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FOREIGN TRADE

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*China's Overseas M&A  
in Global Economic Crisis*

*Liaoning Coastal Economy:  
Cross-Regional Belt Economy*

*Never So Important  
as Strategic and Economic  
Dialogue*

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# Lifestyle

## FILM

### FRENCH NEW WAVE (LA NOUVELLE VAGUE)

French New Wave is over 50 years old but still young and provocative. Probably because it was a real influx of innovation in the history of world cinema. This retrospective permits to revive this time, this sense that, suddenly, everything is possible in cinema.

AUGUST 2009 FRENCH CULTURAL CENTRE French films with Chinese (and sometimes English) subtitles  
RMB 20 (Students: RMB 10)

**Fidelity card:** 100 Rmb/5 films + 1 free (Students: 50 Rmb) Free entrance on Monday **More information:** [www.ccfpekin.org](http://www.ccfpekin.org)

#### Cinema program



### Breathless

France, 1959, 89'

**Detective** – **Director:** Jean-Luc Godard

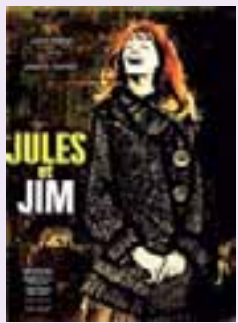
**With:** Jean-Paul Belmondo, Jean Seberg

*French version with Chinese subtitles*

Michel is a young thug who romantically models himself on Humphrey Bogart. While driving a stolen car, Michel shoots a policeman who follows him onto a country road...

Sunday 8 / 2 – 7:30 pm  
Saturday 8 / 15 – 7:30 pm  
Saturday 8 / 29 – 7:30 pm

Friday 8 / 7 – 7:30 pm  
Monday 8 / 24 – 7:30 pm



### Jules and Jim

France, 1961, 105'

**Drama** – **Director:** François Truffaut

**With:** Jeanne Moreau, Oskar Werner, Henri Serre

*French version with Chinese subtitles*

The lifelong friendship between two writers—French novelist Jim and Austrian children's author Jules - and their mutual love for the eccentric

Catherine.  
Saturday 8 / 1 – 7:30 pm  
Monday 8 / 10 – 7:30 pm  
Sunday 8 / 30 – 7:30 pm

Wednesday 8 / 5 – 7:30 pm  
Friday 8 / 21 – 7:30 pm



### My Night at Maud's

France, 1969, 110'

**Drama** – **Director:** Eric Rohmer  
**With:** Jean-Louis Trintignant, Françoise Fabian, Marie-Christine Barrault

*French version with Chinese subtitles*

Jean-Louis, a devout Catholic, moves to a provincial town and vows

to marry Françoise, a pretty blond he notices at mass. Vidal, an old school friend, invites him to visit the recently divorced Maud, and the narrator ends up staying the night, having philosophical discussions in her bedroom.

Monday 8 / 3 – 7:30 pm      Saturday 8 / 8 – 7:30 pm  
Friday 8 / 14 – 7:30 pm      Wednesday 8 / 19 – 7:30 pm

### Claire's Knee

France, 1970, 111'

**Drama** – **Director:** Eric Rohmer

**With:** Jean-Claude Brialy, Laurence de Monaghan, Aurora Cornu

*French version Chinese subtitles*

Cultural attaché Jerome spends his last holidays as a bachelor at Lake Annecy where he meets Aurora, an Italian writer and old friend. She talks him into a flirt with his landlady's teenage daughter, Laura, but he falls for Laura's half-sister Claire and develops a desire to caress her knee

Wednesday 8 / 12 – 7:30 pm      Sunday 8 / 16 – 7:30 pm  
Saturday 8 / 22 – 7:30 pm      Wednesday 8 / 26 – 7:30 pm  
Monday 8 / 31 – 7:30 pm



### Lola

France, 1961, 90'

**Drama** – **Director:** Jacques Demy

**With:** Anouk Aimee, Corinne Marchan, Elina Labourdette

*French version with English and Chinese subtitles*

In Nantes, a bored young man named Roland is letting life pass him by when he has a chance meeting with a woman he knew in his teens: she's Lola, now a cabaret dancer.

Sunday 8 / 9 – 7:30 pm      Monday 8 / 17 – 7:30 pm  
Sunday 8 / 23 – 7:30 pm      Friday 8 / 28 – 7:30 pm



## ON STAGE



### Top Guitar Concert

**Artists:** Wang Juan & The Band, IC Band, Cai Zheng Dong & The Band, Ai Jun, Chen Hong Wei & The Band, The Pulse, The 5th Happy, North Color

**Date:** August 9, 20:00

**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

### Stage Play: Chibi Maruko-chan

**Time:** August 12-August 16, 2009

**Venue:** Poly Theatre **Price:** RMB 180/280/380/580

**Presenter:** Theatre Company Hikosen

The original stage play "Chibi Maruko-chan" will land in Beijing with Chinese dub.

Chibi Maruko-chan is going to play as "Cinderella" at the upcoming school party. The party is around the corner, but Chibi Maruko-chan still gets depressed in remembering the lines no matter however has she tried.

And she gets even more nervous when she got to know that she will have to dance while singing. She practices and practices, but only finds her in an embarrassing position. What will happen?



### Dance Drama: Shaolin Temple

**Time:** August 13-August 16, 2009

**Venue:** NCPA-Opera House

**Price:** RMB 120/180/280/380/480/580

Dance Drama Shaolin Temple tells a legend of a Shaolin monk, a life-and-death struggle between justice and villainy, and a love tragedy with restrained Eastern beauty.

Tianyuan and Sushui are a long-married couple working in a theatrical troupe. They were forced to separate when run after by bandits. The badly wounded Tianyuan was rescued by an eminent monk named Hui Shan, who cured him with magic Shaolin medical skills. Later, the couple met each other again at Lantern Fair of Central Plains, but unfortunately they were found by bandits again, who hurt Tianyuan and caught Sushui. Tianyuan went back to Shaolin Temple. Yearning for Sushui and wishing to revenge, Tianyuan started to practice martial arts. Several years later, when bandits invaded Central Plains again, Tianyuan led a group of monks fighting back bravely...



The drama displays not only Shaolin martial arts and war scenes, but also sceneries of landscape and romantic love, presenting the audience with shocking spectacles and brand-new artistic experience.

### Experts' Comments

The Shaolin spirit expressed by the grand scenes in this drama is what today's dance dramas lack and need, and the tentative combination of dance and martial arts in it is also valuable.

— Yu Ping, Director, Fine Art Department of Ministry of Culture

This drama is well designed, produced and performed. It is inspiring and shocking.

— Jia Zuoguang, Honorary President, Chinese Dancers Association

Once I watched this drama, I felt that dance drama has turned a new page.

— Zhaoqing, Vice President, Chinese Dancers Association

It is even better than what I expected. Fantastic, touching and profound. The combination of dance and martial arts is creative. This drama is exceptional among Chinese dance dramas.

— Xu Peidong, Secretary of Party Leadership Group of Chinese Musicians Association, Famous Composer

### "Spring Coming"-Shuangzi & The Boxers Concert

**Artists:** Shuangzi & The Boxers, Hip-Hop Laughing Stock Shop

Another Mystery Guest

**Date:** August 15, 21:00

**Price:** On door RMB 80, In Advance RMB 60, Students RMB 60, VIP RMB 120 (Limited RMB 80)

**Add:** The Star Live, 3Floor, No.79, Hepingli Xijie, Dongcheng District, Beijing

**Tel:** 86-10-64255677



### Stefanie Sun Beijing Concert 2009

**Time:** August 15, 2009

**Venue:** Workers' Stadium

**Price:** RMB 180/280/480/680/1080/1580

"The Answer Is... Stefanie Sun World Tour 2009", which will kick off from Taipei in May, promises to be a visual feast. Hong Kong's renowned stage art director, William Chang, is the image consultant, and Wing Shya, the photographer and concert artwork designer. The concert will also feature an exclusive multifaceted stage design, with extensive use of holograms instead of the usual two-dimensional projections.

Having been actively involved in many aspects of the tour since its conceptualization, Stefanie says this concert is very close to her heart.



# Lifestyle

## Ballet: Onegin (NBC 50th Anniversary)

**Time:** August 19-August 22, 2009

**Venue:** NCPA-Opera House

**Price:** RMB 80/120/200/300/400/500

**Presenter:** National Ballet of China

The three-act ballet *Onegin* was created by the legendary "ballet drama" choreographer, John Cranko, in 1965 based on Pushkin's novel in verse, *Eugene Onegin*. Famous contemporary German composer Kurt-Heinz Stolze set it to music by using Tchaikovsky's well-known piano divertimento *The Seasons*. The work integrates the merits of symphonic ballet and ballet drama and vividly demonstrates the innocent charm of Tanya and the flippancy and hypocrisy of *Onegin*. It remains the most exquisite of Cranko's works since its advent. A neat structure and an innovative choreography which is well mingled with the music make it one of the most moving ballets in the 20th century. Even the laymen who understand little about ballet will fall under its spell, find an affinity with the protagonists and be concerned with their fate. This is exactly what Pushkin seeks by communing with his readers in his literary works. According to some critics, *Onegin* alone would establish Cranko as an esteemed master.



Cranko's *Onegin* has long remained a prized piece in the repertoire of the German-based Stuttgart Ballet. The company's artistic director Reid Anderson joked in the premiere party of the National Ballet of China: "I am really worried that the National Ballet of China will outperform Stuttgart and include *Onegin* in their repertoire."

## Zhang Xuan City-Singing Tour China Tour in Beijing

**Artists:** Zhang Xuan&Algae Band

**Date:** August 21, 2009

**Price:** TBC

**Add:** The Star Live, 3Floor, No.79, Hepingli Xijie, Dongcheng District, Beijing

**Tel:** 86-10-64255677

## Perfect World Zorana&Fall in Sex The Dragon Tree New CD release concert

**Artists:** Zorana&Fall in sex **Date:** August 22, 20:30

**Price:** On door RMB 70, In Advance RMB 60, Students RMB 60, VIP RMB 120 (Limited)

**Add:** The Star Live, 3Floor, No.79, Hepingli Xijie, Dongcheng District, Beijing

**Tel:** 86-10-64255677

## Lee-Hom Wang "Music Man" World Tour Beijing Concert

**Time:** August 22, 2009 **Venue:** Workers' Stadium

**Price:** RMB 180/280/380/600/800/1200/1500

Lee-Hom Wang is a four-time Golden Melody Award-

winning American singer-songwriter and actor who has achieved highly recognized success in Taiwan, Mainland China, Hong Kong, Japan, and throughout Southeast Asia.



He coined the term "chinked-out" music to describe his music, which is heavily influenced by traditional Chinese music. Wang is managed by and records albums with Sony BMG Taiwan. Since 1995, Wang has contributed in over 25 albums, and has sold approximately 15 million records. In addition to his music, Wang also participated in several films, his role in Ang Lee's *Lust, Caution* gaining the most attention. He is also an environmental activist, and was invited to be one of the first torchbearers for the Beijing 2008 Summer Olympics, carrying the torch in Olympia, Greece on March 24, 2008. He was also invited to perform in the closing ceremonies. His album *Change Me* was dedicated to raising eco-awareness among Chinese youth. Wang was listed among "The 100 Most Inspiring Asian Americans of All Time" by *Goldsea Asian American Daily*. (Information courtesy of [en.wikipedia.org](http://en.wikipedia.org))

## Disney Live! Winnie the Pooh

**Time:** August 26-August 30, 2009

**Venue:** Century Theater

**Price:** RMB 120/180/280/380/500

**Ticket Package:** RMB 500/700/1000

Winnie-the-Pooh, commonly shortened to Pooh Bear and once referred to as Edward Bear, is a fictional bear created by A. A. Milne. The first collection of stories about the character was the book *Winnie-the-Pooh* (1926), and this was followed by *The House at Pooh Corner* (1928). Milne also included a poem about the bear in the children's verse book *When We Were Very Young* (1924) and many more in *Now We Are Six* (1927). All four volumes were illustrated by E. H. Shepard.

The hyphens in the character's name were later dropped when The Walt Disney Company adapted the Pooh stories into a series of Winnie the Pooh featurettes that became one of the



company's most successful franchises worldwide.

The Pooh stories have been translated into many languages, notably including Alexander Lenard's Latin translation, *Winnie ille Pu*, which was first published in 1958, and, in 1960, became the first foreign-language book to be featured on the New York Times Best Seller List, and is the only book in Latin ever to have been featured therein.

## Modern Dance & Ballet: Prism

**Time:** August 28-August 29, 2009

**Venue:** People's Liberation Army Opera House

**Price:** RMB 60/100/180/280/380/580

**Presenter:** Beijing Contemporary Dance Theatre

The Beijing Contemporary Dance Theater presents three original dance works by accomplished international choreographers from Canada, Denmark, and Sweden.

### Programs

#### Map of Me (and you)

**Choreographer:** Louise Midjord (Denmark)

#### Luminous

**Choreographer:** Pontus Lidberg (Sweden)

#### White

**Choreographer:** Nadine Thouin (Canada)

Lidberg's contribution is called Luminous.

The three new works together will comprise Prism—a three-sided glass which refracts white light, breaking it into a spectrum of colors.

The collaboration over the summer, culminating in the performance on August 28, marks the first annual international collaboration for the brand new Beijing Contemporary Dance Theater. Though the dance company performed its first piece

in December 2008, it already boasts a rich repertoire of 5 pieces and is happy to be working together with a truly global creative team so early in its existence.

“This exchange offers a fantastic learning opportunity for both sides,” says Artistic Director of the BCDT Wang Yuanyuan. “The bringing together of such talented choreographers from Europe and North America with our Chinese dancers and crew allows all of us to learn from one another. A prism also suggests seeing things from different angles, and we hope in our creative expressions and processes we can help each other see from the other side. The arts can serve as great diplomacy—a direct field for understanding and compassion between peoples.”



## BEST SELLER

### The Great Depression Ahead

The first and last economic depression that you will experience in your lifetime is just ahead. The year 2009 will be the beginning of the next long-term winter season and the initial end of prosperity in almost every market, ushering in a downturn like most of us have not experienced before. Are you aware that we have seen long-term peaks in our stock market and economy very close to every 40 years due to generational spending trends: as in 1929, 1968, and next around 2009? Are you aware that oil and commodity prices have peaked nearly every 30 years, as in 1920, 1951, 1980 — and next likely around late 2009 to mid-2010? The three massive bubbles that have been booming for the last few decades — stocks, real estate, and commodities — have all reached their peak and are deflating simultaneously.

Bestselling author and renowned economic forecaster Harry S. Dent, Jr., has observed these trends for decades. As he first demonstrated in his bestselling *The Great Boom Ahead*, he has developed analytical techniques that allow him to predict the impact they will have. *The Great Depression Ahead* explains “The Perfect Storm” as peak oil prices collide with peaking generational spending trends by 2010, leading to a more severe downturn for the global economy and individual investors alike.

#### Harry's predictions:

- The economy appears to recover from the subprime crisis and minor recession by mid-2009 — “the calm before the real storm.”
- Stock prices start to crash again between mid- and late 2009 into late 2010, and likely finally bottom around mid-2012 -- between Dow 3,800 and 7,200.



- The economy enters a deeper depression between mid-2010 and early 2011, likely extending off and on into late 2012 or mid-2013.

- Asian markets may bottom by late 2010, along with health care, and be the first great buy opportunities in stocks.

- Gold and precious metals will appear to be a hedge at first, but will ultimately collapse as well after mid- to late 2010.

- A first major stock rally, likely between mid-2012 and mid-2017, will be followed by a final setback around late 2019/early 2020.

- The next broad-based global bull market will be from 2020-2023 into 2035-2036.

Conventional investment wisdom will no longer apply, and investors on every level — from billion-dollar firms to the individual trader — must drastically reevaluate their policies in order to survive. But despite the dire news and dark predictions, there are real opportunities to come from the greatest fire sale on financial assets since the early 1930s. Dent outlines the critical issues that will face our government and other major institutions, offering long- and short-term tactics for weathering the storm. He offers recommendations that will allow families, businesses, investors, and individuals to manage their assets correctly and come out on top. With the right knowledge and preparation, you can take advantage of new wealth opportunities rather than get caught in a downward spiral. Your life is about to change for reasons outside of your control. You can't change the direction of the winds, but you can reset your sails!

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Overseas Merger and Acquisition (M&A) is not only the major means for the enterprises to expand rapidly and operate globally, but also the significant strategic tools for acquiring advanced technology from other companies and seizing the market and other resources. As for the government, it should further specify the support for the strategy of enterprises "going global".



32 Dunhuang, long ago referred to as "Sha Zhou" (beautiful desert oasis), was the hub of middle and eastern silk routes in ancient times. The city landmark is an attractive statue, the idea of which comes from the mural in Mogao Caves, a shrine to the culture and arts of Dunhuang.



58 The S&ED will develop a new mechanism for both big countries and help build trust and relationships.

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# Bi-Weekly Watch

## Profits of SOEs: 27%↓ in H1

Profits of China's state-owned enterprises (SOEs) slid 27 percent year on year in the first half of the year, but the decline rate started to narrow in the second quarter as the industrial expansion is gradually recovering.

Their profits totaled RMB 553.4 billion (US\$81.38 billion) between January and June, according to the Ministry of Finance on July 17.

The decline was 3.3 percentage points smaller than the figure for the first five months. Sales revenue fell 5.9 percent year on year to RMB 9.79 trillion. Profits of the 138 central government-administered SOEs decreased 20.9 percent to RMB 416.4 billion.

China's SOEs have seen a smaller profit decline for four months as the economy started to rebound in the second quarter from the worst growth in a decade.

The industrial output tumbled to 3.8 percent in the first two months, but bounced back to 8.3 percent in March as the government's 4-trillion yuan stimulus package started to take effect.

The industrial output rose 7.0 percent in the first half, according to the figure released by the National Bureau of Statistics. (NBS)

## Farmers' net income: 8.1%↑ in H1

The net income per capita of China's rural residents in the first half of this year increased 8.1 percent year on year, said the National Bureau of Statistics (NBS) in a statement on July 24.

A report surveying 68,000 rural households in the country's 31 provinces shows farmers' net income per capita in the first quarter reached RMB 2733 (US\$400.12) per year, according to the NBS.

Farmers' salary income per capita, which mainly includes a farmer's earnings from working in local or urban enterprises, reached RMB 954 per year, up 8.4 percent year on year.

Farmers' cash income from selling agriculture products per capita grew 4.1 percent year on year to RMB 1124, said the report.

In 2008, farmers' net income per capita was RMB 4761 (US\$696.7), a growth of 8-percent over the previous year, according to a survey released by the Chinese Academy of Social Sciences, the country's government think tank in April.

China's agriculture industry has kept a sound momentum in the first half of this year despite adverse influence brought by the global downturn and drought, as the government has been improving favorable policies to farmers, said Agriculture Minister Sun Zhengcai in a national agriculture meeting.

The central fiscal has so far allocated RMB 123 billion in subsidizing farmers' purchase of seed, diesel, fertilizers and other production materials this year, rising 19.4 percent over the previous year, according to Sun. (NBS)

## Urban employees' wage: 12.9%↑ in H1

Average wage per capita for Chinese urban employees grew 12.9 percent year on year to RMB 14,638 (about US\$2,149.78) in the first half of this year, said the National Bureau of Statistics on July 29.

The growth rate was 5.1 percentage points lower than that in the same period last year, the bureau said. Average wage per capita for financial industry employees in urban areas stood at RMB 30,603 in the first half, ranking the first among all urban industries' employees.

Meanwhile, information, computer service and software industry employees' average wage per capita reached RMB 27,730, 1.9 times higher than the national average level.

Employees from scientific and technology service sector followed, with their average wage per capita approaching RMB 23,248.

The hotel and catering, construction and water conservancy, and environment and public management sectors recorded the lowest wages, with an average annual per capita of RMB 9,885, RMB 10,349, and RMB 11,666, respectively.

The average salary comprises the basic wage, bonus and all allowances and subsidies. It is often used as a reference by the government for setting salary standards and calculating social insurance premiums. (NBS)

## Peanut export: 9%↑ in H1

China's exports of peanuts rose 9 percent year on year in the first half of this year, but the total export value fell because of lower prices paid for the commodity, an official said on July 29.

China is the world's biggest producer of peanuts. Export value fell 22 percent in the period, said Huo Jianguo, president of the China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce and Animal By-Products. He did not give specific figures.

