percentage points dropped over same period of previous year, promoted 1.6 percentage points month-on-month.

In terms of main sectors, the growth rate of textile industry went up 8.3 percent; that of manufacture of chemical raw material and chemical products hit 11.1 percent; that of general equipment manufacturing industry promoted 9.3 percent; that of electric machinery and equipment manufacturing industry jumped 11.2 percent. In terms of main products, that of crude oil hit 16,032 thousand tons, declined 1.1 percent.

The sales ratio of industrial products was 97.34 percent, dipped 0.49 percentage points year-on-year. The export delivery value of industrial enterprises reached 581.36 billion yuan, a year-on-year decrease of 15.0 percent.

Value-added of the industrial enterprises above designated size increased 6.3 percent from January to May, year-on-year. (*National Bureau of Statistics of China*)

Negative growth of garment export in Guangdong suspended



According to Guangzhou Customs, the export of garment and accessories valued 6.31 billion USD from Jan. to Apr. this year, down 5.1% from same period last year. Since the turning point in March of which the negative export growth starting from last March suspended, the garment export in April continued to increase to 1.74 billion USD, up 3.9% on a yearly basis, or up 5.5% on a monthly basis.

Hong Kong, EU and the US were still the major export destinations of Guangdong Province. The export to the top three buyers accounted for 61.8% of the total. Otherwise, the export to emerging markets were growing at the same time. For instance, the export to Mid East, ASEAN and Latin America were 600 million USD, 39 million USD and 36 million USD respectively, up 53%, 6.2% and 6%. While the export to Africa dropped 2.2% to 230

million USD. The export to emerging markets accounted for 25.1% of the total.

The export through general trade way was 3.76 billion USD in Guangdong from Jan. to April, down 0.3% on a yearly basis, and accounting for 59.6% of the total export. For April alone, the export was 1.09 billion USD through the general trade, up 16.5% on a yearly basis and up 4.4% on a monthly basis. But the growth rate reduced 15.8 points than that of March. The export through processing trade was 2.04 billion USD in Guangdong from Jan. to April, down 19.3% on a yearly basis, and accounting for 32.4% of the total export. For April alone, the export was 520 million USD through the general trade, down 21.5% on a yearly basis but up 8% on a monthly basis. The growth rate increased 3.4 points than that of March. (*CCPITEX*)

10 new national standards of garment industry released



According to General Administration of Quality Supervision, Inspection and Quarantine and National Standardization Management Committee, 10 new garment standards are going to be effective on January 1 of 2010. Six of them are new standards, and four are amended versions.

The Garment Rain Proof Performance Requirement, Coated Garment Anti-wet Technology Requirement, Work Clothes Anti-static Requirement and Testing Method, Woven Fusible Interlining, Woven Student Clothes are original launched. They are designed to guide and regulate the production of corresponding products. The standard was revised and upgraded as the national standard for its first time.

Besides, Clothes-Children, Man's Suit and Coat, Woman's Suit and Coat, Trousers have been the fundamental standards of garment industry for a while. They are amended this time and designed to protect and support of the garment trade. (*CNTEX*)

National textile fabric sample pool startup in Keqiao

During the 2009 Keqiao Spring Expo, 32 textile enterprises, including Shandong Huafang Co., Ltd. Shandong Ruyi Group, Zhejiang Dongfang Huaqiang Textile Co, Fulida Group Holding, Wujiang Haicheng Textile Co, signed the agreements with China Textile Information Center, to become the first batch of core members of CTIC Keqiao Branch. This also indicated the startup of National Textile Fabric Sample Pool project. This project is also the first one of this kind in the branch.

The primary stage of this project covers a storehouse with 4,800 square meters and is going to accomplish the construction in one year. 1000 key textile enterprises will join in and bringing one million pieces of samples. The e-Commerce platform is also under construction. The operation is based on membership system.

The major functions of this sample pool include:

1. product search. The buyer would search every piece of sample in this pool through Internet;
2. sample standard and management. A uniform standard for those sample is drafted. Each sample will match a unique code, which tell the buyer the information such as manufacturer, specification, color, size and so on;
3. match-making. The CTIC will participate the major trade fairs world wide with the samples from its members and help the match-making between suppliers and buyers;
4. the protection of intellectual property rights. Each sample has its own code. If the fake copy happens, it is easy to find evidence to protect the owner's intellectual property rights. (*CNTEX NEWS*)



TNT opens Wuhan road hub

TNT inaugurated a road hub in Wuhan, Hubei Province, which will improve its road distribution network in central China on June 18, 2009. The regional hub will be managed by TNT's wholly owned subsidiary TNT Hoau.

The facility marks another milestone in the development of TNT's Chinese domestic delivery arm, following the introduction of a day-definite ground service in February 2009. TNT plans to open 10 regional road hubs over the next five years to tap into China's growing domestic economy, which is still expected to grow by 6 percent in 2009. The 46,620 sq m hub is located at the Wuhan Dongxihu Bonded Logistics Centre, at the geographic and economic heart of central China. It will enable TNT to reduce delivery times of its key line-hauls in the provinces of Fujian, Jiangxi, Hunan, Sichuan and Chongqing city by up to two days, at 10 percent lower operational cost. The Wuhan Dongxihu Bonded Logistics Centre supported the establishment of TNT Hoau's regional hub.

The hub not only fulfils the operational requirements of TNT Hoau, but also has the advanced features of an international road distribution hub, making it an industry-leading logistics facility in China.

The Wuhan Dongxihu Bonded Logistics Centre is the fourth bonded logistics centre in China, after Suzhou, Beijing, and Nanjing. It will allow Wuhan to enjoy the treatment of an international free trade port in central China.

"This is all about increasing the competitiveness of our services to bring even greater value to our customers in China," said Michael Drake, regional managing director of TNT North Asia. Our continued investment in TNT Hoau, despite the current economic challenges, is a clear demonstration of our focus to be the market leader, and will be critical to TNT's continued success in China. The increasing Chinese domestic consumption will drive a greater need for faster, more comprehensive and consistent road services, and the mega-hubs will place TNT Hoau in an even stronger position to tap on the future growth of this market."

TNT Hoau, a 100 percent subsidiary of TNT China, plays a crucial role in TNT's strategy, and operates China's most extensive private domestic road transportation network, which consists of 56 domestic hubs serving 1,260 depots, and covering over 500 Chinese cities. (www.cargonewsasia.com)

China Eastern, Shanghai Air set up revamp team



China Eastern and Shanghai Airlines have set up a seven-member "leadership" team comprising senior executives of the two companies and central and Shanghai government officials to oversee the restructuring, which could lead to a full merger.

Liu Shaoyong, chairman, China Eastern, will chair the taskforce, while Zhou Chi, chairman of Shanghai Airlines and Ma Xulun, general manager of China Eastern, act as two vice-leaders. Liu, said the proposed restructuring of the

two Shanghai-based carriers has got the blessings of the State-owned Assets Supervision and Administration Commission, which supervises all State-owned companies, including China Eastern, and the Shanghai municipal government, which controls Shanghai Airlines.

Trading in the shares of China Eastern in Hong Kong and Shanghai, and those of Shanghai Airlines in Shanghai has been suspended since June 8 after the restructuring plan was announced.

"Details of the restructuring will be announced in 20 days," Liu was quoted as saying by the local media. The market has been rife with speculation of an impending merger deal that would result in Shanghai Airlines being absorbed into its much larger rival, China Eastern. At stake is dominance of the Shanghai airline hub, largely shared between the two local carriers and Air China.

Huang Jinrong, analyst, Guosen Securities, said that the best restructuring result would be a full merger. "China Eastern can only hope to achieve a dominant share of its most important market by taking over Shanghai Airlines," he said. "At present, Shanghai Airlines owns less than 5 percent of the overall market share in China. It seems after the merger China Eastern can hardly show significant improvement, but the two can play a dominant role in Shanghai and neighboring Yangtze River area," said Yao Jun, analyst, Chine Merchants Securities.

Currently, Beijing-based Air China holds 45 percent of the capital's aviation market, while Guangzhou-based China Southern has over 50 percent of the local market share. Before announcing the merger, China Eastern controlled 40 percent of Shanghai's aviation market while its rival Shanghai Airlines held around 15 percent.

Liu Shaoyong told reporters that through the tie-up, the combined share would exceed 50 percent, and offer a more comprehensive aviation network.

Backed by the World Expo next year, Shanghai's tourism market is expected to boom and also help the local aviation industry. Analysts estimate that there would be over 70 million passengers coming to Shanghai during the expo period, and a strong China Eastern would have a greater role to play in the expo. (*China Daily*)

Chongqing plans US\$3.6b for port infrastructure



Chongqing Municipality plans to invest US\$3.6 billion in the next two to three years on the construction of ten key waterway projects and twenty-one key port projects, officer from Chongqing.

It is said Chongqing plans to add 89 cargo transport berths in its port areas and to increase its annual cargo throughput capacity by 94.54 million tonnes.

At the end of 2008, Chongqing's waterway mileage totalled 4,337 kilometres. The cargo throughput volume totalled 111.86 million tonnes and the container throughput volume totalled 960,000 TEUs. (www.cargonewsasia.com)



Over 50,000 yet to book beds for 2010 World Cup

About 55,000 soccer fans are yet to book accommodation for the 2010 World Cup, said the country's property company Seeff Properties on June 20.

Chairman Samuel Seeff said in a statement that this has since prompted home owners to rent their homes out for the duration of the sporting event to meet the awaited demand.

According to South African Tourism, there will be a shortfall of around 65,000 beds in Gauteng on peak nights and also shortfalls in smaller cities such as the Eastern Cape's Port Elizabeth with 15,000 beds.

Polokwane in Limpopo and Rustenberg in the North West each had 5,000 beds while Bloemfontein in the Free State had 14,000 and Nelspruit in Mpumalanga 13,000.

"The fact that 55,000 fans still have nowhere to stay presented a business opportunity worth an estimated 400 million rand (50 million U.S. dollars) for the property market," Seeff said.

Homes close to stadiums and in good condition were most likely to be snapped up early by fans, he said.

"Because educational institutions were closed during the event, those with homes in prime positions could consider moving out or even taking a holiday and letting their properties during the event," Seeff said.

The actual amount you would receive varies from property to property. "However, we believe that you could charge a minimum of double the monthly rental that you would ordinarily receive," Seeff said.

"So, if your house could rent today for 20,000 rand (US\$2,500) per month, we reckon you could get a minimum 40,000 rand (US\$5,000) or 10,000 rand per week and that would still be cheap for visitors who pay a lot more for accommodation in their own countries," he said. (*Xinhua*)

China to excavate cabins on 800-year-old recovered merchant wreck

Chinese archaeologists have won permission to start an "excavation" into the cabins of the 800-year-old shipwrecked merchant vessel Nanhai No. 1, the local government said on June 20.

The municipal government of Yangjiang, Guangdong Province, where the Nanhai No.1 boat has been preserved since it was hoisted from a depth of 30 meters below the South China Sea at the end of 2007, won permission from the State Administration of Cultural Heritage in May for the "excavation", Feng Shaowen, director with the municipal publicity bureau, told *Xinhua*.

The 30-meter-long vessel ship has been soaked in a sealed pool in the "Crystal Palace" at the Marine Silk Road Museum in Yangjiang. The glass pool - 64 meters long, 40 meters wide, 23 meters high and about 12 meters in depth - was filled with sea water and silt to replicate the water temperature, pressure and other environmental conditions of the seabed where the vessel had lain for centuries.

The details of the excavation have not been released so far but it could last three to five years. Construction of the Marine Silk Road Museum began in early 2006, costing RMB 170 million (US\$24.9 million).

Discovered in mid 1987 off the coast near Yangjiang, Nanhai No.1 was recognized as one of the oldest and biggest merchant boats sunk in Chinese waters.

Archaeologists have already recovered more than 4,000 artifacts including gold, silver and porcelain, as well as about 6,000 copper coins from the Song Dynasty (960-1279) boat.

Among the 1,000 delicate porcelain wares, many were made by handicraftsmen to feature foreign porcelain patterns and styles, said Feng.

The well-preserved vessel might confirm the existence of an ancient maritime trade route linking China and the West.

As early as 2,000 years ago, ancient Chinese traders began taking china, silk and cloth textiles and other commodities to foreign countries along the trading route. It started from ports at today's Guangdong and Fujian provinces to countries in southeast Asia, Africa and Europe.

The "Marine Silk Road", like the ancient Silk Road that connected China with south, west and central Asia and Europe, was also a bridge for connecting Eastern and Western cultures, but evidence for the existence of the route is rare, said Huang Zongwei, professor with the Guangdong-based Sun Yat-Sen University. (*Xinhua*)

Beijing Olympics earnings hit US\$146m

The 2008 Beijing Olympic Games raked in a profit of more than 1 billion yuan (\$146 million), the National Audit Office (NAO) said on June 19.

A report posted on the office's website said the total operating cost of the Games was 19.343 billion yuan and the operating revenue, RMB 20.5 billion.

Apart from the operating cost, China also spent RMB 19.49 billion on building 102 Olympic projects in Beijing and the five other cities that co-hosted the Games. Thirty-six of them were competition venues and the rest were used for training.

The operating revenue came mainly from broadcasting rights and marketing programs. The expenses included RMB 5.092 billion on broadcasting, accommodation, transport and medical services; RMB 1.272 billion on the opening and closing ceremonies, torch relay and other promotional activities; and RMB 1.424 billion on human resources.

The Olympic and Paralympic opening and closing ceremonies together cost RMB 831 million. And the revenue of the Paralympic Games was equal to its cost: RMB 863 million.

The earnings from the Games will be used to set up special funds for development of sport, improve sport facilities and organize events for common people, an official said. "The scheme to set up the funds is under discussion."

The Beijing Olympic Games organizing committee (or BOCOG) was the first organizing body to be in charge of hosting the Olympics and Paralympics both.

"According to fixed exchange rates, the cost of the Beijing Games was slightly lower than that of the 2004 Athens Olympics, and as we know the budget for the next Games is more than that for Beijing. So the Beijing Olympics was not the most expensive," *chinanews.com.cn* quoted an NAO official as having said.

The Athens Games cost US\$2.4 billion and reportedly made a profit of US\$155 million.

The NAO began auditing BOCOG's accounts in the later half of 2005.

Its report said: "BOCOG controlled the expenditure, and its revenue was much more than the originally estimated RMB 410 million."

"BOCOG has maintained strict supervision," it said. And though "no major irregularities were detected during auditing", some problems did crop up. For example, there was "no detailed plan for some of the projects and some of the budgets were too high".

BOCOG, however, paid due attention to those problems and rectified its programs in time, the report said. (*China Daily*)

Australia welcomes Chinese investment despite Chinalco deal

Australian Prime Minister Kevin Rudd asserted that Australia still welcomed Chinese investment despite Rio Tinto's decision to scrap a deal with China's Chinalco on June 5.

Rudd said the government was not opposed to the deal on the grounds that foreign funds generated jobs.

"The government maintains a policy of openness towards foreign investment and we'll always make decisions in the national interest, as I assume the Chinese government makes decisions in the national interest about what foreign investment it welcomes in its country at any given time," Rudd told reporters in Canberra.

"As for Chinese investment in Australia, we welcome Chinese investment in Australia just as the previous government approved some 15 billion Australian dollars (US\$12.07 billion) worth of Chinese investment into this country as well," he said.

Rio Tinto on June 5 scrapped the proposed tie-up with Chinalco in favor of an 18.96 billion Australian dollars (US\$15.2 billion) equity raising and an iron ore joint venture with rival BHP Billiton Ltd. (*Xinhua*)

China still top destination for FDI



Though the financial crisis is slowing growth in foreign direct investment (FDI) this year, China still remains an attractive destination for foreign investors due to its dynamic economy, according to a statement of the Ministry of Commerce.

The Chinese government is taking steps to stabilize the FDI and also improve its quality, it said. Hurt by the global financial crisis since last October, FDI into China began to decrease from a year earlier, and fell 2.02, 36.52 and 5.73 percent respectively during the last three months of 2008.

But this did not pull back the growth momentum for the whole year. According to the Ministry of Commerce, China absorbed FDI worth US\$111.17 billion in 2008, up 27.65 percent year-on-year.

In comparison, the global FDI dropped by 21 percent year-on-year to US\$1.45 trillion, largely due to the 32.7 percent slump in FDI with developed nations, according to statistics from the United Nations.

Although the financial crisis will be continuously exerting a negative impact on the inflow of FDI into China this year, China is still an attractive destination for FDI, the MOFCOM said.

From January to April, the FDI into China fell by 32.6, 15.8, 9.5 and 22.5 percent respectively year-on-year.

But China's economic growth potential is still a big draw for foreign investors, said the MOFCOM. The nation registered a GDP growth of 9 percent last year, and has set a growth target of 8 percent for this year.

The MOF has said that the Chinese government would try to improve the investment environment in China by launching more preferential policies and making procedures more convenient and also optimize the FDI structure by encouraging more investment from hi-tech, environmental protection and services sectors. (*China Daily*)

Outsourcing still hot business in China



China's outsourcing industry has maintained a strong business growth in the first five months of this year although the financial crisis has reduced demand from foreign companies such as big banks and insurance companies.

Wang Chao, assistant minister of commerce, said in an industry forum that the contract value of China's outsourcing industry reached US\$2.59 billion from January to March, an increase of 25.9 percent compared with the same period last year.

"Although overseas demand for outsourcing services shrank in the first half of this year, China's software exports and outsourcing industry still maintained a rapid growth," Wang said at the China International Software & Information Service Fair in Dalian.

But he said Chinese outsourcing companies still have to face great challenges, as the global economy cannot recover in the short term. He warned that some small and medium sized outsourcing companies might have to wind up due as banks have become cautious in their lending due to the economic crisis.

Impacted by the financial crisis, many of the big companies, especially the financial institutions, have reduced their outsourcing orders due to shrinking business.

But Chinese outsourcing companies, whose major customers are Japanese companies rather than US and European firms, still maintained a strong growth due to the country's relatively lower labor cost, the government's strong support and the abundant pool of college graduates.

"Our software outsourcing business increased 94 percent year on year in the first five months of this year," said Zheng Shiyu, CEO of Dalian Yidatec Co Ltd, one of China's largest outsourcing firms.

The company acquired two Japanese counterparts during the past ten months and plans to attract more high-end customers.

In order to help it transform from a manufacturing base to a service hub, China aims to double in five years the export value of the outsourcing industry by 2010. By achieving that, the government announced earlier that it plans to woo some 100 multinationals to transfer part of their service outsourcing industry to China by building 10 cities with international standards.

It also plans to help 1,000 Chinese outsourcing companies grow into medium to large size enterprises within the five-year period ending 2010.

But experts said Chinese outsourcing companies still have a smaller scale and lack the experience and capacity to deliver complicated outsourcing services, when compared with their Indian counterparts like Infosys and TCS.

Liu Jiren, chairman of Neusoft, China's largest outsourcing company, said Chinese outsourcing companies need to grow bigger to have the advantage of scale. He said Neusoft, which failed in its effort in March to acquire Dalian Hi-Think Computer Technology Corp, China's second largest outsourcing company, is still in acquisition talks with many domestic and foreign companies.

He said as more US and European companies are starting to outsource their business to Chinese firms, China is expected outpace India in outsourcing in the next five to ten years. (*China Daily*)

Banks well prepared before go globally



Chinese banks need to find good answers to three questions before expanding globally, said Peter Sands, Group Chief Executive of Standard Chartered.

"It is necessary and inevitable for Chinese banks to expand globally in the context of globalization," he said. "However, to be successful in international expansion requires good answers to three questions: why we expand international; where we expand to; how we are going," said Sands during the Spring Membership Meeting of the Institute of International Finance on June 11.

According to Sands, the best and the compelling reason for Chinese banks to go globally is to meet the need of clients as Chinese companies and individuals increasingly invest in global market and do more international trade.

Those clients need services from banks which have international networks. Following the clients is a sensible choice of banks. The worst answer to the first question is to fulfill the personal ambition of leaders of banks by wasting shareholders' money, he added.

Referring to the places to invest for Chinese banks, Sands believed, they need to go "where their clients go." The opportunity exists at every corner of the world, but priority is very necessary. Sometimes, the best place to go is a place other banks have not gone to because the competition is comparatively less.

In Sands' opinion, there are totally three ways for banks to enter a new area: building branches, acquiring local banks and creating strategic partnership with local banks. Each mode both has advantages and disadvantages. Therefore, he noted, Chinese banks need to choose the right mode according to a clear sense of reality.

Sands also highly praised the partnership between China's Industrial and Commercial Bank of China (ICBC) and South Africa Standard Bank — the largest commercial bank in Africa, with more than 1,000 branches across the continent. ICBC bought a 20-percent stake in the bank in 2008 and became the top shareholder of the Johannesburg-listed bank.

At the end of Sands' speech, he told Chinese banks to recognize that the political attitude towards international banking has changed because of the crisis. "Many policy makers are more suspicious of international banks," he warned. (*Xinhua*)

China Construction Bank opens first branch in U.S.



China Construction Bank Corporation (CCB), the world's second largest bank by market value, opened its New York branch on June 5.

The New York branch, CCB's first branch in the United States, extends CCB's global presence and marks a significant milestone in CCB's global strategy, said CCB's Chairman Guo Shuqing after the opening ceremony.

The establishment of CCB's branch in New York, the world's largest financial center, will significantly improve CCB's ability to provide worldwide services to its customers, he added.

The New York branch will engage in wholesale banking activities, including lending, acceptance of wholesale deposits, trade finance, U.S. dollar clearing and treasury, according to the CCB.

As the initial operating platform in the United States, the New York branch will use CCB's extensive financial resources, robust global network and solid infrastructure to provide premium financial services to its clients, including multinational corporations and financial institutions.

"The new branch will also enable CCB to better facilitate Chinese-American economic and trade investment and financial cooperation and will help CCB to make significant progress towards its vision of becoming a truly global bank," said the chairman.

CCB is one of the largest commercial banks in China, ranked second in terms of market capitalization among all listed banks in the world, and is among global industry leaders in terms of profitability.

Chinese Consul General to New York Peng Keyu, Deputy Mayor of New York City Robert Lieber, superintendent of Banks of the New York State Banking Department Richard Neiman, CCB Chairman Guo Shuqing, CCB Vice President Fan Yifei and some 400 local guests attended the opening ceremony. (*Xinhua*)



China sovereign wealth fund CIC to buy Morgan Stanley shares

The China Investment Corporation (CIC), the country's sovereign wealth fund, announced on June 2 that it decided to buy US\$1.2 billion common stocks in Morgan Stanley's 2.2-billion-U.S.-dollar common stock offering.

Morgan Stanley announced that it had priced a public offering of common equity of US\$2.2 billion. The proceeds are intended to fully redeem the preferred capital of the Troubled Asset Relief Program (TARP) before the end of June.

The TARP is a program of the United States government to purchase assets and equity from financial institutions in order to strengthen its financial sector. It is the largest component of the U.S. government's measures in 2008 to address the sub-prime mortgage crisis.

Morgan Stanley notified the CIC of the offering in light of its healthy business relationship with CIC and the preemptive rights CIC holds. CIC plans to participate in this offering, according to a notice on its Web site.

CIC was optimistic in Morgan Stanley's future development as "Morgan Stanley is widely expected to be able to leverage on its strengthened financial position and will be on the road of resuming its successful trajectory amid the dramatic restructuring of the international financial services industry".

On December 19, 2007, CIC purchased US\$5.6 billion mandatory convertible securities into Morgan Stanley common stock, representing approximately 9.86 percent equity ownership in Morgan Stanley.

However, after Mitsubishi UFJ Financial Group, Inc.'s investment in Morgan Stanley in October 2008, CIC's equity ownership was diluted to approximately 7.68 percent.

This new purchase would bring CIC's equity ownership in Morgan Stanley back to approximately 9.86 percent, effectively reducing CIC's overall cost basis and increasing the returns potential, said CIC.

According to a statement posted on Morgan Stanley Web site, it has priced a public offering of approximately 80.2 million shares of common stock to the public at US\$27.44 per share. CIC has agreed to purchase 44.7 million shares of common stock at the public offering price while the Mitsubishi UFJ Financial Group, Inc. has agreed to buy 16 million shares, the Morgan Stanley statement said. (*Xinhua*)



Moutai - The



汉帝茅台酒

稀世珍品

流香自汉帝 溢彩到今朝

简介：用百年珍藏的老茅台酒经珍品精心勾兑而成，凝聚了国酒的特质，外观碧玉翠，古典华贵，象征着权利与富贵、酒院双龙腾珠，意味吉祥如意，是欣赏收藏之珍品。

Han-Dynasty Moutai - Rare Treasure

Rare Drink with Fragrance Never Faded

Moutai, blended with the origin of rare 100-year-old Moutai, becomes the essence of the national liquor, which is sealed in an imperial jade box so as to it is classical and luxurious to symbolize power and wealth. Two dragons with a pearl clamped in their mouths on the bottle signify good luck and happiness, making it to be collected as an art curiosity.



八十年陈年茅台酒

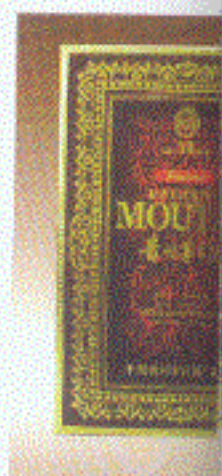
茅台至尊

八十年前，你挺起了中国白酒那不屈的自尊。八十年后，我感受到了人生至高无上的品位。简介：以 1915 年巴拿马万国博览会时珍藏的老茅台酒精心勾制，集酱香、窖底、陈酿于一体，是国酒之尊。

80-Year-Old Supreme Moutai

Winning High Reputation 80 Years Ago and Enjoying Best Taste After 80 Years

This kind of Moutai is made by the essence of Moutai stored since the Panama World Fair in 1915 and is regarded as the best wine in China for its flavor, fragrant aroma and mellow taste.



五十年陈年茅台酒

天香之作

五十岁人生，功成望。五十年陈酿，甘美醇。简介：贮存五十年，精推细研，老熟加久。

50-Year-Old Supreme Moutai

Aroma in Heaven Successful Experience

Mellow Taste Produced by 50-year preservation long-lasting fragrance Moutai.

Guizhou Moutai is a famous national liquor in China to entertain distinguished guests. Under special climate and environment, brewers produce a kind of liquor with sorghum and wheat fermented with all of their wisdom and technique. It contains over 200 microbes after processed in nine production procedures and has a special flavour, smell and taste with its fragrance lasting for a long time.