"The international peanut price began to fall in the fourth quarter last year, affected by the financial crisis. The price fell from US\$1,600 a tonne in the first half of 2008 to around US\$600 a tonne at the end of last year, which caused the export value drop," Huo said.

The price of peanuts picked up April this year and has now reached nearly US\$1,000 a tonne, he said. China produced 15 million tonnes of peanuts in 2008. It exported 510,000 tonnes of peanuts with a value of US\$770 million last year. (Xinhua)



## China's wind power capacity doubles in H1

China's installed wind power capacity that transmits power into the national electricity grid rose 11.81 million kW in the first half of this year, doubling the figure of a year earlier, an industry expert said on August 2.

Shu Yinbiao, vice general manager of the State Grid Corporation, said the installed wind power capacity soared 101 percent year on year by the end of June, showing the country's strengthened efforts on using renewable energy.

Shu suggested mapping out a long-term wind power development plan for the whole country and formulating relevant national technical standards for new energy including wind and solar power to regulate their development.

China's wind power sector gained momentum in recent years due to the government's supportive policies. Figures showed that the country's installed wind power capacity reached 12 million kW by the end of 2008, ranking the fourth globally trailing the United States, France and Spain. (*Xinhua*)



## Oil imports poised for recovery in H2

China's oil imports grew marginally in the first half as the country's economy slowed, but may see further growth in the second half as demand improves, said industry insiders.

The small growth in oil imports from January to June was largely due to the weak domestic demand. However, oil imports are set to rebound in the second half, said Liu Gu, analyst with Guotai Jun'an Securities in Shenzhen.

However, she pointed out that the revival might not be too fast. "We expect oil imports will see a 1-percent year-on-year growth in 2009."

China imported 90.77 million tons of crude oil in the first half, a 0.3-percent growth year-on-year, according to General Administration of Customs. The country imported 179 million tons of crude in 2008, up 9.6 percent from a year earlier.

China produced 93.49 million tons of crude in the first half, down 1 percent from a year earlier. The country processed 175.13 million tons of crude in the period, an increase of 1.5 percent year-on-year, according to the National Development and Reform Commission (NDRC).

Oil imports in the second half will see more solid growth, compared to the imports in the second half of 2008 which declined sharply due to the global financial crisis, said Lin Boqiang, director of the China Center for Energy Economics Research at Xiamen University.

It is also important to note that oil imports have already seen month-on-month recovery, said Lin. China imported 17.09 million tons of crude oil in May, the highest this year. The figure saw year-on-year growth of 5.5 percent and month-on-month growth of 5.7 percent.

However, in the first quarter, China's oil imports dropped by 10.2 percent from the same period last year.

"In my opinion, this year's oil imports may see a 2-percent growth," said Lin.

He said that although China is paying increasing attention to oil reserves, it has a small impact on oil imports, as the volume of oil reserves is relatively small.

Echoing Lin's views, Liu Gu said the combined capacity of China's strategic oil reserves and domestic enterprises' commercial reserves is only equal to 40 days of oil imports, so it would do little to oil imports in the full year.

Before 1993 China's oil production was enough to meet domestic demands.

## Hubei's largest wind farm started construction

The first phase project of Hubei Province's largest wind farm started construction at the top of Qiyue Mountain in Lichuan City of Enshi Tujia and Miao Autonomous Prefecture on July 29.

Qiyue Mountain Wind Farm is listed as one of the ten largest wind farms in China. It has 800,000KW of theoretical wind energy reserves, and 500,000KW of exploitable volume. The overall investment for the first phase project amounts to 546.07 million yuan. Upon completion, it will form 49300KW of generation capacity.

It is reported that the United Nations Development Program (UNDP), in partnership with China's National Development and Reform Commission, carried out investigations and assessments on China's renewable energy resources in 2002. Qiyue Mountain wind power project is incorporated into the UNDP gratuitous aid projects. (*China Energy Net*)

However, last year nearly half of the country's oil consumption was reliant on imports.

By becoming a net oil importer 15 years ago, China's fuel imports has seen accelerated growth in the past years. In 2004 the figure surpassed 100 million tons, up by 35 percent from a year earlier.

Analysts said that there is no doubt that China's oil import will continue to see rapid increase in the long term. According to a recent report by Chinese Academy of Social Sciences (CASS), 64.5 percent of the country's oil consumption is likely to be met by imports in 2020.

The gap between domestic consumption and production is the main cause for the increase in imports. Statistics with CASS showed that China's oil production is expected to reach 177 to 198 million tons in 2010, and the figure would reach 182 to 200 million tons in 2015.

China's oil production will see gradual decline after 2020, said CASS.

Analysts said that China should further diversify its oil importing sources to ensure sustainable supplies. At present the Middle East, Africa and Asia-Pacific are the three main regions for Chinese oil imports. (*ChinaDaily*)

## Profit in China's major steel makers expands in June

BEIJING, July 30 — Profit in China's 71 major steel enterprises totaled RMB 3.55 billion (US\$519.77 million) in June, expanding from May when the tables turned after seven-month losses, according to statistics from China's steel association.

This compared with a combined profit of RMB 1.04 billion in the 71 large and medium-sized steel mills in May. Their aggregate profit totaled RMB 1.73 billion in the first half this year, said the latest statistics released by the China Iron and Steel Association this week. Eight of the 71 companies were still losing money last month, compared with 20 in May.

Steel prices rose "at a stunning rate", said Xu Xi-angchun, analyst of Shanghai Ganglian E-commerce Co., Ltd., an IT service company specializing in collecting steel information. The price increase of major steel producers was the main reason for climbing market prices as there were no statistics indicating a surge in demand or supply shortage, Xu said. Some 46 steel companies had raised prices this month as of July 29, according to statistics of the Umetal.com, an industry service provider. The price of cold rolled coil in the Beijing market has soared by RMB 500 per tonne since July, and hot rolled coil by RMB 340, according to the statistics from the IT service company. The per-tonne prices of medium plates and screw steel also saw an increase of RMB 250 and RMB 600 respectively. Share prices of Baosteel, the country's largest steel maker, gained 3.43 percent to RMB 9.35 as of 2:05 p.m. July 20. Angang Steel Company Ltd. surged 4.37 percent to RMB 17.2. (*Xinhua*)

## Ore imports in China set to slump at key ports

Iron ore imports into one of China's main ports are set to slump by up to 50 percent over the next few months in the wake of events surrounding the Rio Tinto affair, according to a leading official.

The severe drop is the first real evidence of the impact of the inability of the China steelmakers to reach an agreement over the benchmark ore price with the major iron ore producers, led by Rio. "Chinese steel mills have since reduced orders from global miners at annual negotiation price and turned to the rising international spot price for imports -- which now stands 7 percent higher than the price Japanese and South Korean steelmakers settled for in May," said Zang Dongsheng, vice-general manager at Rizhao Port Group.

China's iron ore imports soared 46 percent from last June, reaching 55.29 million and up 3.4 percent over May, according to statistics released by China's General Administration of Customs. As a result, imports into Rizhao Port in Shandong province, China's largest iron ore port which accounts for a fifth of all deliveries, are set to fall by 40 percent in August and 50 percent in September compared to the average level in the first six months of this year, according to information gathered by the port from its 68 steel mills, including Baosteel Group and 30 steel trading customers.

"Chinese steel mills started to reduce orders in May when the China Iron and Steel Association rejected the 33-percent cut (offered by miners) and held out for more discount," he said. "As the shipments to China will be two or three months delayed from Australia and Brazil, so the drop will be seen in August and September." There is also evidence of the Chinese steelmakers turning their back on Australian imports and switching to Brazilian ore instead. Zang said there now also seems to be a backlash against Rio iron ore imports among China steel companies, with his customers opting to buy from Brazilian company Vale instead. Last year, more than 30 percent of the port's iron came from Australia and around 40 percent from Brazil.

"Since the Rio Tinto scandal, customers have reduced their orders from Australia and are turning to Brazil. Although it is difficult now to quantify the precise figures, they will be available in September," he said. Zang said the wrangling over setting the price has impacted the level of imports. "In the last 40 days, the spot price has increased by 20 percent and it has become difficult to predict how much it will increase in August and September, but it may be by 20 percent again. This has affected volume," he said. He also said Chinese steelmakers were not buying as much because 100 million tons of ore stock had been built up at the steel mills and the port.

"This means the steel mills have three months' supply and are not in a rush to buy right now," he added. The saga began when the China Iron and Steel Association wanted a major cut in the iron ore price, largely set by Rio, the Anglo-Australian giant BHP Billiton and the Brazilian company Vale. A cut would have reflected the new harsher economic conditions since the price was last set a year ago. Then the major producers managed to get away with an 85 percent increase since ore prices were soaring at the time. This year, Japan and South Korea settled for a 33-percent cut in the spring but China hung out for more and didn't get it.

The dispute between China and Rio Tinto has now extended beyond mere price negotiation. Earlier this month, four Rio Tinto executives were detained in China on alleged spying charges said to be linked to China steel production targets, which could have provided useful information in any negotiation. Rio and the Australian government have denied any wrongdoing. Zang said the slump in imports would have a significant impact on the port. "I am concerned about the situation because delivery volumes directly affect the company's revenue," he said. The port chief added the group was taking steps to boost imports of coal and other raw material to fill the void caused by a shortage of iron ore imports.

"We have been taking steps toward this since February. Coal has always been a major business for the port and this is a logical step for us to take because of the shortfall in the iron ore business." There may be other steps to move away from the dependence on iron ore, which could be announced shortly. Vale said about half its shipments to China are being bought at the same price levels agreed in annual contracts with mills in other nations, Bloomberg said on July 28. Some Chinese steelmakers are unofficially accepting the new benchmark ore prices, which are 28 percent lower than last year, said a Vale spokeswoman.

Bloomberg also reported that BHP Billiton agreed to sell 30 percent of its iron ore under new pricing mechanisms, signaling a break with the 40-year-old tradition of settling annual contracts in Asia. The ore will be sold through a mix of cash, quarterly and indexed pricing, BHP said in a statement on Wednesday. (*China Daily*)

## Beijing to invest 150 million for ecological water conservation

Beijing Municipal Government is planning to invest RMB 150 million in Zhang Jiakou and Chengde cities in Hebei Province to launch the cooperative “Beijing-Hebei shelterbelt construction project for ecological water and forest conservation,” announced Beijing Municipal Commission for Development and Reform on July 28.

According to sources, investment in the “Beijing-Hebei shelterbelt construction project for ecological water and forest conservation” includes: funding of RMB 100 million to build 200,000 mu of ecological water sources and protective forest in Hebei Fengning, Luanping, Chicheng and Huailai; funding of RMB 35 million, for equipment and infrastructure for forest fire prevention in 9 counties including Hebei Fengning, Huailai and others; and funding of RMB 15 million, for pest control facilities and equipment in 12 cities and counties including Hebei Sanhe, Zhuozhou, Yutian and others.

According to the plan, an 80,000 mu area of forest will be created under the project in 2009. 60,000 mu of forest will be created in 2010 and 2011 respectively.

On July 28, Beijing Municipal Bureau of Landscape and Forestry signed “the agreement on the Beijing-Hebei shelterbelt construction project for ecological water and forest conservation” with Hebei Zhang Jiakou and Chengde governments, which clearly specified the construction scale, standards and responsibilities of both parties.

An official from Beijing Municipal Bureau of Landscape and Forestry said that, after the project is implemented, the forest coverage in the project area will increase from 30.2 percent to 33.4 percent, in order to lay a solid foundation for a complete and coordinated Beijing-Hebei ecological forest system. In the meantime, a joint mechanism on forest pest prevention and management will be established in 12 cities and counties around Beijing, in order to ensure the security of forest resources in Beijing and Hebei. (CCTV.com)

## Gov't channels 1 b-yuan green fund to rural areas

Money from a RMB 1 billion (US\$146 million) fund is being distributed to 1,370 villages in China to remedy environmental problems and reward good practices, said the Ministry of Environment Protection on July 29.

The ministry expected the fund to benefit 9 million villagers, said Wang Zhenyu, an official with the ministry's information office.

About RMB 920 million of the fund will be spent reducing pollution in 1,200 villages, 70 percent of which are located in heavily-polluted river valleys and in less developed regions, Wang said.

For example, the ministry will provide money for villages near the Dahuofang Reservoir in northeastern Liaoning Province to build waste disposal and sewage treatment facilities.

Another program in Suzhou, eastern Jiangsu Province, will provide safe drinking water for 90,000 residents living along the polluted Kuisui river. The money will be used for building sewage treatment, waste disposal and toilet facilities.

Another RMB 80 million will be granted to about 170 villages which have already made outstanding contributions in reducing pollution and protecting the environment.

Because of the programs, the ministry expected to attract another RMB 1.5 billion in investment from local governments and other parties, Wang said.

In an annual evaluation report for 2008 issued in June, the ministry warned of worsening environment problems in rural areas.

“The countryside is suffering from more and more industrial and general pollution and the threat from polluted drinking water is increasing,” the report said. (Xinhua)

## Gov't to subsidize solar power projects

The Chinese government started a pilot program on Tuesday to provide subsidies to solar-power projects to boost the solar industry as a new growth point for the country's economy.

The Ministry of Finance said on its Web site that it will offer 50 percent of investments for solar power projects of more than 500 megawatts and the transmission and distribution network over the next two- to- three years.

The solar power projects in the remote regions will receive subsidies of 70 percent of the investment.

The total generating capacity of such pilot projects in each province should not exceed 20 megawatts, the ministry said. (Xinhua)

## Energy saving starts with a light bulb

Five 1-yuan (0.14 U.S. dollars) light bulbs for everyone... On the morning of August 1, Beijing residents in many communities queued up to buy the energy-efficient bulbs, which have a normal retail price of RMB 10.

Last year, China promoted the use of 62 million energy saving bulbs nationwide. This year, the government allocated RMB 600 million to meet the target of 120 million.

The Beijing Municipal government cut another 40 percent off the original price, reducing each bulb to only RMB 1.

Since late June, the 1-yuan bulbs have been selling in many communities on weekends. Every resident can buy five at the preferential price, and beyond that they will cost RMB 7.

According to the Beijing Municipal Commission of Development and Reform, the city plans to promote 10 million energy saving bulbs. A 9-watt energy-efficient compact fluorescent tube equals a traditional 40-watt incandescent bulb in brightness.

The National Development and Reform Commission (NDRC) estimates the bulbs will help save 6.2 billion kwh of electricity and cut carbon dioxide emissions by 6.2 million tons and sulfur dioxide by 62,000 tons in a year.

Statistics from the China Electricity Council and the Ministry of Industry and Information Technology show that last year China consumed 3.42 trillion kwh of electricity and produced at least 1.1 million tons of sulfur dioxide in 2008. The figure for carbon dioxide exceeded 5 billion tons in 2007. (Xinhua)

## Carrefour reopens its flagship shop in Urumqi

Carrefour, the France-based supermarket chain, reopened its flagship store in Urumqi on July 23 after a 17-day closure forced by the July 5 violence. The retailer's store in the Urumqi International Grand Bazaar complex is regarded as the flagship of the three outlets in the city, capital of north-west China's Xinjiang Uygur Autonomous Region.

"We are well prepared for the reopening," said Jerome Chevrier, general manager of Carrefour China's north and west regions, in Urumqi on July 23. The other two stores have remained open because they were far away from the riot-affected areas. Plans to open two more stores in Xinjiang were on track and the riot, which left 197 people dead, had not affected the firm's investment schemes, he said.

More than 100 customers were waiting outside before the store reopened at around 10:30 a.m.. They were from different ethnic groups, including Han, Hui and Uygur. Security was tightened as 50 security guards, up from 36 before the July 5 riots, were on duty checking handbags and vehicles.

Zhao Xiangli, manager of the store, told Xinhua that all the 170 employees in the flagship store, along with about 430 in the other two outlets, were paid during the long closure. "None of them was fired during the closure," she said.

"It's the first day we've opened since the riot and many people have not been informed of the news, so we don't expect a large crowd today," she said. Accordingly, she expected a smaller sales volume as well on Thursday, "About 100,000 to 150,000 yuan (14,646 to 21,961 U.S. dollars), or 200,000 yuan less than the average, but we have confidence in the recovery of our business," she said.

Although queues could be seen in the store, staff said they had seen an obvious decline in customers. The number of the cashiers was reduced to nine in the morning from 12 to 13 before the riot. Carrefour opened its first store in Urumqi in 2004 at the International Grand Bazaar, the largest outlet in the city.

Ku Ping, a Uygur woman busy putting eggplants into her basket, said, "I used to visit the supermarket several times a week. I am glad to see it's reopened. It was very inconvenient during the closure." Yang Jingshun, 75, a Han, said, "I do not feel any danger since there are armed police patrolling in the grand bazaar." Chevrier declined to discuss Carrefour's lost trade during the closure or details of the two planned stores. (*Xinhua*)



## Net profit in China's major beer producer Yanjing up 25% in first half



Net profit in the Beijing Yanjing Brewery Co., Ltd., a major Chinese beer brewery, increased 25.05 percent to RMB 318.42 million (US\$46.62 million) in the first half this year, boosted by sales, the company said on July 28.

Turnover during the Jan.-June period soared 18.98 percent year on year to RMB 4.89 billion, the company said in its semi-annual report to the Shenzhen Stock Exchange. "Beer production grew 14 percent to 2.21 million kiloliters in the first six months this year, higher than the industry average growth rate of six percent," it said.

The company, holding more than 85 percent of the Beijing market, saw its sales in other cities rise by 17 percent. The company's three other brands, "Liquan," "Huiquan" and "Xuelu" contributed to regional expansion together with the "Yanjing" brand, according to the report. The share price of the company gained 1.22 percent to 15.75 yuan in the morning session Tuesday. (*Xinhua*)

## China's sportswear brand Li-Ning opens flagship store in Singapore



Singapore's Minister of State for Trade and Industry Lee Yi Shyan officiated at the opening of Li-Ning's badminton flagship store in Singapore, its first store in Asia outside China.

The sportswear giant Li-Ning, founded by top China gymnast Li Ning, set up its Southeast Asia regional headquarters in Singapore's newest shopping mall, Ion Orchard, according to a statement by Singapore's Ministry of State for Trade and Industry. The minister said that over the last five years plus, the number of Chinese companies in Singapore has increased by more than two folds, from 1,300 to 3,000 in March 2009. He added that Singapore offers locational and unparalleled access to the growing market for sports and lifestyle products and services in the region.

In thanking Li-Ning for their sponsorship of the Singapore Badminton Association's players and tournaments for 2009, he said, "We are happy that Li-Ning has chosen Singapore for the same reasons. Li-Ning's confidence in Singapore as base for its first foreign venture is truly a testament to our strength as a platform for internationalization." (*Xinhua*)

## 10 must-see streets in China

Those seeking to savor Chinese history and culture quickly now have a new traveling recipe, with China listing, for the first time, 10 must-see streets picked through public voting and a panel review by culture experts.

Each of the 10 streets, including Guozijian Street in Beijing, South Avenue in Pingyao of Shanxi province, Central Avenue in Harbin and Barkhor Street in Lhasa, encapsulates a unique facet of China's traditional culture.

Guozijian Street, for example, is the only street in Beijing featuring ancient archways. Home to the Imperial College during the Yuan, Ming and Qing dynasties, it has also witnessed Chinese intellectual development over the past 1,000 years.

South Street in Pingyao city lies at the heart of the exceptionally well-preserved traditional Han Chinese city, founded in the 14th century, and is a window to the city's 700 years of history.

The Central Avenue in Harbin, despite its relatively young history dating back to the late 1900s, stands out from the rest for its eclectic mix of various European architectures that have survived for more than a century.

The 10 streets in the list were chosen from among more than 200 across the country.

The selection, jointly launched by the Chinese Ministry of Culture and the State Administration of Cultural Relics, is aimed at raising public awareness of the importance of preserving and promoting the cultural and historic value of ancient streets, says Ouyang Jian of the Chinese Ministry of Culture.

"Each of them has seen the history and development of the city they were



Central Avenue in Harbin.

built in," says Ouyang.

Other streets included in the list are Pingjiang Road in Suzhou, Jiangsu province; Tunxi Old Street in Huangshan, Anhui province; Three Lanes and Seven Valleys in Fuzhou, Fujian province; Qilou Old Street in Hainan's Haikou and two other streets in Shandong province - Badaguan in Qingdao and Zhaode Street in Qingzhou. (*China Daily*)

## Beijing-Shanghai Express Railway ticket price set at RMB 500

The journey on the Beijing-Shanghai Express Railway is over four hours long. After the railway starts operation in 2012, railway authorities will also consider adding sleeper coaches in order to provide diverse choice for passengers.



On July 29, an officer from the general headquarters of the Beijing-Shanghai Express Railway disclosed that after preliminary considerations, the single seat ticket price on the Beijing-Shanghai Express Railway will be set at over RMB 500, a "relatively reasonable" price. However, it still needs to be approved by the National Development and Reform Commission (NDRC).

Construction of the entire railway is scheduled for completion by the end of 2010. By Labor Day 2011, rail tracks will be laid and system adjustments will begin. The railway will begin operation in 2012.

After the railway opens, they will be able to send out one train every five minutes on the Beijing-Shanghai Express Railway; however, such a high frequency is not possible in the beginning. The officer also said that railway authorities have considered developing diversified passenger transport services on the Beijing-Shanghai Express Railway, possibly adding sleeper coaches.

Previously, an official from the transport authorities said in an interview that if calculated according to planned operation costs, the cost per kilometer of the railway would be RMB 0.45 to RMB 0.5; because the entire railway is 1,318 km long, a single journey would cost about RMB 800. An official from

the Ministry of Railways said that a final decision on ticket price will be made after considering the price of a plane ticket, the acceptance of the general public and operation costs.

"A journey on the Beijing-Shanghai Express Railway will take just over four hours; therefore, business travelers used to flights are the railway's target passengers," said Ms Chen, who travels regularly between Beijing and Shanghai. She welcomed the railway and said, "I often travel between Beijing and Shanghai on business. Sometimes, I can only sleep on the plane. So it is appealing to business people if the future Beijing-Shanghai Express Railway trains are also equipped with comfortable sleeper coaches."

Construction on the Beijing-Shanghai Express Railway started in April, 2008. This double-track railway extends a total of 1,318 km from Beijing South Railway Station to Shanghai Hongqiao Station. It is the world's longest single phase construction express rail project and is of the highest standard. There are 21 stations along the railway. In September last year, the Ministry of Railways announced that the construction will be completed by 2012. By then, trains on the Beijing-Shanghai Express Railway will be able to travel at speeds up to 380 km per hour, making the railway the world's fastest. The journey between Beijing and Shanghai will also be shortened to four-plus hours from the original five. (*cctv.com*)

## China Development Bank opens branch in HK

The China Development Bank (CDB) opened its first branch outside the mainland in Hong Kong on July 29 and will set up offices in Russia and Egypt by the end of the year as part of its global expansion efforts.

“The strategic goal of CDB is to become an international bank,” Li Jiping, Vice President of CDB, told a press conference after the opening ceremony, adding that opening HK branch was the first step going global.

He also said that through the Hong Kong platform provided by CDB’s HK branch, enterprises in the Chinese mainland could effectively go out to the international market.

As part of its global expansion push, CDB plans to set up offices in Moscow and Cairo by the end of this year and in Brazil and Venezuela next year, said Li.

The China Development Bank was established in 1994 as a government policy-oriented statutory financial institution pursuant to a special decree issued by the State Council. On December 11, 2008, it was converted into a joint stock banking corporation, jointly owned by China’s Ministry of Finance and the Central Huijin Investment Company Limited. (*Xinhua*)



## Supervision on working capital loans strengthened

A proposed banking regulation that allows China’s lenders to channel working capital loans direct to recipients, avoiding the borrower, was opened to public submissions on July 30.

Members of the public have until August 26 to submit opinions on the proposed regulation to the China Banking Regulatory Commission (CBRC) said a statement on the commission’s website.

Working capital loans refer to the loans banks and financial institutions grant to enterprises and other organizations for routine business operations. They can be yuan-denominated or in foreign currency.

The regulation would “regulate and enhance management of loan-extending activities of financial institutions, promote a sound working capital loans management mechanism,” said the statement.

The regulation requires lenders to ensure the borrower’s credit and business operations are sound before agreeing to the loan, and to monitor the use of loans to ensure they are spent according to the agreement.

If a single payment from the lenders amounted to more than 30 percent of the contracted value and was above RMB 1 million (US\$416,000), or if a single payment value exceeded RMB 10 million, the lender could directly channel the loan to the end-recipients.

Previously, the money would be given to the borrowers, who would decide its use. The lenders must undertake a thorough risk assessment, verifying a borrower’s loans application documents.

“If a lender finds the borrower’s credit standard is worsening, or the loans have been misused, the lender can suspend the loan extension,” said the statement. (*Xinhua*)



## Maintaining monetary policy top priority in Shanghai

The Shanghai headquarters of the central bank said it will stick to its relatively easy monetary policy in the second half to consolidate local economic growth on July 30.

The Shanghai headquarters of the People’s Bank of China held its mid-year workshop in the city, outlining its priorities, with the maintenance of the monetary policy top of the agenda.

“We will keep boosting the stable and relatively fast growth of the economy as the priority of financial macro-measures,” the local headquarters of the central bank said. That was in line with the central government’s stance on the loose monetary policy to boost economy rebound.

Banks in Shanghai extended new loans of RMB 383.12 billion (US\$56.1 billion) in the first half, up RMB 198.17 billion from a year ago. The new loans in the first half are already RMB 126.85 billion more than the total for last year.

The new credit has fueled the local economy which expanded 5.6 percent on an annual basis in the first half, up 2.5 percentage points compared with the rate in the first quarter.

The growth, better than expected, was mainly bolstered by a quick advance in the services sector, particularly the financial industry. Meanwhile, the central bank will deepen financial cooperation in the Yangtze River Delta region when building Shanghai as a global financial hub.

Shanghai joined hands with provinces of Jiangsu and Zhejiang in the first half to trim financial risks by signing a memorandum of understanding. The central bank also takes improving financial services to prepare for the World Expo 2010 as one of the priorities on the second half agenda.

Banks will learn from their experiences during the Beijing Olympic Games. Banks in Shanghai installed more payment machines, extended business hours, added foreign exchange currencies supply and increased head counts to serve the increased number of visitors during last year’s Olympics, and this is expected to be the case next year. (*Shanghai Daily*)

## Venture capital market vigorous in Q2

China's venture capital market saw vigorous fund raising and investments in the second quarter.

17 funds were established in the second quarter, among which newly raised funds available for investment in China's



mainland totaled US\$1.37 billion.

The number of new funds increased by seven from the previous quarter, and newly added capital increased by 53.8 percent.

Zero2IP Group CEO Gavin Ni said the country's robust economic recovery, pending initial public offerings (IPOs) and new rules for listing on the Growth Enterprise Board (GEB) have attracted the positive attention of investment institutions at home and abroad.

In the second quarter, 99 Chinese enterprises attracted venture capital investments, including 77 that reported investments totaling US\$567.89 million.

The Zero2IPO report showed that both the number and amount of investment deals rose quarter-on-quarter. The number of deals increased by 46, or 86.8 percent. The amount involved increased from US\$319.68 million in the previous quarter to US\$567.89 million.

Five private equity (PE) funds available for investment in China completed fund raising totaling US\$1.82 billion, a three-fold increase from the first quarter. A total of 13 cross-border merger and acquisition (M&A) deals were completed in the second quarter, and 10 of them disclosed a total of US\$4.31 billion.

Compared with the same period last year, the number of cross-border M&A deals fell 40.9 percent, but the total M&A value jumped 178.5 percent. (*Xinhua*)

## U.S. seeking additional avenues for investment

In the lead-up to the first China-U.S. Strategic and Economic Dialogue (SAED), the administration of U.S. President Barack Obama has said it will press Beijing to transform its domestic economic structure and open its doors wider to foreign investment.

The push is part of the U.S. reaction to the global economic crisis and comes as policy-makers and advisers search for solutions to the crisis from both inside and outside the country.

In addition to pinning hopes on a nearly 800-billion-U.S. dollar stimulus package that will put the U.S. into the red for many years to come, top government officials and researchers have been putting pressure on other countries, primarily China, to make changes that will foster a recovery in the U.S., despite criticism that a fundamental crack in the loose U.S. financial system is what led to the crisis in the first place.

"China has made some progress in transforming its economic growth model," a senior administration official said. The official was speaking on condition of anonymity.

The Chinese effort, he said, was "not intensive enough", despite the fact that even before the crisis hit hard last year, China had set out to restructure its economy by titling toward a consumption-driven and environment-friendly mode of development.

Still, the official conceded that "from what it has done in the past few months, China has shown willingness in implementing policies that bring about (economic structural) adjustment."

U.S. officials have also urged China to open wider to foreign direct investment while defending the U.S. government's barring of what it sees as "dubious" investments in the U.S. by Chinese enterprises citing "national security."

Economic balance and trade will form only a part of the SAED dialogue. It will include a wide range of other topics, including bilateral relations, regional security issues and climate change.

U.S. officials said issues related to Iran, the Democratic People's Republic of Korea, Afghanistan and Pakistan will also be discussed when officials from the two nations meet here in Washington.

China, for its part, is expected to demand that the U.S. stabilizes the value of the dollar so China's vast dollar assets, now US\$801.5 billion, would remain relatively safe, according to a Ministry of Finance official who spoke during an earlier press briefing in Beijing.

Given the tight schedule and weight of the topics, experts do not think substantial results are likely from the high-profile dialogue.

"I don't think there is going to emerge out of this discussion any major announcement of changes in policy," said Steven Dunaway, adjunct senior fellow for international economics at the Washington-based Council on Foreign Relations.

"If it's successful, it will be successful by opening up lines of communication and technical discussions, which hopefully will ... move things in the right direction," Dunaway said. (*China Daily*)



## China's Spring Airlines gets green light for int'l expansion

Spring Airlines, one of China's four major private carriers, confirmed on July 30 that the company was granted approval from the General Administration of Civil Aviation of China (CAAC) to operate certain international air routes. This makes Spring Airlines the second private firm allowed by CAAC to explore the international market.

Another private airline, East Star, based in central China's Wuhan City, won the approval two years ago, but the company was ordered by CAAC to suspend flights in March because of prolonged financial and management problems.

"We just got the approval. It still takes time to design specific routes, flight schedule and pricing. International business is a new field for us. We still need to study CAAC's regulation," said Wang Zhenghua, chairman of Spring Airlines. He said according to the approval, the company can explore the air market on short-distance routes linking China's mainland with Hong Kong, Macao and neighboring countries, like Japan, South Korea and Russia.

Spring Airlines, founded in 2005, became the third private airline in China, after Okay Airways and United Eagle Airlines. It now has a fleet of 13 Airbus 320 passenger jets, flying on some 30 domestic air routes.

Wang said the company has aimed to boast a fleet of 100 planes by 2015. "To reach the objective, we need huge a capital investment. The company is planning a stock listing on the Shanghai Stock Exchange next year," he said.

Zhang Qi, an aviation industry analyst with the Dongfang Securities, said by entering the international market, Spring Airlines can expand its business by taking advantage of booming tourism between Chinese mainland and the neighboring regions.

Spring Airlines chairman Wang said the company aims to be a low-cost air carrier to provide domestic passengers with more diversified choices on travel. "We will fill a niche market rather than competing with big airlines," he said. Spring Airlines' report in the first half year showed it handled 1.6 million passengers in the first six months, 40 percent more than the same period of last year. Its revenue during the period rose by 20 percent to reach RMB 894 million (US\$ 130 million). ([www.chinaview.cn](http://www.chinaview.cn))



## Cargoitalia operates first flight

Cargoitalia - Italy's new all-cargo carrier - has successfully performed its first commercial flight since its re-formation under new management and ownership. The flight took place just three days after the airline received its AOC.

The flight left Milan Malpensa on time on Saturday July 25th, bound for Hong Kong, carrying cargo on behalf of three major Italian forwarders. It returned to Milan with a technical stop at Almaty (Kazakhstan) on Monday July 27th.

Hong Kong has been chosen as the airline's second route, and will be operated from September using its second MD11SF aircraft, due for delivery within the next few weeks. Says Commercial Director Roberto Gilardoni: "Operationally, the flight went perfectly. Commercially, we achieved average 87% load factors both ways which is very gratifying, and an indication of the market's demand, enthusiasm and loyalty for an Italian-owned and operated service."

He continues: "To have operated our first flight so quickly and so successfully after a total re-launch is a major achievement given the enormous amount of preparations required, and thanks to the hard work and determination of our own staff, our contractors, our business partners and the authorities. We could not have asked for better support."

The new Cargoitalia is the result of amalgamating the original Cargoitalia (which suspended operations in 2008) with the recently-purchased Alitalia full cargo business. Cargoitalia's new owners are ALIS (Aerolinee Italiane S.p.A. - 66.7%) and Intesa SanPaolo (33.3%). ALIS in turn is owned by the family of Chairman and CEO Alcide Leali (62%), other private investors (8%), and Ricerca S.p.A. (Benetton), Selin S.p.A. (van den Heuvel) and Banca Intermobiliare, each having 10% stakes. (*Transportweekly*)

## TNT opens operations centre in Ho Chi Minh City

TNT, a provider of integrated express services, has officially opened its newly expanded and re-modelled International and Domestic Operations Centre in Ho Chi Minh City on July 29.

Located next to Tan Son Nhat International Airport, the 3,000-square-metres facility is said to feature state-of-the-art technology for freight processing, tracking and security.

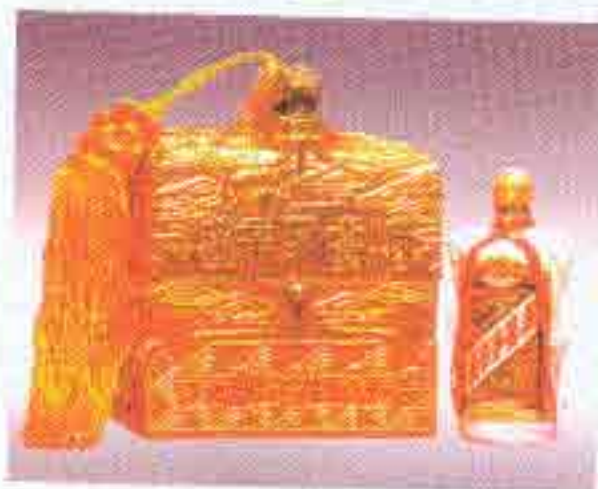
"By modernising and expanding the country's express and freight infrastructure, in tandem with the growth of Vietnam, TNT aims to take a key position in contributing to the support of important national trade and development goals," a TNT statement said.

Mark van Den Assem, country managing director of TNT Vietnam, said: "With the existing International and Domestic Operations Centre in Hanoi that opened in August last year, TNT's new Ho Chi Minh City International and Domestic Operations Centre possesses advanced freight processing technology and is designed to support and further develop Vietnam's potential by speeding up turnaround times, safety and reliability of goods. "The security features at this new hub are particularly important to ensure the safe transportation of high value goods such as luxury garments, microchips and machine components."

TNT's new International and Domestic Operations Centre in Ho Chi Minh City is described by the company as being the only commercial express and freight hub in Vietnam with in-house customs and a solid security system. The facility is said to possess the latest X-ray scanning machines, radio-frequency (RF) shipment tracking systems, automated weight and volume scanners, closed-circuit television (CCTV) surveillance, and alarm systems. This has earned the facility TAPA 'A' status. ([www.schednet.com](http://www.schednet.com))



# Moutai - The



### 汉帝茅台酒

绝世珍品

流香韵汉帝 世纪铸今朝

高升, 用百年珍藏的坤谷酒和优质精心勾兑而成, 经特  
三层的精华, 集五粮之精, 古法酿造, 兼存新法  
和与真质, 酒质极为纯净, 醇厚合理而富, 是欣赏  
收藏之佳品。

### 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 historical liquor, which is sealed in an imperial jade box so as to illustrate classical and luxurious or 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 treasure.



### 八十年陈年茅台酒

茅台至真

八十年前, 您掀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  
而今, 以1915年巴拿马万国博览会特等奖的  
老五加皮酒(五加皮)为原料, 集香、醇、甜、滑、  
香于一集, 是国酒之冠。

### 80-Year-Old Supreme Moutai

Warming Gull 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

五十年人生, 从成到  
五十年陈酿, 甘香醇  
同余, 清香正, 醇厚  
香郁, 老酒新  
久。

### 50-Year-Old Supreme

Aroma in Heaven  
Successful Experience  
Mellow Taste Proves

50-year preservation  
long-lasting fragrance  
Moutai

**G**uizhou 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 fine 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**

群相珍品

一段百事俱兴的岁月，一个意气风发的年轻

一杯三十年茅台，一片美好的憧憬

简介：三十年茅台，精工勾兑而成，酒香突出，层次分明，回味悠长，中外驰名持久。

**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，香气幽雅。

简介：十五年陈酿，精心勾兑而成，酒香突出，老熟醇厚，回味悠长，中外驰名持久。

**30-Year-Old Moutai**

High-Quality Drink

The life with 30-year experience is facing the full bloom. A cup of such 30-year old Moutai may not lose a promising future.

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

**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 6000 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.

# China's Overseas M&A in Global Economic Crisis

Han Kang

Overseas Merger and Acquisition (M&A) is not only the major means for the enterprises to expand rapidly and operate globally, but also the significant strategic tools for acquiring advanced technology from other companies and seizing the market and other resources. The sustaining growth of our economy provides an optimal environment, while the breakout of the global financial crisis creates opportunities for Chinese enterprises' cross-border M&G. Recently, whether it is the Chinalco confronting setbacks in investing Rio Tinto, Sichuan Tengzhong Heavy Industrial Machinery acquiring Hummer brand or two private companies intending to purchase Cardano, all aroused wide concern.

Our foreign investment in the form of M&A, at a momentum of a rapid growth, has risen from US\$200 million in 2002 up to US\$20.5 billion, accounting for 50% of the total foreign investment in the contemporary year. Among the involved industries, the resource and mechanic manufacturing are particularly outstanding. As the global financial crisis is turning into the crisis of the real economy, it brings opportunities for the enterprises to conduct overseas M&A. The opportunities are as follows.

First, it brings the opportunities for acquiring resources. The resource industry is always the place with high-rate concurrency of M&A. Amid the global economic recession, the outer world is generally optimistic about China maintaining rapid growth due to which the production and consumption in China are both confronting huge shortage in energy supply. Thus at the moment when the energy powers in Europe and America fell into economic stagnation and the energy-processing enterprises are impacted strongly, it is the good timing for Chinese energy enterprises to carry out M&A. Meanwhile, the large-sized energy enterprises in China are all state-owned and capital abundant with the qualification of carrying out large

scale overseas M&A. With the acquisition of overseas resource through purchasing the shares of existing mining companies for development, obtaining the mining right and managing independently, they could get stable resource supply for maintaining economic growth and strengthen China's bargaining power in the international energy market, and thus it is strategically important.

Second, it brings the opportunities for seizing the market. Against the backdrop of financial crisis, since many European and American enterprises were plunged in hot water and felt difficult to run out, the barriers for M&A were largely reduced, creating favorable timing for Chinese enterprises to open up the international market. The international market is increasingly significant for the enterprises in China. In order to expand rapidly at a low cost in the unfamiliar overseas market, Chinese enterprises must go global. One important access to overseas market is cross-border M&A, which could help the companies save the time for establishing plants, quickly acquire the ready production factors, completely gain the experience of the original enterprises and thus form forceful competitive edge to seize the market shares in the host countries.

Third, it brings opportunities for gaining new technologies. The financial crisis has been evolving into an economic crisis on a deeper level ever since the second half of 2008. Trapped in financial difficulties, some European and American technology leading companies were reduced to be the cheap preys of M&A. The reason is that the nature of the economic crisis has changed—the crisis has spread from the financial system to the real economy. As the real economy and the financial system are as close as lips and teeth, so if the financial system collapses, the real corporate entities would suffer the “power-down effect” and broken operation chain, which would provide Chinese enterprises with the opportunities for “activating



## FOCUS on

# Transnational Corporations and Global Economic Revival

Guo Yan

Till now, there are 79,000 transnational enterprises and 790,000 foreign branches all over the world. Having a foreign direct investment totaled US\$15 trillion, these transnational enterprises take a share of 40% in global production, 60% in trade, 70% in technology transfer and 90% in international direct investment. So, transnational enterprises are important driving forces for global economic growth, their global operation strategies are boosting the economic globalization, and their international investments are helping the economic globalization. Therefore, if the transnational enterprises can firstly overcome the economic crisis, they will lead the recovery and revitalization of global economy. In the recent sub-forum of Think Tank Summit hosted in Beijing, high-level government officials, senior executives from transnational enterprises and well-known economists from home and abroad had discussions on transnational enterprises and global economic revival, global M&A and global industrial consolidation, transnational enterprises and Chinese industrial revitalization, etc., under the theme of *Cooperation and Responsibility of Transnational Corporation against the World Economic Crisis*. On the closing ceremony, several leaders from Asia-Pacific chambers of commerce, including Mainland China, Hong Kong China, Japan and South Korea, together drafted *Beijing Initiative*, calling for against trade and investment protectionism.