Moutai has certain health-care functions and it can make you comfortable and happy after you have it. Moutai can treat diarrhoea, common cold, gastric ulcer

National Liquor



三十年陈年茅台酒

陈酿珍品

一段百事俱兴的岁月 一个意气风发的年龄
一杯三十年茅台 一片美好的憧憬

简介：三十年贮存，精心勾兑而成，酱香突出，老
熟醇厚，回味悠长，空杯留香持久。

十五年陈年茅台酒

陈酿精品

十五年人生，如花似锦，旭日东升，
十五年陈酿，沁人心脾，荡气回肠。

简介：十五年贮存，精心勾兑而成，酱香突出，老
熟醇厚，回味悠长，空杯留香持久。

Moutai

For the Past 50 Years and
by 50-Year Preservation
produces special flavor,
and mellow taste for

30-Year-Old Moutai

High-Quality Drink

The life with 30-year experience is facing the full
florish. A cup of such 30-year-old Moutai may
you have a promising future.

The 30-year-old Moutai is also a kind of very
good drink with its taste remembered for forever.

15-Year-Old Moutai

The 15-year life is like flower and the sun
rising and 15-year Moutai is a drink with good
taste.

and diabetes mellitus and dipel chill.

The Moutai Group make great efforts on expanding its production to 6,000 tons for an annual production capacity and open a lot of franchise shops and distribution agents to satisfy her numerous consumers with its high-quality Moutai against false Moutai. If you are interested in our Moutai, please contact with our sales companies and representative offices across China.

Light Up the Light Industry

Alice

Based on small consumer goods production, light industry is usually less capital-intensive than heavy industry, and is more consumer-oriented than business-oriented, as most light industry products are produced for end users rather than as intermediates for use by other industries. When Katie Melua sang the fact that “There are nine million bicycles in Beijing.” in her song, she also released a clue of China as a manufacturing and consumption giant in light industry. China, boasting the fame of global workshop, supplies a large proportion of light manufactured products to the world. However, since last September, China’s light industry products export fell sharply. Chinese enterprises in the field are suffering a tough period due to the global economic crisis.

On February 19, 2009, Chinese government reviewed and approved the revitalization plan of the light industry. According to the plan, tax rebates on exports of light manufactured goods will be increased. The government will try to boost appliance sales in China’s rural areas by increasing subsidies for purchases by residents there. More fundamental financial and credit support will be provided to light industrial enterprises of small-and-medium size in China. Technical innovation to the papermaking, home appliance, plastic sectors will be accelerated. The government will also increase the storage of those products of sugar, salt, dairy products, and paper pulp.

“The difficulties of light industry enterprises are facing now are not only due to the influence from global financial crisis, but also the inner contradiction between the development mode and the changing market,” Chen Shineng, President of China National Light Industry Council, expressed. “Common problems of extensive growth pattern and weak independent innovation ability in China’s light industry need time and efforts to be solved, as well as the process of energy-saving and emission-reduction, and food safety improving. The plan releases the determination from the central government to boost the industry,” Chen added. And more views and voices can be heard from the *Special Report* of this issue. ☺



Light Industry Feels the

Pinch

Li Zhen

Amid the global downturn, China's light industry, an important engine for export and economic growth, is no exception to suffer severely from changes in the domestic and international economic environment in recent months. In such context, concrete measures should be taken to support the industry to weather the difficulties.

Stimulus package for light industry unveiled

In February, the State Council, or China's Cabinet, announced plans to boost the country's light industry in a bid to stimulate the economy. The country will lift processing trade restrictions on some labor-intensive, technology-intensive, energy-efficient, and environment-friendly products.

The plan also stipulated that two more products, microwave ovens and induction cookers, will be added to the list of home appliances that come with a government subsidy for rural buyers.

The government will act to expand urban and rural consumption and to increase supply of light industrial products on the domestic market, and at the same time, efforts will be made to improve foreign trade services and maintain export volume.

Technological upgrades within the industry were stressed, with focuses on independent development of equipment and industrialization of key technologies. Technological upgrades in the fields of paper making, home appliance and plastic sectors will be sped up.

It is generally agreed that the food processing sector should be straightened out to ensure food safety in the country. There would be stricter standards for new establishment of firms in the food processing sector, better recall systems for products and withdrawal mechanism for firms. There would also be more severe punishment for making and selling fake or substandard products.

The light industry companies were urged to step up efforts in developing their own brands and improving the quality of products.

Tax rebate raised to ease enterprises' burden

Since last November, the government has begun to raise export rebates of some light industrial products, and extend fiscal and credit support to small and medium-sized firms within the sector.

Meanwhile, China also plans to remove unreasonable administrative fees and charges on industry players, and offer more financial services. The central government has set up a foreign trade development fund, aiming to provide more assistance to boost exports and help companies' promotion and acquisition efforts in the international market.

The tax rebate rate has been raised three times ever since, covering a list of 3,770 items which account for 27.9 percent of the country's total exports. Items include labor-intensive, mechanical and electrical products. "Light industry is China's strong point and its stable and healthy development would be of prime importance," said an official while explaining the reason behind the move.

In addition, China levies value-added tax on most products, but refunds varying amounts of that tax on goods that are ex-

ported. The government usually adjusts the size of export tax rebates for different types of goods when it is trying to encourage or discourage growth in particular industries.

Several other policies were released to support the development of the light industry. Financial subsidies were offered to rural residents and people in quake-hit regions and remote areas in China in an effort to boost domestic demand on their products.

More funding would be allocated to support the development of small and medium-sized enterprises, as well as to encourage technical innovations and upgrades in these companies.

Better results expected

Since the plan to boost light industry was carried out in a bid to buoy the economy together with the 4-trillion-yuan (US\$586 billion) stimulus package presented in last November. The government has actively given financing support to small and medium-sized light industry companies with good development potential in order to create more jobs. The industry employed around 35 million workers by the end of 2008.

The industrial output of the light industry stood at RMB 2.62 trillion last year, accounting for 8.7 percent of GDP. Total exports reached US\$309.2 billion, accounting for 21.7 percent of the national total last year.

The production volumes of more than 100 types of Chinese light industry products, including home appliances, plastics, furniture and others were the world's highest.

To expand the domestic rural market, a government-funded project titled "Home appliances going to the countryside" was launched early this year, as a part of the revitalization plan. Since February 1, an estimated 900 million Chinese rural residents were eligible for a rebate of 13 percent on the prices of home appliances, in the move to boost domestic sales of light industry products.

These products include color TV sets, refrigerators, freezers, mobile phones, washing machines, computers, water heaters, motorcycles, air conditioners and others.

The plan declared that China will beef up efforts to bolster innovation and industrial upgrading of the light industry, aiming to foster 10 light industry conglomerates whose annual sales will exceed RMB 15 billion.

In addition, the government wants firms across the country to make existing facilities and production processes more environmentally friendly.

Companies are asked to improve the light industry's products mix and reduce its pollutant discharge. Chemical Oxygen Demand (COD) must be cut by 10 percent or 255,000 tonnes by 2011 from the 2007 level. Waste water discharge will be reduced by 29 percent, or 1.95 billion tonnes by 2011 from the 2007 level.

"China would eliminate outdated production capacity of 30 million units of low-efficient refrigerators and freezers, 600 million units of incandescent bulbs and others," the plan stated.

The government will also step up efforts on improving product quality and is scheduled to formulate 450 new industry standards by 2011 in areas including food additives, meat products, wine making, dairy products, beverages, furniture and others, according to the plan. ☉



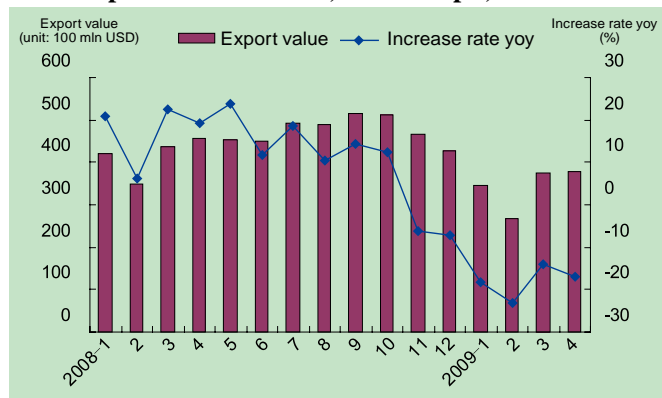
The export of Chinese light industrial products mainly covers 19 categories of 45 sectors, including food, papermaking, home electrical appliances industry and etc. According to Chinese customs statistics, the export value of the light industrial products in the first four months only managed to reach US\$136.7 billion, 17.8 percent drop compared with the same period last year, however 2.7 percentage points lower than the national total export decline rate.

Main features

1. Export rebounded in March & April

The lowest monthly export in light industrial products since last year arrived at this February, amounting to US\$26.71 billion. However, this March witnessed a sign of recovery: the monthly export value reached US\$37.56 billion, 40.6 percent growth month-on-month. The trend continued in April, with the export value of US\$37.97 billion monthly, 1.1 percent growth month-on-month. (See Chart 1)

Chart 1 Monthly export value of Chinese light industrial products from Jan., 2008 to Apr., 2009



2. Processing trade as the main trade form

In terms of trade forms, the light industrial products export

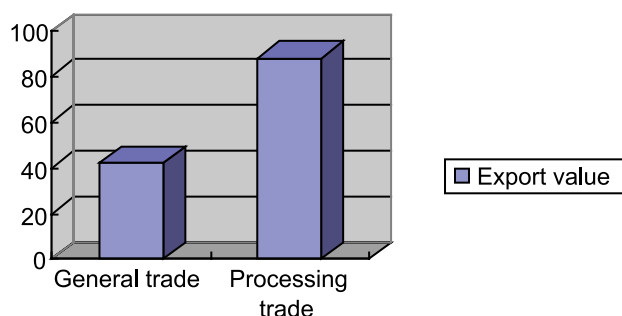
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Export Sharp Decline

value of processing trade amounted to US\$87.84 billion in the first four months this year, 22.3 percent decline year-on-year, taking up 64.3 percent of Chinese total light industrial products export value in this period. By comparison, the export value in the form of the general trade boasted a little modest decreasing rate, but smaller amount in value: down 10.3 percent year-on-year, US\$42.23 billion from January to April. (See Chart 2)

Chart 2 Export value of Chinese light industrial products in trade forms in first 4 months of 2009

Unit: bln USD



3. Top trade partners

The top 4 trade partners in China's light industrial products export from January to April this year were the U.S., E.U., Hong Kong SAR, and Japan, which took up 69.6 percent of China's total export value in light industry.

In the first four months, China's light industrial products export to the United States shrank 14.1 percent compared with the same period last year, accounted for US\$35.06 billion as the export value. The decline in China's light industrial products export to its trade partners was a common phenomenon this year. China's export value with its top trade partners all suffered in different level. See Table 1.

Table 1 China's top 4 export partners in light industrial products in first 4 months of 2009

Value unit: bln USD

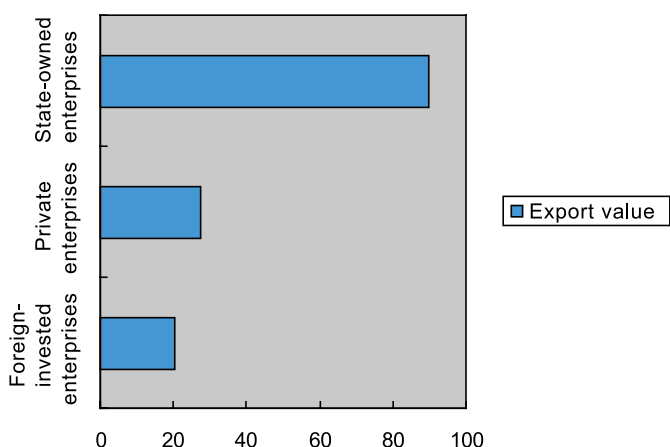
Partner	Export value	Increase rate (%)
U.S.	35.06	-14.1
E.U.	29.79	-20.7
Hong Kong	19.08	-24.7
Japan	11.18	-9.8

4. Bigger player, foreign-invested enterprises

Taking up 68 percent of the national total export value, foreign capital invested enterprises consisted the major exporting group in China's light industrial products export in the first four months, amounted to US\$93.02 billion as the export value, also 20.5 percent decrease year-on-year. The export value of Chinese private enterprises in light industry in the period accounted for US\$30.15 billion, down 2.9 percent year-on-year. Meanwhile, the export of state-owned-enterprises suffered the largest decline,

25.7 percent year-on-year in rate, and merely managed to accomplish the export value of US\$13.52 billion in the four months. (See Chart 3)

Chart 3 Export value of Chinese light industrial products in enterprises types in first 4 months of 2009
Unit: bln USD



5. Home appliances as major export products

The export of home electronic appliances in the first four months this year witnessed a decrease rate of 22.3 percent, US\$77.04 billion in value, taking up 56.4 percent of the total export value in the industry.

In addition, the export of leather, fur, feather and related products amounted to US\$11.79 billion in the period, down by 4.3 percent. The export of furniture manufacturing products accounted for US\$9.61 billion, down 9.8 percent.

Major difficulties

1. Shrinking overseas demand

The global financial crisis contributes the most part of reason for the current sharp fall of China's export in light industrial

products. Since last September, due to the influence from the crisis, China's export orders from overseas markets have been reduced significantly.

The data from the 19th East China Export Fair showed that only US\$898 million of light industrial products export value was yielded in this session, 43.67 percent decline over the last one. And orders this year were mainly short-term and small ones, while bulk orders and long-term orders dropped sharply.

2. Growing trade protectionism

Since the light industry covers a wide range of difference sectors in national economy and weights highly in employment, it becomes a key industry which every country right now prefers to implement bailout measures in.

From December 7, 2008, to now, the E.U. has carried out new regulations for four times to lift its energy-consumption standard for home and office electronic equipments. Those products which can't meet the upgraded requirements are failed to enter the market.

From December 15, 2008, Indonesia began to limit conditionally its import of six items of products, namely electronic appliances, shoes, toys, beverage, food and garments. Moreover, on January 23, 2009, the Indian government banned imports of Chinese toys from its single side. At the mean time, more frequent anti-dumping investigations on Chinese labor-intensive products, eg. textile and shoes, are carried out in Turkey, Argentina, Canada recently. International trade protectionism growth increased extra difficulty of China's export of light industry products.

3. Safety problem still severe

The safety problem of the light industry products has always been in great concern. In the Dangerous Commodity List released by the EU RAPEX system this April, Chinese products accounted for 57.9 percent of the total, mainly involving toys, clothing and garments, appliances and furniture products. There is still large room for Chinese enterprises to improve their products, and more efforts are required. ©

(All data source: China Customs)

Beverage Company:



Hotter

Competition in Summer

Xiang Kaibiao

Due to the downturn in global economy, the economic growth rate in China sharply decreased in the first quarter of 2009. However, the fluctuating macro economy won't change the uptrend in food and beverage industry. The ratio between added-values of food industry and agriculture industry in China is 0.22 at present, but the ratio in developed western countries averages 1.2, meaning that there is still great potential and room in Chinese food industry. During the "11th five-year" period, the beverage industry is expected to grow at a rate of 15% or above. In this way, the production in this industry in 2010 will reach 68 million tons.



Meanwhile, new companies and new products with new package, new technology or new concept enter the market one after another. The competition in domestic beverage market is getting fiercer. In this summer, the market will see a new era, and the sale strategy will see new tactics, new ideas and new competitions.

With 20 plus years' development, the beverage market in China now is divided by carbonated drinks, waters beverage, juice drinks, tea drinks, functional beverages, milk beverages and so on, while fruits and vegetables, roughage, soybean, coffee and peanut would like to enter this market, too. As to the portion in product structure, based on present situation, it is estimated that, in the future, carbonated drinks will take a share of 18% in the market, packed drinking waters take 36%, juice drinks made of fruits and vegetables take 14%, tea drinks take 15%, protein drinks take 6% and others take 11%. Meanwhile, new companies and new products with new package, new technology or new concept enter the market one after another. The competition in domestic beverage market is getting fiercer. In this summer, the market will see a new era, and the sale strategy will see new tactics, new ideas and new competitions.

Price war

Price is always a workable weapon by the sellers. In supermarkets, the price war now is in its full swing. For example, two-liter fresh orange juice is RMB 12.6 per unit now, down from RMB 14.6; 1.5-liter Wahaha nutritional drink now is RMB 8.9 per unit, together with gifts, down from RMB 11.5. The "high grade" soymilk, Vita Milk now is under promotion, too. Six-box-per-unit Vita Milk now is RMB 10.9, down from RMB 12.9. Family-pack Pepsi Tropicana now is RMB 5.5 per unit, down from RMB 6.2. Some companies cut product prices by increasing net volume per unit. As the economic situation is not improving, sellers choose this weapon again. With the temperature gets higher and the competition becomes fiercer, price war will dominate the market one more time, though it may be not so wild as before.

Sale promotion usually follows the price cuts. The often seen promotion methods include tied gifts and gifts on buy, and the gifts are various. For example, if you buy 12 cans of drinks of a certain brand, you can get a towel, and you can get a MBA suit for one box. Meanwhile, some companies will present more points, which can exchange products, while others will hide symbols or numbers or notes for prizes in a certain amount of lids. Sending the numbers by SMS can win five prizes, which attracts more young people. Besides, free taste and concession buying are also often-used promotional methods. Concession buying is a kind of promotion together by producers and sellers, meaning the clients can buy drinks at a discounted price, if they have spent a certain amount of money in this supermarket.

According to StarBuck North Company on May 20, the company will issue 10 thousand special cards for frequent clients, who with the card can enjoy the products there at a discounted price (10% off). This is the first time for Starbuck to promote its products.

Innovation

Recalling the beverage market in recent years, we can find that there were always innovations. Many brands have entered Chinese beverage market and accepted by the market and the consumers, such as Coco Cola's green tea, Wahaha's Nutrition Express, Pepsi's Tropicana, Hongbaolai's peanut drinks. Of course, there were short-lived products, too, which may have disappeared by now.

Vitamin C and lemon are popular this year in low-concentration fruit juice market. Now in Chuangchun, there are Lemon C100 of Nongfu Spring, Hello-C of Wahaha and Lemon Me of Huiyuan. Besides, Coco Cola will bring aloe and grape drinks and Sky-Scenery Food will bring maize flower drinks into the market this summer, beside Beer Tea Cool, Blueberry Juice, Peanut Dinks, Aloe Drinks and other new beverage products.

Tianjin Otsuka Beverage brought a new product to consumers in this May, Pocari Sweat, the only powder beverage in China now, which can be dissolved in water and bear certain functions. Per unit contains 15 grams of the product, suitable to drink with 200 milliliters of water.

Good taste together with impressive pack, both are getting more important. With an improved life and mature consumer attitude, people now are having higher requirements for beverage. The fierce competition in the market is driving the producers to make innovation in products, and in concept, to maintain their market share, or better to expand. Various sugar-free beverages, multi-function and thirst-quenching drinks, energy drinks, juices and other products are newly packed and new flavors are introduced. Meanwhile, promotion, "buy more, get more", is under way to attract consumers.

Young people, the majority of the consumers in beverage market, accept new things quickly. So, beside the favorable flavor, the consumer are also looking for more impressive packing.

Novel entertainment

As the requirements from the consumers are varying day by day, and products with novel entertainment and subdivided strategy are getting more popular. Entertainment factor is developing by producers. Now, dozens of new beverage products, packed and named in a novel and fashion way, are attracting the consumers, especially for cold beverage. Last year, ice creams for children containing more entertainment content, such

as double-bang cracker, magic cup and little trumpet and so on, made great success. Wahaha tea products, whose spokesman was Zhou Xingchi, a famous laugh-making movie star, set up an image among consumers. And Mengniu, who sponsored a popular TV program, had great gains through entertainment marketing.

Novel entertainment is something virtual, but materializing joy into products and bringing entertainment into marketing is the trend in innovation in marketing. Selling joy but not products is the marketing theory of Coco Cola. Marketing products as the products represent joy itself can create a spirit in a still product. While keep the traditional marketing platforms (sports for Coco Cola and music for Pepsi), Coco Cola and Pepsi are focusing on constructing a new platform, the Internet, which is widely used by young people. Coco Cola is popularizing World of Warcraft, together with NCTY. Pepsi now joins an online game, Magic Land of Shanda.

Entertainment marketing is a kind of marketing method: meaning you can't purchase joy, but you can get joy through what you purchased. If the entertainment meets one's requirement, the products will be accepted by consumers.

Competition between brands

As the economy in China grows quickly, the beverage market is expanding at the same time, bringing in intense competition in the market, as no one can hold it alone. Meanwhile, the competition provides the consumer more choices. From one point, the difference between brands is replacing the difference among products, referring to that the producers are no longer selling different products, but different brands, that's why famous brands are popular in the market. Producers usually take strategies like one product of multi-brands, products of one brand and multi-brand. For example, Coco Cola and Pepsi adopt multi-brand strategy, while Master Kong and Uni-President choose multi-products of one brand strategy, which can concentrate the resources to strengthen the brand.

After the successful brand strategy, specify the function of a certain product, and vary the specifications of products, meeting consumers' special and characteristic requirements. Now the consumers are divided into groups according to their demands for beverage. To meet the personal and various requirements, sellers should bring out diversified products. For example, Minute Maid juice, as it contains pulps and differs from other juice products, entered 54% of the county cities in China in first half of 2007, much higher than that of other juices, which averaged 20% or so, and the market share reached 20%. Besides, in many cities, the sale volume of Minute Maid juice closes or even exceeds that of O-Box, the leading juice brand in China. Beijing Shunxin Qianshou Fruit Beverage Company Ltd brought a new product into the market, So Purple (or That's it). As a kind of compounded juice drink, the product is marketed by focusing on "eye protection". For most of the office workers stay before computers, their eye sights are getting worse. In this way, this marketing plan has a clear target group, different from other products.

Living under the tireless advertisements bombing for years, consumers are more rational now. Companies need to integrate the mediums to set up and maintain the brand(s), and improve the brand loyalty. The brand operation and marketing should focus on the communication and connection with consumers and try to blend the products into their lives. Consumers are paying more attentions to the quality and meaning. As producers are installing more product lines, the difference between products of brands is narrowing. With a stable market and similar marketing plans, the difference between companies will be materialized on product quality and meaning. Competing ability of the brands now represents the core competing ability of the company.

Going to the countryside

In China, high concentration juice drinks only take a share of 20% or so in the market, while low concentration products take

80%. And the juice and juice drinks consumed per capita in one year averages 1kg, meaning there is great room for Chinese fruit juice market. The countryside market, with a population of 900 million, it's a big "cake" to these famous brands.

It is learned that, since February 2009, Huiyuan has carried out a project, "distribute the low-priced juice in countryside, and get nutrition and health through drinks". Now Huiyuan is selling juice drinks in 350 plus counties at the cost price. The wide and deep cut in juice prices is warmly welcomed by the consumers and sellers, and the sale volume of Huiyuan juice increases quickly, maybe two times larger than before.

Future Cola of Wahaha wins its share in Chinese market through countryside market. In the soft drinks market in China, carbonated drinks take the largest share, and Coco Cola and Pepsi share most of the carbonated drinks market. Since the very beginning, Wahaha decided to market future cola in countryside, where the market is ignored by the two companies. There is a large population in the countryside, and the market takes a vast land. Through the extensive distribution network, Wahaha had a sale income in 2008 of more than RMB 36 billion, completed investment of RMB 6.0 billion and installed 90 new production lines, and established dozens of new branch companies, which will launch production in 2009. It is estimated that in 2009 Wahaha will have a sale income of RMB 50 billion. Now more than 4,000 sellers of Wahaha are building and improving a perfect network in China, in the vast countryside. Now, within a week, the new products from Wahaha can be seen in shops in the countryside. This channel is a great advantage to other world-class brands in China.

Advertisement

Ad war becomes one of the hot topics recently, as the companies are eager to secure a share in a recovering market. In the first quarter, the spending on television advertising by beverage (including milk) producers was 38% higher from a year ago, while Yili spent nearly RMB 500 million on TV ad in March, amounting to the total of the first two months. Mengniu spent more than RMB 300 million in March on this, exceeding the total of Jan and Feb.

According to a survey in March by Mailuo Guoji, the influence of ad in beverage industry is very clear: 75.4% of the people buy drinks whose ad touches her/him, 58.4% rely on their experiences, 24.5% listen to the advises from the seller and 11.1% hear from their relatives.

The competition between Wahaha and Nongfu never stops, as the two are enemies, pure water Vs natural water, Activate Vs Screaming and Hello-C Vs Lemon C-100. However, due to the overwhelming advertisements, Wahaha's Hello-C now is recognized by the public as the pioneer of this kind of drinks. To this, Nongfu has to find out a solution.

With a descending economy, the ROI of all companies drops. But the rate may be higher for companies who spend more on ads, 2.7% or so, and the rate may be down to 1.6% for those who spend less on ads. But, the latter may loss 0.1 percentage of their the market share in average, while the former may gain 0.5% percentage in average, meaning the former would have higher profits in future.

According to PIMS, if they increase the spending on ads by 48% in average, companies of consumer products will gain a new market share two times of those who increase the spending steadily, though this may cut the ROI by 2.7% in a short period. But, it may be worthy for companies who want to secure a quick development. So, it is more important to invest on ads during the economic crisis.

Healthier living style

With the improvement of the people's living standard, the consumer attitude is maturing, and the demand for beverage is renewing, too. Thirst-quenching and good flavor is not enough

any more, and consumers are looking for nutritional, fashionable and healthy drinks. Only these kinds of beverage can be popular in future.

At present, slogans, like “Drink more, and be healthier”, “Have a drink per day, and get a healthy body for ever”, “New flavor, more nutrition and healthier”, “No additive brings health beside good taste”, are often seen. To describe the feature in beverage market in one word, that may be “healthy”. The temperature is getting higher, and there comes the season for drinks. Consumers may be interested in products with good taste and good for health.

However, since Sanlu Milk Powder Incident broke out in the beginning of this year, the food safety becomes a hot topic once more. Wanglaoji herb tea, which is said to be able to release fire-toxin, now is on fire, as the tea contains four herbs forbidden to add in food, such as self-heal. Experts points out that self-heal can harm pregnant, children, the aged and the weak with cold in stomach. According to the report from Xinhuanet.com on May 20, according to the result of a random inspection

by Quality and Technical Supervision Office in Ningxia Hui Autonomous Region, among the the drinking water products there, only 68.75% of the bottled pure water products are up to the quality standards.

Food safety is once again raising consumers’ concern. If the producers can ensure consumers of the health and safety, or even win their trust, they will certainly have a number of loyal consumers.