### Leading the recovery: transnational enterprises drive global economic revitalization

In later 2008 and early 2009, cross-border direct investment and cross-border M&A showed global decline. According to the statistics from United Nations Conference on Trade and Development (UNCTD), in the first quarter of 2009, global cross-border direct investment decreased by 54% from a year ago, and global M&A down by 77%. Zhan Xiaoning, director of UNCTD Investment and Corporation Department, said: "Transnational M&A in 2009 is estimated to decrease by 60% or so, including those in developed countries down by 70%, and those in developing economies down by about 30%." Zhang Xiaoqiang, vice director of National Development and Reform Commission, pointed out that, to deal with the crisis, many countries are facing increasing pressure from deficient after carrying out large-scale economic stimulus fiscal expenditures, leaving limited room for further expanding policies. So, the economic recovery will be more dependent on improving corporate confidence, increasing transnational investments, and on the drive of transnational enterprises.

Though the financial crisis affects transnational enterprises greatly, these companies advance most quickly, and they are the real important carriers for global economic communication. Till now, they can and already have played the role of stabilizing the economy and dealing with the crisis. Meanwhile, many transnational companies have adjusted their strategies, including regional strategy and business strategy. In the future, the transnational enterprises will continue its positive influence to sustainable development. For example, CISCO is still carrying out the four-year US\$16 billion investment plan, and Novartis plans to construct the largest overseas R&D Center in China, with an investment of more than US\$1.0 billion. Warner Gessler, vice board chairman of P&G, introduced the four basic points to defeat the crisis, referring to outstanding brands, consumer value, innovation and focusing the costs and benefits. Among these brands of P&G, 44 brands contribute more than 85% of the

sale income and 90% of the profits. P&G focuses on innovation, with investments in this filed top US\$2.2 billion. The effective cost control provides P&G a high speed development. Transnational enterprises still are important driving forces for global economic revitalization.

### Cooperation and win-win in multinational companies M&As

Transnational M&A has a profound influence on international capital flow, also to the process, structure and direction of global industrial restructuring. Since 1990s, with the deepening economic globalization, transnational M&A has made a wave around the world. In 2007, among the US\$1.833 trillion of transnational investment, US\$1.637 trillion were for M&A. In the past 30 years, transnational companies invested US\$0.9 trillion in China, boosting local economic growth. Domestic companies criticized the M&A by foreign capitals, as they may put national economy in danger. Meanwhile, M&A of oversea companies by Chinese enterprises often face resistances. Wang Zhile, Director of Research Center of Ministry of Commerce and New Century Transnational Research Institute, commented that the transnational M&A should be given a correct comment in the background of economic globalization. We should prevent the protectionism and then boost the transnational M&A and industrial revitalization. The financial crisis brings a new chance for global M&A and global industrial consolidation.

Vice Minister of Commerce, Jiang Yaoping, said, since China entered WTO, China becomes opener, and the foreign capitals' M&A in China is active, with more investments made in M&A. according to the statistics, from 2004 to the end of 2008, 4,883 cases for foreign capitals to merge and acquire Chinese companies were approved. And Chinese companies also begin to prefer M&A for oversea investments. For example, Lenovo purchased the personal computer business of IBM, and Changsha ZOOMLION Heavy Industry Science acquired CIF of Italy. But compared with the global trend in transnational M&A, Chinese companies haven't done many transnational M&As yet. During the five years from 2004 to 2008, the transnational M&As by Chinese enterprises only involved an amount of less than US\$7 billion, and the amount for M&A with companies in China takes less than 3% of the total foreign investments, with the investment for each M&A project averaged US\$1.40 million, meaning that

the foreign M&A in China is still relatively lagged, but also meaning great potential.

### Transnational companies and Chinese industrial revitalization

The current financial crisis brings a never-seen-before opportunity for global companies, especially those Chinese companies. With a series of economy-stimulus policies, China keeps its attractiveness to transnational enterprises, though investments in other parts of the world decrease. According to Department of Foreign Investment Administration of Ministry

of Commerce, the foreign-invested enterprises in China totaled 670,000 till May 2009, and the practical utilization of foreign capital reached US\$889.5 billion, which has become an important part of Chinese economy. Till the end of last year, the operational foreign capital companies totaled 290,000, taking no more than 3% of the whole. However, these companies contribute 29.7% of the total production value, 21% of the tax (excluding customs tax and land fees), 55.3% of the import and export (80% of the high-tech products for exports), while provide positions for 45

million people.

Whether the economy-stimulus policies benefit foreign companies and private companies raised everyone's concern, and Siemens and Intel gave a positive attitude, and they promised to make further investments to enjoy the favorite policies. To realize an economic recovery, many countries introduced measures of protectionism, like "Buy American" policy in USA, but all these policies treat products by local foreign-invested enterprises as domestic-made products, Mr. Wang Zhile stressed. ©

## Opinion:

### M&A in the governments' eye

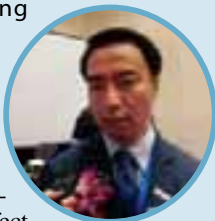
● Zhang Xiaoqiang, vice director of National Development and Reform Commission

Since last November, China has had a foreign trade keeping on declining for more than 8 months, with the foreign trade value in the first five months of 2009 decrease by 24.7% from a year ago. To stabilize foreign trade, we issued a series of policies, including lifting the export tax rebate rate, helping the financing of foreign trade companies, and so on. Meanwhile, we extend the catalogue for encouraging industries in Midwest China for foreign investments. So, in this way, it is a good time for transnational companies to make investments in Midwest now. Besides, the government will further decentralize the authority of giving approval to foreign investments and deepen the reform on administrative mechanism, to make investments more convenient. According to him, policies to full play transnational companies' role in economic revitalization include expanding the investments and the demand, meaning the government will make more RMB 4 trillion investments, amounting to 13% of the GDP in China in 2008. And, the investments will follow the principle of open, fair and transparent, meaning the transnational companies will be given equal chances.

### Experts: the investment is more active in later half of 2009

● Nung Chi Norman SZE, Managing Partner Consulting of Deloitte China

The investments in later half of 2009 and 2010 may be active, though no better than that in 2007 and first half of 2008. According to their survey and analysis, manufacturing industry and the related, resource related and finance, might have opportunities for investments, due to the IPO, the effect of 4-trillion-RMB investment plan and so on. The inland revenue ordinance for Chinese corporate M&A issued earlier. It will be helpful to boost the M&A. He suggested that, facing current environment, companies are advised to make investments as follows: a). make a careful investigation to the culture of the M&A target, and do communication and plans for the differences; b). make detailed M&A plan before the deal, and think about the post M&A, and make sure the benefits of M&A show soon; c). communicate with all interest-related parties, the government, the investor, partners, etc.; d). pressure testing. Cultural factors should be considered for an M&A.



### Private companies' success in M&A

● John Wan, CEO Assistant from Changsha Zoomlion Heavy Industry Science & Technology Development Co., Ltd



As a leading private company, Changsha ZOOMLION Heavy Industry Science purchased CIF of Italy, making it the biggest M&A case in Chinese engineering machinery industry. CIFA (former CIF) had a sale income in the second quarter 50% higher than that in the previous quarter and makes profits since May, while many well-known manufacturing companies in Europe stop production.

In fact, the company has succeeded in a series of M&As since 2003, including Puyuan in 2003 (the company had an operating income 7.5 times of that in 2003 and profit 96.9 times), Hunan Sawing in 2003 (operating income and profit in 2008 up by 2.7 times and 5.6 times from those in 2003), and Zhongbiaoshiye (cost RMB 127 million, but now contribute profits of about RMB 200 million a year).

The successful M&As of the company are attributed to the long time communication with the target before the deal and a deep understanding of the culture, R&D ability, sale and operation management, etc, which would make preparation for the integration. These successful experiences are what we should learn. And, with these successful M&A, Zoomlion is approaching its target of being one of the top five companies in the world in engineering machinery industry.

### Multinational enterprises favor Chinese market

● Richard HAUSMANN, CEO Siemens North East Asia, President and CEO Siemens of China

4-trillion-RMB economy stimulus plan provides a good chance, especially for transnational enterprises, as they can be helpful in dealing with urbanization, environmental protection, aging population and other problems the Chinese government is facing. We think that the focus of global economy will move to Asia, especially China. China plays a strategic role to us, and we are glad to see that the economy stimulating plan works, as it will help the economic recovery in China. Meanwhile transnational companies like us can help to realize the economic recovery in China, especially this critical moment, as they are an important part. This year we will make more investments amounting to RMB 1.35 billion, mainly for energy equipments manufacturing.

# Chinese M&A, Opportunities & Risks

Tang Jintao

Recently, the cases of Chinese enterprises' merger and acquisition are emerging in multitude. It is believed that M&A will provide opportunities for China enterprises to go global and act in the global economic environment. China enterprises also want high margin profits that are accessible in Western Europe and North America. Judging from the current situation, many companies are not short of money, the banks can also provide a large-scale lending for Chinese companies' overseas M&A. So, the overseas M&A is feasible in the current circumstance. .

## M & A integration, supporting the private enterprises to go out

After three decades of reform and opening up, China's economy has become more open to the world. It is a very export-oriented economy. But there is an embarrassing situation that the Chinese enterprises are at the middle of the industrial chain end in terms of the international division of labor. The upper end of the chain is the research and development, the middle of the chain is the processing and assembly and the lower end of the chain is sales. In the future, China must arrange the industrial chains in a reasonable manner. The international financial crisis will reduce the cost, risk and the resistance for the acquisition.

The current wave of mergers and acquisitions is an essential phenomenon in the international financial crisis. In the long term, China's economy faces one of the major challenges – environmental resources. We need master the pricing of resources and the right to negotiate. With the developing of our economy, China must strengthen the huge foreign exchange reserves to ensure the security and the diversity of the exchange. All in all, Chinese enterprises must go out.

In the process of going out, many M&A failed due to their state-owned enterprises background. So the government should give more support in terms of policy to encourage enterprises to go out. Not only the state-owned enterprises, but also the private enterprises need the policies to facilitate the acquisition and financing. At present, the most important large-scale enterprises with matured management experience are all state-owned ones. Therefore, how to strengthen the private sectors is compelling. For this issue not resolved, the cross-border M&A can use the system in Hong Kong to look for financial support.

Also, with the financial crisis, the commodity prices have fallen sharply and the Chinese must seize the favorable opportunity to carry out the fundamental constructions. For example, the Brent oil prices in July 2008 was US\$ 145.39 per barrel, but now it fell by about 70%; while London copper declined from US\$8,985/t to US\$3,291/t in February this year. And the other major metals' prices have also fell in a large scale. Though this sharp fall in commodity prices in China pose a threat to business, it yet provides excellent opportunities for Chinese enterprises' overseas acquisition. Overseas M&A at this time not only can solve the pressing problems, but it can also largely save the cost for Chinese enterprises' acquisition.

These mergers and acquisitions of Chinese companies not only bring flowers and applause, but also bring a lot of problems that need to be solved. Another thing to be noted is the operation after M&A and the value evaluation for M&A.

**Lenovo acquisition IBM PC:** Change is still continuing

**Acquirer:** Lenovo Group

**Acquired:** IBM PC branch

**Acquisition time:** 8th December, 2004

**Price:** 1.75 billion U.S. dollars

**The situation of the integration :** At the beginning, the integration is very successful but currently the negative effects of the M&A began to emerge which led to a loss of Lenovo in 2008 to some extent. In November 2008, Lenovo handed in the worst financial report since its takeover of IBM PC. Lenovo's profit was only US\$23.3 million U.S. dollars in the second quarter in the fiscal year of 2008, a decrease of 78.1% compared with the same period last year. Meanwhile, the situation continues to deteriorate. On February 5, 2009, Lenovo announced its third quarter performance of 2008 had a net loss of US\$97 million. At the same time, Lenovo sales is mainly placed in China and it entered the market abroad too late. So it lacks the ability to expand PC business. It must take pains to improve its business in the increasingly shrinking market for commercial computers. It is worth mentioning that the Lenovo acquisition of the initial integration IBM PC business is successful. Only for half a year, Lenovo had changed the situation that the IBM's PC branch suffering loss.. Nevertheless, in subsequent days, it is not easy to handle the issues caused by regional and cultural differences after the M&A.

M&A encourages Lenovo to focus on the field of commercial computers such as the ThinkPad brand. In accordance with the original IBM design, ThinkPad specifically aims at the high-end business aircraft market. However, actually Lenovo ThinkPad strategy attracted low-end business users most, and it enhanced sales performance in the short term with this strategy. Lenovo ThinkPad impaired the brand value and lost its advantage in the high-end market. State securities did a survey in Hong Kong and found that businessmen are less and less favor of the ThinkPad as the business notebooks from 2007. Lenovo considered more about the price competitiveness of products than concentrating on the use of differentiation strategy to increase value-added products. Because of the financial crisis, the small and medium-sized business customers made more cost-cutting, while Lenovo also lost its edge in the high-end business, which has aggravated Lenovo crisis seriously.

All in all, China has a lot of merits itself such as the huge demand, the healthy financial system and lower commodity prices. These advantages indicate that it's the good opportunity to conduct investment and procurement. This will help overseas enterprises to improve the financial situation of being trapped and to buffer the worsening global economy; post-M&A operations are also needed to be concerned though. ©

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



# 全球海运峰会

## Global Shipping Summit

### 在大裂变中聚和

Splitting Discovering Consolidating

时间: 2009年10月23日-24日      Date: 23rd-24th, October, 2009

地点: 中国·大连      Venue: Dalian China

主办单位: 中国国际海运网      Organizer: Shippingchina.com

**联合主办单位:**

法国勒阿弗尔大区经济发展委员会

MTG 货代联盟

国际多式联运协会

**Co-Organizer:**

Le Havre Region Development Agency

Multimodal Transport Group

International Multimodal Transport Association

**特别支持单位:**

大连市政府

**Special Supporter:**

Dalian People's Municipality

**全球海运峰会组委会**

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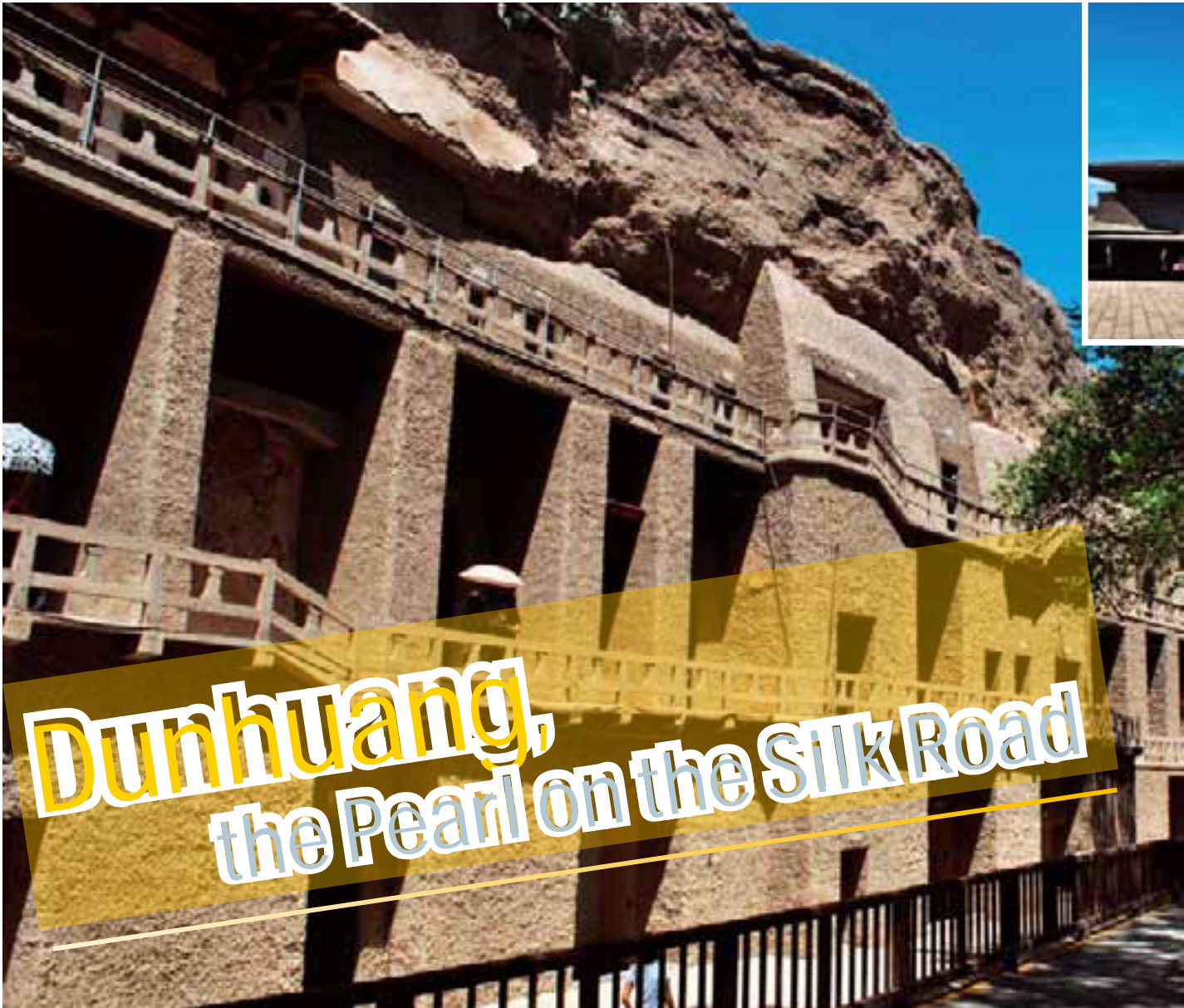
**Global Shipping Summit Committee**

Organizer: Shippingchina.com

Tel: 86-411-82804681 / 82817405

Fax: 86-411-82819612

E-mail: gss2009@shippingchina.com.cn



## Dunhuang, the Pearl on the Silk Road

**T**he national, historical city of Dunhuang is a renowned tourist city famous for the Mogao Caves. It is situated in the common boundary of Gansu Province, Qinghai Province and Xinjiang Province, northwest China.

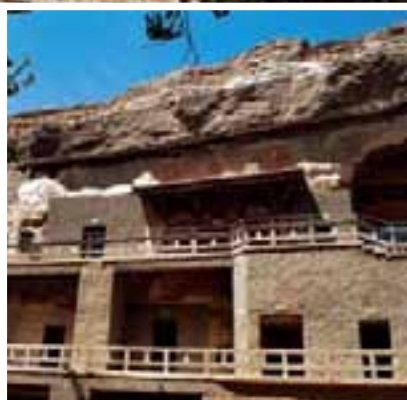
Dunhuang, long ago referred to as “Sha Zhou” (beautiful desert oasis), was the hub of middle and eastern silk routes in ancient times. The city landmark is an attractive statue, the idea of which comes from the mural in Mogao Caves, a shrine to the culture and arts of Dunhuang.

Dunhuang City, a shiny pearl on the Silk Road, opens her arms to welcome tourists from all over the world.

### History

The city was founded by Emperor Wudi of the Han dynasty in 111 BC at the cross roads of two trading routes on the Silk Road, and the name “Dunhuang”, meaning to “to flourish and prosper”, gives some indication of the town's prominence in ancient China.

In ancient times, Dunhuang was the center of trade between China and its western neighbors. At that time, it was the most westerly frontier military garrison in China. With the flourishing of trade along the Silk Road, Dunhuang was prompted to become the most open area in international trade in Chinese history. It provided the only access westward for the Chinese Empire and eastward for western nationalities.



## Tips

Ticket for Mogao Cave in busy season: RMB 160



## Attraction

Today, as a reminder of this historical area, we are left with the Mogao Caves, Yangguan Pass, Yumenguan Pass and many wonderful Chinese poems depicting the time. Although what remains of the two Passes are crumbling walls, one can still experience the atmosphere of that time while visiting in person.

### ■ Mogao Caves

Located 25 kilometers southeast of Dunhuang, Mogao Caves is regarded as the premier Buddhist spot in China, perhaps in the whole world. It is a UNESCO World Heritage Site filled with exquisite Buddhist art and manuscripts.

The artistic features of the treasured Buddhist murals represent perfectly the artistic style of the Northern Wei (386-543), Sui (581-618) and Tang (618-907) dynasties through the combination of the architecture, statues and murals in the caves. Presently, there are about ten caves and two exhibition centers open to the public, occasionally more during public holidays.

Although the city had an early connection with Buddhism due to the passage of monks traveling the Silk Road, it was not until a monk had a vision of a thousand Buddhas above the desert at Dunhuang in 4th century that the famous caves were excavated and filled with the manuscripts and treasures.

Nearby is the White Horse Pagoda, built by a monk from India in honor of his horse, which died in the process of bringing the monk to China. It is not possible to tour the caves on your own and all visitors are assigned to different guides (included in the ticket price). The tour takes about three hours and only few of the many caves will be allowed to visit.

Travelers are not allowed to take cameras into the caves. And the staff here will divide people into groups, and allocate one guide to each group.

Each guide is equipped with a microphone, and the group member could hear his words from the headphones, successfully avoid other groups' interruption.

Each cave inside has special instrument to detect the amount of carbon dioxide inside the, if too many tourists resulting in excessive concentrations of carbon dioxide, the cave will be closed immediately, and tour guides will lead on to see another cave.

### ■ Echoing-Sand Mountain

Five kilometers south of Dunhuang

City, Echoing-Sand Mountain is the accumulation of years of sand in the size of rice. Each time the wind blows, there is a sound from the mountain and when there is a breeze, the sound is like musical instruments, hence the name. The most marvelous experience is when after climbing to the top, although quite strenuous, one can slide down to the foot of the mountain, a wonderfully amusing experience!

### ■ Crescent Lake

Five kilometers southwest of Dunhuang, the Crescent Lake lies in the arms of Echoing-Sand Mountain, appearing clear and beautiful. The lake is crescent-shaped, hence the name. It's surrounded by quicksand. Although it's quite windy sometimes, the lake has never been covered by the sand. It's really a marvelous spectacle in the desert.

### ■ Yangguan Pass

Located 70 kilometers (about 43.5 miles) southwest of Dunhuang, the Yangguan Pass is the gateway to the south western region on the way to the Silk Road. The beacon tower is all that remains of the Pass. Near the Yangguan Pass is Nanhu, a local grape producing area and Grape Gallery. Tourists can sit on the stone benches, sample the sweet grapes and wander through the gallery to learn about local folk-customs.

### ■ Yumenguan Pass

Situated 90 kilometers (about 55.9 miles) northwest of Dunhuang City, the Yumen Pass was an important gateway to the western region in ancient times. Yumen Pass, Hecang Town and Han Great Wall (Han Dynasty), are the major sights in this area. Since the Yangguan Pass and the Yumen Pass are a distance from Dunhuang, one can have a feel for the desolation of western China. Yangguan Pass is relatively closer to the city and a comparatively smoother ride.

## Nightlife

The nightlife with obvious local characteristics is colorful in Dunhuang City. However, there are not many sparkling bars, discos or clubs, etc. but the night markets are the main attractions here. Tour in China, even the world cannot miss these bustling, vibrant places in Dunhuang City.

### ■ Dunhuang Musicians and Dancers

In ancient times, Dunhuang was a melting pot for both song and dance of western and eastern cultures and developed a school all its own, the



Dunhuang Folk Musicians and Dancers. After the arrangement of the Feitian Song and Dance Group of the Dunhuang Hotel, the programs well represent the rich Dunhuang cultural atmosphere and takes you back to the scene of the prosperous Tang Dynasty (618-907).

#### ■ Summer of Dunhuang

This is a large song and dance performance with rich cultural references to the Silk Road, reflected in the ethnic art of song and dance. The performance, inspired by the content of murals in the Mogao Caves, portrays the dancing, finery and music of ethnic groups along the Silk Road.

From June to October, tourists can experience these performances on the second floor of south building (Conference Center) of Dunhuang Hotel (Address: No. 14 in East Yangguan Rd.), from 20:00 to 21:10.

#### ■ Dunhuang Night market - Shazhou Market

It is an ideal place to learn about Dunhuang folk-customs and life. The market, divided into several areas, includes snacks, art ware, Sanpaotai (a kind of drinking vessel with a small plate, a cup and lid. Now the name of a special tea made with sugar candy, longan, Chinese date, medlar and currant.), Tea House area and a special ethnic products area etc. Tourists can browse at your leisure. There are also local opera street shows performed by amateurs - entertaining and fun.

■ With the long hours of daylight, tourists still have enough time to visit Echoing-Sand Mountain after supper. There are many entertainments and thrills for you to experience, including camel riding, climbing the mountain, sand sliding and parachute jumping.

#### Eating around

Located in Western China and bordering Xinjiang Province, Dunhuang's cuisine is influenced much by the nomads, Grilled Mutton being the most popular dish in both restaurants and hotels in this vibrant city.

The cultural taste of Dunhuang dining though is far deeper. They draw on four distinct catering styles: the Awe-inspiring Han Dynasty (206BC-220) (primarily barbecue based), the Atmospheric Tang Dynasty (618-907) (mouthwatering, aromatic and visual perfection), the modern New Wave of Dunhuang (stressed in the special appearance of the dishes), and the Various Snacks from Street vendors, local flavors that will satisfy any





### Tips

Three Treasures of Anxi – Suoyang Wine, Guazhou Melon and Shuangta Fish, are the source of Anxi dining culture. Tourists should try them; otherwise your Dunhuang trip can't be called a complete one.

tourists' hunger pangs.

Shazhou Night Market on Yangguan East Road is the best place to try these local flavors, such as the well-known Lanzhou Lamian.

The local snacks are also attractive; here we have some recommended local flavors with simple introduction.

#### ■ Fry Oil Cake

Stuffed sugar candy, rose-essence, walnut and sesame in an oil flour skin that are rounded, and then fried. The cake tastes fragrant, sweet and crisp.

#### ■ Yellow Noodles

It is a kind of Lamian (dough stretched to form fine noodles). Yellow Noodles look like golden threads, tastes delicious and have a soft texture. They can be added to soups, or mixed with cooked vegetable dishes, and being savoury, makes a good appetitive. From the vivid painting in the Mogao Caves, we may know Lamian is a traditional food with long history.

#### ■ Niang Pi Zi

It is a kind of traditional popular fast food that is both a little spicy and vinegary. It is similar to the tasteful



Liang Pi of Xian.

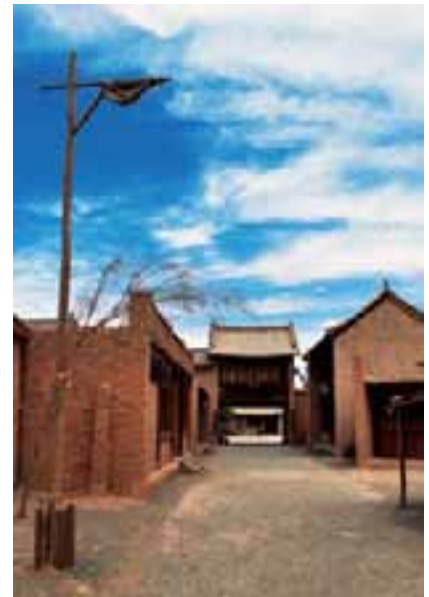
#### ■ Apricot Peel Water

It is a popular drink in Dunhuang City, with a sweet and sour taste like syrup of Plum. It is the cooled boiling water of dry apricot, which is very refreshing, especially for tourists.

### Best time for visiting

Dunhuang City, situated in the north of the Province is land locked, and surrounded by high mountains, its great distance from the moist sea breezes helped form its arid continental climate. The annual average temperature is 9.3C (48.74F), but ranges from 24.7C (76.46F) in July to -9.3C (15.26F) in January.

Dunhuang is fervent in summer and bitterly cold in winter with precipitation outstripped by evaporation. Winter is biting cold season and is not suitable for traveling. March to October is suitable for visiting, with May to September offering the most clement weather, especially for visiting the caves, as there are no lighting facilities inside but the sunshine perfuse the caves with radiance at this time.☺



### Tips

The fluctuation in temperature between day and night suggest tourists should bring a warm, winter clothing for use in the morning and evening. Other essentials are sunglasses, caps, sunscreen and gauze-kerchiefs. The air here is extremely dry in most of the time for the frequent wind. Lip balm is thus highly recommended. It is necessary to have enough water and fruits every day here.

# Investment Projects in Western CHINA

## Property Right Exchange Sector

### I. Project Name

Property Rights Exchange Project of Yan'an Thermo-electric Plant

### II. Project Implementation Agency

Yan'an Thermo-electric Plant

### III. Project Description

Thermo-electric plant now has three sets of 12 MW generation expansion of steam turbine, matched with four 75t/h medium pressure coil boilers. The heat supply capacity is 2.2 million m<sup>2</sup> and annual generating capacity is 216 million KWH. It is planned to find partner to transfer the property right.

### IV. Total Investment and Cooperation Form

Cooperation form: property rights transfer, cooperation, sole investment, stock system or TOT.

**Contact Person:** Yu Yanyu

**Telephone:** 86-911-2312788, 15809110029

### I. Project Name

Assets Reorganization of Shaanxi Xifeng Wine Co., Ltd.

### II. Project Implementation Agency

The year of 1956 witnessed the foundation of Shaanxi Xifeng Wine Plant. Combined with other social corporations, Shaanxi Xifeng Wine Co., Ltd was founded in October 1999 with net operating assets of Xifeng Wine Plant as core. After half century's effort, Xifeng Enterprise has become a large sized state-owned enterprise, the largest national famous wine manufacturer in Northwest Region and one of the big enterprises of Shaanxi province in tax contribution. Now, it has a covered area of 502,000 m<sup>2</sup>, total assets of RMB 870 million and can produce over 50,000 tons of high quality wine a year.

### III. Project Description

It is planned to create Xifeng enterprise group with RMB 10 billion by attracting powerful investors through stock rights transfer and diversification. Now

it is planned to attract over 3 strategic investors to establish new company by capital increasing. The strategic investors must participate in the stock company by cash. All management income except the income of trademark will go to the new company.

The new company insists the principle that the registration address, owner and brand are not changed, ensuring the state share occupying the first stockholder position.

### IV. Cooperation Form

The stock participation shall be done by cash and the financing volume is RMB 1 billion. The recruitment shall be made in the form of "capital and stock increase with premium" in public. According to the value increase of wine and price-earning ratio of the enterprise, premium of each share is RMB 5. The ownership of trademark of "Xifeng" is left to Xifeng Wine Plant of Shaanxi Province temporarily. The new company shall pay the usage fee of trademark to the Xifeng Wine Plant. When the sales income reaches RMB 5 billion (including RMB 5 billion), the ownership of trademark shall be transferred to the new company with no charge.

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**Address:** Liulin Township, Fengxiang County, Shaanxi Province 721406

**E-mail:** sxxfj@vip.163.com

### I. Project Name

Industry Cooperation Project of Hanzhong Tool Casting & Forging Plant

### II. Project Implementation Agency

Hanzhong State-owned Assets Supervision and Administration Commission, Shaanxi Province

### III. Project Description

Situated in Zongying Township, Hantai District, Hanzhong City, Hanzhong Tool Casting & Forging Plant, 13km away from Hanzhong urban area, enjoys convenient traffic. Founded in 1966, it is a key enterprise in machine tool industry which is built during the period of the "3rd Five-year Plan", belonging to the Ministry of Electronics of China. It covers an area of 359,000 m<sup>2</sup>, of which construction area for production is 50,000 m<sup>2</sup> and construction area for supporting facilities is 43,000 m<sup>2</sup>. It has more than 130 sets of main equipment. The preliminary designed capacity is: casting parts of 5,600 tons, forging parts of 540 tons and nonferrous parts of 100 tons a year. The leading products focus on large scale precision casting and forging parts. The plant has the capability to produce all kinds of casting and forging parts as well as nodular cast iron and special casting and forging parts featuring antifric-tion, heatproof and corrosion proof in such specification as 6 meters long and 10 tons weight. Meanwhile, it also can produce nonferrous alloys, copper-clad covered iron and steel sheathed parts in-layed with copper and forging steel parts under 200kg and various high-precision lapping plate and photosphere of friction ball. Now, it has 650 workers, of which 87 are technicians. Now it is planned to seek for partner for cooperation in the cooperation form of merger, purchase, lease and investment, etc.

**Contact Person:** Jia Biqing

**Telephone:** 86-916-20266001

### I. Project Name

Stock System Reform Project of Yan'an Changtai Pharmaceutical Co., Ltd

### II. Project Implementation Agency

Yan'an Changtai Pharmaceutical Co., Ltd

# What's Behind the Hype of Decoupling?

Luo Yang, Xi Huajie

## The meaning of decoupling

“You either believe in decoupling or globalization — but not both”, said Stephen Roach, an economist at Morgan Stanley. AND “you can have both decoupling and globalization at the same time”, said an article in *The Economist*. How diffusing about the meaning of decoupling especially in the context of international finance crisis in which the developed countries can't hold the world together while the developing countries play a more increasing role in the arena of international affairs! We can get a clearer look if we go back to see what happened in the past thirty years. The global economic landscape has shifted dramatically since the mid-1980s. There are two phenomena which attracted our attention. First, with the cost-downing and demand-increasing, there has been a rapid increase in international trade and financial linkages across national countries. Second, emerging economies have increasingly become major players in the world and they now account for about a quarter of world economic output every year and a more major driver of global growth due to industrial economies' slowing economic development.

These important developments, along with the imminent U.S. recession and concerns about its international spill-over effects in the past two years as the financial crisis deepening, have generated a vigorous international debate about changes in the patterns of international business cycle co-movement whether the developing countries can de-coup from their dependence on the developed countries and have their own economic models and business cycles. That is the original source and definition of decoupling.

Meanwhile, the conventional wisdom suggests that the forces of globalization in recent decades have increased cross-border economic interdependence between industrial economies and developing countries and led to convergence

of business cycle fluctuations of the world as a whole. Theoretically, greater openness to international trade and financial flows should make economies more sensitive to external shocks and increase co-movement in response to global fluctuations by widening the channels for these shocks and fluctuations to spill over across countries and become an international co-movement. That's why the developing countries can't de-coup from their dependence on the developed countries but be coupled more heavily in the global economy and have the same business cycles as developed countries. Many developing countries, especially the BRICs (Brazil, Russia, India and China), suffered heavily in the international crisis. Chinese exports in the first half of this year were 21.8% lower than they had been a year earlier. In Brazil, though GDP grew faster than the Latin American average, it fell slightly in the first quarter. Dragged down by plunging oil prices last year, Russia's economy shrank by 9.5% in the first quarter, the worst performance in the G20 after Japan.

Now, let's go back to last fall when the collapse of Lehman Brothers which once was one of the famous five investment banks in the world. What happened after collapse of Lehman Brothers, especially the sharply down of international trade which hit the emerging markets heavily and the ensuing stock market crash of the world, seemed that decoupling was dead and no one can de-coup itself from the world in the context of deepening globalization. Faced with the scandals emerged in the current financial crisis, the notion of decoupling suffered a severe setback.

However, in recent years the impressive economic growth of emerging market economies, especially China or BRICs as a whole in the past decades, seems to have been unaffected or less affected by the economic ups-and-downs of a number of industrial countries in the past thirty years, especially slowdown or recession of American and European Union hit heav-

ily by the financial crisis. The developing countries accounted for 45% of world output at purchasing power parities in 2008 while their share was only 36% in 2000. And especially the share of the BRICs leapt sharply from 16% to 22% in such the same period. Totally speaking, almost 60% of all the increase in world output that occurred in 2000-2008 happened in developing countries and half of it took place in the BRICs alone.

According to IMF, advanced economies will contract 3.8% in 2009 while emerging economies are expected to post 1.6% growth this year. And in recent months, many international investors are flocking to emerging markets, which have beat those in developed countries by nearly 50% in the past six months. All what happened have led to question about the potency of developing countries de-coup from their dependence on the developed countries and the channels of the international channels of business cycle transmission from the industrial countries to developing countries in a more academic way.

Generally speaking, these two seemingly conflicting views, decoupling or coupling of cross-border interdependence and decoupling or globalization of the way of developing countries into the world. In other words, both have some concrete data foundation and hold on in some way. But these views have very different policy implications for the evolution of global economy and national economy, especially for China under economic structure upgrading and transformation from exporting-endriven economic development to domestic-endriven development. In our opinion, China can learn much more from the debate of decoupling.

## Policy implications for China: back to basics and balancing

Firstly, the logic and correctness of coupling means that China may maintain strong economic growth as it did in the past thirty years only through much more openness to the outside world and more



deepening-share from the comparative advantages in the international market. In other words, coupling means that the world as a whole, including emerging economies and industrial countries, can get make use of division of labor and resource endowment and so get a faster development. China and many other developing countries may get much more part with the vast gap of their economic development and their potentials under the context of globalization and stimulate specialization of production through the reallocation of capital in a manner consistent with comparative advantage.

In past two years, the world suffered heavily from the financial crisis with the unprecedented economic slow-down. Many countries, especially the industrial economies, hit by the crackdown of financial giants. With the sharp contractions in trade volumes evident in recent months, some countries resort to trade protectionism. According to the World Bank's monitoring list of trade and trade-related measures, the several countries, including 17 of the G 20, have implemented 47 measures whose effect is to restrict trade at the expense of other countries. And the trend in trade protection is up and the full effects recession have not yet been felt because of the prevalence of non-tariff border measures, subsidies and contingent. But the coupling tells us that those policies can't make sense because of their beggar-thy-neighbor behaviors. So, China and many other countries should work together to fight the trade protectionism to drive the world back to basics and the normal way.

Secondly, decoupling has its own logic and specific implications for China. The theory of decoupling tells us that emerging markets have decoupled from industrial economies, have their own developing characteristics and may be insulated from the global shocks. With the reforming and opening up for thirty years, China has achieved impressive economic progress and developed its own economic model.

On one hand, China has its own economic fluctuation and business cycles in the past thirty years, so the macro-economic policies of China should focus on its own problems and reforming. The main developing problem is the unbalancing structure: the unbalance of economic structure, the unbalance of eastern and western developing gap, the unbalance of economic demand and environmental protection, and so on. Decoupling means that we should maintain the sustainable development through backing to basics and deepening our own reforming, especially carrying out the reforming of the government and economic monopoly.

On the other hand, the vast domestic demand and great markets and huge developing potentials provide China much opportunity to decouple more and deeper from too heavily dependence on the demand of external demand and to drive back to the balancing developing model of external and domestic demand. No one, except China, has such large under-developing markets. In the past two years, China suffered heavily from its over-relying on the demand of industrial economies. Decoupling tells us it's wise for China to focus on domestic development and economic structure as a means of boosting economic growth this year and in the future, especially through the great economic boosting program under way. ☉

(The views expressed here are only those of the authors. Authors: from Haikou Central Branch, People's Bank of China)

## Real Spiritual Home in Guangzhou

Alice Yang

**M**y *Spiritual Home* is a best-seller book title of a Chinese famous writer in late last century, Wang Xiaobo, firstly published in 1997. Few years later, a group of people who insisted on realizing this dream gathered in Guangzhou, and built up a wonderland in their minds there. Through 9 years of efforts, they cheerfully launched their uneasy fruits into the market: "Spiritual Home to Chinese Entrepreneurs" as they claimed to be, in the form of real estate.