The beverage industry in China will move on continually, with products of famous brands have a steady market and new products come in one after another. The producers should keep on innovation and developing the potential in specified market segments, while fulfilling the changing demand, establishing brands and distribution networks, in order to win a share in the fierce competition. ☉

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Shoes and Toys:

Victims of Anti-Dumping

Guo Liqin

The anti-dumping duties imposed on China have long been a subject of intense dispute. According to statistics released by the WTO, China is the country most frequently targeted by other countries for anti-dumping investigation against its exports.

Analyzed by Lehman Lee&Xu, the third largest corporate commercial law firm in China, foreign anti-dumping measures against Chinese goods has the following characteristics. The variety of Chinese goods brought under anti-dumping measures is increasing. Since the first anti-dumping case against Chinese exports, most Chinese goods under anti-dumping investigations go to labor-intensive products or easily processed products, involving textile products, clothing, light industry products, home electric appliances, hardware, chemical products, mineral products, medicine and agricultural products.

Many countries have filed anti-dumping lawsuits against China, such as Germany, France, Italy, Japan, Mexico, Argentina, Venezuela, South Africa, Nigeria, South Africa, Nigeria, India, South Korea, New Zealand and Turkey. Some countries impose duties at a very high rate on Chinese exports. In 1993, Mexico launched large-scale anti-dumping investigations against Chinese exports, imposing temporary anti-dumping duties 315% percent on toys and 1,105% on footwear, the highest rate ever set.

More and more countries are also beginning to bring re-exports under the scope of anti-dumping investigations. This means that exports originally made in China and directly or indirectly exported through Hong Kong or other regions to the target country are also becoming their anti-dumping investigation targets as

more countries are adopting the rule of the origin of products as being the target of anti-dumping suits.

Toys, pressure also from developing countries

India’s Federation of Chambers of Commerce and Industry said on June 14 a survey of 110 small- and medium-sized manufacturers found that about two-thirds had suffered a serious erosion of their Indian market share over the past year, because of cheaper Chinese products. In its statement, FICCI said the Chinese imports were between 10 and 70 percent cheaper than comparable Indian products, a price differential that it said was “huge and difficult to explain”. Amit Mitra, the FICCI’s secretary-general, said Indian industries were being hurt by “typical Chinese predatory pricing” intended to drive rivals out of business so that Chinese companies could capture the market – and then raise prices to more normal levels.

Indian manufacturers face serious competitive disadvantages in comparison with China, including poor infrastructure and rigid labor laws that perversely discourage companies from growing and instead promote inefficient fragmentation. China exported US\$8.4 billion to India in the first four months this year, 13 percent decline compared with the last year, according to the data from China’s Ministry of Commerce. Meanwhile, statistics from India’s Ministry of Commerce and Industry also show that its import from China still remain stable, taking up over one tenth of its total import, despite of the context of global economic crisis. In January, New Delhi announced a six-month ban on the import of Chinese toys, citing concerns about their

safety, after Indian toymakers complained that such playthings had grabbed the lion's share of the country's US\$2.5bn toy market. However, the ban was lifted after just two months, after Beijing threatened to take the issue to the WTO.

India's small and medium enterprises have warned that they are suffering because of cheap imports from China. They are urging New Delhi to accelerate anti-dumping investigations and impose tougher safety and quality checks on Chinese products. The appeal for greater government protection came amid rising tensions between New Delhi and Beijing over trade, after a high-profile dispute over an Indian ban on Chinese made toys.

Not only India, increased protectionism in the US and the EU, where most of Guangdong's toys have been exported, Russia, Mexico, Brazil and Argentina have for the time being introduced anti-dumping measures against toy imports from China, citing various excuses, according to Li Zhuoming, deputy chairman of the Guangdong Toy Association. Actually, starting from 2006, Chinese toy manufacturers had felt the pinch from diverse-edged pressures. "We have worries every year. We worried about the short supply of workers last year and now we are concerned about the foreign market shrinking due to trade protectionism in many western countries," Lin Ruorong, owner of a toy factory in the city of Zhongshan said. His factory manufactures stuffed toys for export to Europe and the United States. "The US's toy imports from China have been decreasing over the past couple of years and the European Union has raised its market threshold for China's toy products," he said. "That means my business is hardly able to survive." What was worse, Li said, was that the price rise of raw materials and the rise in workers' wage would further narrow profit. There is consensus that tapping into domestic market and resort to innovation of the whole industry is the only way out. To China's delight, many toy manufacturers in Shantou, Guangdong province have successfully upgraded their products and even thrive during the international financial crisis.

Footwear, price advantage encounters challenges

Chinese leather shoes are for long time the victim



of EU anti-dumping sanctions, and the relevant barriers take place frequently. On October 7, 2006, the European Union on Chinese shoes anti-dumping sanctions on Chinese leather shoes originating in the introduction of the product for a period of 2 years of 16.5 percent anti-dumping duties, despite MOFCOM spokesman Chong Quan said that there was no dumping in export of Chinese shoes, and the exported shoes did not cause essential damage to EU industry. It is remarkably discrimination to refuse recognizing the economic status and legal basis of all Chinese enterprises who responded to the anti-dumping case and decided to implement "all others rate" to all involved enterprises. At the same time, Pakistan, Peru, Venezuela, Canada and other countries also have been on China's footwear has taken anti-dumping measures.

Right now, Chinese shoes manufacturers are facing severe challenges to its traditional price advantage in the international market. The first is the rising costs squeezing corporate profits. During the year 2008, with the rising international oil prices, plastic raw materials prices also rose sharply. According to the plastic monthly report, from May 26 to May 30 week period in 2008, the prices of plastic raw materials market as a whole rose up to RMB 300-800 / ton. In addition, the continued appreciation of the yuan, the export tax rebate rate cut, as well as the new "Labor Contract Law" and other factors have started to make shoes enterprises gradually lost their cost advantage, increasing the pressure on survival. The second is the lack of independent brands and R&D, wholesale capacity, weak anti-risk capability. At present, the domestic shoe-making enterprises or most of the materials belongs to, or has been on behalf of Taiwan, Hong Kong and South Korea, Europe and the United States, and so did export orders from overseas customers, not their own brands and marketing, because shoe-making technology is not easy to copy. Once the costs of many customer orders had shifted to lower-cost Southeast Asia, companies go down the tubes. According to the Asia Footwear Association by the end of 2007 statistics, of more than 5,000 shoe-making enterprises in Guangdong, more than 1,000 were in the closure in 2007, when the industry didn't fully feel the pinch of financial crisis.

Take Argentina as an example, it initiated anti-dumping investigation on footwear originating in or imported China. On February 26, 2009, the Argentine Ministry of Economy issued Resolution No. 42/2009, decision on the originating in or imported footwear from China initiated anti-dumping cases. If the survey confirmed the existence of dumping practices indeed, will imports from China of such products be imposed punitive anti-dumping duties. Argentina "national newspaper" reported that the investigation carried out from the beginning of last year. Argentina Footwear Association submitted their applications to the Government, accusing dumping phenomenon is prevailing in footwear products imported from China; the footwear industry in Argentina resulted in serious injury, it is necessary for the Government to launch an anti-dumping investigations.

Cheap Chinese shoes give a competitive advantage; it is also regarded as the harm by these countries. EU anti-dumping at the renewal period, Russia and Canada, Argentina also took the opportunity to initiate anti-dumping investigations. Because of cheap Chinese footwear industry has become the "target".

Active response to anti-dumping, only way out

Sun Ya, Deputy General Manager of Cixi Jiangnan Chemical Fiber Co. Ltd. in Ningbo City, South China's Jiangsu province said, "In front of dumping investigations, we must but be more familiar with international rules. Giving up one market means to give up more."

In the anti-dumping cases against Chinese polyester staple in 2007, only 34% of the enterprises involved entered an appearance. This means other the other enterprises have lost their USA market. "Entry or lose the market. Only if an enterprise has an awareness to protect its legal rights, can it keep its market." This has become a common view of many enterprises of Ningbo. One in charge in Sanqin Chemical Fiber Company said that they have spent RMB 100,000 in the lawsuit. However, they have avoided a loss of RMB 2 million every year. This input-output ratio of 1:20 is really a profiting trade. Many enterprises that took a wait-and-see attitude now are taking active measures to improve their financial management system to prepare for possible anti-dumping investigations. ©

According to the newly-released stimulus plan for light industry, light industry firms were encouraged to step up efforts in developing their own brands and improving the quality of products. In this respect, Yiwu city, China's small commodity center, proves to be a vivid example for self-brand construction of light industry products, which is crucial to securing China's weakening export under the current financial crisis.

Brief introduction of Yiwu

Yiwu is a middle-size city located in the middle of Zhejiang province. Yiwu made a historic breakthrough in terms of economic and social development, thanks to a development strategy based upon the commerce promotion which supports the cities development.



Yiwu,

China's Brand in Small Commodity

Li Zhen

When the Municipality of Yiwu created the concept of "Yiwu Small Commodity City" in 1982, it was planned for Yiwu to become the place for a small commodities international business centre.

Yiwu has been awarded many times, for its economic and social development as well as for the results of its original ambition to become the supermarket of the world for small commodities, a paradise for foreign traders from all over the world.

The construction of public facilities has logically followed the commercial development of Yiwu. The city thus constructed an airport with a 4C-grade that proposes to serve a dozen of domestic destinations. Furthermore, Yiwu is located in the middle of the rail road between Zhejiang province and Jiangxi province.

Without an advantaged geographical location as well as abundant natural resources, Yiwu's competitiveness is not so obvious as opposed to other developed cities. But after years of development, its per capita GDP achieved US\$5,000, its fiscal revenues RMB 2.95 billion, and the per capita net incomes of rural residents there RMB 6969.

At present, Yiwu has boasted three state-level industrial bases, namely China Zipper Industrial Base, China Writing Instrument Industrial & Trade Base and China Cosmetic Industrial Base. Nowadays, products "made in Yiwu" have dispersed around every corner of China.

"Have petty commodities made in Yiwu" is another slogan in the Yiwu market. In recent years, there established two economic development zones at the provincial level in Yiwu, which have fostered 25,000 industrial enterprises. Among the advantageous industries such as knitting socks, clothes, ornaments, handicrafts, toys, cosmetics, zippers and cultural and sport products, quite a few have taken up over one third of the domestic market shares, some representing 60 percent or even higher. Moreover, these industries enjoy their advanced equipments and technologies, thus occupying the international high-end market and boasting a relatively strong international competitiveness.

Global competitiveness through various fairs

Along with the sustained economic development of China, made-in-China commodities have enjoyed their increasing world competitiveness in the international market. Yiwu has held this point tightly that during the past decades, Yiwu has expanded its market of petty commodities eight times, developing from the over 700 stands of cement sheet along the streets in 1982 into the current international trade city.

In fact, small commodities in Yiwu have gained their global reputation through hosting a series of fairs. Listed below are three world renowned international fairs.

1. Yiwu Fair

Yiwu Fair has been held for 13 successive years since 1995. It is held in Yiwu, Zhejiang province in October every year. In 2002, it was upgraded as an international commodity fair. Since then, the event has been jointly sponsored by the Ministry of Commerce, Zhejiang provincial government and other relevant authorities. The Yiwu Fair, as a highly internationalized and informative event with excellent services and security, has become one of the largest, most influential and most productive commodities fairs in China. It has become the third largest exhibition sponsored by the Chinese Ministry of Commerce, ranking only next to the China Import and Export Fair in Guangzhou and the East China Fair in Shanghai. The Fair was honored as China's Best Managed Exhibition in 2005, one of the 2006 Top Ten Exhibitions in China, China's Best-outcome Exhibition in 2006, and the 2007 Top Quality Exhibition in Yangtze River Delta in China.

2. China Yiwu Stationery & Arts Trade Fair

Aimed to enhance the culture and strengthen cultural industry, and also for the purpose of "cultural products trade, cultural innovation and development" as the exhibition theme, China Yiwu Stationery & Arts Trade Fair focus on innovation and optimization services. Since its inception in 2006, the fair insists on carrying forward the cultural products of "commodity" attributes and "trade" effect and accelerate China's cultural industry market-oriented process. China Yiwu Stationery & Arts Trade Fair has become one of the four cultural Trade Fair supported by the Ministry of Culture of China through development. It was awarded "China's most influential exhibition brand in cultural industry" in 2008.

3. Yiwu Sourcing Fair

Started in 2006, Yiwu sourcing fair is held from April 21 to April 23 annually. It has been held three times successfully and gradually become famous national consumer goods fair. 2007 Yiwu Sourcing Fair was awarded one of the China Most Influential Brand Industry Exhibitions.

All these fairs are held at Yiwu International Trade City which covers a business area of 4,000,000 square meters. In the total 62,000 booths, more than 400,000 kinds of commodities of 1,901 categories from 43 industries are exhibiting permanently. 215 countries have business relationship with Yiwu International Trade City all over the world. More than 10,000 foreign merchants reside in Yiwu who engage in purchasing goods and the total number of representative offices from home and abroad have reached more than 2000. ©

Ways of Light Industry Development

Tang Jintao

“The planning of the right industry restructuring and revitalization” was officially released on May 18th this year. This planning mainly includes food, cereals, oil, batteries, leather, paper, fermentation, brewing, sugar refining and home electrical appliances. As a response to a comprehensive action plan, the planning period is from 2009 to 2011.

China’s light industry showed some signs of warming up in the first quarter, 2009. The difficulties which the light industry is facing with are not only because of the financial crisis but also because of the long-term accumulation of the industrial conflict. This planning period is from 2009 to 2011, and the mainly difference between this planning and the former is addressing both the symptoms and root cause. At the same time of resolving the current prominent contradictions, we must speed up the structural adjustment and the industrial upgrading to achieve a fundamental shift in the mode of growth.

There are a lot of data from “the planning of the light industrial restructuring and revitalization”. Let’s see some important data of the light industrial development goals. By 2011, the light industry production and marketing efforts will achieve the steady growth goal, and add three million of jobs. The light industry will have ten enterprises with more than RMB 15 billion sales and one hundred companies having their own brand. The major sectors of light industry will strive for reducing 255,000 tons of the COD emissions, reducing 10% to 2007. The last but not the least is to amend more than 1,000 items of the national and industry-standards.

Alleviate the most headache problem — financing

99% of Chinese light industry enterprises are small and medium-sized, so the current focus of the enterprises reflects is the financing problem. In this regard, the plan brought forward clearly that the government must adopt a positive financial credit, credit guarantee and other policies in order to support the enterprises which have good performance and the potential development to grow stronger. These enterprises must give full play to absorb the labor force.

Meanwhile, the government should encourage financial institutions to increase credit support for the light industry enterprises. And to some enterprises which have temporary operational difficulties but their fundamentals are good and they can improve employment and have a good credit history. The tax sector must simplify the procedures for auditing and writing off bad loans. To the small and medium-sized companies, the government must carry out the pre-tax loss provision for full payment. It should support qualified enterprises to issue corporate bonds, small and medium-sized collection of bonds, certificates and other short-term financing to expand business financing channels. The central and local governments should increase their qualifications and management norms toward the small and medium-sized credit guarantee institutions to support and encourage small and medium-sized light industrial security agencies to provide credit guarantees and financing services. To make use of the export credits, export credit insurances, etc. the government should help the light industry enterprises facilitate trade financing and guard against the risk of international trade.

Policy guidance to address the constraints of the structural contradictions in the development of the light industry

The main structural contradictions in the light industry exist as follows: lack of the capability of independent innovation, the adjustment of the industrial structure, the reduction task of the energy-saving emission, product quality problem, brand-building, opening up of the domestic market. Let’s look into some light industries particular cases.

The home appliance industry must accelerate the industry’s domestic and foreign professional market. Through developing the new consumer products to pull the consumption, it includes the needs of the development of high-end products, personalized products for the different groups’ people. As well as the new rural development, health care reform, reconstruction of the post-disaster and other major projects. The planning supports the light industry to cope with the international trade friction actively and develop a variety of ways to carve out the international market.

The intellectual property rights of the light industry are not well protected as the developed countries do and there still exists a lot of low-end products in Chinese market. So, we must promote independent innovation, accelerate the technological transformation and eliminate the backward production capacity. At present, 95% of the inverter air conditioner compressor, LED’s main chips, and key components of the high-end watch movements depend on the imports. The dairy products, beverage, meat products’ key technology and equipments are introduced from abroad. Therefore, the focus of planning and equipment is to promote industrialization of key technologies, speed up energy-saving emission reduction and clear out the backward production capacity of specific quantitative indicators.

The food safety and light industry quality is the main difference between other industrial planning. The planning has brought forward much more serious system of market access and strict quality supervision. The light industry will also vigorously promote the construction of enterprises credit system and speed up the industry-standard system.

In China, we have established more than 150 regional light industrial clusters. The household electrical appliance industry must focus on R&D, manufacturing, distribution to the transfer of the central and western regions. The tannery and shoe-making industries must concentrate on designing and the advantage of the eastern coastal areas’ trade. The ceramics and fermentation industries must transfer to the central and western regions which have a lot of resources. During the transferring process, we must pay attention to the pollution problem.

The light industry’s sub-sectors are related to the interest of farmers. Also, for the battery and the daily supplies of new chemical energy planning has detailed measures. In accordance with the national policy of expanding domestic demand-oriented, the foremost thing is to revitalize the food and paper industry for the demand to provide quality and reliable products, stimulate the demand, promote the employment and increase the farmer’s income. Only in this way, we can let the light industry revitalize, therefore, one focus of our investment is on the food and beverage processing industry. ©

(Author: from China Asset Management CO., Ltd.)

Mt. Changbai, the Northeast Diamond

Spring



Summer



Autumn



Winter



Changbai Mountain is located in Antu County of Yanbian Korean Autonomous Prefecture in northeast China, bordering the Democratic People's Republic of Korea in the south. As a dormant volcano, Changbai Mountain boasts rare animals, marvelous lakes, amazing hot springs, and forests that stretch to the horizon. It has a wholesome natural environment and ecosystem with world famous precious animals like Northeast Tigers, sables etc.

Inactive volcanoes, crystal-clear lakes and looming trees – the unspoiled natural beauty of Changbai Shan rewards the intrepid travelers who make their way out to this northern diamond.

Tianchi, the heaven lake on the earth

The most beautiful part of Changbai Mountain is undoubtedly Tianchi, or Heavenly Lake. The lake was formed in the crater of Changbai Mountain, and it is the source of the Songhua, Tumen and Yalu Rivers. Changbai Mountain is also the cradle of Manchu, Korean and Han nationalities. The altitude of the Heavenly Lake is 2,189 meters (about 7,182 ft), and so the average temperature is 7.3°C (45.14 F). With clouds everywhere, Heavenly Lake is like a jade in the sky.

You can find a very interesting phenomenon while walking along the Heavenly Lake. On many occasions it is common for sunshine and rain to occur at the same time. It may rain very hard one minute, but you may soon find the sun shining warmly the next





minute. Sometimes, just as the famous ancient poem said “东边日出西边雨”, you can even watch it rain in the west and shine in the east.

The birth place of Manchu

Naturally, Changbai Mountain has its fair share of fables. One myth is about the origins of the Manchu ethnic group, who are said to have sprung from the waters of the Lake of Heaven. Three celestial maidens visited the lake for a quick, albeit chilly dip. A magic magpie dropped an enchanted berry and one of the heavenly ladies picked it up, and when she ate the berry, she became pregnant. The baby boy she bore founded the warrior Manchu dynasty.

From 1677, this region was considered by the Manchu as their sacred homeland. No one was allowed to enter and log trees for over 200 years. Today, Manchus share the intoxicating Changbai Shan region with a large ethnic Korean population. By dress, the latter are indistinguishable from their Manchu counterparts, but they still retain some of their traditional practices and festivals. Friendly and hospitable,

most ethnic Korean locals live north and northeast of Erdao Baihe Town in the area known as the Korean Autonomous Prefecture.

The Crater Lake

It nestles on Baitoushan (The White-Head Mountain), the main peak of the Changbaishan and is also a border lake between China and Korea. Surrounded by 16 exotic peaks, the lake is the crater of a volcano, filled with blue waters, known as “The Heavenly Lake”. The basin-shaped lake, 2,155 meters above sea level, and 313 meters deep at maximum, encompasses an area of 9.2 square kilometers. It’s a typical high mountain lake. The lake waters keep flowing out, without causing apparent change in its water level. The two white rivers of the upper reaches of the second Songhua River originate here. The inner side of the lake bank is craggy cliffs formed by rough-surface rocks and white pumice stones, which make the Lake resemble a marble bowl carved with uncanny workmanship. The surface of the Lake is smooth as a mirror, with the reflections of grotesque cliffs upon it in numerous exotic shapes.

Besides the wonderful scenery and astonishing climate, many witnesses have claimed that there are monsters in the lake! Some witnesses even took photos as proof, but there is still no conclusive evidence. Maybe the witnesses just mistook the common animal appearing in the lake as monsters due to complicated factors including the climate, season, and psychological hint. Maybe there really exists a kind of creature that human being are not familiar with. The “monster” legend adds magical charming to attract more visitors.



Changbai Waterfall

To the north of Heavenly Lake there exists an exit for the Chengcha River. Running gently for about 1,200 meters (0.74 miles), the river suddenly becomes a churning rapids and drops from a 68 meters high cliff. This is the famous Changbai Waterfall, the highest volcanic waterfall in the world. Watching it from far away, the waterfall appears like a white ribbon suspended in midair. As you approach it, you can hear the loud roar and feel the chilliness of the waterfall.

Another alternative to watch the waterfall is climbing to Heifengkou on the main peak of Changbai Mountain. Gales blow ceaselessly, making it hard for visitors to walk and climb. But it remains the best place to watch the panorama of the waterfall.



Hot springs

Less than 2 kilometers (1.24 miles) away from Changbai Waterfall lie a series of the Changbai Hot Springs. With a special chemical composition inside, the rocks around the hot springs have been dyed many bright colors. Most of the hot springs have temperatures over 60°C (140 F); the highest is 82°C (179.6 F). Visitors can bathe in the hot springs, which are very effective for some ailments, such as arthritis, dermatosis and exhaustion. The right banks where the mouths of springs concentrate are shrouded in hot misty air all the year round. The hot waters contain hydrogen sulphide and have high medical value. Hot Spring Eggs have become a special local product.



Underground Forest, the attraction with lowest altitude in Changbai Mountain, is famous for its view of virgin forests. Ancient tall trees, huge rocks, special animals and cliffy canyons



have lured many scientists, explorers and photographers in recent years. Twin Lakes and Natural Museum along the Northern Slope are also worth visiting. Additionally, the newly exploited Great Valley, Jinjiang Waterfall, King's Lake, Tiger's Back and Tizi River in the Western Slope also attract many visitors. If visitors want to closely observe the borders of the PRC and the DPRK and enjoy the beautiful alpine flowers, they can climb Changbai Mountain through the Southern Slope Entrance.



Visitors can stay with Korean families to understand the local life, or they can camp in the forest to breathe the fresh air of woods and flowers. There are also top-ranking hotels, such as Heavenly Hot Spring Hotel, Changbai Mountain International Hotel, and Athletes' Village. Changbai Mountain is also a rich area for wild fungus and traditional Chinese medicine materials, such as ginseng and pilose antler. Visitors can find them in local shops.



Changbai Mountain Nature Reserve

Changbai Mountain Nature Reserve, designated by UNESCO as a nature reserve in 1979, is a vital wildlife zone. Though predators such as Siberian tigers, leopards, lynx, and brown bears prowl the forests, there's no reason to shun the mountain. The lucky hiker might even catch a glimpse of elusive animals such as the shy deer, gorals, wild pigs, otters and dozens of other mammal species. Rare, endangered birds like hazel grouse, black storks, mandarin ducks and oriental storks also abound.

Differences in four seasons

During the peak seasons, namely June through September, hundreds of flowers blossom on the Southern and Western slopes. It is very cool in Changbai Mountain, so it's an ideal place for escaping from the summer heat. But it is also very rainy in July and August, and visitors cannot watch the Heavenly Lake clearly at the raining day. Generally, it snows from October. The best time to view snow and to ski is from November to March. Ice and

snow begin to thaw from April, but visitors can still find snow even in May.

It is always very cool in Changbai Mountain; bring some thick clothes, such as sweater and overcoat is a perfect choice. For the unexpected weather, visitors are highly recommended to bring water-proof clothes and skid-proof shoes.

Route suggestion

Erdaobaihe County is the nearest county to Changbai Mountain. There are trains to Tonghua, Changchun, Dandong, etc. and coaches to Yanji, Shenyang, Changchun, Jilin City, and Antu. The nearest airport is in Yanji, with flights to Beijing, Shanghai, Shenyang, Dalian and Changchun.

Enter Changbai Mountain from the Southern Slope Entrance; visitors have to go to Changbai Korean Autonomous County in Baishan City first. Visitors can rent an automobile to arrive the Heavenly Lake directly.

Traipsing through Changbai Shan's wilderness can be adventurous or tame, but first get oriented. If your objective is the famous Lake of Heaven, the safest route is via the Northern Pass from Erdao Baihe, a small town some 20km south of the nature reserve's southern entrance. You can also head to the lake via Tianchi Passage. This route is also relatively safe – the other routes occasionally have rockslides. Alternatively, you can hop onto a jeep at the Athlete's Village parking lot.

Day trippers can hop onto a jeep and arrive without breaking a sweat at the 2,670m high Tianwen Peak, otherwise known as Main Peak. From the parking lot near Main Peak Road, there's another 4km to go before you hear the roar of the stunning Changbai Waterfall.

If you're game for a bit of trekking, the path to the Main Peak is a brief 15 minute hike from the left of the parking lot. There are 13 spectacular geysers around Changbai Waterfall.

If you are feeling slightly more adventurous, once you reach the waterfall,

look around for a steep path that brings you to the top of the waterfall. If you follow this path for about an hour, you eventually reach Lake of Heaven. Getting off the main access road is not a good idea, unless you are an experienced hiker. The narrow, difficult 3km trail pointing downwards heads to the Underground Forest.



If you visit via the Western Pass, you get to see the Changbai Mountain Gorge, which is a frightful 10m deep valley formed from molten lava. Look carefully around you. Along this path is a tree that is in fact three different tree-species entwined as one. Pass the end of the 10km road is a flight of gravelly stairs that offers a panoramic view of the pass. An easy hour-long route leads you down to the Lake of Heaven. Just beneath the pass begins a strenuous trek to White Cloud Peak and Southern Pass. ☺



New Round of Petroleum Products Price Adjustment

Hu Wenxiu



Background

On December 18, 2008, a new petroleum products pricing mechanism was carried out in China. According to the Procedure for the Administration of Oil Price (Trial) issued last month by National Development and Reform Commission, if the moving average price for crude oil in international market changes more than 4% in 22 consecutive working days, the prices for gasoline and diesel in domestic market can be adjusted accordingly. So, the curtain for petroleum product price adjustment in domestic market was opened by the end of April.

However, since March 25, 2009, the last price adjustment by the government, there hasn't been any movement in petroleum product price, though till the end of April the requirement for a price adjustment had been met. The public get a mysterious "Sensory Nerve Syndrome", which broke out every 22 working days, meaning the consumers will consider about the prices every 22 working days March 25, 2009. For example, around May 7 and 28, there were long queues at the gas stations in many cities. On May 27, it was confirmed that there would be no price adjustment during the festival, which eased the anxiety for a while. However, just after Duanwu Holiday, NDRC issued notice on price adjustment formally. According to the notice, since June 1, the trade price for gasoline and diesel would be increased by RMB 400 per ton, and the new price for gasoline comes to

RMB 6,130 per ton, and that for diesel comes to RMB 5,390 per ton. Besides, the notice said that, since March 25, WTI future price for crude oil has risen to US\$66.31 per barrel from US\$53.98. Accordingly, petroleum product price in domestic market has jumped to US\$57 per barrel from US\$45.

After this adjustment, petroleum product price increased by RMB 0.30 per liter or so, about 6%. Till then, the discussion on whether the petroleum product price would rise or not ceased out.

Reaction from the market

According to the statistics, now the trade price of gasoline in many areas had come to RMB 6,500 before the adjustment, and leaving a room of RMB 140 to the governmental price. And the price for diesel had risen to RMB 5,700 before the adjustment, and leaving a room of RMB 280. Meanwhile, WTI international benchmark price for crude oil rose to US \$66 recently, and the average price for three crude oils (Brent, Dubai and Cinto) reached US \$59, up by more than 4%.

Now in many areas in China, the gap between trade and retail prices almost disappeared, breaking the rules that saying there should be no less than RMB 300 per ton of price difference between trade price and retail price. Therefore, the profits of gas stations declined greatly.

In a city in East China, trade price for gasoline No.90 came to RMB 6,500 per ton, equal to the cap for retail price of gasoline No.90. In Zhejiang Province, trade prices for gasoline No.90 and diesel No.0 came to RMB 6,500 and RMB 5,750 per ton, only RMB 40 and RMB 50 lower than the cap of retail prices, less than the set price difference of no less than RMB 300.

Before the adjustment, the two major oil companies in China, Sinopec and China National Petroleum Corporation complained that they would suffer a loss unless the prices for petroleum products are lifted.

High officials from Sinopec once said, there is RMB 1 contained in the price for gasoline, which is used to pay fuel consumption tax and value-added tax and additional taxes and fees, such as urban construction fee and education fee. "If cut out the fees and taxes handed in to the government, even forget the profits in oil refining, the adjustment in petroleum product price this time equals to US\$50 plus per ton of crude oil. An increase of RMB 400 per ton in prices for gasoline and diesel would greatly ease the pressure on oil refining of Sinopec. However, this adjustment was based on the price movement in last pricing period. With the oil price up to US\$65 plus, if the trend continues, oil refining companies in China will still feel the pressure. In the opinion of officials from Sinopec, if the petroleum product price stays stable in June, judging from the price trend for crude oil recently, the company will suffer a loss of RMB 300 plus by refining one ton of crude oil. After the adjustment, the earning of oil refining is a bit higher than the spending.

In one word, there is no doubt that the major two companies would benefit from the price adjustment.

Analysis

After the news for price adjustment issued, the sides responded differently. Zhou Dadi, an energy expert, said that the adjustment was a small one, which may lead to a mess in oil prices in domestic market. But, according to Han Xiaoping, CEO of China5e.com, who insists on low oil price, it is right to choose a small lift in price for petroleum product. Oil price can't be isolated from the society, so the adjustment should be made in consideration of the whole social economy.

The crude oil price in international market rose by 30% in May. In this way, the adjustment was expected. Now the government is trying to open prices for resource products, the direction of the structural reform in China. It will have a big influence on the investments and the industry structure to regular the price system, but this adjustment

was passive and not big enough to match the price in international market. From the view of oil companies or oil industry, the adjustment should be made a little earlier, and it may be a bit bigger. The adjustment maybe fully follow the pricing mechanism for petroleum products announced last December, meaning the prices for gasoline and diesel will be adjusted accordingly, if the moving average price for crude oil in international market change 4% in 22 consecutive working days.

But, the government put off the adjustment and put down the scale, out of the consideration of the whole economic development, especially under the influence of economic crisis. According to the analysts in the industry, the driving force behind the adjustment is the pressure from rising oil price in international market. When the new mechanism announced, the price in domestic market will not be able to ignore the movement in global market. The adjustment this time means the government will adjust the oil price in domestic market following the principle of integration with the global market, while consider the influence caused by the time and scale of adjustment. After integrated with the global market, the price in Chinese market will follow the movements in global market to fluctuate, and the adjustment will be more transparent.

Cao Changqing, director of department of price of NDRC, said, the oil price will be adjusted under the new price adjustment mechanism, but the affordability of socio-economy will be considered.

Price for crude oil in international market continued to hike after topping US\$100 early 2008, and renewed the records in middle July at US\$147. Then, with the spreading global financial crisis, oil prices fell sharply, down to US\$30s early 2009. Recently, oil prices in global market find supports again, up by 30% in May, to near double of that in the beginning.

In contrast, the oil price in domestic market stayed relatively smooth, drawing an echelon. To ease the pressure from rising oil prices in global market to the downstream oil consuming industries and groups, the government administrated the prices once more. Last June 20th, the government decided to increase price for gasoline and diesel by RMB 1,000, but the adjusted price equaled to US\$68 per barrel, half of that in international market. Later, the price in international market hiked to US\$147 and then fell to US\$40s, but that in China stayed stable till 19th Dec. Since the reform of petroleum product price and tax began, the price trend in China got into the same tone with global market.

Due to the fluctuating oil price in global market, the price in domestic market once got higher, and the pricing mechanism was questioned. "The Ameri-

cans have a salary times higher than the Chinese, but why the gasoline price in China higher than that in USA?" they asked. Experts said that the questions from consumers reflected their direct feelings. According to Zhu Fang, vice director in department of information and market of China Petroleum and Chemistry Industry Association, the government needs to continue the reform in related fields, including strengthening the competition in oil industry. Officials from NDRC said that, since the reform in petroleum product price and taxes started last year, guided by market principles, the new price reform plan further highlights the balance the interests of all parties, especially those of the consumers.

Decide the profits margin for oil processing based on the fluctuation rate of price for crude oil in global market. When the price is higher than US\$80 per barrel, the profit margin will be cut gradually, and the profits of the suppliers will be reduced. If the price exceeds US\$130 per barrel, the petroleum product price in domestic market will be capped. Xu Kunlin, vice director in department of price of NDRC, points out that it aims to prevent the influence caused by speculation trade in global market to set price ranges. If the price in international market tops a limit, the profits of the suppliers will be reduced, and the oil companies will share the risks together, in order to "protect the interests of the consumers". Li Liang, Chairman of Strategy Research Institute of Sinopec, said that the latest adjustment was made at a correct time, and the scale was right. "NDRC decided the adjustment in consideration of many factors, including the market affordability, besides the calculation according to the price mechanism," he said.

The latest price adjustment was made more than two months after the previous one. According to the new price adjustment mechanism, the adjustment should be made more than one month ago. NDRC said that the price adjustment was made in consideration of related factors, and the scale was reduced. The related factors refer to the target of securing domestic economic growth in the background of global financial crisis. Basically speaking, the prices for base products like petroleum products and electricity should be too high. Otherwise, the protection of one industry will block the development of many other industries. High base product price is not good to national economy. At least it is not good for China where the economy is recovering from the influence of the economic crisis.

Now, there are signs of economic recovery in China, and the market becomes active again. As the harvest season comes, oil consumption for agricultural use will hike. All these affected the price adjustment.

Price adjustment may be more frequent in the future

After this price adjustment, many wonder whether there will be another adjustment in next 22-working-day period. A number of participants think that the price adjustments in Jan. and March could be viewed as the strict enforcement of new pricing mechanism, but the one in June as a compromise between the price adjustment mechanism and other factors such as the situation in domestic market and fluctuating oil price in international market. Under the theory of weighted average price, the sharp increase or fall in oil price in a short time may not cause a price adjustment; but the continuing up or down in days could bring an adjustment in petroleum product price in domestic market. So, 22-working-day weighted average price doesn't mean there will be no price adjustment in next 22 working days. It is possible for another price adjustment in a month.

As to the possibility of another price adjustment in a short time, some people say it depends on two factors. One is that the government will try to ease the pressure on companies from quickly-rising costs, in order to maintain the upward trend in economy. The other is that the relatively tight finance of the government in 2009 can't stand a too quickly rising oil price.

Experts expect there will be no adjustment in near future, as the harvest season for wheat is coming. However, judging from the direction and target of the petroleum product price reform, the price adjustment will be seen more frequently and it is for sure that the pricing and price adjustment mechanism will go open and transparent. The positive side of the price adjustment mechanism for petroleum products is clear, but the exaggerated bullish market expectation brings risk-free profit-taking opportunities for the monopoly companies, and periodic anxiety to the public. According to NDRC, though the requirements for petroleum product price adjustment are fulfilled, the government will make an adjustment after watching and analyzing the market situation and price trend in global oil market. Holding in mind the affordability of companies, consumers and so on, the price adjustment will be made more cautiously.

Dong Xiucheng, subdecanal of the School of Business Administration, China University of Petroleum, said, with the reform in pricing mechanism for petroleum products deepening, the price adjustments will be more frequent, which is the trend and the target of the reform. With the new pricing mechanism, the petroleum product price adjustment will become a norm, which should be taken as a normal economic phenomenon. ☺

(Author: PhD of CASS)

Im/Ex Difficulty Lasts in the First 5 Months

On June 11, General Administration of Customs of the People's Republic of China announced the profile of China foreign trade import and export in the first 5 months of this year. According to the customs' statistics, the total import and export value for the first five months amounted to US\$763.49 billion, 24.7% decreasing compared with the same period last year. Among the total value, the export value amounted to US\$426.14 billion, down 21.8% year-on-year, while the import US\$337.35 billion, 28% decreased year-on-year. And the trade surplus from January to May achieved US\$88.79 billion, 15.7% growth year-on-year, a net growth of US\$12.05 billion.

May is another consecutive shrinking month for China's import and export since last October. According to the customs' statistics, the total import and export value for May amounted to US\$164.13 billion, 25.9% decreasing compared with the same period last year, 3.9% decline month-on-month. Among the total value, the export value amounted to US\$88.76 billion, down 26.4% year-on-year, 3.4% decline month-on-month, while the import US\$75.37 billion, 25.2% decreased year-on-year, 4.4% decline month-on-month. (See Table 1, Chart 1 & 2)

Table 1 Brief on China's import and export in May 2009
Unit: Billion USD

Item	May		Jan. - May	
	Absolute Value	Increase ±%	Absolute Value	Increase ±%
Total Import and Export Value	164.13	-25.9	763.49	-24.7
Total Export Value	88.76	-26.4	426.14	-21.8
Total Import Value	75.37	-25.2	337.35	-28.0
Import and Export Balance (surplus is +; deficit is -)	13.39	-32.4	88.79	15.7

Chart 1 Monthly comparison of China's export value between 2008 & 2009
Unit: Billion USD

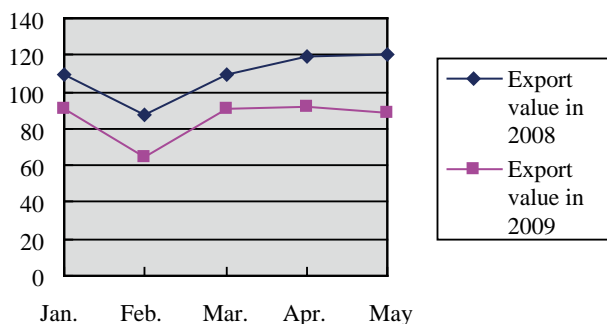
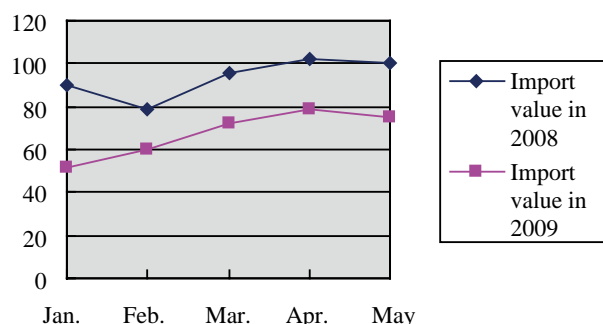


Chart 2 Monthly comparison of China's import value between 2008 & 2009
Unit: Billion USD



Trading forms

The customs statistics show that in the five months, the import and export in general trade perform better than average. In the first five months of this year, the trade value of China's general trade accounted for US\$374.11 billion, 23.4% down year-on-year, 1.3 percentage points lower than the total level. To be specific, the export value in general trade from January to May was US\$193.36 billion, 22.1% decline year-on-year, and the import value was US\$180.75 billion, 24.8% fall year-on-year. Meanwhile, the import and export of processing trade of the first five months of 2009, reached 308.32 billion US dollar, 26.8% decline year-on-year.

Trading partners

The rank of China's top 3 trading partners remained the same in the first five months this year: E.U., U.S., and Japan. In this period, the bilateral trade volume between China and E.U. amounted to US\$129.26 billion, falling 22.1% y-o-y. Sino-American bilateral trade value was US\$108.25 billion, 17.1% decline y-o-y. China's trade volume with Japan in these five months this year accounted for US\$80.37 billion, 24.6% decrease y-o-y. In the same period, China's foreign trade value with ASEAN reached US\$70.84 billion, 25.9% decline year-on-year. The figure between China Mainland and Hong Kong SAR was US\$59.59 billion, 25.5% drop. (See Table 2)

Table 2 Bilateral trade value of China's top trading partners in Jan.- May 2009
Unit: Billion USD

Rank	Partner	May	Jan. - May	Increase (%)
1	EU	26.84	129.26	-22.1
2	US	22.44	108.25	-17.1
3	Japan	15.88	80.37	-24.6
4	ASEAN	15.98	70.84	-25.9
5	Hong Kong	12.58	59.59	-25.5
6	South Korea	11.74	54.58	-28.1

Provinces/Cities

The customs statistics show that in the first 5 months of 2009, Guangdong, as the largest import and export province in China, only managed US\$208.52 billion, 21.8% decline compared with that of the same period last year. Ranked by export value, the top 7 provinces and cities in China were Guangdong, Jiangsu, Shanghai, Zhejiang, Shandong, Fujian, and Beijing. The import and export value of the top 7 provinces and cities took up 79.8% of China's national total value in the period. Since Beijing boasts a large number of central enterprises, as the capital of China, its rank advanced to be No. 4 in terms of total import and export value. (See Table 3)

Table 3 China's top export provinces (cities) from Jan.-May 2009

Unit: Billion USD

Item	Guangdong	Jiangsu	Shanghai	Zhejiang	Shandong	Fujian	Beijing	
Import & Export	Value	208.52	116.25	96.99	66.86	48.91	27.87	72.08
	Increase (%) yoy	-21.8	-26.9	-26.2	-19.5	-19.9	-19.1	-34.8
Export	Value	125.39	69.21	51.2	47.64	28.3	18.99	18.56
	Increase (%) yoy	-18.5	-25.6	-23.7	-19.2	-17.8	-15.7	-16.6

Export & Import mix

The average decline rate for the export commodities in the first five months was 21.8%. However, export of labor-intensive products was better than the average. See Table 4.

Table 4 Export value of main labor-intensive commodities from Jan.-May 2009

Unit: Billion USD

Commodities	Export value	Increase (%) year-on-year
Apparels	36.82	-8.1
Textile	22.03	-15.5
Footwear products	10.58	-2.2
Furniture	10.09	-7.8
Plastic products	5.44	-6.4
Suitcases and bags	4.88	-4
Toys	2.28	-14

In the same period, Chinese exports of mechanical and electronic products accounted for US\$250.53 billion, 21.9% decline year-on-year.

In terms of China's import commodities, the import value of primary products in 5 months amounted to US\$92.48 billion, decreased by 39.1% year-on-year.

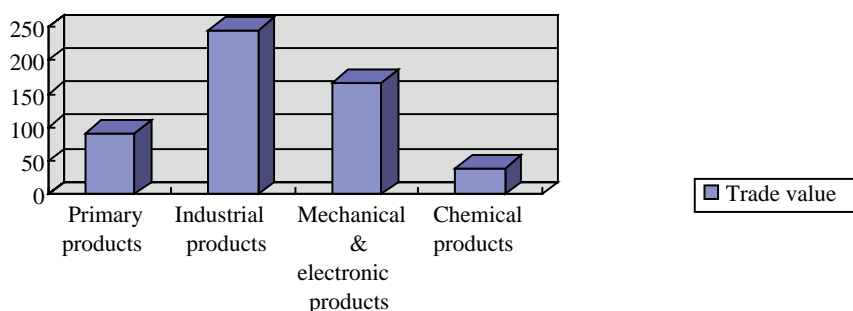
Among them, iron ore imported 240 million tons, 25.9% increased yoy, with an average import price of US\$77.9 per ton, 42.4% decline. China's import of soy beans had increased by 27.3% yoy, reaching 17.38 million tons in the first five months. The average price for imported soy beans in the period was US\$402.8 per ton, 30.6% decline compared with the price of same period last year.

Meanwhile, from January to May 2009, China imported industrial products for US\$244.87 billion, 22.7% falling down yoy.

Among them, mechanical and electronic products were imported by US\$166.15 billion, 24% drop yoy. Chemical products and related products were imported by US\$39.13 billion, 21.7% decline yoy. In all, 116 thousand units of automobiles and vehicles were imported in the five months, 32% decreased year-on-year. The import amount for steel came to 6.5 million tons, 7.4% drop year-on-year. (See Chart 3)

Chart 3 China's main import commodities from Jan. to May 2009

Unit: Billion USD



(Notes: All the data referred in the article are based on the statistics from China Customs) ©

Links

China may just "miss" trade goal

China may miss its growth target for foreign trade this year due to shrinking overseas demand, although the economy has stabilized in the first half, Vice-Premier Li Keqiang said on June 16.

"Export growth is unlikely to rebound in the short run and it's difficult to realize the 8 percent target for foreign trade growth this year," Li said in an address to a Standing Committee meeting of the National Committee of the Chinese People's Political Consultative Conference, the nation's top political advisory body.

During his two-hour speech, Li briefed the nation's top political advisors on the latest economic situation, the effect of the stimulus package and the priorities for the government during the rest of the year.

Top policymakers set a target for the nation's foreign trade to grow 8 percent earlier this year, the same rate as the nation's expected GDP growth target. However, the nation's trade volume for the first five months shrunk by 24.7 percent, compared with the same period a year earlier.

Li said the fast contraction in foreign demand was posing an "unprecedented" challenge to the nation's economy, which showed positive signs over the past months. He reckoned the economy might have stabilized in the first half, after its growth sank to an annualized rate of 6.1 percent in the first quarter. (Source: *China Daily*)

China Fairs & Expos

Real Estate

The 23rd Dalian House Trade Fair and Decoration Exhibition

Date: July 10-July 13, 2009

Frequency: Yearly

Venue: Dalian World Expo Plaza

Exhibits: commercial house, second-hand house, decoration

Web: www.sinoexhibition.com

Add: 25 F, World Trade Tower, No.25, Tongxing Street, Dalian, Liaoning, China, 116001

Tel: 86-411-82538601

Fax: 86-411-82538678

Email: my12336@126.com



2009 Dalian Summer House Trade Conference

Date: July 20-July 22, 2009

Venue: Dalian World Expo Plaza

Exhibits: commercial house, etc.

Add: 25 F, World Trade Tower, No.25, Tongxing Street, Dalian, Liaoning, China, 116001

Tel: 86-411-82538601

Fax: 86-411-82538678

Email: my12336@126.com

Furniture, Household Decorations, Woodwork Floor Decorations

The 7th China Fine Arts Expo and Classic Furniture Collections Expo

Date: July 23-July 26, 2009

Frequency: Yearly

Venue: Dalian Xinghai Convention and Exhibition Center

Exhibits: Fine arts, classic furniture, collections, etc.

Host: China Fine Arts Society

Add: No.9, Zhifu Street, Zhongshan District, Dalian, Liaoning, China, 116001

Tel: 86-411-82691579

Fax: 86-411-82691579

Email: dlhygz@163.com

2009 The 103rd China Daily Goods Trade Fair and China Modern Home & Houseware Expo

Date: July 30-August 1, 2009

Frequency: Yearly

Venue: Shanghai New International Exhibition Center

Exhibits: plastic household products, household glass, enamel and ceramic household products, small household metal products, etc.

Add: Room 302, 88, 1288 Nong, Lianhua South Road, Shanghai, China, 200002

Tel: 86-21-54997482

Fax: 86-21-54997483

Email: shanghai-hb@163.com



Auto tools and Fittings

2009 The Eighth China (Shanghai) International Battery Industry Expo and Technology Exchange

Date: July 8-July 10, 2009

Frequency: Yearly

Venue: Shanghai Everbright Convention and Exhibition Center

Web: www.btexpo.com.cn

Exhibits: series of batteries, a variety of battery for different uses, types of manufacturing equipment using batteries, testing and certification bodies, testing equipment, raw material, parts, components and chargers, etc.

Add: Room 904, Yinxing Building, 2, 51 Nong, Longcao Road, Shanghai, China, 200235

Tel: 86-21-64363606

Fax: 86-21-54976528

Email: kuozhangexpo@21cn.com



Transportation, Logistics, Storage

The 2nd China Dalian International Work Boat Exhibition

Date: July 9-July 11, 2009

Frequency: Biennially

Venue: Dalian Xinghai Convention and Exhibition Center

Exhibits: work boat, engine, dynamic system and facilities, ship accessory equipment, engine, dynamic system and facilities, ship instrumentation, ship use cable, etc.

Web: www.dxce.com

Add: 14, East Area, 18, Huizhan Road, Shahekou District, Dalian, Liaoning, China, 116023

Tel: 86-411-88816912

Fax: 86-411-84809988

Email: wbc2007@dxce.com

Glass, Ceramics, Plastic, Rubber

2009 The Eighth Shanghai International Ceramic and Piezoelectric Crystals Exhibition

Date: July 8-July 10, 2009

Frequency: Yearly

Venue: Shanghai Everbright Convention and Exhibition Center

Exhibits: Ceramic piezoelectric, quartz crystal electronic devices, ceramic electronic, ceramic parts and components of electronic products, ceramics and special equipment, etc.

Add: Room 904, Yinxing Building, 2, 51 Nong, Longcao Road, Shanghai, China, 200235

Tel: 86-21-64363606

Fax: 86-21-648330925

Email: kuozhanexpo@21cn.com



2009 China (Urumqi) Appreciation Stone and Hetian Jade Expo

Date: June 16-June 28, 2009

Frequency: Yearly

Venue: Xinjiang International Expo Center

Exhibits: hetian jade, rood sculpture, calligraphy and painting works, antique, etc.

Add: No.167, Youhao North Road, Urumqi, Xinjiang, China, 830000

Tel: 86-991-4818153

Fax: 86-991-4842869

Public Security and Fire Control

The 2009 Qingdao Social Public Security, Firefighting and International Products Fair

Date: July 10-July 13, 2009

Venue: Qingdao International Convention Center

Web: www.qdzzhk.com

Add: No.1502-A, Fada Building, Zhongshan Road, Qingdao, Shandong, China, 266071

Tel: 86-532-82883803

Fax: 86-532-82965067

Email: qingdaohuashang@163.com

Electronic Intelligence

2009 The Seventh China (Shanghai) International Mobile Phone Industry

Exhibition Date: July 8-July 10, 2009

Frequency: Yearly

Venue: Shanghai Everbright Convention and Exhibition Center

Web: www.mobileexpo.cn

Exhibits: mobile terminals, related accessories and products, etc.

Add: Room 904, Yinxing Building, 2, 51 Nong, Longcao Road, Shanghai, China, 200235

Tel: 86-21-64755902

Fax: 86-21-64755056

Email: xiongyi15026685311@163.com

2009 China (Shanghai) International Fair Panel Display Exhibition

Date: July 8-July 10, 2009

Frequency: Yearly

Venue: Shanghai Everbright Convention and Exhibition Center

Web: www.csfpd.cn

Exhibits: Ceramic piezoelectric, quartz crystal electronic devices, ceramic electronic, ceramic parts and components of electronic products, ceramics and special equipment, etc.

Add: Room 904, Yinxing Building, 2, 51 Nong, Longcao Road, Shanghai, China, 200235

Tel: 86-21-64363606

Fax: 86-21-648330925

Email: kuoZHANexpo@21cn.com

Electrical Apparatus, Heating, Air-conditioning

2009 Guangzhou International Air Conditioning Exhibition & Refrigeration, Air Conditioning and Ventilation Equipment Exhibition

Date: July, 2009

Frequency: Yearly

Venue: Guangzhou Jinhan Exhibition Center

Exhibits: refrigeration equipment, air conditioning equipment, ventilation equipment

Web: www.gzrefrigeration.com

Add: Rm 802B, Jiayue Building, No.38 Zhongshan Avenue, Guangzhou, Guangdong, China, 510660

Tel: 86-20-61313851

Fax: 86-20-62861756

Email: gzhwexpo@163.com



Sound, Musical instruments, Lighting

The Fourth Shanghai International LEDs, Luminaries and City Energy-saving Lighting Technology and Equipment Exhibition

Date: July 8-July 11, 2009

Frequency: Yearly

Venue: Shanghai New International Exhibition Center

Web: www.csioe.com.cn

Exhibits: outdoor LED large-screen display technology and application system equipment, outdoor lighting device technology and equipment, etc.

Add: No.18, 8 Shengze Road, Huangpu District, Shanghai, China, 200002

Tel: 86-21-34226319

Fax: 86-21-64807399

Email: guanggaexpo2010@126.com



The Fourth Shanghai International LEDs, Luminaries and City Energy-saving Lighting Technology and Equipment Exhibition

Date: July 8-July 11, 2009

Frequency: Yearly

Venue: Shanghai New International Exhibition Center

Exhibits: advertising technical equipment and materials, printers and supplies, logos, signage technology, equipment, materials, exhibitions display technology and equipment, innovation and creative design industries, etc.