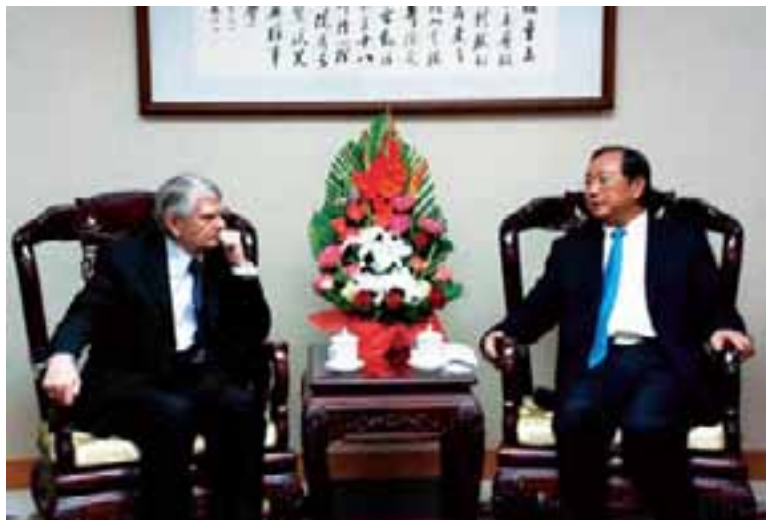
On July 25, the long time consuming project, Yihe Summer Palace Golf Chateau, was unveiled to the public at its birth place, by the beautiful Nanhu Lake and Baiyun Mountain in Guangzhou, capital city of Guangdong province, the most vigorous region in southern China. Guangzhou Yihe Group, a local real estate developer but with more than 20 fully-invested and holding enterprises, is the builder of the Chateau. Zhao Yongshuang, its young vice president, also a typical Beijinger however served for Yihe for 8 years in Guangzhou, mentioned on the launching ceremony, "Demands for more classic and luxurious living style are notably growing here, especially among the freshly-become rich. To realize their dream is our dream." The project launched 300 sets of villa in all, and according to Zhao, 60 percent of them will be possessed and operated by Yihe Group itself, and only 40 percent is for real transaction.

Living in a peaceful place surrounded by a 171-hectare golf course, 1.5 km<sup>2</sup> lake water, and 15 km<sup>2</sup> forest park, it seems like an indeed ideal home for mental relax. However, it certainly only opens door to a very limited size of elites, who stand at the needle point of the top of Chinese society pyramid. A record of selling price of RMB 200 million (about US\$29.3 million) for one set of Yihe villa is surely a good proof. In fact, in the downtown of Guangzhou, the average housing price was RMB 9,676 (US\$1,417) per square meter this June, the highest since last December, which is already relatively high price in common wage-earners' eyes. However, "compared with the villa price in Beijing, Shanghai, and Shenzhen, where has created a record of RMB 90,000 per square meter, our villa here is of reasonable price and has more appreciation potential," argued Zhao.

Up to now, Guangzhou Yihe Group has successfully invested and developed many tourism resorts in the cities of Guangzhou, Xi'an, Shenyang, Yinchuan, Hainan, Baotou, Taishan and Kunming, covering the projects of deluxe residences, specialized hotels, golf facilities, and experimental kindergarten. The group is also one of the "Top 10 Most Potential Brand of Real Estate in Asia", selected by Certification and Accreditation Administration of Asia Brand.

In fact, Yihe Group is just one example of inspiring Guangdong real estate enterprises. In the first half of 2009, Guangdong witnessed

## Wan Jifei Met Szumski, the Polish Ambassador



**J**uly 13, Wan Jifei met Mr. Szumski, the Polish Ambassador, who is going to end his term and leave China.

Ambassador Szumski expressed his thanks for CCPIT's long-term valuable support and help. And he stressed that the Polish Embassy in China will continue to cooperate with CCPIT in expanding the bilateral cooperation in economy and foreign trade.

Wan Jifei, the Chairman of CCPIT, said Mr. Ambassador have made tremendous contributions to Sino-Poland trade. As quite a number of Chinese domestic enterprises still know little about Poland, CCPIT work together with Poland embassy to China to actively promote Poland's investment environment, and to encourage Chinese enterprises to invest in Poland. And the World Expo will be a great chance to let more Chinese get better understanding of Poland.

In the context of the financial crisis, Ambassador Szumski reiterated the Government of Poland

expected more powerful enterprises to bid in Poland, as they are speeding up the infrastructure construction including the high-speed railway, highway, airport, port and etc.

Ambassador Szumski also uttered that the toughness of Chinese enterprise against strong financial crisis impressed the Polish enterprises strongly, and coupled with the great potential market, Poland enterprises hold strong interests in cooperating with Chinese enterprises. ©

## 2009 National Work Meeting for Overseas Economic and Trade Exhibitions Held

**T**he 2009 national work meeting for overseas economic and trade exhibition was held in Xining, Qinghai Province, with the theme centering "Co-operation and Development in the Crisis". Nearly 250 representatives from over 150 expo unites participated in the meeting.

As entered in 2009, the overseas expo industry suffered great difficulties. The national exhibition expo area reached 195,000 square meters in the first half of 2009, 15 percent down compared with the same period of last year, but a slight growth compared with the 191,200 square meters in the second half of 2008. For parts of the exhibitions held in 2009, the scale was reduced about 20 percent compared with 2008, even some with a big loss of 40 percent. How to upgrade the expo industry and explore new resources is the current urgency.

Wang Jinzhen, the Vice Chairman of CCPIT overviewed the general condition of Chinese expo overseas during the ongoing financial crisis, and laid out various difficulties the expo industry is facing, such as the reducing number of enterprises participants, the recession of international expo, the increasingly fierce competition among organizing unites, and the newly-appeared trade obstacles.

Guo Zanpeng, from the Foreign Affairs Ministry spoke highly of the work done by CCPIT under the national exhibition approval and management.

Combined with the current situation, Su Xiaoming, the director of Coordination Department from the State Intellectual Property Bureau analyzed the importance of protecting intellectual property rights, and gave suggestions upon the overseas expo's intellectual property issue. ©



# Five Points in One-line Strategy

—Decoding the Development Plan for Coastal Economic Zone in Liaoning

Liu Bin

To promote the economy in Liaoning and to revitalize the industry base in Northeastern China, we need to improve the competing ability of coastal industrial clusters in Liaoning Province. Through the industrial cluster around the projected Northeast Asia Shipping Center in Liaoning, the province will boost the development and construction of coastal area step by step: join these ports there into a line and form a cluster and then realize the overall prosperity.

## The background

The idea of the Development Plan was firstly put forward in 2006, by Li Keqiang, current Vice Premier of State Council and Party Secretary of Liaoning Province at that time. And the initial Plan was to join Dandong, Dalian, Yingkou, Jinzhou and Zhuanghe, the five relatively developed regions together, taking the five points in one line. The development of economy needs a driving force and a breaking point. From this point of view, Li Keqiang brought up an idea for all-round and in-depth development. This idea was included in the Northeast Revitalization Plan that was carried out in 2007, which aims at constructing an industrial cluster centering on the coastal areas. This is the most economic and effective way. The revitalization plan has been under way for years, and proved to be workable. Inheriting and summing up



the idea of “five points in one line” and the revitalization plan, Chen Zhenggao, Governor of Liaoning Province, brings up an idea of coastal economic zone.

The Coastal Economic Zone Development Plan, which gained approval from the central government, covers the regional economy along “the line” with five “points”, and involves those industries like oil chemistry, iron and steel, shipbuilding, auto manufacturing and logistics. It has a special meaning for the coastal economic zone, which reflects the hope that the central government wants Liaoning Province to lead the recovery against the weak global economy, and then drive the recovery in Northeast, even in the whole country. In the past decade, the investment environment in Liaoning has been improved, and the province is getting more and more open, with industries funded by foreign capitals gathering in the coastal areas. It has great meanings for the central government to approve the Development Plan.

## The ports and the coastal economic zone

The Development Plan has remarkable words, referring to “integration of port resources”. Since Chen Zhenggao took office, the provincial government has promoted the cooperation between Dalian and Jinzhou. As is known, Dalian Port holds shares of Jinzhou Port, and Jinzhou Port will make direct placement of shares to Dalian Port, with the latter taking 21% of the former. Dalian Port may further invest in Zhuanghe and Dandong. As to Yingkou Port, it seems that Dalian Port still hasn't got an idea. However, Yingkou Port should be included in Dalian Port's Northeast Asia Shipping Center Construction Plan, as Yingkou Port is part of the shipping center. To Dalian Port, there is no possibility to integrate the port resources in Liaon-

ing into Dalian Port Group, as Dalian Port is not listed in A Share Market, and it has great problems in financing. Dalian Port will not make further investment in Dandong and other ports, for it is not necessary and the port can not afford it.

It is worthy of paying attention to that the development of Changxing Island is included in the Development Plan. Changxing Island has an area of 200 square kilometers, and the projected land covers an area of more than 100 square kilometers. Till now, stx of South Korean has settled down in the island, and Dalian will invest to construct an industrial garden there. But, in my opinion, Changxing Island is a logistics center than an industrial zone. Dalian should move Dayaowan Bonded Zone to Changxing Island, as the bonded zone is too small. Changxing Island is the ideal place in Dalian as a bonded zone, in view of its natural condition, water depth, and the future development of foreign trade in Liaoning. Due to the area limitation, now Dayaowan Bonded Zone can not fully play its role.

Thirdly, the Industry Plan for Economic Zone in Liaoning Province places great importance on the development of Xianrendao Port and further investment in Yingkou Port. After the plan came out, Yingkou Port became the hottest in the market, with its share price keeping on rising. Yingkou Port caught attentions of the capital market, through its projected industrial zone. Yingkou Port is ready to be a large-scale, deep-water, informationized modern port, as now Bayuquan in Yingkou is able to access these large-scale ro-ro ships. A lot of iron and steel companies gather around Yingkou. For example, Ansteel will bring Yingkou Port a throughput of no less than 50 million tons per year. Huaneng Power Company, which is under construction near Yingkou, will add another 10 million tons of throughput.

# Liaoning Coastal Economy: Cross-regional Belt Economy

Lin Lin

On 1st July, Liaoning Coastal Economic Zone Development Planning (the Planning) was basically passed in the executive meeting of State Council, meaning “five points in one line” strategy will have its place, and the plan for Liaoning Coastal Economic Zone will come true, leaving great potential for the port, trade, information and other industries in Liaoning Province, which used to be the leading industrial base in China. “The Planning not only add new engine to the aged Northeast Industrial Base, but also provide a marine outlet to the equipment manufacturing industry in Liaoning, bringing Liaoning a marine economy to replace the inland economy.” Professor Lin Muxi, prexy of Economics of Liaoning University, said, “Five points in one line”, “point to line to zone” mode and the “forth engine” for national economic growth, etc., all these are exciting for the future of Liaoning Coastal Economic Zone.

## Integration of the six ports: the first step for the development economic zone

As the top task for Liaoning Coastal Economic Zone Development Planning, the six ports along the coastline are aiming at becoming the engine for Northeast revitalization and pioneers of opening up to the outside world by developing port industrial cluster and optimizing the port resources. The Planning will boost the strategic integration. Industry sources say the integration will be more than M&A between ports, but it is a kind of symbiosis, which would break the monopoly of Dalian Port. Yingkou Port and Dandong Port could exceed Dalian Port, and the “safe distance” between ports will be worthy of attention, as it is hard to determine. According to the data, Dalian Port Group had a throughput of 185 million tons in 2008, and 81.629 million tons in the first five months in 2009, up by 7.72 million tons (10.4%) from a year ago, especially in transportation of containers for foreign trade. It is noticeable



that, through a series of capital operation, Dalian Port bought 18.9% share of Jinzhou Port at a price of RMB 1.9 billion through directional placement. Now Dalian Port is the second largest shareholder of Jinzhou Port, which marks the beginning of Dalian Port's expansion.

Different from Dalian who leads the openness in Northeast, Yingkou Port, an inland port, has had a rapid development in recent years, with the throughput top 150 million tons in 2008. In the first five months, the port had a throughput of 72.64 million tons, up by 11.8% from a year ago, and growth rate is 1.4 percent higher than that of Dalian.

Professor Wang Nuo, Subdecanal of Maritime Industry Development Research Institute in Dalian Maritime University, said that, with the Development Planning, the differences between ports will be widened, meaning the cargo for foreign trade represented by containers

will further gather in Dalian Port, while bulk cargo will go to other ports in Liaoning. Professor Liu Bin from DMU Institution of Economic Research said: “Through calculating the logistics costs for strategic cargos, we'll find out that Yingkou has a lower logistics cost for automobile and oil transportation, while Dalian Port has an overwhelming advantage in transporting cargos for foreign trade. But only through cooperation, can the two ports take the powerful engine for Liaoning Economic Zone, and together shope the Northeast Shipping Center.”

Professor Lin Muxi, prexy of Economics of Liaoning University, points out that, though the latest coastal economic zone that is opened to the foreign world, Liaoning Coastal Economic Zone has a great strategic meaning, as it will join Bohai Rim into an integrated economic zone, and link Northeast Revitalization and economic cooperation in



# Geely 吉利, 下一个转型 Just Might Switch

Zhang Daqian, Yan Manman

Geely has moved into a new phase of development, which means that it will no longer manufacture cheap cars, but instead focus on cars with advanced technology, high quality and great service. Geely's new goal is to build good cars which are the safest, most energy-saving and environmentally-friendly.

Geely is never short of reasons to make the headlines. It was under the spotlight this April at the exhibition of Auto Shanghai 2009, during which, Li Shufu, its chairman and founder, launched 22 new models of cars, highlighting its focus on making high-quality automobiles. It was a popular name on people's lips again recently due to its possible overseas acquisition of Volvo, a Swedish car company best known for their safety. People wonder, "Is this the time for Geely to do a switch?"

As one of top Chinese automobile manufacturers, Geely produced its first car in 1998 (before that it was focused on motorcycles and scooters), and successfully exported its first cars in 2003. Geely currently possesses four auto manufacturing plants, in Linhai, Ningbo, Luqiao, and Shanghai, all along with the coastal boom belt in the eastern China, specially in Zhejiang province. It now boasts an annual production capacity of

300,000 entire cars, as well as 300,000 engines, and 200,000 transmissions.

Thanks to its eye-catching low price when it launched into the market, Geely has already become a well-known brand throughout China. A few years ago in the Chinese market, you could spend only RMB 30,000 (around US\$4,400) and own a brand new Geely car, like the Haoqing, Merrie, or Uliou models. In fact, "Make the Cheapest Car" was once a slogan for Geely. However, signs from its recent business moves show Li Shufu's determination to march into the next phase.

From 1998, when the first car independently developed by Geely rolled off the production line, to now, when the company has established itself as part of the 3+6 mainstream pattern of the domestic auto manufacturing industry, it has only taken 10 years for Geely to complete the strategic transformation from "building the cheapest car" to "making good cars which are the safest, most energy-saving and environmentally-friendly".

Nonetheless, over the last 10 years, any movement in R&D, manufacturing, exporting or running schools has always put Li Shufu and his Geely at the crest of the wave, and the company's current strategic transformation is no exception. What kind of magic will Geely use if it might switch? What's the blueprint for Geely's future performance in Li's eyes? To get the answers, *China's Foreign Trade* exclusively interviewed Mr. Li Shufu.

**Q:** At Auto Shanghai 2009, we saw 19 models of new car under Geely's three sub-brands — GLEAGLE, EMGRAND and SHANGHAI

"The foundation of an enterprise is its product, which in turn is based on the technology and quality of that product. Without these bases, there is no other way to develop an enterprise."



ENGLON, and also witnessed a “New Geely” featuring a classic and aristocratic style. Does it mean the end for the development phase of Geely “making cheap cars that are affordable for common people”? And what’s Geely’s goal in the future?

**A.** At the beginning, Geely took the economy car, namely the hatchback or sedan, with a price between RMB 40,000 to RMB 70,000, as its spearheads. This strategy helped Geely rapidly seize the domestic auto market, and broke the monopoly in the market. This also led to the fall of auto prices, which helped make many domestic families’ dreams of owning a car come true far in advance. Geely at the beginning manufactured simple and cheap cars, which was a necessary step for Geely to get a foothold in the auto manufacturing industry. However, in 2007, based on scientific demonstration and assessment, we found that Geely had moved into a new development phase. That is to say, we reached a point where we would not focus on manufacturing cheap cars any more, but instead transform and build cars with high quality, advanced technology, and the best service.

We are aimed at producing the finest cars which are also the safest, most energy-saving and environmentally-friendly in the world. This new plan stirred up hot debate, but was still fixed as Geely’s new mission. The setting of this new development goal was an important factor contributing to the great accomplishments that Geely had achieved in the last two years. Without a strategic transformation and the right mission, there wouldn’t be such high-level products or so many new achievements. Up to now, Geely has formed a clear plan for the design of its engines, transmissions and electronic instruments, including R&D for the whole car, providing a dynamic force behind the production of all our cars and leading to Geely’s further development.

**Q.** What advantages does Geely have to build such cars in terms of technology?

**A.** Geely has engaged in the research of technology and developed new standards, and cultivated its talents for more than a decade. It has also accumulated large quantities of valuable fundamental data and built up other advantages through demonstrations and pilot tests. Geely has really taken pains to make great cars. After more than 10 years, Geely has formed a powerful R&D

team. In August 2004, Geely Holding Group established its own auto research institute through a large investment, and invited Shen Fengxie, Vice President of Korean Daewoo to be the president. Now Geely already has more than 2,000 engineers and large amounts of data on experiments, technology and standards, and Geely



has mastered the key parameters of auto safety, comfort and environmental protection. Each of them provide a guarantee for Geely to reach design goals and become more competitive. Geely possesses all of requirements for producing cars so to speak.



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**Q.** Now that energy-saving and environmentally friendly cars are the trend for future automotive development, what plans does Geely have regarding fuel efficient and alternative energy cars?

**A.** Geely has plans for both hybrid vehicles and electric vehicles. We have conducted research on hydrogen fuel cells and new types of engines, as well as studying new fuel types, such as methanol and ethanol. All of these technologies are leading the world, and Geely has overcome many of the difficulties encountered by other businesses in the same field. Geely’s products are quite advanced, the concept car displayed at Auto Shanghai 2009 has an interior area of only 2.9 m<sup>2</sup>, but four people will still feel that it is spacious. It has only one door, so all passengers have to enter through this door. The car is quite beautiful and light, at only 350 kgs. In addition, the steering wheel and the seats are all adjustable, so it can be operated from the left, right and the middle, accommodating the different demands in different markets around the world.

**Q.** Geely has always been the target of public criticism in the Chinese auto industry, and the subject frequently debated is Geely’s imitation of other brands. Now, Geely’s new model, Geely Excellence (GE), has been called a “small Rolls-Royce” by the public. How do you feel about this comment?

**A.** We asked for advice from customers, market circles and experts before bringing the GE to birth. Currently the GE is just a sample car, and has not been finalized, so its profile shall continue to be revised. The highlight of this car is not its profile, but its performance and function instead, with the emphasis on how the car can take measures to minimize injury to the driver and others. Also, the GE is not just a vehicle, but at the same time it is a medical instrument, having a positive effect to help minimize the effects of cervical and lumber spine diseases. For example, on a long distance journey, people will feel tired, and fatigued by riding in the car for such a long time, in this circumstance there is actually real harm done to the cervical column and lumber area. The GE was designed with the concepts of safety, health, comfort and luxury to solve just this problem, among others. Some people may say the GE is not good enough because it is too similar to other foreign cars. Actually, there were several designs under consideration, but I chose this one, considering it quite pretty.

Some people have said that independent R&D is the lifeline of domestic auto enterprises. Geely has known this point for a long time; therefore, Geely has invested more in R&D to speed up the introduction of new products; at the same time, we at Geely

ly have strengthened our cooperation with auto groups abroad in order to be geared to the international high-end technology and improve our own independent R&D capacity.

**Q:** Compared with European cars, American cars and Japanese cars, what kind of gaps does Geely need to fill? And how can it fill these gaps?

**A:** We have to admit that we still have a long way to go to catch up with the most advanced level of automotive development in the developed countries. The independent R&D capacity, the quality and the designs all need our continued efforts to narrow the gap. To keep up with the companies in the developed countries of Europe and the U.S., priority has been placed on the training of our employees. First of all, we want to provide all kinds of training opportunities for our employees, letting the employees know the importance of details as well as giving them a full understanding of the current gap in R&D capabilities, technologies and manufacturing between Geely and its counterparts in other countries.

We are now providing auto-related training for all employees. Every one is both a student and teacher. You know, Geely has launched a program called the Original Drive Program, which is in our intention to gradually be developed into a basic model for Geely's corporate management. And the Original Drive Program has really become the original drive for Geely's improvement in quality as well as the advancement of technology. With the human resource issue well handled, the production of high-tech products will not be far off, maybe 5 years or more, say, 10 years, will likely be enough to bridge those gaps.

**Q:** This March, Geely acquired the Australian company, DSI, the second largest transmission production company in the world. So what was the significance of this overseas M&A?