Add: 8 Shengze Road, Huangpu District, Shanghai, China, 200002

Tel: 86-21-54938052

Fax: 86-21-54938052-808

Email: shanqi1688@163.com

2009 Shanghai International Lighting Expo

Date: July 8-July 11, 2009

Frequency: Yearly

Venue: Shanghai New International Exhibition Center

Exhibits: urban outdoor lightings, solar lightings, stage lightings, professional lighting, lighting lamp, etc.

Add: 18F, 8 Shengze Road, Huangpu District, Shanghai, China, 200002

Tel: 86-21-54800564

Fax: 86-21-64807399

Email: shwangexpo@126.com

Toys, Gifts and Craftwork

HKTDC Summer Sourcing Show for Gifts, Houseware & Toys

Date: July 6-July 9, 2009

Frequency: Yearly



Venue: Hong Kong Convention and Exhibition Center

Exhibits: gifts and premium, household products, home decorations, toys and games, festive and party items

Tel: 86-592-1830668

Fax: 86-592-28240249

Email: exhibitions@tdc.org.hk

Jewelry, Watches and Clocks, Glasses

2009 The Eighth China (Shanghai) International Optical Fair

Date: July 8-July 10, 2009

Frequency: Yearly

Venue: Shanghai Everbright Convention and Exhibition Center

Web: www.csioe.com.cn

Exhibits: flat panel display and LED lighting conductor, optics, optical communication. Optical communications test equipment, etc.

Add: Room 904, Yinxing Building, 2, 51 Nong, Longcao Road, Shanghai, China, 200235

Tel: 86-21-64363606

Fax: 86-21-54976528

Email: linnaexpo@163.com



Packaging, Paper, Printing and publication

HKTDC Hong Kong Book Fair

Date: July 22-July 28, 2009

Frequency: Yearly

Venue: Hong Kong Convention and Exhibition Center

Exhibits: books, printed matters, stationery, printing services and multimedia education products

Tel: 86-592-1830668

Fax: 86-592-28240249

Email: exhibitions@tdc.org.hk

Commercial Trade, Chain operation, Agency, Import and export

China Xinjiang Kashi-Central Asia/South Asia Commodities Trade Fair

Date: June 28-July 2, 2009

Frequency: Yearly

Venue: Kashi Xinyifa International Exhibition Center

Exhibits: cereal, oil, food, textile, garment, light industry, arts craft, machinery, electronics, petrochem, home appliance, construction materials, nonferrous metals, medical machine, office supplies, agricultural byproduct, etc.

Web: www.kashi.gov.cn

Add: No.46, Jiefang North Road, Kashi, Xinjiang, China, 844000

Tel: 86-998-2825117

Fax: 86-998-2825117

Aviation, Spaceflight

The 8th China International Aviation & Aerospace Exhibition

Date: July, 2009
Frequency: Yearly
Venue: China International Aviation & Spaceflight Exhibition Center
Exhibits: airport construction and management, aviation service, etc.
Add: Rm 23k, Mingyuege, No.20, Mingyue, No.1 Road, Wuyang Xincheng, Guangzhou, Guangdong, China, 510660
Tel: 86-20-87358971
Fax: 86-20-87358977
Email: metroexpo@vip.163.com



Others, Comprehensive

2009 China (Guangzhou) International Soft Pipe Exhibition

Date: July, 2009
Frequency: Yearly
Venue: Guangzhou Jinhan Exhibition Center
Exhibits: metal soft pipe, plastic soft pipe, accessories, production and inspection equipment
Web: www.hosefair.com/index_c.asp
Add: Rm 802B, Jiayue Building, No.38 Zhongshan Avenue, Guangzhou, Guangdong, China, 510660
Tel: 86-20-61313851
Fax: 86-20-62861756
Email: gzhwexpo@163.com

The 5th Guangzhou Industrial Design Week

Date: July, 2009
Frequency: Yearly
Venue: Guangzhou Jinhan Exhibition Center
Web: www.gzrefrigeration.com
Add: 3F, No.11, Lianxin Road, Guangzhou, Guangdong, China, 510030
Tel: 86-20-83133268
Fax: 86-20-83197670
Email: gdida@163.com

The 9th China (Shenzhen) International Brand Apparel and Accessories Fair

Date: July 9-July 11, 2009
Frequency: Yearly
Venue: Shenzhen Convention and Exhibition Center
Exhibits: apparel, accessories, textile fabric and auxiliary material, garment, equipment, leather, leather products, suitcase, publications
Web: www.szic.com
Add: 11th Floor, Zhongguoyouse Building, Chengongmiao Tairan Industrial Zone, Futian District, Shenzhen, Guangdong, China, 518000
Tel: 86-755-83472856
Fax: 86-755-83472509
Email: wangxh592@sohu.com

Energy and resources, Mining Industry, Metallurgy, Welding, Electric Power

The 10th Guangzhou International Metal and Metallurgy Exhibition

Date: June 23-June 26, 2009
Frequency: Yearly
Venue: China Export Commodities Fair Pazhou Complex
Exhibits: metal plate, pipe, bar, wire and metal processing equipment, die-casting, casting, industrial furnace, stainless steel industry, etc.
Web: www.julang.com.cn
Add: Room 3A04-3A06, Block A1, Xinghuiyuan, 29, Huaming Road, Zhujiang Xincheng, Tianhe, Guangzhou, Guangdong, China, 510623
Tel: 86-20-38620782
Fax: 86-20-38620781
Email: julangmeiwen@126.com

The 5th China International Coal Equipment and Mine Technical Equipment Exhibition 2009

Date: June 28-June 30, 2009
Frequency: Yearly
Venue: China International Exhibition Center
Exhibits: mining, mining companies, image of mining companies, etc.
Add: 11th floor, Huayuelong Building, Shijingshan District, Beijing, China, 100043
Tel: 86-10-68683796
Fax: 86-10-68683796
Email: huamaolian@263.net



Hardware Tools

2009 China International Aluminum Industry Exhibition

Date: June 30-July 2, 2009
Frequency: Yearly
Venue: Shanghai New International Expo Center
Exhibits: aluminum and aluminum alloy raw materials, primary metal products, semi-finished products, surface treatment and joint technology, light metal trade and recycling, aluminum purification, processing and smelting factory machinery, equipment and



accessories, etc.

Web: www.aluminumchina.com
Add: Rm 1204, Dongfang Plaza, 1, Dongchangan Street, Dongcheng District, Beijing, China, 100738
Tel: 86-01-85189070
Fax: 86-01-85189060
Email: alu@reedexpo.com.cn

Machinery, Machine tools

2009 World Pharmaceutical Machinery, Packaging Equipment and Materials China Exhibition

Date: June 23-June 25, 2009
Frequency: Yearly
Venue: Shanghai New International Expo Center
Exhibits: pharmaceutical machinery and auxiliary, drug testing and analysis equipment, medicinal materials, etc.
Web: www.p-mec.cn
Add: Floor 8, 12 Panjiayuananli, Chaoyang District, Beijing, China, 100021
Tel: 86-01-67703177
Fax: 86-01-87789502
Email: zhaojingman@cccshpie.org.cn



The 11th Shanghai International Machine Tool Fair

Date: July 15-July 18, 2009
Frequency: Yearly
Venue: Shanghai New International Exhibition Center
Exhibits: machine tools, tools and accessories, automation control and power train, machine tool thermal processing technology and equipment, thermal processing technology and equipment, etc.
Web: www.eastpo.net
Add: 1258 Yuyuan Road, Shanghai, China, 200002
Tel: 86-21-52396999
Fax: 86-21-51010002
Email: marketing@eastpo.net

Automation

The 13th International Industrial Control and Automation Expo for South China

Date: June 24-June 26, 2009
Frequency: Yearly
Venue: Shenzhen Convention and Exhibition Center
Exhibits: industrial control & electrical engineering, electricity machine/motor, mechanical engineering, machine vision, instrumentation equipment/liquid air-tightness
Web: www.iaexpo.com
Add: Rm. 812, B Building, Shidai Xinduihui, No.168-170, Yuanjing Road, Guangzhou, Guangdong, China, 510403
Tel: 86-20-61198879
Fax: 86-20-61198841
Email: ia@iaexpo.org

The 11th China Qingdao International Industrial Automation and Instrument and Meter Fair 2009

Date: July 28-July 31, 2009

Frequency: Yearly

Venue: Qingdao International Convention Center

Web: www.zd-yiqi.com

Add: Room 902, Fulin Building, No.87, South Fuzhou Road, Qingdao, Shandong, China, 266071

Tel: 86-532-85756468

Fax: 86-532-85785105

Email: jndaiming@126.com

Hotel, Catering, Tourism

2009 The 7th Guangzhou International Hotel Goods Exhibition

Date: June 30-July 2, 2009

Frequency: Yearly

Venue: Guangzhou International Convention and Exhibition Center

Exhibits: kitchen and cooking equipment, dining table products, hotel furniture, hotel textile, guest room lobby products, coffee equipment and food, hotel intelligence products, sauna and swimming pool, etc.

Web: www.julang.com.cn

Add: Room 3A04-3A06, Block A1, Xinghuiyuan, 29, Huaming Road, Zhujiang Xincheng, Tianhe, Guangzhou, Guangdong, China, 510623

Tel: 86-20-38620782

Fax: 86-20-38620781

Email: julangmeiwen@126.com

Textile and Clothing

2009 China (Shanghai) International Textiles, Fabrics & Accessories Exhibition

Date: June 23-June 25, 2009

Frequency: Yearly

Venue: Shanghai New International Expo Center

Exhibits: woven hemp fabric, silk, cotton, chemical woven fiber, wool textile, knitwear and fabrics, all types of companies fabric, anti-static, anti-oil, waterproof, fire-retardant, radiation fabric, mercerizing, reflective fabric, elastic fabric, etc.

Web: www.shssny.cn

Add: 1206-1208, Xinan Building, 99 Tianzhou Road, Shanghai, China, 200235

Tel: 86-21-54451965

Fax: 86-21-54451166

Email: zhaojingman@cccshpie.org.cn



Fur, Leather, Shoes

The 10th China Qingdao International Leather, Shoe Machine and Shoe Material Expo

Date: June 28-June 30, 2009

Web: www.qdhaiming.com

Venue: Qingdao International Convention Center

Add: 4th Floor, Huajia Building, No.52, Shandong Road, Qingdao, Shandong, China, 266071

Tel: 86-532-85012141

Fax: 86-532-85012624

Email: duxiaopu2008@126.com

Food and Additives, Beverage, Drinks, Seasonings, Dairy Products

2009 Asia Food Ingredients, Natural Raw Materials and Health Raw Materials Exhibition

Date: June 23-June 25, 2009

Frequency: Yearly

Venue: Shanghai New International Expo Center

Exhibits: sour agent, sweetener, thickener, chewing gum-based agent, anti-knot agents, medicinal aromatic plants, plant materials, Chinese herbal extracts, functional food ingredients, natural and organic food and ingredients, etc.

Web: www fla-china.cn

Add: Floor 10, Modern Building, 218 Xiangyangnan Road, Shanghai, China, 200031

Tel: 86-21-64371178

Fax: 86-21-64370982-396

Email: florani@cmpSINOEXPO.com



2009 China (Chongqing) International Food Processing and Packaging Machinery Exhibition

Date: June 23-June 25, 2009

Venue: Chongqing International Convention and Exhibition Center

Exhibits: beer cans, market sets, CIP cleaning systems, conveyor systems, beer brewing equipment, etc.

Tel: 86-23-86376266

Email: jiyanyuzl@163.com

2009 Guangzhou International Coffee Exhibition

Date: June 30-July 2, 2009

Frequency: Yearly

Venue: China Export Commodities Fair Pazhou Complex

Exhibits: coffee and coffee products, coffee ware, coffee processing, manufacture equipment, coffee bean core-removing, etc.

Web: www.huazhan.com.cn

Add: Block H, 9F, Jinshui Tower, 900 Guangzhou Avenue Middle, Guangzhou, Guangdong, China

Tel: 86-20-38866778

Fax: 86-20-38866965

Email: liaozone_916@163.com

2009 The Fourth China (Shanghai) International Meat Industry Exhibition

Date: July 13-July 15, 2009

Frequency: Yearly

Venue: Shanghai Everbright Exhibition Center

Exhibits: food and additives, beverages, wine, spices, milk, etc.

Web: www.meatexpo.com.cn

Add: Room 506, 2 3758 Nong, Chunshen Road, Shanghai, China, 201100

Tel: 86-21-64607399

Fax: 86-21-64802848

Email: zhanglin1880@163.com

2009 Dalian The 5th International Tea Expo and World Chinese Tea Tasting Conference

Date: July, 2009

Frequency: Yearly

Venue: Dalian Xinghai Convention and Exhibition Center

Exhibits: tea and water product, tea ware, tea equipment and tea package, teahouse franchise, chain teahouse, tea culture, tea etiquette training organization, etc.

Web: www.dxce.com

Add: 14, East Area, 18, Huizhan Road, Shahekou District, Dalian, Liaoning, China, 116023

Tel: 86-411-88816912

Fax: 86-411-84809988

Email: atu_icac@yahoo.com.cn

2009 Jinan International Beer Festival

Date: July 19-July 31, 2009

Frequency: Yearly

Venue: Jinan Shungeng International Convention and Exhibition Center

Web: www.jnpij.cn

Add: 28 Shungeng Road, Jinan, Shandong, China, 250014

Tel: 86-531-8211560

Fax: 86-531-8291888

Email: yewkoh@yahoo.com.cn

Medical Care, Health Care

CPhI & ICSE China

Date: June 23-June 25, 2009

Frequency: Yearly

Venue: Shanghai New International Expo Center

Exhibits: raw material medicines, antibiotics, alkaloids, amino acids, peptides, antibodies, enzymes, hormones and synthetic chemical substances, lecithin, etc.

Web: www.cphi-china.cn

Add: Floor 8, 12 Panjiyuannanli, Chaoyang District, Beijing, China, 100021

Tel: 86-01-67703177

Fax: 86-01-87789502

Email: zhaojingman@cccshpie.org.cn

Education, Training, Culture and Art

2009 The 5th Yunnan Education Expo

Date: June 26-June 29, 2009

Frequency: Yearly

Venue: Kunming International Convention and Exhibition Center

Exhibits: high education, vocational, private institutions, foreign education institutions, agents, educational equipment, etc.

Web: www.chundiexpo.com

Add: 801 Zhengquan Building, 62 Chuncheng Road, Kunming, Yunnan, China, 650011

Tel: 86-871-3196962

Fax: 86-871-3137529

Email: chundi_expo@163.com

US Pavilion position paper on sponsorship released

Shanghai World Expo 2010, whose theme is “Better City, Better Life”, will give visitors a glimpse into the future, a future that includes a healthier, more sustainable urban environment. With Expo 2010 less than a year away, more than 190 countries have committed to participate. Most national pavilions are being funded by a public/private partnership that will enable countries to build pavilions costing tens of millions of dollars.

However, due to a law passed by Congress in 1991, the US is prohibited from using government funds to design, construct or operate a national pavilion. As a result, US pavilion organizers must raise an estimated US\$ 50-60 million from private sources and American companies are feeling the pressure to contribute. Despite a historically difficult global economic climate, there are clear advantages to supporting the US pavilion at Expo 2010 and that participation can help to advance a company's China strategy.

The AmCham Shanghai position paper, “The US pavilion at Expo 2010 Shanghai - A business case for sponsorship” highlights the importance of the US pavilion to the US business community in China, outlines opportunities for Pavilion sponsors to advance their company's China strategy and provides an overview of specific benefits provided to sponsors by the organizers of the US pavilion. ●

Expo live TV show shot in Hangzhou

An Expo live TV show began its Hangzhou tour on June 20 morning. The show simultaneously shot at Qianjiang New City, West Lake, Xixi Wetland, Hefang street in Hangzhou as well as on Shanghai's Lupu bridge. Following the move of the camera, the Chinese martial arts, bicycles riding appeared on screen. The volunteers also promoted Hangzhou's unique public bicycle renting system to tourists.

In another section of the show, designers, constructors, residents and tourists talked about their understanding of the life quality of the city. The program also invited economists and other scholars to discuss about Hangzhou's participation in Expo Shanghai. Hangzhou's party secretary Wang Guoping and Mayor Cai Qilong also attended the live show to introduce Hangzhou's participation in the Expo and Hangzhou's philosophy of development. Hangzhou vice Mayor Zhang Jianting also appeared in the show to announce the start of the promotion week.

The show was part of the Expo 2010's Hangzhou promotion week. The show was organized by Shanghai Media Group, the Bureau of Shanghai World Expo Coordination and Shanghai Municipal Tourism Administration. The live show went mainly alive on satellite TV channel Dragon TV. ●



Expo promotion week in Qinghai starts



Expo 2010's promotion week in northwest China's Qinghai Province began in the province's capital Xining on June 20. The week includes an Expo-themed exhibition in the city's international Expo center and the unveiling of Expo mascot Haibao's statue in the center.

The exhibition introduced the history of world Expo and the preparation of Expo 2010. The plan of Qinghai's exhibition during Expo 2010 was officially unveiled during this promotion exhibition in Xining. Theme for the province's exhibition during Expo 2010 is “China's Water Tower, Three Rivers' Origin”. The origins of China's two longest rivers, the Yangtze River and the Yellow River, are in Qinghai. The Lancang River, which is known as the Mekong River in Southeast Asia, also begins in the province.

The exhibition in 2010 will use multimedia and interaction devices to introduce the rivers' origins. The province also picked a mascot for its exhibition known as Sanyuan with the shape of water drip. “We hope

Qinghai people will know more about Expo through this promotion week.” said official in charge of Qinghai's exhibition in Expo 2010. Expo mascot Haibao will also appear in Xining Airport, Xinning Square, Center Square in the capital. ●

Plan for Guizhou's exhibition set

Exhibition plan has been decided for the Southwest China's Guizhou Province. The province's top team to participate the Expo 2010 picked the final plan out of 13 applicants. Officials with the team said that the outset of the exhibition will start from this October and will be put to trial next March.

The plan focuses on “Charm of the summer resort”, showcasing the province's unique nature and culture. The exhibition will have two-floor display. Elements such as drum tower, silver wear, waterfalls and minority masks will be part of the exhibition. Many items will be brought to exhibition for display. The province has a variety of terrains and ethnic minorities. Traditional performances to go with the exhibition are also under preparation. ●

Forum discusses water origin and urban development

An Expo forum focus on water origin and urban development started today in Xining, provincial capital of northwest China's Qinghai province. Wang Jinzhen, member of the National Organizing Committee of the Expo as well as vice chairman of China Council for the Promotion of International Trade, introduced history of world Expo and Expo 2010 preparation to audience.

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Zhou Hanmin, deputy director of the World Expo 2010 Shanghai Executive Committee, introduced Expo Shanghai from the perspectives such as the Expo site construction, pavilion building, international participation, Urban Best Practice Area, domestic participation, corporate participation, Expo Online, marketing and tickets sales, Expo themes, events and forums. Zhou said that countries will take Expo 2010 as a stage to share experience of urban development and showcase modes of urban development. Zhou also said that Expo 2010 will be a stage to showcase high and new technologies and will boost high-tech industry as well as modern exhibition industry, urban tourism, culture creative industry and logistics.

Experts also discussed topics such as water and life, water and city as well as water and civilization. About 200 officials, scholars, journalists attended the forum. Vice governor of the province, Wang Lingjun also attended the forum. Expo Shanghai Forums are categorized into summit forum, theme forums and public forums. The forum in Qinghai is one of the public forums. Public forums intend to discuss specific issues for urban development and promote the Expo's theme among the public through various events. One hundred public forums will be held before and during the Expo. ●



ROK corporate pavilion agreement



More than 10 leading corporations from the Republic of Korea will build a joint corporate pavilion at the 2010 World Expo to express their creativity and vision for the future. The names of the corporations involved are yet to be announced as negotiations are still underway.

The Korea International Trade Association, which coordinates the preparation and exhibition of the pavilion, signed a participation contract with the organizer on June 18. Hong Hao, director of the Bureau of Shanghai World Expo Coordination, said both governments and businesses were showing enthusiasm in participating and hosting world expositions and the two countries were important economic and trade partners for each other. He hoped the pavilion would gather the creative ideas of corporations. A cooperation memorandum was also signed by the two sides. The association will organize ROK student groups for visits to the 2010 Expo and promote Expo ticket sales in the country, according to the memorandum. It will also assist in promotions such as the mascot Haibao's debut in Seoul and an Expo exhibition hall in the city. ●

UK signs up with Expo Online

The United Kingdom will build a virtual pavilion to match its real pavilion at the 2010 Shanghai Expo. The United Kingdom handed over the participation documents to the Expo organizer to participate in Expo Shanghai Online, a Shanghai Expo innovation that will provide virtual visits to the Expo.

Expo Shanghai Online will offer visitors a virtual tour of the Expo pavilions in Shanghai. The real UK Pavilion – “A Pavilion of Ideas” – will look like a huge “light box” with 60,000 spines tipped with tiny, colored lights to display images. Trees will shade the pavilion and shelter waiting queues. Gardens and lawns will offer comfortable places for visitors to rest. They can sit in a typical British garden, sip a cup of English tea and chat with friends, just like a relaxing sunny afternoon in a traditional country garden.

UK will embed more than 60,000 seeds, which can be planted after the World Expo 2010, into the structure of its pavilion to urge people to protect natural species from extinction, said Carma Elliot, British consul general in Shanghai. The seeds demonstrate the concept of sustainability, the diversity of nature and urge people to protect the environment for future generations, Elliot said. The UK team is choosing seeds for the pavilion from a seed bank in Kunming, Yunnan Province, which is the Chinese branch of the project, Elliot said, adding they are still considering how to use the seeds after the Expo ends. The 6,000-square-meter structure is one of the largest pavilions at the Expo. The six-story structure is a huge gift box from the UK to China, said Ian McCartney, the country's commissioner general for the Expo. Inside the pavilion there will be an exhibition about “bringing nature back into the city.” Construction on the pavilion began in March. ●





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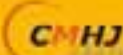
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English Speakers Phone Jerry Wang at 86-10-68069329

Overview of FDI in China

I. The basic means of China's absorption of foreign investments

The foreign investments are basically divided into direct investment and other means of investment. The direct investment, which is widely adopted, includes Sino-foreign joint ventures, joint exploitation and exclusively foreign-owned enterprises, foreign-funded share-holding companies and joint development. The other means of investment includes compensation trade and processing and assembling.

1. Sino-foreign joint ventures

Sino-foreign joint ventures are also known as share-holding corporations. They are formed in China with joint capitals by foreign companies, enterprises, other economic organizations and individuals with Chinese companies, enterprises, other economic organizations and individuals. The main feature is that the joint parties invest together, operate together, take risk according to the ratio of their capitals and take responsibility of losses and profits. The capitals from different parties are translated into the ratios of capitals, and in general the capital from foreign party should not be lower than 25%.

The Sino-foreign joint ventures are among the first forms of China's absorption of foreign direct investment and they account for the biggest part. At present they are still a great part in the absorption of foreign investments.

2. Cooperative businesses

Cooperative business is also called contractual cooperation businesses. They are formed in China with joint capitals or terms of cooperation by foreign companies, enterprises, other economic organizations and individuals with Chinese companies, enterprises, other economic organizations and individuals. The rights and obligations of different parties are embedded in the contract. To establish a cooperative business, the foreign party, generally speaking, supplies all or most of the capital while Chinese party supplies land, factory buildings, and useful facilities, and also some supply a certain amount of capital, too.

3. Exclusively foreign-owned enterprises

Exclusively foreign-owned enterprises, which are totally invested by foreign party in China by foreign companies, enterprises, other economic organizations and individuals in accordance with laws of China. According to the law of foreign-funded enterprises, the establishment of foreign enterprises should benefit the development of our national economy and agree with at least one of the following criteria: the enterprises must adopt international advanced technology and facility; all or most of the products must be export-oriented. The foreign funded enterprises often take the form of limited liability.

4. Joint exploitation

Joint exploitation is the abbreviation of maritime and overland oil joint exploitation. It is a widely adopted measure of economic cooperation in the international natural resources field. The striking features are high risk, high investment and high reward. The joint development is often divided into three steps: exploitation, development and production. Compared with the other three means mentioned above, joint cooperation accounts for a small ratio.

5. Foreign-funded share-holding companies

Foreign companies, enterprises, other economic organizations and individuals can form foreign funded share-holding companies in China with Chinese companies, enterprises, and other economic organizations. The total capital of the share-holding company is formed by equal shares shareholders will take due responsibilities for the company according to shares purchased; company will take responsibilities for all its debts through all its assets and the Chinese and foreign shareholders will hold the shares of the company. Among them, the shares purchased and held by foreign investors account for more than 25% of the total registered capital of the company. Limited company can be founded either by means of starting-up or raising, and the limited liability company invested by the foreigners can also apply to turn into share-holding companies. The qualified enterprises can also apply to issue A & B share and list abroad.

6. New types of foreign investment

While expanding areas and opening-up domestic market, China is also exploring and expanding actively its new types of utilizing foreign investment such as BOT, investment company and so on. Since multinational merger and acquisition has become the major type of international direct investment, Chinese government is now researching and enacting related policies so as to facilitate the foreigners to invest in China by means of merger and acquisition.

II. China's policy direction of absorption of foreign investment

1. Energetically improve the political and legal environment for foreign investment, and to enhance legal administration level.

According to China's commissions for joining WTO and the requirement for our opening-up process, it will further improve the legal system of absorbing foreign investment, keep on the steadiness, consistency, predictability and feasibility of the policies and laws of foreign investment laws, try to create a united, steady, transparent and predictable environment for foreign investment. China will further simplify the examination and approval procedures for foreign investment and adopt a standardized examination and approval system; reinforce our sense of legality, try to be open, just and transparent, and establish an incorruptible, industrious, pragmatic and effective government, creating a good administrative environment for foreign investment.

2. Maintain and improve an open and fair market environment.

China combines this with the current work of rectifying and standardizing the order of market economy, prohibit firmly the improper collecting fees from foreign companies as well as improper inspection and fine of them. Measures are being taken to destroy local protectionism and industrial monopoly, as well as to enhance the lawful measures to protect the intellectual property right and take strong actions against illegal piracy, therefore, establish an open, unified and fair market environment, further perfect the complaining mechanism of foreign-funded and protect the legal rights of foreign merchants according to law.

3. Further open the field of service industry.

In accordance with China's self-development and Commitment to the WTO, this market opens to the outside world vigorously and steadily and systematically, meanwhile perfect rules and regulations for service industry and a united and standard system for accession into the market of foreign investment service are formulated. China encourages the import of modern service concepts and advanced management experiences, technologies and modes of modern market operation, improve structure of service industry in China.

4. Encourage foreign businessmen to invest in the new high-tech industry, the basic industry, and supporting industry.

The ability of technology innovation and sustainable development directly reflect the competitiveness advantages of a country. We will continue to encourage foreign investors to introduce, develop and innovate tech-

nology and to invest in technology-intensive project, and projects with advanced technology and to guide in enterprise registered capital proportion limitation and funding condition. The relevant stipulations of setting pioneering investment enterprise should also be consummated in order to facilitate the conditions of setting and developing high-tech corporations. China aims at attracting foreigners to invest in supporting industry and encourage the localization of new materials, push domestic small and medium-sized enterprises to enforce cooperation with foreign companies and introduce the advanced and applicable technology to match the large foreign-funded enterprises, thus to enter the production and sales network of multinational companies.

5. Attract actively more multinational companies to invest in China.

Multinational companies as leading force of current world economy. Chinese government will pay more attention to improve the relevant policies to attract multinationals to invest here, establish the local headquarters and set up cross-country procurement centers. Using the experience and methods of merger and acquisition of other countries and taking the economical system with China's characteristics and realities of into consideration, we should speed up the step to draft and improve the practical policy and stipulations of investment through merger and acquisition, further revise the relevant stipulations of the foreign-invested share-holding companies, push the formulation and perfecting of BOT and special permission transfer investment methods, the various stipulations for foreign-funded enterprise's listing domes-

tically and abroad.

6. Further promote foreign invest in the central and western regions.

Vast areas in these regions are rich in resources for farming and stock raising, mineral resources and tourist resources. With a large population and a market of great potential labor forces, other key elements for production are relatively inexpensive with the steady progress and western development strategy, such facilities as transportation, communication and construction has impressively improved. Because of the improvement of investment environment and ecological development and emergence of potential for the development of specialty economy, foreign businessmen who invest in these regions are facing brand-new opportunities and great development space. ●

I. Chinese financial system

The present financial system in China is, under the leadership of the People's Bank of China and with exclusively State-owned commercial banks as the main body, a financial institution system allowing simultaneous co-existence, divide the work and coordination of the State policy-related banks, other commercial banks and various financial institutions.

1. People's Bank of China

The People's Bank of China is China's central bank, which is responsible for establishing and implementing national financial policies, and regulating currency circulation and credit activities. It represents the country to the foreign countries and supervises and administers the entire financial activities at home.

2. Commercial banks

Chinese commercial bank system is composed of three parts, namely exclusively State-owned commercial banks, other shareholding commercial banks and foreign-funded commercial banks, among which the exclusively State-owned banks constitute the main body of Chinese commercial bank system.

3. Policy-related banks

Since 1994, China has constructed three policy-related banks directly under the State Council, namely the State Development Bank, Agriculture Development Bank of China and the Export-Import Bank of China.

4. Non-bank financial organizations

Chinese non-bank financial organizations mainly include Trust & Investment Corporation, Securities Company, Insurance Company, Finance Company, Leasing Company and Credit Union.

II. Chinese foreign exchange control system

Chinese foreign exchange control

Finance and Foreign Exchange

system, basically belonging to partial foreign exchange control, implements convertibility on current accounts, certain control on capital items, and supervision and management on foreign exchange business of financial organizations.

1. The convertibility of Renminbi under current accounts

1). To implement banking settlement of exchange system on foreign exchange revenue of current accounts.

2). To lift limitations on the foreign exchange payment of current account

3). To carry out the system of cancel after verification on the exchange of import and export acceptance and payment.

4). To check the authenticity of trade through customs declaration net checking system on import and export.

2. Foreign exchange control under capital items

The basic principle for managing foreign exchange receipts and disbursements of Chinese capital items is to boost the exchange of Renminbi under capital items by perfecting foreign exchange control and creating conditions to while abandoning the limitations on the convertibility of current accounts.

3. The formation mechanism of improved Renminbi exchange rate

After the integration of the exchange rate with international level on January 1st, 1994, China begins to implement the single and managed floating exchange rate system based on the market supply and demand.

4. The macro-management system of perfected international balance of



payment

The new "Declaration Ways for International Balance of Payments Statistics" was carried out in 1996. On the basis of indirect declaration on the international balance of payments through financial organizations in 1996, four declarations were put forward in 1997, including direct investment, securities investment, foreign balance sheet-income of financial organizations and exchange.

5. Enhancement of the supervision and management on the foreign exchange business of financial institutions

During dealing with the business of exchange, settlement and sales, the bank must strictly check related receipts according to regulations to avoid interfusion of the foreign exchange receipts and disbursements under capital items into the exchange, settlement and sales under current account, and to prevent the lawless persons from kiting transaction foreign exchange through the channel of exchange, settlement and sale. ●

Investment Projects in Western CHINA

Energy Sources and Chemical Industry Sector (II)

I. Project Name

Industrial Park of Comprehensive Utilization of Energy of Jingbian

II. Project Implementation Agency

Shaanxi Yanchang Petroleum (Group) Co., Ltd. is one of four enterprises which have petroleum and natural gas survey qualification, founded in 1905. The registered capital is RM. 10 billion. The company is directly under Shaanxi Provincial People's Government.

III. Project Description

This project is situated in Jingbian County, Yulin City, Shaanxi Province. The first stage of this project is planned to build such facilities as 1.8 million t/y methanol, 600,000t/y MTO, 1.5 million t/y DCC, 650,000t/y polyethylene and 520,000 t/y polypropylene and self-provided power station with the installed capacity of 50,000kw. Now, the project is going the basic design.

IV. Total Investment and Cooperation Form

The total investment of the project is RMB 19.96 billion. Now, it is planned to seek for cooperative partner.

V. Anticipation of Market and Analysis of Investment Return

After the completion and put into production of the project, it can realize annual average profit of RMB 3574.28 million and profit after tax of RMB 2680.71 million a year. The return on investment is 18.92% and internal rate of return (after tax) is 16.00%.

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I. Project Name

Xinghua Energy-saving and Comprehensive Utilization Technology Innovation Project of Yanchang Petroleum Group

II. Project Implementation Agency

Shaanxi Yanchang Petroleum (Group) Co., Ltd. is one of four enterprises which have petroleum and natural gas survey qualification, founded in 1905. The registered capital is RM. 10 billion. The company is directly under Shaanxi Provincial People's Government.

III. Project Description

Xinghua Energy-saving and Comprehensive Utilization Technology Innovation Project is built beside Shaanxi Xianyang Xinghua Group. It focuses on the construction of production device which can produce 300,000t/y synthetic ammonia, 300,000t/y methanol, 300,000t/y calcined soda and 324,000t/y ammonium chloride. The basic design of the project is under way and long period equipment is recruiting the tender.

IV. Total Investment and Cooperation Form

The total investment of the project is RMB 3466.85 million. It is planned to look for cooperative partner.

V. Anticipation of Market and Analysis of Investment Return

After the project is put into production, it can realize sales income of RMB 1520 million. Annual average profit is RMB 470 million and the profit after tax is RMB 356 million. The profit rate of investment is 14.05%, the profit and tax rate of investment is 19.22%. the internal rate of return of the whole investment is 14.35% after tax.

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I. Project Name

Technology Innovation Project of Synthetic Ammonia Combined Methanol Energy-saving and Emission

II. Project Implementation Agency

Shaanxi Coal Chemical Industry Group Co., Ltd

III. Project Description

It adopts technologies of Texaco Gasification, low-temperature methanol wash, low-pressure ammonia and low-pressure methanol compound to innovate in the synthetic ammonia methanol energy-saving and emission device and draw out the existing backward product devices. It can form the capacity of 400,000 tons/year synthetic ammonia, 300,000tons/year methanol and 520,000 tons/year carbamide. The project has been filed by

Shaanxi Provincial Development and Reform Commission.

IV. Total Investment and Cooperation Form

Total investment of the project is 3.384 billion Yuan. Shaanxi Coal Chemical Industry Group Co., Ltd is the major investor. The cooperative partner shall be attracted through stock participation. 1.6 billion Yuan shall be obtained through investment promotion.

V. Anticipation of Market and Analysis of Investment Return

The technology innovation project realized the target of energy-saving and emission reduction, adjusted the product structure and improve the economic benefits. It conforms to target of state energy-saving emission reduction and the sustainable development strategy. The leading products of the project are carbamide and methanol. The annual sales income of the project is 1.661 billion Yuan and the internal rate of return of finance is 14.12%. The investment recovery period is 8.51 years.

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I. Project Name

Construction of Jinqianhe Cascade Hydropower Station in Shanyang County

II. Project Implementation Agency

Shanyang County Soil and Water Conservancy Bureau

III. Project Description

Originated from the south of Mountain Qinling, Jinqian River belongs to the branch of Hanjiang River and is the largest river in Shanyang. The main stream in Shanyang County is 79.1km and the total fall is 280m. The average runoff volume is 1.173 billionm³. The theoretical water reserves are 83800kw. Shanyang is planned to design 7 power stations. Now, the project is planned to build three power stations in Guadi, Hehekou and Kuanping with the total installation capacity of 18200kw and the annual energy output is 80.33 million kilowatt hour. Of which, Guadi power station has a installation ca-

capacity of 2×1600kw, annual power generation is 16.33kwh; Hehekou power station has a installation capacity of 3×1000kw, annual power generation is 13.17 million kwh. Kuanping power station has a installation capacity of 3×4000kw and annual power generation is 50.83 million kwh.

IV. Total Investment and Cooperation Form

The total investment of the project is RMB 1.95 billion and the cooperation form is sole investment.

V. Anticipation of Market and Analysis of Investment Return

Hydroelectric resource is a kind of renewable energy source which is encouraged by the state. In recent years, the power demand is increasing at a speed of 12%. The project has a broad market prospect. After the completion, if calculated by 0.3 Yuan/kwh, the sales income of 24.1 million Yuan, profit of 16.33 million Yuan and tax of 2.4 million Yuan will be realized.

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I. Project Name

Lingkou Cascade Power Station of Luonan County

II. Project Implementation Agency

Luonan County Soil and Water Conservancy Bureau

III. Project Description

The main stream of Yiluo River in Luonan County is 129 km and the valley is 2807 km² and the average fall is 7.04‰. The average runoff volume is 12m³/s. In order to develop rich water resources of Yiluo River, the project is planned to build three power stations in Huangyuan, Lingkou and Daichuan with the total installation capacity of 12,250kw and the annual total energy output is 83 million kilowatt hour. Of which the Huangyuan power station has an installation capacity of 4500kw and annual power generation is 30 million kw. Lingkou Power Station has a installation capacity of 3250kw and the annual power generation is 23 million kwh. Daichuan Power station has an installation capacity of 4500kw and annual power generation of 30 million kwh. The feasibility study report has been completed.

IV. Total Investment and Cooperation Form

The total investment is estimated to be 188.9 million Yuan. Cooperation form is sole investment or others.

V. Anticipation of Market and Analysis of Investment Return

Hydroelectric resource is a kind of

renewable energy source which is encouraged by the state. In recent years, the power demand is increasing at a speed of 12%. The power supply is continuously tension. The project has a broad market prospect. After the completion, if calculated by 0.26 Yuan/kwh, the sales income of 21.58 million Yuan, profit of 10.5 million Yuan and tax of 2.1 million Yuan will be realized.

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I. Project Name

Danjiang River Mainstream Water Power Resources Development of Danfeng County

II. Project Implementation Agency

Danfeng County Soil and Water Conservancy Bureau

III. Project Description

The section of Danfeng of Danjiang River has river water resources. The valley is 2500km² from Dihua Town to Yueri Township and the fall is 26m. The average runoff volume is 12m³/s. According to the water resources situation of Danfeng, the project is planned to build grade one, grade two and grade three low dam run-off power station in Baocang, Lijiaping and Weijiawan respectively with the capacity of 3×1000kw, 3×1250kw and 3×1250kw. The total installation capacity is 10050kw and the annual average energy output is 42.49 million kilowatt hour. "The project planning of Hydroelectric Resource Development in Danjiang Body River" has completed and reviewed by the experts organized Shangluo Water Bureau. At present, the feasibility study report is completed.

IV. Total Investment and Cooperation Form

The total investment of the project is 118.5 million Yuan and the installation cost is 11300 million Yuan/each. The cooperation form: sole investment or joint venture.

V. Anticipation of Market and Analysis of Investment Return

Hydroelectric resource is a kind of renewable energy source which is encouraged by the state. In recent years, the power demand is increasing at a speed of 12%. The power supply is continuously tension and limit power consumption often take place in East Area. Therefore, the project has a broad market prospect. After the completion, the sales income of 10.19 million Yuan, profit of 7.3 million Yuan and tax of 2.1 million Yuan will be realized.

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I. Project Name

Cascade Power Station Development of Wuguan River in Danfeng County

II. Project Implementation Agency

Danfeng County Soil and Water Conservancy Bureau

III. Project Description

The main stream of Wuguan River in Danfeng County is 65km and the valley is 670 km² and the average fall is 40m. The average runoff volume is 7m³/s. The project composes of Huoshenmiao reservoir, Yueping, Huijiaping and Wuguan and other four series of power stations, with the designed installed capacity of 2×800kw, 2×1000kw, 3×630kw, and 2×800kw. The total installed capacity is 7090kw and the designed annual total energy output is 32.82 million kilowatt hour. At present Danfeng County Project Development Planning on Danwu River Hydroelectric Resource" has been completed and "Project Construction Letter of Cascade Power Station Development of Wuguan River in Danfeng County at Grade IV level is approved by the Shangluo City Development and Reform Commission.

IV. Total Investment and Cooperation Form

Total investment of the project is 100 million Yuan. The cost of single installation unit is 14,100 Yuan/kw. Cooperation form: sole investment or other forms.

V. Anticipation of Market and Analysis of Investment Return

Hydroelectric resource is a kind of renewable energy source. In recent year, the power demand is increasing at a speed of 12%. The power supply is tension, especially in east area. The restriction of the use of electricity always takes place. In addition, the water resource is the renewable resource and the development is encouraged by the state. The market prospect is broad. The project can supply 1500mu of water surface and protect 9 villages, 67 villager group, 4200 villagers, 900mu of field and 312 national road and 2 highways. After the project is completed, the annual sales income of 7.88 million Yuan, profit of 4.79 million Yuan and tax 1.3 million Yuan will be realized.

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Zeebrugge Port, New But Modern Comer in China Biz

Guo Yan

Port is playing an important role in logistics supply chain and directly related to shipping line's benefits, shipper's benefits and freight forwarder's benefits. Since the downturn of worldwide financial crisis last year, with the decline of the import and export turnover through the world, especially, many American and European ports, the whole industry has suffered remarkable decrease in throughput. However, some of the proactive ports won't limit their eyesight on EU and American markets, rather than transfer to looking for the business opportunities from the emerging market. Due to China is one of the important emerging powers to accelerate recovery the world economy, many foreign ports want to take an occupy here, and Zeebrugge Port is one of them.

Located at the heart of the European consumer markets and right on the crossroads of the European east-west trade axis and the north-south trade axis, the lay-out of the Zeebrugge Port is dated from 1985. It is young and modern. Since 2003, Zeebrugge is without interruption the largest car handling port in the world. In order to expand mainland China market and deepen the knowledge of the mutual partners, with the support of www.shippingchina, Port of Zeebrugge held a Commercial Function in Shanghai on June 3, 2009. The high leaders of Zeebrugge met with over 50 mainland China presidents and major managers in the fields of ports, automakers, petrochemical producers and household industry. *China's Foreign Trade* took this opportunity to have an interview together with Mr. Joachim Coens, Chairman-managing director of Port Authority Zeebrugge, Mr. Vincent De Saedeleer, vice president and Mr. Jan Van Nieuwenburg, director international development.

Create opportunity in China

Q 1: How can Zeebrugge Port overcome the problem from financial crisis, and create positive benefits to all relevant parties?

Joachim Coens: It is a challenging time for all of us indeed, it is even worse in EU and America than in China. The financial crisis also has effects on Port of Zeebrugge. We have different segments, such as cars, special goods, gas and so on. We do have drops in car volume, especially in new cars, because the consumption of cars has dropped worldwide, the production has dropped in Russia, Asia and Japan. It happens to the port and the city. However we did not lose the market share. Companies still look for logistics services, and especially the service with lower cost. For example, China and India car exporters & importers come to Zeebrugge port for the business.

The second factor is the container. On the container sector, we did not witness decrease. The country got a challenging year



Mr. Joachim Coens, Chairman-managing director of Port Authority Zeebrugge



Mr. Vincent De Saedeleer, Vice President

last year, has a 10% decrease. However, in the first four months this year, Zeebrugge Port has an increase at 3%. It is not much, but it is very good, as many other ports have dropped by 15% or 20%. We are actually increasing by 3%.

Meanwhile, shipping lines look for cost-saving and convenient services. We have shorter entry time and deep water depth, which can allow the largest vessel's entry. That is why many shipping companies now are interested in doing business with Zeebrugge Port. The evidence is out there. Yesterday, it is announced by China Shipping and Evergreen that they will work together to restart the trade between Asia and EU come to various goods with Gulf and Zeebrugge Port.

As you can see, under the current problem, we still can look for new idea and work out new solutions to the problem. The last thing we want to say is that the financial crisis is the best time for investment, to get ready for the coming increase after the crisis. We are investing in new container terminal and new cars terminal. We are ready for the bright future.

Q 2: Could you tell us what benefits can Zeebrugge Port bring to Chinese business, meanwhile what benefits does Zeebrugge port want to receive from China's market?

Joachim Coens: The port is at the service of economic and goods distribution, transportation. We want to be as efficient as possible. We do believe we can play a role in providing one efficient logistic chain for the goods transportation between China and EU countries. Based on our strategic location,

we can act as distribution center for the goods from China and then distribute further to other EU destinations. As mentioned above, we are nearby to many important EU industry and commercial centers, so we can get Chinese exporters' goods to major EU markets very fast and efficiently.

On the other hand, what do we expect from China's market? Of course, we want to become the hub port for the trade between China and EU. Meanwhile we want to become well accepted by various China's market segment, including shipping companies, ports, freight forwarders and shippers. We want to establish a large network with China in a full scale.

Q 3: As far as we know, many EU ports have already had



Mr. Jan Van Nieuwenburg, Director International Development of Port Authority Zeebrugge

the similar functions in China before. Do not you think it is too late for Zeebrugge Port to start now? What is the development strategy of Zeebrugge Port in China?

Joachim Coens:

First, it is never too late for anything in life. What is happening to Zeebrugge Port is that we have entered into container growth in last five years. Zeebrugge Port is a very young port. We are there for only more than 20 years, and have experienced the container growth for only last five

years, especially for the growth with China. As a result, it will have no sense for us to set an office or a permanently base too early in China, if we do not have enough business here. Now we have strong business increase to China market, and we realized that we have been in China two or three times a year for last ten or five years, as a result, we believe it is a time for us to transfer that to a permanently base in China. We need to have our senior management members in China and manage the market. So we will have Mr. Jan Vannieuwenburg who has been working with us for 30 years to manage China market this year. This is a new page.

Another new page is that we are going to Chinese shipping lines. We have introduced Zeebrugge Port to major shipping lines like China Shipping, COSCO, Evergreen and so on. Now we have some volume, and we have new strategy to go directly to shippers, the manufacturers, and the people who actually exporting their goods to overseas market. That is an interesting day for us. So the first step is to go to shipping lines, then shippers may notice that China Shipping is calling Zeebrugge port, however they do not know Zeebrugge Port very well. They will not be sure about whether they should have their goods transported to EU markets through Zeebrugge Port. Consequently, our next step is to go to shippers, makes us become well known in China shippers, manufacturers and exporters & importers.

Q 4: What's the specific schedule for Zeebrugge Port to set up your headquarters and further develop in China?

Jan Van Nieuwenburg: We will set up our headquarters at the end of September. Zeebrugge Port is a Belgium Port. Belgium is the center of EU and EU capital is also Belgium capital. According to a three-year long survey, Belgium is No. 1 logistics center in Europe. Secondly, it is interesting that Belgium offers favorable policies for China companies to set up European headquarters and distribution centers in Belgium. Although Belgium is small, it is in very center of Europe, 2 hours drive to Germany, 2 hour drive to UK and 30 minutes drive to France. There is no other European countries can offer it. Therefore, we really have many maritime advantages. All these advantages come to the conclusion that if China companies want to head for Europe, Zeebrugge port is also an ideal port.

Q 5: We've informed that the cooperation between SIPG and Zeebrugge port has stopped. What other business partners is Zeebrugge Port going to cooperate with in China?

Joachim Coens: We have a very good relation with SIPG. I mean, we have been there several times and I met them even yesterday. It's an interesting company and very active in stevedoring

and containers. We must demonstrate that the cooperation is not over. We will still have further discussion on APMT. It is still in the agenda.

Apart from SIPG, the interested parties include shipping lines, terminals and so on. Distribution groups, logistics groups want to have their logistics center. We are available for China companies to invest in Europe. That should be a faith, that is, China companies should come to Europe for investment and set up their distribution centers. We are available and seek China investment. Therefore, we are seeking China partners such as distribution center companies and so on for cooperation.

Advantages of Zeebrugge Port

Q 6: As we know, shipping lines between Asia and Europe are the major revenue source. And Europe has four basic ports: Hamburg, Rotterdam, Antwerp and Felixstowe. Will Zeebrugge become a basic European port? What measures does Zeebrugge take to become a European basic port?

Joachim Coens: It is an interesting question. Usually people tend to stick to traditions, that is, call at four European basic ports. It is normal. However, I must say that Zeebrugge Port is the only European port at present to produce growth, especially in shipping lines. Last year we produced a 15% percent growth, and this year in the first four month a 3.1% growth. This means in such a time of crisis and full of challenges, there is rapture. Rapture, the name of the game all over the world, is to save customers. The customers will discover a way from traditional choice and discover a new choice. That is they will find a new port of Zeebrugge. They will find that through Zeebrugge Port they will get faster and easier effect. In addition to the existing shipping lines, we will get new customers and new shipping lines. We are ambitious to be a new European basic port apart from the other basic ports, so we are giving more investment to expand our capacity.

Q 7: What the most remarkable advantages does Zeebrugge Port have in sea-rail Multi-Modal transportation services?

Jan Van Nieuwenburg: We are always connected by road, rail, and inner navigation. In Europe, we always move goods among the three modes. We have an advantaged network with rail. The first terminal in Zeebrugge was operated by railway, of course it is operated by PSA now. As a result, it is has a great railway connection for container sector. The railway connects all important terminals. If we look at deep sea containers, about 40%-50% of them are actually transported to other EU markets via railway.

On the other hand, we have in-land navigation. We have partners to link us with 250 and 300 TEUs vessels, the route reaches 10,000 Km. It is like a highway in water to other EU markets.





Meanwhile, the road connection is very important to Zeebrugge Port, because many commercial centers are very nearby. Paris is only two hours away, Hamburg is one hour away. In summary, Zeebrugge Port has three modes to connect us to nearby industry and commercial centers. They are very important, because Zeebrugge is originally developed from logistics service not industry area. As a result, we have strong connection to nearby industry centers, which are major EU consumption markets.

Q 8: As a largest automotive hub port in the world, what special advantages does Zeebrugge Port have, compared with other European ports?

Vincent De Saedeleer: This is a good question. As to the advantage of Zeebrugge Port in handling cars, of course Zeebrugge Port is the No. 1 port in export of cars because we have 1700 car engineers to manufacture cars and; we have a mix of car manufacturers from UK, Germany and so on, and we can redistribute a lot of European cargoes. In the other hand, we can also handle cargo from overseas countries, like Asia, Africa and so on. The high efficiency of handling car firstly depends on our network combining a deep sea network and a short sea network. A deep sea network is for overseas countries, and a short sea network is for European market. Secondly, we have dedicated car centers, introducing knowledge, know-how to car manufacturers at our port to make a preparation for entering the destination market, also reform the car to meet the specialized customers and specialized market.

Not only the transshipment port but the hub for China-EU

Q 9: China-EU trade relations are closer due to expanding Sino-EU trade volume. Recently China's government purchase group visited Europe and signed large orders. What role will Zeebrugge port play in the Sino-EU trade?

Joachim Coens: Obviously, we know that China Premier Mr. Wen went to Europe for a visit including UK, German and so on. And China government signed an intended package to promote China-EU trade. It is a symbol of growth of China-EU relationship. China's trade with EU through purchase will be beneficial to Zeebrugge Port. Due to the increased winner, Zeebrugge Port will definitely be a winner of that activity.

I will add that we have set up multi-tie relationship with China. We suppose our role as a logistics provider. We serve the industries both in China and Europe. Now the important delegation goes to Europe. They must need the logistics or tools to transport the cargo from China to Europe or from Europe to China. Our role will be the gateway for China to Europe for both importing and exporting.

Q 10: We have known that Zeebrugge port has advanced facilities. At the information seminar, we also hear that Lianyungang Port has opened a railway to Moscow through

Asia-Europe Land Bridge. Whether it is possible that in future the railway from China can reach Zeebrugge Port through Asia-Euro Land Bridge?

Vincent De Saedeleer: Well, We will focus on the overall Sino-EU trade, we will have more contact with Lianyungang Port to have a more detailed discussion on this problem. Regarding this issue, we will open all discussions and opportunities and analyze all the possibilities of cooperation with Lianyungang Port.

Q 11: Does Zeebrugge Port have plans to contact and cooperate with shipping lines, ports and exporters/importers in Hong Kong?

Joachim Coens: When talking China, we must say Hong Kong is a major city and an important economy cluster in China. It develops early and has relationship with Europe early. Mainland China and Hong Kong is a whole country. Since we contact mainland China market, we must contact Hong Kong market.

Q 12: Zeebrugge Port's throughput last year as 42 million tons. Compared with many China ports, this is not a large number. And still not many Chinese ports know well about Zeebrugge Port. What's your next plan for the local promotion?

Joachim Coens: Obviously that is why we come here. It is a well-established strategy to put to place to get in touch with China market. We are not so well-known and is a well-kept secret, so we have a lot of things to offer to China market. We are not as well-known as traditional mega ports, but it's not a comparison in size only. The mega ports are much bigger in volume than us. However, many cargoes are heavy cargoes like coal and so on. We did not handle so much heavy cargoes and we don't have heavy productions. We are a green and clean port. We don't import coal product. We are a green port, which is what I want to focus and is the message that I want to carry to our customers including forwarders, shipping lines and so on.