**A:** This acquisition is of great importance to us. Chinese auto companies with an independent brand all face the same problem, namely the constraints of manufacturing gearshift brakes, we were previously relying 100% on imports. The Chinese government has also attached great importance to this issue. In 2000, the Chinese government issued government bonds to support financing for the Shanghai Automobile Industry Corporation (SAIC) to conduct research on gearshift brakes. But disappointingly, the RMB 800 million invested did not bear the desired fruit. Geely began a study beginning in 2002, and just this year we have brought the research fruit into production. Though we only developed a four-speed transmission with small torque, the study laid the foundation for Geely's acquisition of DSI. Without the study on this simple four-speed transmission, we would dare not try and get a company such as DSI. This four-speed transmission also means that Geely has its own component system. It is like



before they are admitted to the universities, and they also have to pass the admissions test. The acquisition of DSI could help expand Geely's gearbox production on the whole, improving the torque of the transmission, from small to large and from four-speed to six-speed and even eight-speed. All these factors, and moreover the world-leading technology, have provided the technical and product support for Geely's long term development; otherwise, Geely would still have to depend on imports. Geely suffered a lot in purchasing gearbox, but now with DSI's products, all the suffering has gone away. Anyway, in comparison, the R&D on engines is relatively simple, but it is not so easy for the gearbox.

**Q:** Since the financial crisis has heavily frustrated the development of the auto industries in western countries, it is widely thought that the time for Chinese auto enterprises to do bottom-fishing in these markets has arrived. But when our enterprises should take this approach and what should be the target is still the subject of much debate. What plans does Geely have regarding the expansion to overseas markets?

**A:** Above all, we have to serve China's domestic auto market first. Expanding to the international market depends on the condition of the overseas market and how quickly the world economic situation changes. The current financial crisis plummeted a heavy blow on overseas markets, bringing a severe negative impact. Nonetheless, we haven't given up expanding out of China. We have been seeking to expand into the international market, and we will go on studying the market and refine our expansion strategy. However, what we should do is to handle our own business here first and then study what others do internationally, only in this way can we grasp the best opportunities.

**Q:** We can feel the full confidence in your words, so we wonder where all your confidence is derived from?

**A:** I think that confidence is derived from the accumulation of strength, little by little. First of all, it is important to have the right strategy, on which one can formulate plans for action. The cultivation and training of talent and the improvement of our capability to innovate will help Geely to realize its strategic goals. The development of a company cannot be achieved overnight, and there is no short cut. Only with great endeavors marching in the right direction can we gain the edge over others. The development of a company is similar to the development of an individual. If you show off, wanting to climb up one-handed, you will fall in the end. Similarly, if a company is eager to skyrocket to the top, it will simply fall apart. ©



The 4th International Automotive Technology Exhibition Tianjing 2009, jointly hosted by the Society of Automotive Engineers of China (SAE-China), China Automotive Technology and Research Center (CATRC) and Tianjin Economic-Technological Development Area (TETD), is to be held in Tianjin Binhai International Convention and Exhibition Center from August 27 to August 30 this year. In line with China's national 11th Five-year Plan, The Automobile Industry Revitalization and Adjustments Planning and The Equipment Manufacturing Revitalization and Adjustments Planning, this Exhibition, centered on the theme of automobile and equipment manufacturing, arranges the exhibition halls respectively for private autos, commercial autos and equipment manufacturing etc. The exhibition, combining the events of new-tech offering, insight to the industrial development trend, international trade, international capital cooperation and technological trade, will provide a comprehensive platform for the international automobile companies, auto spare parts companies and equipment manufacturing companies to display their features and make exchanges.

Since the second half of 2008, the outbreak of the international financial crisis caused great changes to the global automobile industry, giving rise to the changes of industrial structure and product structure. The crisis expose the Chinese automobile industry to risks, nonetheless, associated with it is also the opportunities for the Chinese automobile industry to drive the upgrading and optimization of its industrial structure, increase the companies' strength and competitiveness and improve their independent innovation capacity. In order to combat the financial crisis with stronger confidence, Chinese Government formulated The Automobile Industry Revitalization and Adjustments Planning and The Equipment Manufacturing Revitalization and Adjustments Planning as well as more than 10 other favorable polices to support the development of those industries. In the first four months this year, the sales of automobiles in China was 3,831,900 with the output as 3,724,800 automobile, maintaining the momentum of stable development. China, while speeding up its pace to the largest automobile production and sale country, has become the major growth point of auto sales for the multinational automobile giants. Now China is the most important emerging market with

# Auto Technology Exhibition in Tianjing



Hustle and bustle auto shows give a boost to Chinese automobile industry.

the fastest growth in the global automobile market.

Fu Yuwu, Secretary General of SAE-China remarked that the trend that China's economy develops well in long run was not changed. He said that with the 30 years development ever since the reform and the opening up, the automobile enterprises in China have formed the risk resistance capacity to some extent, which along with the support from the positive national policies, would further firm the confidence for the development of Chinese automobile industry. This Exhibition, featured by new technologies, new materials and new techniques, based on the mighty automobile industrial cluster in Tianjin Binhai New Area, is to create a trade platform for the global automobile manufacturers to grasp the market opportunities and meet the new challenges. And it shall help to demonstrate the strength of China's automobile and equipment manufacturing capacity and further push forward the adjustment, revitalization and technological innovation of Chinese automobile industry. ©

## Other Events

### \* 2009 Northeast Asia Automotive Industry Development Forum — International Joint Venture & Cooperation Conference on Automotive Project

**Organizers:** Shenyang Municipal People's Government, Management Committee of Shenyang-European Union Economic Development Zone, German Vogel Automotive Media Group

**Host City:** Shenyang, Liaoning province

**Date:** September 14, 2009

### \* 2009 Northeast Asia Automotive industry Development Forum — International Automotive Congress 2009

**Organizers:** Shenyang Municipal People's Government, German Vogel Automotive Media Group, FKA/IKA

**Host City:** Shenyang, Liaoning province

**Date:** September 13-14, 2009

**Speakers:** Selected from the German "The 18th Aachen Colloquium — Automobile and Engine Technology", which is going to be held on Oct.5-7, 2009, at Aachen.

## ROK Pavilion to get glamour

Kim JeongKee, Consul General of Republic of Korea in Shanghai, has recently introduced the features of ROK Pavilion to media. The ROK Pavilion at World Expo 2010 will be its most expensive ever and is expected to further lure visitors to the specialized Expo 2012 in Yeosu, the Republic of Korea, according to the interview. The theme of Expo 2012 is "The Living Ocean and Coast."

ROK has taken part in 17 World Expos and specialized expositions since the 1962 World Expo in Seattle, Washington State, US. ROK has increased its budget to 40 billion ROK won (US\$32 million) from original 29.6 billion won to offset the depreciated value of won and keep the exhibition's high quality, Kim said. The country's investment in World Expo 2010 Shanghai will be its biggest-ever Expo investment as it hopes to lure visitors to its own 2012 extravaganza. The ROK team also recently lifted its goal to attract 7 million visitors throughout the Expo Shanghai period from its original of 5 million, according to the report.

In addition to the ROK Pavilion, many companies from the country are going to jointly build a ROK Corporate Pavilion, one of the 17 corporate pavilions. The ROK Corporate Pavilion will cover an area of 3,000 square meters with more than 10 companies participating in the exhibition. The trade between China and ROK increased 26 times since the two establish diplomatic ties and China has become the biggest trade partner of ROK, said Kim.

China has launched a large-scale economic stimulus plan, which has offered a good opportunity for ROK companies to expand further in the Chinese market, Kim added. Kim also said that the ROK Pavilion is the best window for these ROK companies that want to catch that opportunity.



An artist's rendition of ROK Pavilion.

## Finland Pavilion to provide sauna experience

Finland Pavilion will include a 100-square-meter sauna, which is only open to the pavilion's sponsors, while a detailed plan is in the works to introduce a typical Finnish sauna to the public. Pertti Huitu, Finland's commissioner general for the Expo, has revealed.

It is the only pavilion that will have sauna facilities at the 2010 Expo. Labeling Finland as a "sauna country" as the concept originated in the nation, Huitu on July 28 said his team is working on a plan that would familiarize visitors with the sauna concept. The three-floor building "Kirnu" will be surrounded by a lake that appears to float on the water. It has the slogan "Sharing Inspiration." The pavilion's design was inspired by nature, Huitu said.

Huitu said the shape of the exhibition hall on the second floor is unique and will "offer plenty of possibilities to surprise" visitors. According to the artist's rendition of the pavilion, the hall is circular-shaped, and Huitu mentioned that visitors won't see the end of all the segments and the exhibition is a unit which can't be divided into different parts. He said the exhibit will involve a lot of interaction, but declined to disclose details on the design or any highlight as he hoped to keep it "secret to the last minute."

Finland is designing a comprehensive cultural program to promote Finnish music, especially the music for the younger generation of Expo 2010 visitors, Huitu said. On the list are jazz, opera, ballet, symphony, children's drama and some classical types of music. A Shanghai company and a Finnish company have already been chosen to form a joint venture responsible for the operation of the cafeteria, and their names will be announced in September, according to Huitu. Well-being, competence and the environment are the three key words of the Finnish showcase. The piling and groundwork on the pavilion has been completed, and construction will end in November.



An artist's rendition of the Finland Pavilion.

## Model of US Pavilion for Expo 2010 unveiled

Chinese Vice Premier Wang Qishan (fifth left), Chinese State Councilor Dai Bingguo (first left), US State Secretary Hillary Clinton (fourth left) and US Treasury Secretary Timothy Geithner (first right) unveil the model of the US National Pavilion for the 2010 Shanghai World Expo at the US State Department in Washington, July 27, 2009.



## 'Peng Peng' chosen as name of Australia's mascot



Chinese people have selected the name "Peng Peng" for Australia's kookaburra mascot for World Expo 2010 Shanghai. The name "Peng Peng" was announced as the winner on July 30 following a two-month long competition. It is a very suitable name for the mascot, said Peter Tesch, the commissioner-general for the Australia Pavilion.

"The character Peng evokes a sentiment of glory and ambition in Chinese and is indicative of our desire for a successful Expo. The name Peng

Peng also means friendship and as such conveys the deep people to people and business links that exist between Australia and China."

Peng is a distinctly Chinese name dating back to a mythological bird in Xiao Yao You, a literary work by Zhuangzi, who is an influential Chinese philosopher. Tesch believed Peng is particularly apt as the kookaburra is a native Australian bird." The competition received more than 2,800 entries.

# China Fairs & Expos

## Aviation, Spaceflight

### The 2009 Aviation Expo China

Date: September 23-September 26, 2009

Frequency: Biennially

Venue: China International Exhibition Center

Web: [www.beijingaviation.com](http://www.beijingaviation.com)

Host: China Aviation Industry Corp.I, China Aviation Corp. II, Commercial Aircraft Corporation of China Ltd, China Aviation Supplies Holding Company; China Council for the Promotion of International Trade; China National Aero-Technology 1/E Corp.; China International Exhibition Group Corp.; China Promotion Ltd., HongKong

Organizer: China Promotion Ltd., Hong Kong

Tel: 86-10-87730641

Fax: 86-10-87730640

Email: [cpbj@cpbjf.com](mailto:cpbj@cpbjf.com)



## Investment and Trade

### The 3rd China Northeast Asia (Shenyang) Imports Expo

Date: September, 2009

Frequency: Yearly

Year of the First Event: 2007

Venue: Liaoning Industrial Exhibition Center

Exhibits: mechanic equipment, small vehicles and parts, electronic information and home appliances, hardware tools, building materials and kitchen equipment, household goods, accessories and gifts, jewelry, food, agricultural products and green products, etc

Web: [www.northeastasiafair.cn](http://www.northeastasiafair.cn)

Host: China Council for the Promotion of International Trade; People's Government of Shenyang

Organizer: China Council for the Promotion of International Trade Shenyang Sub-council; Shenyang International Chamber of Commerce

Add: 4F, International Trade Buildin, No.35 Qingnian Avenue, Shenhe District, Shenyang, Liaoning, China, 110014

Tel: 86-24-22729975

Fax: 86-24-22729975

Email: [ccpitmail@163.com](mailto:ccpitmail@163.com)

### 2009 Xiamen The 13th China International Fair for Investment and Trade

Date: September 8-September 11, 2009

Frequency: Yearly

Year of the First Event: 1997

Venue: China Xiamen International Conference and Exhibition Center

Exhibits: Construction accessory energy saving equipment, building temperature keeping, ecological and environment protection technology, environment and landscape planning, technology and product, new type building structure, steel structure, wood structure, etc.

Website: [www.gzshunya.com](http://www.gzshunya.com)

Host: Ministry of Commerce

Organizer: People's Government of Fujian, People's Government of Xiamen, Investment Promotion Agency of Ministry of Commerce

Address: F4, F6, China Architecture Culture Center Plaza, No.13, Sanlihe Road, Haidian, Beijing, China

Tel: 86-10-68311370

Contact Person: Zhang Tiejun

## Furniture, Household Decorations, Woodwork Floor Decorations

### China Guangzhou International Home Decoration Products, Textile Exhibition

Date: September, 2009

Frequency: Yearly

Year of the First Event: September, 2008

Venue: China Import and Export Commodities Fair Exhibition Complex

Exhibits: home decoration products, textile exhibition

Web: [www.hhc.fairwindow.com](http://www.hhc.fairwindow.com)

Host: China Foreign Trade Center Group

Organizer: China Foreign Trade Guangzhou Exhibition Corporation

Address: No.117, Liuhua Road, Guangzhou, Guangdong, China, 510014

Tel: 86-20-26080413

Fax: 86-20-86663416-01/866816291-01

Email: [hhc@fairwindow.com.cn](mailto:hhc@fairwindow.com.cn)

Contact Person: Liu Jun



## Packaging, Paper, Printing and publication

### China (Zhuhai) International Print Consumables Expo

Date: September, 2009

Frequency: Yearly

Year of the First Event: 2007

Venue: China International Aviation & Spaceflight Exhibition Center

Exhibits: cardigan, ink, cartridge, toner, carbon tape, paper, print consumables, fixing wheel, exposure tube, toner and other copy consumables, various compatible and renewable products of printing and copying consumables, various print output equipment, parts, and other accessory products industry consulting and information services

Host: China Council for the Promotion of International Trade Zhuhai Sub-Council

Organizer: Zhuhai Zaisheng Shidai Culture Co., Ltd

Address: Rm 1608, Building 16, Development Tower, Gongbei Shuiwan Road, Zhuhai, Guangdong, China, 519020

Tel: 86-756-8280626

Fax: 86-756-8280888

Email: [zhengsenhong@ccpit.org](mailto:zhengsenhong@ccpit.org)

Contact Person: Zheng Senhong

## Jewelry, Watches and Clocks, Glasses

### HKTDC Hong Kong Watch & Clock Fair

Date: September 2-September 6, 2009

Venue: Hong Kong Convention and Exhibition Center

Exhibits: complete watches & clocks, part & components, accessories, tools & instruments machinery

Host: Hong Kong Trade Development Council

Organizer: Hong Kong Trade Development Council

Email: [exhibitions@tdc.org.hk](mailto:exhibitions@tdc.org.hk)

## Hotel, Catering, Tourism

### 2009 Wuhan International Tourism Expo

Date: September 5-September 7, 2009

Venue: Wuhan International Convention and Exhibition Center

Exhibits: tourism bureau, scenery site, resorts, theme park, tourism resources developer, tourism develop area in planning, etc

Host: Wuhan Municipal Tourism Bureau; Wuhan Municipal Commerce Bureau

Organizer: Wuhan Jiangnan District Commercial Tourism Bureau

Add: Rm 3216, Wuhan Plaza, Jiefang Avenue, Wuhan, Hubei, China, 430022

Tel: 86-27-59501677

Fax: 86-27-59501676  
Email: c13707110265@163.com  
Contact Person: Chen Bei, Qian Xueli



#### 2009 Wuhan International Tourism Expo

Date: September 10-September 14, 2009  
Frequency: Yearly  
Year of the First Event: 1995  
Venue: Wuhan International Convention and Exhibition Center  
Exhibits: whole vehicle, passenger vehicle, commercial purpose vehicle, special purpose vehicle, auto parts, auto accessories, auto repair and testing equipment, auto manufacture equipment, technology and tools, etc  
Web: [www.autowuhan.com.cn](http://www.autowuhan.com.cn)  
Host: China Machinery Industry Federation, China Council for the Promotion of International Trade, People's Government  
Organizer: Wuhan Jiangnan District Commercial Tourism Bureau  
Add: Rm 3216, Wuhan Plaza, Jiefang Avenue, Wuhan, Hubei, China, 430022  
Tel: 86-27-59501677  
Fax: 86-27-59501676  
Email: c13707110265@163.com  
Contact Person: Chen Bei, Qian Xueli

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

##### The 2009 China (Qinghai) International Halal Food & Products Fair

Date: August 6-August 9, 2009  
Frequency: Yearly  
Year of the First Event: 2007  
Venue: Qinghai Chengnan International Exhibition Center  
Exhibits: Halal fresh food, halal fst-frozen food  
Web: [www.halalfair.com](http://www.halalfair.com)  
Host: People's Government of Qinghai Province, China Council for the Promotion of International Trade  
Organizer: China Council for the Promotion of International Trade Qinghai Sub-Council, MEDIA and press Center of China Council for the Promotion of International Trade  
Add: 5th floor of Zhenghua Building, No.220, South Binhe Rd., Xining, Qinghai, China No.363, Jiefang West Street, Yinchuan, Ningxia, Qinghai, China, 810001  
Tel: 86-10-88075391  
Fax: 86-10-68023790  
Email: liwenming@ccpit.org  
Contact Person: Li Wenming

##### China International Sweet and Leisure Food Production Technology Exhibition

Date: September 2-September 4, 2009  
Frequency: Yearly  
Year of the First Event: 2007  
Venue: Shanghai New International Expo Center  
Exhibits: Sweet and leisure food industry, food production technology and service  
Web: [www.sweetsnacktecchina.com/www.sweet-snacktecchina.cn](http://www.sweetsnacktecchina.com/www.sweet-snacktecchina.cn)  
Host: Koelnmesse Co., Ltd  
Add: 1202, South Building, Hong Kong Plaza, 283 Huainanzhong Rd, Shanghai, China, 200021  
Tel: 86-21-63906161  
Fax: 86-21-63906858  
Email: m.miao@koelnmesse.cn  
Contact Person: Miao Jun

##### China (Ningxia) International Festival for Halal Food/Muslim Commodities & Ningxia Investment and Trade Fair

Date: September 10-September 13, 2009  
Frequency: Yearly  
Year of the First Event: 2006  
Venue: Yinchuan International Convention Center  
Exhibits: Halal food, Muslim commodities, cashmere, West China featured agriculture, investment, trade negotiation, etc  
Host: The People's Government of Ningxia Hui Autonomous Region  
Add: No.363, Jiefang West Street, Yinchuan, Ningxia, China, 750001  
Tel: 86-951-5066703  
Fax: 86-951-5066703



#### Auto, Auto Parts

##### China Shandong Jinan The 4th Green Industry Expo

Date: September, 2009  
Frequency: Yearly  
Year of the First Event: 2009  
Venue: Jinan International Convention Center  
Exhibits: long vehicles, modified cars, special vehicles, vehicle spare parts and supplies, vehicle maintenance and conservation, etc  
Host: China Council for the Promotion of International Trade, China Association of Automobile Manufacturers, People's Government of Jinan, Shandong Automotive Industry Association  
Organizer: China Council for the Promotion of International Trade Jinan Sub-Council  
Add: 182, Daweier Rd, Jinan, Shandong, China, 250001

Tel: 86-531-82075636  
Fax: 86-531-82075627  
Email: jinantruck@126.com  
Contact Person: Yuan Weilin



#### Machinery and Technology

##### 2009 China Weihai Manufacturing Machinery and Technology Expo

Date: September, 2009  
Frequency: Yearly  
Year of the First Event: 2006  
Venue: Weihai International Exhibition Center  
Host: People's Government of Weihai  
Add: No.1978, Yuqiao Rd, Pudong, Shanghai, China  
Tel: 86-21-68939833  
Fax: 86-21-68931483  
Contact Person: Wang Nan

##### China International Hardware Show

Date: September 16-September 18, 2009  
Frequency: Yearly  
Year of the First Event: 2001  
Venue: Shanghai New International Expo Center  
Exhibits: tool hardware, construction hardware, DIY home decoration, locks, security equipment and accessories, kitchen and bathroom supplies  
Web: [cihs.com.cn](http://cihs.com.cn)  
Host: China National Hardware Association, Koelnmesse GmbH  
Organizer: Beijing Shirui Exhibition Co., Ltd; Shanghai Continental Development Co., Ltd  
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# DYNASTY

## 酒の王朝

*Wine Dynasty,  
Country of Poetry,  
for the Chinese Style,  
Proud of the Oriental*



**Sino-French Joint-Venture Dynasty Winery Ltd.**  
**中法合营王朝葡萄酒有限公司**

# DYNASTY

## 酒 的 王 朝



### Wangchao Seven-year Aged Dry Red Wine

Wangchao Seven-year Aged Dry Red Wine is made from the quality world-known wine grape—CABERNET SAUVIGNON produced in Tianjin China. And it is well brewed with the traditional brewing technique.