Of course we have some marketing tools, but the first strategy we adopt is to get Zeebrugge Port informed to China potential market and make them see our specialty. We will tell you where we can help in exporters, logistics size and your setting up factory in Zeebrugge. We will provide value-added services. We will give brochures everywhere. For example, we have given brochure in Tianjin, so participants can know our data and advantages. We will analyze, listen to our customers and meet our customers as much as possible. Therefore, it's meeting, listening and analyzing, using all marketing tools. We will use all Internet possibly and Internet communication. We come to Shanghai to build our office. We go to inland to talk to exporters. All these are strategies we use. We want to customers to see a very fact, that size is not the only criteria. The fact is that Zeebrugge port is a port in Europe and this port only focuses on logistics and distribution. And I believe Zeebrugge Port will get much better.☺



Sino-Russia Trade, Bearing Confidence in Crisis

Zang Kejia

Sino-Russia Trade is invariably regarded as the focus of Harbin China Harbin International Economic and Trade Fair (HFT), and it is no exception for the 20th session. Especially great attention is paid to the impact that the economic crisis brought to Sino-Russia trade and the deals during the HFT.



Li Zhanshu, the governor of Heilongjiang Province delivered a speech on the Russia Business Day.

The negative growth for the first time

In the first five months of 2009, Sino-Russia trade totaled US\$ 13.5 billion, 44 percent down compared with the same period of last year, showing negative growth for the first time in the past ten years.

“In my opinion, the decrease is temporary, and could be changed by sustainable efforts”, Gao Hucheng, the Vice Minister of Commerce Department said so on the Russia Business Day, one major forum during the HFT. And he gave powerful figures for his confidence in the warming up of Sino-Russia trade: the decrease rate in the recent three months is lowering, and the single May trade amount hit US\$3.18 billion, 5.3 up than April. And the mechanical and electrical products that China imported from Russia still keeps robust growth despite the not so optimistic environment. The growth rate for 2008 is 57.2 percent; from January to April in 2009, the trade amount increased by 38.8 percent compared with the same period of last year.

The consumer and investor, two roles in Russia market

Russia put the cooperation with China at a priority position. Medvedev, the president of Russia once said on May 21 at the Russia's Far East & China's Mongolia Region Conference:”



St. Sophia Cathedral

China is not only the big consumer of Russian industrial products, also could be super investor for Russia's economy as they owns great financial resources.”

“I am a big supporter of regional cooperation, and the bilateral economy cooperation could also absorb other Asia countries to participate in”, Mihai Nikolayev, the present of Eastern Reform International Movement said so on June 15.

Large developing space for bilateral trade

At present China and Russia are separately carrying on the revitalization of northeast, the old industrial base, and the revitalization of Russian Far East. The two revitalization plans could perfect echo with each other and achieve win-win result due to the great connection in the two regions. Both parts are carrying on a series of projects involving infrastructure and other sectors, and they could make full use of the capital, technology, and labor from each other to perfect itself. It will be good for the industrial restructuring and the upgrading of bilateral trade.

Building up cross-border logistics channels constitutes an important part of border regional cooperation, which covered railway, high way, aviation, shipping, pipeline, and etc. Tongjiang Railway Bridge, Heihe Highway Bridge, Luogu River Bridge will be the major promotion projects. Besides, in order to enhance the Sino-Russia land and sea joint transport, the capacity of exiting port would be expanded, and Hunchun-Kristeva railway would be resumed immediately.

Besides, the cooperation areas has already expanded from business and processing to mineral, agriculture, real estate, tourism, technology, education and other sectors.

“For Heilongjiang province, the export to Russia amounted to US\$11.06 billion in 2008, three times more than five years ago”, Li Zhanshu, the governor of Heilongjiang Province said, “But it is still far away from the cooperation summit. There exists great energy and potential in the cooperation between Heilongjiang and Russia especially the Far East. When it is timing, the power will be seen, and it will be as strong as the volcanic eruption.” ©



At the promotion conference of trade settlement.



Drink the tea and then make a decision whether to buy.



Over 200,000 people took a visit to the major venue.



The machinery product is welcomed.



The 20th HTF Gained Hard Wins

The 20th China Harbin International Economic and Trade Fair, opened on June 15 with 3,001 booths, one quarter more than last year, also drew a perfect ending on June 19, making foreign deals of US\$7.59, 3 percent up than last year.

Diverse growth of booths in the downturn

Harbin, located in the center of Northeast Asia, the political, economic and cultural center of north-eastern China, enjoys uncompetitive geographic advantages to connect domestic cities and Northeast Asia and Far East areas. Also, as an international city, Harbin integrated both European and Traditional Chinese style, making it comfortable to come and carry on trade for foreigners.

In the depressing global economy environment, HTF even attracted more exhibitors to participate in bearing great expectation for their products. The 20th fair has 3,001 booths, 25 percent more than last year, including 306 booths for overseas exhibitors from 17 countries such as Russia, Belarus, Korea, Japan, Holland, Australia, the U.S., Germany, India, Thailand and Cuba, within which the U.S., India, Vietnam, and Thailand are the freshmen for this fair, and the old friend South Korea increased its booths to 77. In the mean time, the domestic provinces are also very enthusiastic to organize delegation groups to come, including Hainan, Hubei, Shandong, Chongqing, Sichuan, Ningxia, Tibet, Beijing, Liaoning, Zhejiang Province, all with a substantial increase in the number of booths.

And more than 20,000 businessmen and consumers visited the major venue, also over 7,000 went to the Hongqi Furniture City and over 800 companies and factories went to another venue, the Yiwu Commodity city.

Different performances in foreign and domestic trade

The 20th HTF achieved good results in domestic and foreign cooperation: 25 trade groups made deals with 53 countries and regions in various foreign-related contracts that amounted to US\$8.95 billion, while the domestic trade totaled US\$114.97 billion, almost 12 times more than the foreign trade.

And of the foreign trade, the export and import are respectively US\$5.12 billion and US\$2.47 billion. About 16 cities of Heilongjiang



The Tibetan booth.



The outdoor booth of Jiamusi agricultural machinery.



The exquisite crafts from Thailand.





Hafei, the brand that Harbin people are proud of.



It only costs RMB 39,800.



Hainan exhibitors prepared coconut for visitors.



Watch the high-tech product.



Happily show the cute wood products.



The concept of Energy Saving is seen everywhere.



Province such as Mudanjiang, Harbin, Jiamusi, Heihe, Shuangyashan are involved, and other 5 provinces including Shandong, Fujian, Liaoning, Guangdong, and Zhejiang sealed the deals.

Among the export contracts, clothing, textiles, instruments, fruits, vegetables took a large proportion, and the trade amount respectively reached US\$1.95 billion, US\$1.06 billion, US\$220 million, US\$200 million and US\$200 million.

Among the import contracts, the oil products, ferrous metals, timber, soybeans and chemical fertilizers took big parts, respectively with trade amount of US\$530 million, US\$480 million, US\$440 million, US\$350 million and US\$290 million.

As the global economy is suffering difficulties, so even the foreign trade is only 3 percent more than last session, big progress is still made. Also, the government actively stimulated the domestic demands and promoted the inter-provincial cooperation.

The domestic sales contract totaled RMB 18.79 billion, RMB 280 million higher than the previous session; and Heilongjiang province planned to introduce RMB 93.59 billion from other provinces, and the largest one is the North Spring Project between Daqing and Beijing with RMB 10.5 billion.

Background

China Harbin International Economic and Trade Fair (Harbin Trade Fair) is sponsored by Ministry of Commerce, CCPIT, and the government of Heilongjiang Province and Harbin city. Since its inauguration in 1990, the Fair has gradually evolved into a grand international economic and trade event, and an important window for China to further develop diversified international market in an all round way.

The 20 sessions of HTF attracted a total of over 1.7 million visitors from about 80 countries and regions, with the deal over US\$100 billion.



Live discussion of cooperation.



The Xianbei craft.

Should CSR Be Ignored Due to the Economic Crisis?

Guo Yan

Due to the economic crisis, many companies are struggling for a living. So, should the Corporate Social Responsibility (CSR) be put aside before these companies can secure their survival? Of course the answer is no. The global financial crisis taught the world a bitter lesson, highlighting the importance of CSR. With development of information technology and economic globalization in modern world, the integration of global economy, society and environment is gradually deepening, and every company is involved in the global industry chain, especially the large enterprises. In this way, any flaw will create an influence to the global market; and if the companies are lack of sense of responsibility and ignore sustainable development, we may see an environmental crisis or even severer crisis endangering the development or living of human beings. Therefore, besides pursuing economic benefits, the companies should strengthen the sense of global responsibility and carry out their social responsibility.

On June 5, 2008 *Golden Bee Corporate Social Responsibility - China List*, hosted by China WTO Tribune, was issued in Beijing, revealing the second list of "Golden Bee Companies". The activity was originated by "Golden Bee" initiator and founder partner, BASF (China) Company Ltd and "Golden Bee" founder partner, COSCO Group, and gains support from "Golden Bee" partner, UPM. ICBC and other 12 companies were awarded "Leading Enterprise" of 2008 Golden Bee Enterprises Prize, Tianjin Port Company Ltd and other six companies were awarded "Growing Enterprise" Prize, Huaxia Bank and other thirteen companies won six Individual Golden Bee Enterprise Prizes, and 28 companies entered the list.

"Golden Bee", takes the image that the bees live in harmony in the nature and integrates the Corporate Social Responsibility. With the progressing economic globalization, "Bee" companies with responsibility competitive ability will lead the global economic sustainable develop-



ment and deeply influence the future of mankind. In the background of global financial crisis, Golden Bee Enterprises and their practice would play an important role in dealing with the crisis.

According to *The Report on the Practice of Chinese Enterprise on Social Responsibility in 2008*, the companies focused on practicing responsibility competitive ability, meaning they carry out social responsibility while improve the practice on environmental and employee responsibility. Based on the survey into companies, the report said that most companies agreed that the global financial crisis was partly attributed to the ignorance of some finance companies on CSR. Actively carrying out the CSR can relieve the influence from the crisis and help to recover from the crisis.

2008 was unusual for China: the financial crisis was spreading in the world, hitting the global economic system; China experienced a severe snow disaster in the south and Wenchuan Earthquake, but also saw Beijing Olympic Games successfully be held. Costing nearly six months and joined by 350 plus companies, through assessment questionnaire and the "responsibility competitiveness" practical cases and the examine of the Committee of Experts, 32 Golden Bee Enterprises were selected as the pioneers and examples for Chinese enterprises on carrying out social responsibility.

Assistant of Minister of Commerce, Wang Chao, Ambassador of the Delegation of European Commission in China, Serge Abou, director (Minister) of Economic Department of German Embassy, Ke Yin, president of COSCO Group, Wei Jiafu, board chair-

man of BASF Greater China, Guan Zhihua, chief representative of Beijing Representative Office of UPM, Su YiLan, and representatives from European Corporate Social Responsibility Association addressed speeches at the opening ceremony.

Wang Chao pointed out that, facing the severe global economic situation, a deep discussion on carrying out CSR would have positive affects on dealing with the financial crisis, and also important practical



Mr. Wang Chao, Assistant of Minister of Commerce

significance. He said, in the background of descending global economy, companies should enforce their social responsibility, while focus on self-development, realizing the realization of the unity of economic and social benefits, which would play a very important role in maintaining social stability and unity and promoting smooth economic development. This is the smartest investment in corporate brand, in building-up of a good reputation and social image. As one of quickly developing emerging economies, China now is boosting the construction of CSR system. Chinese government attaches great importance to the system and clearly defines the CSR for companies from the system and policy level.



Mr. Serge Abou, Ambassador of the Delegation of European Commission in China

actions are in accord with the common interests of the community. We need this trust, the trust between the public and the enterprises. "A statistics points out that now 70% of the Europeans have less trust in companies than last year, so there is a crisis of trust. Therefore, CSR now is part of the European Economic Development and Employment Creation Strategy. Many European companies who invest and trade outside EU come to realize the importance of this soft power," he said.

Peng Huagang, chief of Research Bureau of the State-owned Assets Supervision and Administration Commission of State Council, analyzed the importance of CSR at present situation from a different view. In his view, from view of the macro-level, the recovery in economy needs the enterprises to enforce social responsibility. As the financial crisis worsens the external market and economic environment, the companies should strengthen the cooperation with concerned parties against the crisis to secure a recovery and stable economic environment. As to the enterprises, if they manage to enforce the social responsibility in this hard time, they will great improve their social image and reputation, which can help them overcome the crisis and bring opportunities for development in the crisis. From a long-term view, enforcing social responsibility and holding on social responsibility strategy and improving the management of social responsibility is important to the upgrade of management level and core competitiveness.

Long Yongtu, Secretary General, Boao Forum for Asia said, when he gave awards to the "Golden Bee Leading Enterprise", social responsibility is an important part for a company to improve the core competitiveness. A company without sense of social responsibility will be given up by the market and the customers, sooner or later. Build up the sense of social responsibility is not a burden for a company, but an integral part of the core competitiveness and an obligation of the enterprises.



Mr. Long Yongtu, Secretary General, Boao Forum for Asia

The prize-winning companies who set examples on enforcing social responsibility also expressed their understanding of the importance of CSR in the crisis, and how they carried out CSR. Wei Jiafu, president of COSCO Group, said that, through putting social responsibility, sustainable development and dealing with financial crisis together, rethinking of the market trends, re-evaluating the relationship between the company and the interested parties, taking up the social responsibility and gaining understanding, support and help from more interested parties, enterprises will in a more responsible way overcome the crisis and enjoy economic prosperity,

On behalf of Vice-President of the European Commission, Verheugen, Serge Abou addressed a speech. He said: "The key to overcome the economic crisis is trust, but there is a crisis of trust between society and companies. CSR now is the most important thing." Trust can help to overcome the crisis, meaning the companies should persuade citizens, politicians and other interest-related parties that their

together with the Government and the community. Guan Zhihua, board chairman of BASF Greater China, said that, utilize CSR to deal with the economic crisis, and then let every enterprise become the beneficiaries and disseminator of CSR, in order to make CSR a common sense. Su Yilan, chief representative of Beijing Representative Office of UPM, believes that responsible companies must constantly seek for improvement and try to upgrade the economic, social and environmental performance, in order to achieve long-term sustainable development; and responsible company should further expand its influence, spread the experiences into the whole society and cooperate with the society.



Mr. Wei Jiafu, President of COSCO Group



Mr. Guan Zhihua, Board chairman of BASF Greater China



Ms. Su Yilan, Chief representative of Beijing Representative Office of UPM

The Fourth International CSR Forum will help Chinese enterprises to learn about CSR in the world and boost the development of CSR in China. During the forum, Chinese version of CSR-China.org will open, and exhibition of Golden Bee Enterprise CSR cases, best sustainable development ads and "Golden Bee Public Welfare" NGO Project Show will be held. ©

The 4th Annual "A Legend of the Future China's Leading Enterprises of Tomorrow Award" was Launched

Guo Yan

Standard Chartered Bank (China) Limited ("Standard Chartered China") announced the launch of the 4th "A Legend of the Future-China's Leading Enterprises of Tomorrow Award" ("SME Awards") on June 10, 2009, in Beijing. Against the backdrop of the global financial tsunami, the 4th SME Award aims to help Small and Medium Enterprises (SMEs) ride out the financial storm and thrive despite the adverse economic environment.

The SME Awards are organized by Standard Chartered China, and specially supported by the SME Department of the Ministry of Industry and Information Technology (MIIT). This year, the organizers will host a series of SME Forums in Beijing, Shanghai, Guangzhou, Chengdu and Qingdao — awarding five Grand Awards for businesses that best demonstrate each of Standard Chartered Bank's five core values: Creative, Responsive, International, Courageous and Trustworthy. Award winners will be invited to attend a specially-arranged trade and networking mission to Taipei — helping them take full advantage of closer cross-strait economic and trade relations to expand business development.

Madam Di Na, General Director, SME Department, MIIT said, "SMEs in China need support from all sectors in order to face the challenges ahead, including a decline in overseas demand and the pressure to upgrade industrial infrastructure. We are very pleased to see Standard Chartered China's commitment to support the development of the SME sector. The SME Awards, which Standard Chartered has organized for the past four years, is helping to set the benchmark for the sustainable development of SMEs. With this strong show of support from all sectors, I believe SMEs in China will certainly be able to overcome the current challenges and blossom out onto a broader stage."

Katherine Tsang, CEO and Executive Vice Chairman, Standard Chartered China, said, "As an international bank with a long-term commitment to the China market and rich experience



in SME banking, Standard Chartered can fully leverage on our global networks to strengthen SME exchanges between countries and regions — allowing us to explore new opportunities arising from these challenging times. This year, closer trade ties across the Straits have created a new exchange platform, which I believe will become one of the highlights of the SME Awards."

Standard Chartered China launched the SME Awards in 2006 to support China's "SME Growth Project" — promoting the healthy and sustainable development of SMEs in China. Over the past three years, the highly successful SME Awards have attracted thousands of entries, issued over a hundred "Certificates of Excellence", and awarded more than thirty "Leading Enterprises of Tomorrow" with business-building exchange tours to Hong Kong. ☺

Chinese Artists Presented on UN Public Servants' Day

Audrey Guo

According to the 57/277 Decision passed on the general meeting of the members of United Nations, every June 23rd will be UN Public Servants' Day, in order to extol the contribution and value of public service to the society, emphasize the contribution by public services in the development, summarize their work and encourage the young to join them and serve the society. At 10 o'clock in the morning of June 23, 2009, a commendatory ceremony will be held in UN headquarter in New York, and 12 public service organizations from twelve countries will be awarded 2009 UN Public Servants Prize, to commend their contribution in public management service. Then, UN Secretary-General, heads of governments, UN officials and rep-

resentatives at UN headquarter from various countries and areas and representatives from non-governmental organizations will attend the ceremony. And through conferences, seminars and high-level meetings, the participants will carry out full discussion on strengthening governments' administrative capacity and improving the quality of management and other issues.

Invited by UN Department of Economic and Social Affairs, hosted by China International Culture Communication Center and the United Nations Department of Economic and Social Affairs, a press conference for "the Sound of Harmony' Performance on 2009 UN Public Servants Day" and "UN Ink and Wash Drawing International Exhibition" was held on June 9, 2009 at J&E Man-



sion. Executive chairman of CICC, Long Yuxiang and representatives from culture, arts, media and other sectors attended the conference, and Long revealed the information about the performance and the exhibition.

The performance and the exhibition will fully implement the great concept, "together construct a world of harmony", which was brought by president of PRC, Hu Jintao on the 60th

UN general meeting. Meanwhile, the performance and exhibition will extol and spread Chinese culture and promote the communication between cultures. Literary and artistic programs with strong Chinese national characteristics will be performed, including Tonghuoshan, Avalokitesvara and Splendid China by Dance Academy of Minzu University of China, and Sanchakou, a classic program of China National Peking Opera Theater. Meanwhile, artists from South Korea and USA will join the performance, too. According chairman Long, the performance is expected to help the world know and understand the role of UN public servants in international affairs and their important contribution to the booming global economy and literature.

At the same time, to promote Chinese culture and pass on traditional Chinese painting arts, on June 22nd, United Nations Department of Economic and Social Affairs and China International Culture Communication Center will co-hold at UN headquarter "United Nations Ink and Wash Drawing International Exhibition". The exhibition will display nearly 100 works of 20 plus artists, including Mr. Han Meilin, member of CPPCC Standing Committee and chairman of Art Committee of Chinese Painting and Calligraphy. The exhibition will introduce ink painting full of Chinese culture to the world, and provide a chance for the world to know China and its traditional art. ©

2010 Para Games of Asia Slated For December 2010



The 2010 Para Games of Asia, part of the worldwide Paralympic Movement and governed by the Asian Paralympic Committee (APC), today announced that the Games will be held December 12 - 19, 2010, here in the Southern Chinese city of Guangzhou.

This major sport event will follow the 16th Asian Games and 19 sports are slated for competition by athletes with a disability.

The first Coordination Commission Meeting of the Asian Paralympic Committee (APC) has concluded in Guangzhou, under the Host City Contract for the Guangzhou 2010 Para Games of Asia and Work Outline for the 2010 Para Games of Asia.

Attending this first Coordination Meeting in Guangzhou was: Mr. Dato' Zainal Abu Zarin, President of the APC; Mr. Xavier Gonzalez, Chief Executive Officer of the International Paralympic Committee (IPC); Mr. Jia Yong, Vice President of National Paralympic Committee of China (NPCC) and Mr. Xu Ruisheng, Vice Mayor of Guangzhou Municipal Government. Guangzhou will host both the 16th Asian Games and the 2010 Para Games of Asia, marking the first time the two Games have been held in one city.

Coordination meeting attendees agreed that the 2010 Para Games of Asia will strongly promote the development of sport in Asia; create all new opportunities for athletes with a disability across China and throughout Asia and that it would also have a lasting impact on the fostering of a more civilized society in Guangzhou.

The 2010 Para Games of Asia will feature 19 sports, including 17 Paralympic sports and two non-Paralympic sports. The 17 Paralympic sports are: Athletics, Swimming, Archery,

Shooting, Boccia, Wheelchair Fencing, Powerlifting, Judo, Goalball, Football 7-a-Side, Cycling, Wheelchair Tennis, Rowing, Table Tennis, Volleyball Sitting, Wheelchair Basketball and Football 5-a-Side. The two non-Paralympic sports will be Badminton and Bowling.

Fifteen sports among them - Athletics, Swimming, Archery, Shooting, Wheelchair Fencing, Powerlifting, Judo, Goalball, Football 7-a-Side, Cycling, Wheelchair Tennis, Table Tennis, Volleyball Sitting, Wheelchair Basketball and Football 5-a-Side - will also be included in the London 2010 Paralympic Games.

At the Coordination Meeting, a decision was made that the number of disciplines under the 19 sports will not exceed 470.

Some 3,000 athletes from 45 countries and regions are expected to attend the Games, along with 2,000 team officials and approximately 1,100 technical officials. It is anticipated that more than 2,000 journalists will cover the Games and 30,000 volunteers will be recruited. In addition, more than 300 VIPs from the Paralympic Family will be invited.

There will be 26 venues for the Games, including 19 competition venues and seven training venues, clustered in four major areas: The Guangdong Olympic Sports Centre, Tianhe Sports Centre, Higher Education Mega Centre and Asian Games Town.

These venues will be equally shared by both The 16th Asian Games and the Para Games of Asia. At the Coordination meeting, representatives from the IPC, APC and NPCC and international experts issued guidelines on the preparations for these Games. ©

The Measures adopted at the Executive Meeting of the General Administration of Customs on 10 March 2008, promulgated in the form of Decree No. 172 of the General Administration of Customs of the People's Republic of China on 28 March 2008, and effective as of 1 January 2009.

Measures of the General Administration of Customs of the People's Republic of China for the Administration of Manifests of Inbound and Outbound Means of Transport

Chapter I General Provisions

Article 1 These Measures are formulated in accordance with the Customs Law of the People's Republic of China (hereinafter referred to as the Customs Law) and other laws and administrative regulations of relevance, for the purposes of regulating the customs administration of manifests of inbound and outbound means of transport, facilitating international trade and ensuring international trade security.

Article 2 Under these Measures, the term "manifest of inbound and outbound means of transport" (hereinafter referred to as "manifest") refers to the carrier of information on goods, articles and passengers on board the inbound and outbound means of transport, which includes original manifest, advance manifest and load/passenger manifest.

If there are goods or articles on board the inbound or outbound means of transport, the manifest shall contain information of the master bill of lading (MB/L) or master waybill and the house bill of lading (HB/L) or house waybill thereunder.

Article 3 The customs administration of manifests of inbound and outbound vessels, aircrafts, railway trains and highway vehicles shall be governed by these Measures.

Article 4 Parties which are obliged to transmit electronic manifest data (hereinafter referred to as "manifest transmission parties"), including operators of inbound and outbound means of transport, non-

vessel operating common carriers, freight forwarders, shipping agency companies, postal enterprises and express couriers, shall transmit electronic manifest data to Customs within the prescribed time limits and in accordance with the scope of Customs registration.

Parties which are obliged to transmit manifest-related electronic data, including managers of Customs-controlled premises, tally departments and consignors of export goods, shall transmit relevant electronic manifest-related data to Customs within the prescribed time limits.

For any party which fails to transmit manifest or manifest-related electronic data in accordance with the provisions of these Measures, Customs may refuse to carry out entry/exit declaration formalities for the means of transport concerned unless those provisions are observed.

If failure to transmit the manifest or manifest-related electronic data to Customs is caused by special reasons like computer failure, with the approval of Customs, relevant documentation may be presented to Customs in paper form within the prescribed time limits.

Article 5 Customs shall regard the time of receipt of transmission of main data of the original manifest as the time of transmission of electronic data of the import manifest. Customs shall regard the time of receipt of transmission of main data of the advance manifest as the time of transmission of electronic data of the export manifest.

Article 6 Manifest transmission parties, managers of Customs-controlled premises, tally departments and consignors of export goods shall register with the Customs of the place of its business operation directly under the General Administration of Customs (also known as "regional Customs") or authorized Customs house under that regional Customs.

The following documents shall be presented by manifest transmission parties to Customs for the registration:

(a) Application Form for Registration (see Annex 1);

(b) a sample of bill of lading (or waybill) and a sample of shipping order;

(c) prints of the corporate seal and relevant business stamps of the parties;

(d) photocopy of license document or certificate of qualifications issued by competent administrative authorities; and

(e) other documents as required by Customs.

Managers of Customs-controlled premises, tally departments or consignors of export goods shall submit to Customs the documents listed in preceding paragraphs (a), (d) and (e) of this Article for registration.

When a photocopy is submitted, the original document shall also be presented to Customs for verification.

Where there is any change to the information registered with Customs, manifest transmission parties, managers of Customs-controlled premises, tally departments or consignors of export goods shall submit a written application and relevant documents to Customs for registration modification formalities.

Article 7 Manifest transmission parties may submit a written request to Customs for keeping their commercial secrets and indicate in detail the specific content to be kept confidential.

Customs shall, in accordance with relevant national provisions, undertake the confidentiality obligation and keep properly the materials involving commercial secrets which are provided by manifest transmission parties and related parties.

Chapter II Administration of Manifests of Inbound Means of Transport

Article 8 Before transmitting the electronic data of the original manifest, operators of means of transport shall inform Customs of the estimated time of arrival of the means of transport at the port of destination within the Customs territory.

Before the means of transport arrives at the port, the operator of the means of transport shall inform Customs of the exact time of arrival at the port.

When the means of transport arrives at a place with a Customs office, the operator of the means of transport shall make arrival declaration to the Customs regarding the means of transport.

Article 9 If there are goods or articles on board the inbound means of transport, manifest transmission parties shall transmit to Customs the main data of the original manifest by the following deadlines:

(a) Twenty-four (24) hours before loading onto container vessels, and twenty-four (24) hours before arrival at the first port of call within the Customs territory for non-container vessels;

(b) Before the time of takeoff for aircrafts with flight time below four (4) hours; and four (4) hours before arrival at the first port of call within the Customs territory for aircrafts with flight time above four (4) hours;

(c) Two (2) hours before arrival at the first station of call within the Customs territory for railway trains; or

(d) One (1) hour before arrival at the first station of call within the Customs territory for road vehicles.

Manifest transmission parties shall transmit to Customs other data of the original manifest before the goods or articles arrive at the port of destination.

Only after Customs has received and accepted the transmitted main data of the original manifest may consignees and entrusted customs brokers make declaration to Customs regarding the goods or articles.

Article 10 Where Customs finds in the original manifest goods or articles whose entry is prohibited by the Chinese government, Customs may notify the operator of the means of transport not to load nor to ship it into the Customs territory of China.

Article 11 Where there are passengers on board an inbound means of transport, manifest transmission parties shall transmit to Customs the electronic data of the original manifest by the following deadlines:

(a) Two (2) hours before arrival at the first port of call within the Customs territory for vessels;

(b) Thirty (30) minutes before arrival at the first port of call within the Customs territory for aircrafts with flight time below one (1) hour; one (1) hour before arrival at the first port of call within the Customs territory for aircrafts with flight time between one (1) and two (2) hours; and two (2) hours before arrival at the first port of call within the Customs territory for aircrafts with flight time above two (2) hours.

(c) Two (2) hours before arrival at the first station of call within the Customs territory for railway trains;

(d) One (1) hour before arrival at the first station of call within the Customs territory for road vehicles.

Article 12 After Customs has received and accepted the transmitted main data of the original manifest, if it decides not to allow the discharge of goods or articles or disembarkation of passengers, it shall notify the manifest transmission parties of the decision in electronic form and state the reason(s) therefor.

Where Customs is unable to transmit the notification in electronic form, it shall send staff to the site to go through the formalities prescribed in the preceding paragraph of this Article.

Article 13 Tally departments or managers of Customs-controlled premises shall, within six (6) hours as of the completion of discharge of goods or articles carried by an inbound means of transport, submit a tally report to Customs in electronic form.

For goods that require second tallying, with Customs approval, the tally report may be submitted to Customs in electronic form within 24 hours as of the completion of discharge of the goods or articles carried by an inbound means of transport.

Article 14 Customs shall match the tally report against the original manifest. Where there is any inconsistency, Customs shall notify the operator of the means of transport in electronic form. The operator of the means of transport shall report to Customs the reason(s) for the inconsistency within 48 hours as of the completion of discharge of the goods or articles.

Article 15 Customs may order the operator of the means of transport to directly ship back the goods or articles not listed in the original manifest.

Article 16 Where grouping is needed for inbound goods or articles, manifest transmission parties shall file an application with Customs in electronic form for approval. Only after approval is obtained from Customs may the grouping process begin.

After the grouped goods or articles have arrived at Customs-controlled premises, the manager of the Customs-controlled premises shall submit to Customs, in electronic form, an arrival report on the grouped goods or articles.

Within two (2) hours as of the completion of unpacking of the grouped goods or articles, the tally department or the manager of the Customs-controlled premises shall submit to Customs, in electronic form, a tally report on the grouped goods or articles.

Article 17 When port congestion diversion is needed for goods or articles, the manager of the Customs-controlled premises shall file an application of port

congestion diversion with Customs for approval. Only after approval is obtained from Customs may the diversion process begin.

After port congestion diversion is completed, the manager of the Customs-controlled premises shall submit to Customs, in electronic form, an arrival report on relevant goods or articles diverted.

Article 18 Customs may carry out inspection and release formalities for the imported or grouped goods or articles upon the submission of the tally report, and for diverted goods or articles upon the submission of the arrival report.

Article 19 Where there is any passenger on board the inbound means of transport, the operator of the means of transport or the manager of the Customs-controlled premises shall submit to Customs a Customs clearance application for the inbound passenger(s) and his/her/luggage within three (3) hours as of the completion of disembarkation of the inbound means of transport, and provide the actual numbers of disembarked passengers, claimed check-in luggage and luggage yet to arrive. If the numbers are correct upon verification by Customs, the Customs clearance formalities may be carried out. Where there is any inconsistency between the original manifest and the Customs clearance application, the operator of the means of transport or the manager of the Customs-controlled premises shall report to Customs the reason(s) for the inconsistency within 24 hours as of the completion of disembarkation of the inbound means of transport.

The operator of the means of transport or the manager of the Customs-controlled premises shall deliver the unclaimed check-in luggage over to Customs for disposal.

Chapter III Administration of Manifests of Outbound Means of Transport

Article 20 For goods or articles to be transported in containers, the consignor of the export goods or articles shall transmit the electronic data of the packing list to Customs before the loading of the goods or articles onto the containers.

Article 21 Where it is estimated that there will be goods or articles on board the outbound means of transport, manifest transmission parties shall transmit to Customs the main data of the advance manifest in electronic form before going through customs declaration formalities for the goods or articles.

After Customs has received and accepted the transmitted main data of the advance manifest, manifest transmission parties shall transmit to Customs other data of the advance manifest by the following deadlines:

(a) Twenty-four (24) hours before loading onto container vessels, and two (2) hours before loading of goods or articles onto the non-container vessels;

(b) Four (4) hours before loading of goods or articles onto aircrafts;

(c) Two (2) hours before loading of goods or articles onto railway trains; or

(d) One (1) hour before loading of goods or articles onto road vehicles.

Where it is estimated that there will be passengers on board the outbound means of transport, manifest transmission parties shall transmit the electronic data of the advance manifest to Customs one (1) hour before the outbound passengers start checking in for aircrafts/vessels/vehicles.

Article 22 When outbound goods or articles arrive at Customs-controlled premises, the manager of the Customs-controlled premises shall submit to Customs an arrival report in electronic form.

Upon receipt of the arrival report, Customs may carry out inspection and release formalities for the goods or articles.

Article 23 Manifest transmission parties shall transmit the electronic data of the load manifest to Customs 30 minutes before loading of goods or articles onto the means of transport.

Goods and articles listed in the load manifest shall be those that have been released by Customs.

Article 24 Manifest transmission parties shall transmit the electronic data of the passenger manifest to Customs after passengers have completed the check-in formalities for aircrafts/vessels/vehicles but before the passengers embark on the means of transport.

Article 25 After Customs has received and accepted the transmitted electronic data of the load/passenger manifest, if it decides not to allow the loading of goods or articles or boarding of passengers, it shall notify manifest transmission parties in electronic form of the decision and state the reason(s) therefor.

Where Customs is unable to transmit the notification in electronic form, it shall send staff to the site to go through the formalities prescribed in the preceding paragraph of this Article.

Article 26 An operator of a means of transport shall inform Customs of the time of departure of the means of transport two (2) hours before its departure from the place with a Customs office.

The operator of outbound means of transport that is added on short notice shall inform Customs of the time of departure from the place with a Customs office before departure.

Article 27 After loading or boarding has been completed, the operator of the means of transport shall submit to Customs a Customs clearance application. Only when Customs has finished all the clearance formalities may the means

of transport leave the customs territory.

Article 28 Within six (6) hours as of the departure of the outbound means of transport from the port of loading, the manager of the Customs-controlled premises or the tally department shall submit a tally report to Customs in electronic form.

Article 29 Customs shall match the tally report against the load manifest. Where there is any inconsistency, Customs shall notify the operator of the means of transport in electronic form. The operator shall report to Customs the reason(s) for the inconsistency within 48 hours as of the completion of loading of the goods or articles.

Customs shall match the Customs clearance application against the passenger manifest. Where there is any inconsistency, Customs shall notify the operator of the means of transport in electronic form. The operator shall report to Customs the reason(s) for the inconsistency within 24 hours as of the completion of Customs clearance for the outbound means of transport.

Chapter IV Administration of Manifest Modification

Article 30 Where it is necessary to modify the already transmitted electronic manifest data, before the prescribed deadline for transmission of the original manifest or the advance manifest expires, manifest transmission parties may modify the data directly except when owners of the goods or articles have already applied to Customs for clearance of the goods or articles.

The time of Customs' acceptance of the modification of electronic manifest data shall be taken as the time of transmission of the electronic manifest data.

Article 31 Where the prescribed deadline for the transmission of the original manifest or the advance manifest has expired, under any of the following circumstances, after Customs has approved the written application for manifest modification submitted by a manifest transmission party, the manifest may be modified:

(a) when the electronic manifest data is inaccurate due to loss or damage of the goods or articles caused by force majeure;

(b) when part of or all export goods or articles in the load manifest are shut out or shipped in a different means of transport due to loading, stowing or other reasons;

(c) when the more-or-less amount of a large amount of goods in bulk or the bulk cargo within a single container is within the prescribed limits; or

(d) when errors in transmitted data are caused by other external reasons.

Article 32 After disposal is made in accordance with Article 37 of these

Measures, if there is a need to modify the electronic manifest data, manifest transmission parties shall make the modification in accordance with requirements of Customs.

Article 33 Manifest transmission parties shall submit the following documents to Customs in applying for modification of a manifest of goods or articles:

(a) Application Form for Manifest Modification (see Annex 2);

(b) photocopy of issued B/L (or waybill);

(c) paper-form manifest that is correct and affixed with the seal of manifest transmission parties; and

(d) other documents that can prove the rationality of the manifest changes. When applying for modification of a passenger manifest, manifest transmission parties shall submit the documents listed in preceding paragraphs (a), (c) and (d) of this Article to Customs.

When a photocopy is submitted, the original document shall also be presented to Customs for verification.

Chapter V Supplementary Provisions

Article 34 For the purposes of these Measures:

“Original manifest” refers to the manifest transmitted by manifest transmission parties to Customs that reflects the information on goods, articles or passengers on board an inbound means of transport.

“Advance manifest” refers to the manifest that reflects information on goods, articles or passengers that are estimated to be on board the outbound means of transport.

“Load/passenger manifest” refers to the manifest that reflects information on goods or articles actually loaded onto or passengers actually on board the outbound means of transport.

“Bill of lading (waybill)” refers to the document that is used to prove the shipping contract for the goods or articles, the receipt or loading of the goods or articles by the carrier and the commitment by the carrier to deliver the goods or articles in accordance with the document.

“Master bill of lading (master waybill)” refers to the bill of lading (waybill) issued by an operator of a means of transport or a shipping agent.

“House bill of lading (house waybill)” refers to the bill of lading (waybill) issued by a non-vessel operating common carrier, freight forwarder or express courier, and is under the master bill of lading (master waybill).

“Arrival report” refers to the record submitted by the manager of Customs-controlled premises to Customs at the time of arrival of inbound or outbound goods or articles at the Customs-con-

trolled premises that reflects the actual arrival of the goods or articles.

“Tally report” refers to the record of verification and confirmation made by the manager of a Customs-controlled premises or the tally department on the actual loading and discharge of goods or articles on board inbound and outbound means of transport.

“Port congestion diversion” refers to the act in accordance with the decision of administrative port authorities to prevent congestion in ports and divert relevant goods or articles to other Customs-controlled premises.

“Grouping” refers to the act of moving inbound goods or articles from one Customs-controlled premises to another by the manager of a Customs-controlled premises.

“Packing list” refers to the document that reflects the actual loading information on outbound containerized goods or articles before loading onto the containers.

“Above”, “below” and “within” all include the number itself.

Article 35 The serial number of a B/L (waybill) in a manifest shall be non-repetitive within two (2) years.

Manifest transmission parties, managers of Customs-controlled premises and tally departments shall keep properly the paper-form manifests, tally reports, arrival reports and relevant account books within three (3) years as of the date of Customs’ acceptance of the manifest and related electronic data.

Article 36 The formats of the following manifests and related electronic data as mentioned in these Measures shall be specified by the General Administration of Customs separately:

- (a) original manifest (including main data and other data);
- (b) tally report;
- (c) application for the grouping of goods and articles;
- (d) tally report on grouped goods or articles;
- (e) application for port congestion diversion;
- (f) arrival report on goods or articles diverted against port congestion;
- (g) packing list;
- (h) advance manifest (including main data and other data);
- (i) arrival report; and
- (j) load/passenger manifest.

Article 37 Acts in violation of these Measures that constitute smuggling, violation of Customs control regulations or other breaches of the Customs Law shall be dealt with by Customs in accordance with the Customs Law and the Regulations of the People’s Republic of China on Implementing Customs Administrative Penalty. Where such an act constitutes a crime, criminal liability shall be imposed

in accordance with law.

Article 38 The right of interpretation of these Measures shall remain with the General Administration of Customs of the People’s Republic of China.

Article 39 These Measures shall enter into force as of 1 January 2009. The Administrative Measures of the General Administration of Customs of the People’s Republic of China for Transmission of Electronic Data of Manifests promulgated in the form of Decree No. 70 of the General Administration of Customs on 1 February 1999 shall be abolished simultaneously.

Annex Application Form for Registration Customs Serial Number:

Company Full Name	(Chinese)	Abbreviation	
	(English)		
Registration Type	<input type="checkbox"/> Manifest transmission party	<input type="checkbox"/> Tally report maker	<input type="checkbox"/> Arrival report maker
Company Type	<input type="checkbox"/> Operator or agent of inbound and outbound means of transport <input type="checkbox"/> Enterprises authorized by competent authorities <input type="checkbox"/> Other enterprises authorized to issue bill of lading (waybill)	<input type="checkbox"/> Tally Company <input type="checkbox"/> Manager of Customs-controlled premises <input type="checkbox"/> Other	<input type="checkbox"/> Cargo arrival after diversion <input type="checkbox"/> Cargo arrival after grouping
Transmission Type	<input type="checkbox"/> Master bill of lading (master waybill) Report of Means of Transport <input type="checkbox"/> House bill of lading (house waybill) <input type="checkbox"/> Consolidation Tally Report <input type="checkbox"/> Passenger Manifest <input type="checkbox"/> Other		
Transport Type	<input type="checkbox"/> Vessel <input type="checkbox"/> Aircraft <input type="checkbox"/> Railway Train <input type="checkbox"/> Road Vehicle <input type="checkbox"/> Other		
Contact Person	Name	Contact Details	
Other	Organization Code	Document No. of Sector Approval	
	Tax Registration Certificate Code	Uniform Code of Enterprise and granted by	
Documentation to submit	<input type="checkbox"/> sample of bill of lading (or waybill) and sample of shipping order; <input type="checkbox"/> prints of the corporate seal and relevant business stamps of the transmission party; <input type="checkbox"/> photocopy of license document or certificate of qualifications issued by competent administrative authorities; and <input type="checkbox"/> other documents required by Customs		
Remarks	Registration Comments	Review Comments	
	Result:		

2009 China Market Suppliers List

Company Name: Ningbo DAR International Trading CO., Ltd

Company Profile: Our company is situated at a beautiful coast port city — Ningbo, is located in southeast area of china, Has the fine economic environment and the harbor servicing facility.

Our company mainly sells the related computer accessories, the existing variety has surpassed several thousand kinds, moreover we can according to the different customer's demand to provide many kinds of levels about the products, simultaneously we also provide to the special service about other industry products' purchasing, the search, the processing and so on. The "high quality, high efficiency" are our service objective and the duty!

The hope in under yours care and the support, enables between us the cooperation to have a broader prospect!

Contact Person: Stella Shen

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Email: sales@dar-tp.com

Website: www.dar-tp.com

Company Name: Anhui Technology Import and Export Company Limited

Company Profile: Anhui Technology IMPORT And EXPORT Company Limited (AHTECH) is a large comprehensive enterprise in China mainly dealing with international trade, plus real-estate development, international tendering, transportation, manpower output, tourism and domestic trade.

AHTECH is the first international trading company in China that has got its ISO 9002 Certificate.

Since 1992, AHTECH has been listed among China's "National TOP 500 International trade enterprises" for 13 successive years. And since 1994, our company's total business volume has been ranked number one in Anhui Province each year. The company's total import and export volume reached 607 million US dollars in the year of 2006, with 401 million US dollars of export volume.

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Company Name: PuTian Maode Technologies (Chongqing) Corporation

Company Profile: PuTian Maode is the sole subsidiary under the China Putian Group and also the first company in Mainland China specializing in R&D, production and sales of niche flash storage card, widely used by consumer electronics products.

R&D center is located at an international and municipal city, Shanghai, collecting with the outstanding talents and information resources around the world. The company insists that talents and professionals of engineering must also have marketing sense. The company is willing to offer attractive salary and package to attract talents becoming the core of the company. Technology and product development are based on the market demand associated with substantial diversities and niches. The company is always focusing on developing the coming generation of product and technology.

The company will invest a fixed percentage of income for R&D on industrial specification, new technology and product development. The company has commitment to constantly increase the percentage along with the company growth. Increasing R&D investment and enhancing technology standard are our faith to avoid the company participating into the market of low standard and undifferentiated product and also creating our competitiveness for supreme market segment.

The company uses both self-reliance and mutual cooperation to create astounding growth in technology development. The R&D team does not only have outstanding industrial and marketing talents coming together from US, Mainland China and Taiwan, but also allies many partners with leading technology in order to effectively engage and integrate both internal and external resources for R&D purpose. The supreme research institute of the country, China Putian Research Institute of Technology in R&D, provides continuously support in technology to the company.

The company has gradually developed or under-developing the widespread cooperation with world-class IT companies in technology, product and market. In order to increase the product design ability, product capability and market share, we zealously enhance the cooperation in R&D projects with our strategic alliances and partners. The company aims at becoming the worldwide leader in storage card.

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Company Name: Sinotrans Henan Corp

Company Profile: Sinotrans Henan Corp. is a branch of China National Foreign Trade and Transportation (group) Corporation in Henan province. We have our own specialized factories and technicians. The products we now mainly produce and export are: overall, workwear, casual and cargo pants, pyjamas, children's wear, jacket, Arabian pants and so on, please visit our website for more styles. Our export amount for garments last year is more than USD3.0 million.

Our Group Corp. has the position in China as below: the biggest shipping and air cargo agents, one of the 3 biggest shipping company. Their asset is RMB6869 million, lining up to 51st, export amount US\$381.90 million, lining up to 55th.

Up to the present, our products have been exported to many countries and districts all over the world. We deeply believe such invariable market conception: Quality is the precious source and fundamentality of the enterprise. We resort to our credit and quality to form our own characteristics and advantage so as to adapt to the increasingly competitive international markets, and fulfill every customer in different administrative levels and their various needs.

We sincerely hope that we can build a long-term, stable and favorable operational relationship with you.

Contact Person: Wang Yong

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Website: www.sinotranshn.com

Company Name: Henan Yilong Import and Export Company

Company Profile: Henan Yilong Import & Export Company Limited (the former company Henan Native Import and Export Corporation), is the key export enterprise of Henan province.

Its traditional export commodities include paulownia timber and wooden products, honey and products, leaf products, cereals oils, glues and gelatines, cotton and kenaf, dried fruits and vegetables, starch, garlic, Crude drugs, essential oils, tea, mountain products, animal by products and daily industrial products. Following the global economic integration, our business scope is becoming wider & wider, and the ways of trading are becoming more & more flexible.

We are making great progress especially in the export fields of industrial

manufactured products such as light & textile products, garments, chemical and medical products, shopping bags and suitcases, arts and crafts, china and glass wares mineral products and machinery etc.

We rely on the principle of "Emphasizing the contract & keeping the promise" to serve our customers better.

Contact Person: Wang Xinxian

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Company Name: Liaoning Provincial Machinery Industry Foreign Trade Corporation

Company Profile: Liaoning Provincial Machinery Industry Foreign Trade corp. is a industrial trading company directly under the Liaoning provincial commission of machine building Industry, and was authorized the import & export rights by the ministry of foreign trade and economy in 1988.

We have extensive business connections with more 50 countries and regions in the world, As one of the back bone trading companies in Lianning Provincial Machinery industry, our annual turnover reaches more than US\$30 millions, and with the whole effort of our business group, we are enjoying profitable business solid operation, and good reputation in domestic and foreign business.

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Company Name: China Golden Eagle Group Co., Ltd

Company Profile: China Golden Eagle Group Co., Ltd being one of the leading manufactures of hardware in the world is a market-oriented and engineering-driven company. Whose products are mainly exported to Asia, South America, Europe, Africa, Australia, North America, Argentina, Egypt, Ireland IE, Austria, Australia, Paraguay, Palestine, Brazil, Belgium, Poland, Denmark, Germany, Russia, Ecuador, France, Philippines, Finland, Columbia Korea, Netherlands, Canada, Czech Republic, Kuwait, Croatia, Romania, Malaysia, United States, Peru, Morocco, Mexico, South Africa, Norway, Portugal, Japan, Sweden, Switzerland, Slovakia, Thailand, Turkey, Venezuela, Ukraine, Uruguay, Spain, Greece, Hong Kong, Singapore, New Zealand, Hungary, Iraq, Iran, Israel, Italy, India, United Kingdom, Chile and so on. The annual turnover reaches to about USD 3,050,000 every year.

The Company covers an area of 60,000 square meters, and has a dedicated team, which includes 85 development engineers, production specialists, quality

control engineers, and 500 skilled workers. As a professional Hardware manufacturer, its main production is as follow: ATV, dirt bike, pocket bike, go-carts, sport products, power tools, and leisure goods.

The company has passed ISO 9001 quality system certifications. And all products have passed EPA, EEC, CE, TUV and GS certification. With well-equipped facilities and excellent quality control system throughout all stages of production, we are able to guarantee all customer satisfaction and meeting the market need.

We are committed to persistently develop, manufacture novel-designed and high quality hardware, and most importantly with affordable price, to satisfy its customers worldwide. Our company is your reliable partner in the hardware world.

Contact Person: Colin Lang

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Email: sales608@gmail.com

Website: <http://www.cnge.cc>

Company Name: Shanghai Lizhi Polyurethane Manufactures Co., Ltd

Company Profile: Welcome to Shanghai Lizhi Polyurethane Manufactures Co., Ltd. and our web site. Shanghai Lizhi Polyurethane Manufactures Co., Ltd. is an innovative specialty and custom Polyurethane manufacturer. The years of experience we have in mold and polyurethane foam have shown that we can offer True Value without compromising on our high quality standards.

We strive to design comfort and style for customers. This focus is backed up with advanced equipment and excellent specialists. Our main products include: anti-noise earplug, protection earplug, polyurethane foam, polyethylene foam, air pillow, air back cushion, sleep mask, sleep pillow, cool eye mask, beauty mask, cool anti-fever belt and cool /hot pack.

The key to our success has always been our people who strive to meet and exceed our customer's expectations. The strong team of dedicated professionals at Lizhi does more than just make products; they provide solutions for our customers. We rely on our own strength to tackle key problems and make breakthroughs in earplugs technology. Now, our products—earplug series, especially anti-noise earplugs contest the chromo with the best products in the world thanks to the untiring efforts of our specialists and researchers. We also provide unique PU wheel, armrest, steering wheel, cushion and air pillow to meet the requirement of our customer. Lizhi 's dedication to excellence has created long-term relationships with a lot of companies in Europe, America and Southeast Asia .

We sincerely welcome friends all over

the world to visit our company for business negotiation and co-operation so as to create a bright and multi-benefit future.

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Website: www.earplug-china.com

Company Name: Changsha Torch Auto Parts Co.,Ltd.

Company Profile: Torch Group includes the most competent manufacturing factories in China, such as Torch Spark Plug factory, which is the largest spark plug manufacturer in China, Torch Special Ceramic Factory, Torch Auto Lamp Factory, etc. The factories have the advanced technology to manufacture various kinds of auto spare parts such as special ceramic, fuel filter, automotive lamp, switch, alternator, and starter and so on.

Changsha Torch Auto Parts Co., Ltd., with huge manufacturing facilities, is responsible for the import and export of auto spare parts as well as its manufacture equipment and raw materials in Torch Group. We have established close business relationship with the world's renowned companies such as Beru, ACDelco, Honeywell, Valeo, GM, VW, Mitsubishi, Delphi, etc. We wish to cooperate with friends from all over the world to create a brilliant prospect!

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Company Name: Chongqing kington Liyang motorcycle

Company Profile: Chongqing Kington-Liyang Motorcycle CO., Ltd. is a joint venture first of its kind, with share holders from both Motorcycle industry and Automobile Industry. Majority share holder of the company is Chongqing Bus General Manufactory, one of largest Chinese bus producer with 60years experience in automobile making. The company is now one of the largest and best of the industry, with annual production ability of more than 500,000 units of motorcycle and 1.3million units of motorcycle engine; registered assets of 50 million; current assets of 200million; production facility of 50,000 square meters; 14 advanced production lines; a first class industry Research & Development center with 172 High ad Medium level R&D personnel and comprehensive testing facility.

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第五届中国吉林·东北亚投资贸易博览会

The Fifth China Jilin Northeast Asia Investment and Trade Expo



机遇、交流、合作、发展

主办单位：中华人民共和国商务部
国家发展和改革委员会
吉林省人民政府

时间：2009年9月2日—6日

地点：中国吉林·长春国际会展中心

联系方式：中国国际贸易促进委员会吉林省分会

联系人：周美辰

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Sponsored by:
Ministry of Commerce of P.R.China
National Development
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People's Government of Jilin Province

Time: Sept.2-6,2009

Place: China.Jilin Changchun International
Conference & Exhibition Center

2009 中国(青海)国际清真食品及用品展

The 2009 China (Qinghai) International Halal Food and Products Fair

2009年8月6日-9日 青海 西宁

August 6-9, 2009 Xining, Qinghai

An International Fair for World Buyers and Chinese Manufacturers of Halal Products



—打造国际清真食品和用品交易平台—

- 主办方

中国国际贸易促进委员会
中国青海省人民政府

- Hosts

China Council for the Promotion of International Trade
People's Government of Qinghai Province, China

- 支持单位

马来西亚外贸促进局
中国—东盟商务理事会
中国食品土畜进出口商会

- Supporting Organizations

Malaysian External Trade Development Corp. (MATRADE)
China-ASEAN Business Council
China Chamber of Commerce of Imp. & Exp. of Foodstuffs,
Native Produce & Animal By-Products

- 承办方

中国国际贸易促进委员会宣传出版中心
中国国际贸易促进委员会青海分会
西宁市人民政府

- Organizers

CCPIT Media and Press Center
CCPIT Qinghai Sub-Council
People's Government of Xining, China

中国食品工业协会

中国伊斯兰教协会

中国轻工工艺品进出口商会

China National Food Industry Association

China Islamic Association

China Chamber of Commerce for Import and
Export of Light Industrial Products and Arts-Crafts