Wangchao Seven-year Aged Dry Red is green and pure natural food, with the fragrance of grape berries and oak barrels. Wangchao's uniqueness is the combination of traditional brewing technique and the famous wine grapes nurtured in the favorable soil and climate conditions in the south of Yanshan Mountains.



### Wangchao Seven-year Aged Dry White Wine

Wangchao Seven-year Aged Dry White Wine is made from the quality world-known wine grape—CHARDONNAY produced in Tianjin China. And it is well brewed with the traditional brewing technique, aging more than 2 years in the oak barrels and finally becoming the final product after years of storage in bottles. The characteristics of this wine are pleasant fragrance, mellow flavor and unique style.

### Wangchao Barrel-Aged Dry Red Wine

A kind of aging wine with Wangchao's unique style, is made from the fermented pure grape juice which is aged in the oak barrels for more than two years. Wangchao Wine retained various health-promoted amino acids and vitamins contained in the grapes and some other nutritious factors rare found in other food, and in particular, the content of resveratrol is relatively high. And according to the study of the medical experts at home and abroad, resveratrol has effects in preventing cancer and curing cardiovascular diseases.

With the precious brand of wine grapes grown in the endowed soil and climate-wise conditions in the east of Helan Mountain, Wangchao Dry Red is brewed with the world-leading brewing technique in the advanced brewing equipment. The process of peduncle removing and smashing, soakage and fermenting, aging in oak barrels and hoarding at low temperature retains and enhances the nutrition, fragrant materials and beautiful color of the grapes. Wangchao Wine, with its aroma of elegant brand, palatable bouquet, pleasant blending fragrance, soft and refined flavor as well as the delightful lingering aftertaste, shapes its own distinct style, a perfect combination of China's terrain features and world advanced brewing technique.

This wine is table wine and it is best to accompany this wine to the barbecue or fried meat with the optimal temperature for drink as 16-18°C.

### Wangchao Merlot Dry Red Wine

The gorgeous and graceful superexcellent wine—it does not just exist in the legend, it exists here—Wangchao Merlot Dry Red. This wine is made from the precious grape variety Merlot. With silky tannins and full body, this wine is brimming with the fruit fragrance of ripe plums, red cherries and black currants. Through the aging in the barrels and long time hoarding, the wine gives off the aroma of cinnamon, lilac, cocoa and coffee beans. When you drink the wine, you will feel the sweetness and mellowness, which shall tell you what is miracle. The Merlot Wine, with much value for collection, could be matched with the French Lafite. It is a new miracle in the brewery, creating a different luxury in style and taste.



王朝全体员工热烈祝贺祖国60华诞

# Feel Pressure

## Under China's Anti-monopoly Law?

Luo Kaitian, Li Wenpei

**A**fter 14 years of debate, the legislature passed the Anti-monopoly Law (AML) at last on August 30, 2007, which was informally referred to as the “economic constitution”. It came into effect only a few months after the equally significant Chinese Contract Law which spelled out specific and comprehensive rights for employees in China for the first time. Like the Contract Law, the Anti-Monopoly Law was problematic after it was adopted, and has raised issues with major foreign investors. One of them is that the AML was usually interpreted as protectionism in many foreign enterprises’ view. So what impacts does the Anti-monopoly Law have on the foreign investment, trade, M&A (merger and acquisition) and China’s domestic competition market? Is it a market-based and competition-friendly law or a protectionist measure? And what should the foreign enterprises do in response to the new law and regulation?

### In line with the international practice

The anti-monopoly law forms a basis to a market economy, with over 100 countries and regions drafting similar legislation to date. Since the late 1990s, especially into the 21st century, there is growing concern over the perceived abuse of dominance by foreign companies in China. This was raised during the discussion of the draft AML where legislators called for greater regulation of the abuse of dominance by foreign companies. With the problem of administrative monopolies, Article 1 of China’s Anti-Monopoly Law states the broad thrust of the legislation: that it is for “preventing and prohibiting monopolistic activities, protecting fair market competition, promoting efficiency of economic operation, protecting the legitimate rights and interests of consumer and social public interests, and promoting the healthy development of socialist market economy.” There is no doubt that the AML will act to protect fair competition, prevent risks of monopolistic behavior and help to build a well-regulated market place.

Like other comprehensive competition law regimes, the AML addresses three main areas, namely: the prohibition of anti-competitive monopoly agreements; the

prohibition of abuse of a dominant position; and merger control. The anti-monopoly law also covers a fourth area, the prohibition of administrative monopolies, which address the anti-competitive effects of government power. It establishes the general legal framework as well as the policy and principles behind the law. Implementation Regulations are expected to be released gradually. These typically will provide more regular detail and guidance on the implementation and enforcement of the law by the relevant competition authority and should prove invaluable for foreign companies in navigating their business pursuits in this new era in China.

### The impacts on the FDI and trade

In the past months, people have wondered how the law would be applied, and whether it would advance China’s transformation into a market economy or serve as an impediment to genuine competition. The concerns have focused on the AML’s impacts on the Foreign Direct Investment (FDI) and M&A.

First, China’s overall development strategy and economic policy is sustained and stable. The government will maintain its policy of encouraging foreign investment unchanged after passing the anti-monopoly law. According to UNCTAD’s World Investment Prospects Survey 2009-2011, the promotion of FDI has been an important component of China’s economic reform process and China has become the preferred destination of FDI, and the flowing are the USA, India, Brazil and Russia. Chinese economic success in the past 30 years can thus be said to be heavily dependent on outward orientation and on foreign capital in some degree. Recalling the past 30 years, three major stages of the FDI policy can be identified:

Stage 1: gradual and limited opening (late 1970s early 1980s);

Stage 2: active promotion through preferential treatment (1986–95);

Stage 3: promoting FDI in accordance with domestic industrial objectives (1995–2005).

Although the Chinese central government has initiated a campaign to adjust the economic structure in recent years, the FDI

is still considered as one of most important engines of economy development, especially in the financial crisis. One of the causes is that the overall absorption scale and level of foreign direct investment in the central and western regions were comparatively low, and the gap from the foreign direct investment utilization in the eastern regions has been further widened. The direction of state-interventions seems to have shifted lately away with opening up to foreign investment towards a more careful and selective stance with a view to promoting the change of economic structure.

While the Article 7 allegedly protects the industries “concerning the lifeline of the national economy and national security” and prevents state-owned enterprises in monopolistic industries such as petroleum, telecommunications, mail services and tobacco from abusing their market dominance to lower services and disregarding the public interests. In contrary, it widens the scope of foreign investment in the “unconcerning” sectors, which was controlled by the state-owned enterprises in the past. This can be seen as a positive signal that China was starting to open the door to foreign investment in some traditional industries, such as the media.

What’s more, article 15 provides that an agreement among business operators can be exempted from application of articles 13 and 14 in some conditions, which are some prohibitions of monopoly agreement, such as “improving technologies, researching and developing new products”; “upgrading product quality, reducing cost, improving efficiency, unifying product specifications or standards, or carrying out professional labor division”; “achieving public interests such as conserving energy, protecting the environment and relieving the victims of a disaster and so on”; “safeguarding the justifiable interests in the foreign trade or foreign economic cooperation” etc. It is clear that foreign investments are especially encouraged in activities that are expected to contribute to the industrial upgrading of the Chinese economy. Broadly speaking, foreign businesses are encouraged in high-tech equipment, the manufacturing of high-end technology, advanced materials, equipment



# Never So Important

—First Sino-US Strategic and Economic Dialogue

Wen Xiu

The first Sino-US Strategic and Economic Dialogue was held on July 27 and 28, 2009 in Washington. Either before or during the dialogue, PRC and USA attached great importance to it. The former Strategic Dialogue and the biannual Strategic Economic Dialogue were initiated by the two heads of state in 2005 and 2006 respectively. The dialogue mechanism, upgraded from by ministers from both governments to a strategic and economic dialogue between governmental cabinets, will be held once a year in the future. From the US side, Obama administration shows great interests in the dialogue and places great importance on Sino-US relationship, which can be seen from the visits from US senior officials to China in 2009, including US Secretary of State, Secretary of Treasury, Secretary of Commerce and Secretary of Energy.

The US representatives of the Dialogue, Secretary of State, Hilary and US Treasury Secretary, Geithner, together issued an article on *Wall Str. Journal*, which said: "Neither the U.S. nor China is able to solve global problems alone; cooperation between China and the US is indispensable to solve global problems", and the "new Sino-US Strategic and Economic Dialogue joins the economic and diplomatic topics open the new chapter". Chinese Vice Premier Wang Qishan, as

special representative of Chinese President Hu Jintao, delivered the speech at the opening ceremony on July 27, he said, a more open and dynamic Chinese economy will bring enormous development opportunities for all countries in the world including the United States. As China's reform and opening-up drive moves deeper, the economic and trade cooperation between China and the U.S. will be more closely linked and China-U.S. relations are bound to move forward from a new starting point. The dialogue received much concern, as it has significant meanings. First of all, it is the first round strategic and economic dialogue between China and Obama administration. Second, it is an upgraded dialogue from Bush's period, for it involves both political and economic topics in the agenda of the dialogue. Third, the participants are upgraded from ministers to cabinet members, and the number of participants reflects the importance of the dialogue. Forth, the topics of the dialogue make new records in terms of the width and depth in the 30 years' diplomatic history between PRC and the USA. Dai Bingguo, Chinese State Councilor and one of the leaders of Chinese team, said in his humour on July 28, "We really talked a lot, except for when to land on the moon". Clinton also expressed that the meeting which have just concluded represent the largest gathering ever of top

leaders from two countries. The range of issues covered was unparalleled. China was more concerned about the security of US bonds, China's financial status and China's market economy status; while US party focused more on the issues about the finance, clean energy and new economic development mode.

Just as Obama remarked on the opening ceremony, he cited the saying of China ancient great philosopher Mencius, "A trail through the mountains, if used, becomes a path in a short time, but, if unused, becomes blocked by grass in an equally short time". And Premier Wen Jiabao once said: "Confidence is more important than gold and currency. Though there are still many uncertainties in global economy which is passing through the current crisis, the close economic cooperation between China and USA and sustainable development of both economies will be vital to escaping from financial crisis and promoting the global economic prosperity." The S&ED will develop a new mechanism for both big countries and help build trust and relationships. And, only regular and timely "maintenance" can prevent the relationship between the two big countries from being ruined when there are differences.

## I. Strategic Perspective

**a. Focus on the strategic topics**  
Cooperation in energy industry, arms

control, global financial crisis and climate change were listed on the agenda of the S&ED. Obama administration continues to emphasize “green economy”, “low-carbon economy” and “hydrogen economy”, and on 26th June, 2009 US House of Representatives gave approval to *American Clean Energy and Security Act*, to secure that USA is moving on the road of energy economy. In April, Hilary said during a visit to China this year, as China and USA are two big greenhouse gas emission countries, USA will see strengthening the cooperation in climate change with China as a key point in the diplomatic activities. Just before the dialogue, Dr. Steven Chu, U.S. Secretary of Energy, said that China and USA signed a MOU on construction energy-saving cooperation, and both sides would carry out joint R&D in construction energy-saving, clean coal and energy-saving transportation in “Clean Energy Research Center” in both countries. Climate change was another noticeable topic, and USA also showed much interest in cooperation during the global financial crisis, as USA was the source of the current financial crisis.

**b. The achievement**

The two sides negotiated a Memorandum of Understanding (MOU) to Enhance Cooperation on Climate Change, Energy and the Environment, led by the Department of State and Department of Energy in the United States and the National Development and Reform Commission in China.

The MOU aims to promote discussion on domestic strategies and policies for addressing climate change, practical solutions for promoting the transition to low-carbon economies and successful international negotiations on climate change. The two sides are committed to the full, effective and sustained implementation of the United Nations Framework Convention on Climate Change and to achieve a successful outcome in Copenhagen at the end of this year, calling to carry out the Framework for 10-Year Cooperation on Energy and Environment (TYF) signed in December 2008.

The two sides decided to continue practical cooperation within the Oil and Gas Industry Forum, the Energy Policy Dialogue and the new China-U.S. Clean Energy Research Center and hold relevant meetings at appropriate times this year.

On the issue of pandemic and infectious disease outbreaks, the two sides expressed their willingness to continue collaboration. They also intend to further enhance dialogue and cooperation on other critical global issues, such as strengthen-

ing global institutions and governance, addressing public health challenges and poverty alleviation around the world, in order to promote the well-being of mankind and global sustainable development.

**c. Significance**

During this S&ED, climate change became a hot topic of Sino-US relationship, the first time in the 30 years since China and USA established diplomatic relationship. Experts say that there used to be differences on climate change between developed and developing countries, so consensus between China and USA will have a significant influence on dealing with climate change and other global problems together by the whole world. The MOU, both China and USA agreed, has special meanings. “It is an important achievement of this dialogue,” said Dai Bingguo. American representative Hilary also thought that the MOU would provide a platform for dialogue and cooperation on climate change between China and USA, but also give a direction to the negotiation on climate change and boosting the economic transformation to low-carbon economy.

There might be great potential for the two countries to carry out cooperation in climate change and energy and other new fields. Since Obama assumed the office of US President, he focused on new energy development, and hoped US economy can have another round of development through this. However, new energy has direct relations with climate change. Copenhagen Climate Change Conference is to be held at the end of this year. China and USA planed to confirm the common interests and differences through the MOU, making preparation for further negotiations on climate change. Xie Zhenhua, Vice director of National Development and Reform Commission, said, USA had reached agreements with China that providing financial and technical support to help these developing countries to reduce the emissions is an important factor to



Dr. Steven Chu, U.S. Secretary of Energy and Gary Locke, U.S. Secretary of Commerce held the press conference during their visit in July, 2009, Beijing.

decide whether the negotiation will be successful or not, and both sides would work hard to gain a satisfying result.

**II Economic perspective**

**a. Focus on economic issues**

Facing the global financial crisis and uncertain world economy, for the biggest developed country, USA, and the biggest developing country, China, how the two take the responsibilities together and deal with the crisis is not only related to the future development of the two countries, but also to the healthy development of world economy. U.S. Treasury Secretary, Geithner once said during a visit to China, without cooperation between China and USA, global problems won't be solved, whether it is economic and financial recovery or climate change and energy policy. Meanwhile, he said US government would work on to ease the anxiety of Chinese government on US bonds, and the assets in US dollars are still quite safe. U.S. Commerce Secretary Gary Locke expressed the hope during his visit in July, that if China allowed for greater flexibility in its exchange rate and further opened up its domestic markets for imports and foreign direct investment, it would accelerate the world's return to growth. Therefore, the dialogue determined that the core content of current Sino-USA economic cooperation would be dealing with global financial crisis and realizing a certain economic recovery. Maintaining a stable financial market and preventing the prevalence of trade protectionism is still the focus of China and USA.

Before the crisis, China was the largest bondholder of Fannie Mae and Freddie Mac, who were without US federal government's debt guarantee. Till now, China still is an important holder of such bonds. Before the dialogue, China expressed its concern many times that US government should implement responsible economic policies, keep US dollar stable, in order to secure the safety of US assets. Current financial crisis originated from USA finally expands its influence to the whole world, which makes the stability in financial market and reform on financial system more important for a sustainable growth in world economy. US side wanted China to expand domestic demand and reduce the dependence on export-oriented economy. And Chinese side wanted USA to recognize the market economy status. And, against the background that global economy still worsening, both countries promised to prevent protectionism and promote investment and openness of trade.

**b. Reach the consensus**

# Anti-monopoly Law of the People's Republic of China

*Anti-monopoly Law of the People's Republic of China was adopted at the 29th Meeting of the Standing Committee of the Tenth National People's Congress on August 30, 2007 and took effect as of August 1, 2008.*

## Chapter I General Provisions

**Article 1** This Law is enacted for the purpose of preventing and restraining monopolistic conducts, protecting fair market competition, enhancing economic efficiency, safeguarding the interests of consumers and the interests of the society as a whole, and promoting the healthy development of socialist market economy.

**Article 2** This Law is applicable to monopolistic conducts in economic activities within the territory of the People's Republic of China; and it is applicable to monopolistic conducts outside the territory of the People's Republic of China, which serve to eliminate or restrict competition on the domestic market of China.

**Article 3** For the purposes of this Law, monopolistic conducts include:

- (1) monopoly agreements reached between undertakings;
- (2) abuse of dominant market position by undertakings;
- (3) concentration of undertakings that lead, or may lead to elimination or restriction of competition.

**Article 4** The State shall formulate and implement competition rules which are compatible with the socialist market economy, in order to improve macro-economic regulation and build up a sound market network which operates in an integrated, open, competitive and orderly manner.

**Article 5** Undertakings may, through fair competition and voluntary association, get themselves concentrated according to law, to expand the scale of their business operations and enhance their competitiveness on the market.

**Article 6** Undertakings holding a dominant position on the market may not abuse such position to eliminate or restrict competition.

**Article 7** With respect to the industries which are under the control of by the State-owned economic sector and have a bearing on the lifeline of the national economy or national security and the industries which exercise monopoly over the production and sale of certain commodities according to law, the State shall protect the lawful business operations of undertakings in these industries, and shall, in accordance with law, supervise and regulate their business operations and the prices of the commodities and services provided by them, in order to protect the consumers' interests and facilitate technological advance.

The undertakings mentioned in the preceding paragraph shall do

business according to law, be honest, faithful and strictly self-disciplined, and subject themselves to public supervision, and they shall not harm the consumers' interests by taking advantage of their position of control or their monopolistic production and sale of certain commodities.

**Article 8** Administrative departments or organizations authorized by laws or regulations to perform the function of administering public affairs may not abuse their administrative power to eliminate or restrict competition.

**Article 9** The State Council shall establish an anti-monopoly commission to be in charge of organizing, coordinating and guiding anti-monopoly work and to perform the following duties:

- (1) studying and drafting policies on competition;
- (2) organizing investigation and assessment of competition on the market as a whole and publishing assessment reports;
- (3) formulating and releasing anti-monopoly guidelines;
- (4) coordinating administrative enforcement of the Anti-Monopoly Law;
- (5) other duties as prescribed by the State Council.

The composition of and procedural rules for the anti-monopoly commission shall be specified by the State Council.

**Article 10** The authorities responsible for enforcement of the Anti-monopoly Law specified by the State Council (hereinafter referred to, in general, as the

undertakings by merging and acquiring a domestic enterprise or by any other means, which involves national security, the matter shall be subject to review on national security as is required by the relevant State regulations, in addition to the review on the concentration of undertakings in accordance with the provisions of this Law.

#### Chapter V Abuse of Administrative Power to Eliminate or Restrict Competition

**Article 32** Administrative departments and other organizations authorized by laws or regulations to perform the function of administering public affairs may not abuse their administrative power to require, or require in disguised form, units or individuals to deal in, purchase or use only the commodities supplied by the undertakings designated by them.

**Article 33** Administrative departments and other organizations authorized by laws or regulations to perform the function of administering public affairs may not abuse their administrative power to impede the free flow of commodities between different regions by any of the following means:

(1) setting discriminatory charging items, implementing discriminatory charge rates, or fixing discriminatory charges for non-local commodities;

(2) imposing technical specifications or test standards on non-local commodities, which are different from those on local commodities of similar types, or taking discriminatory technical measures, such as repeated test and repeated certification, against non-local commodities, for the purpose of restricting the access of non-local commodities to the local market;

(3) adopting a special practice of administrative licensing for non-local commodities, for the purpose of restricting the access of non-local commodities to the local market;

(4) erecting barriers or adopting other means to prevent non-local commodities from coming in or local commodities from going out;

(5) other means designed to impede the free flow of commodities between regions.

**Article 34** Administrative departments and other organizations authorized by laws or regulations to perform the function of administering public affairs may not abuse their administrative power to exclude non-local undertakings from participating, or restrict their participation, in local invitation and tendering by

imposing discriminatory qualification requirements or assessment standards, or by refusing to publish information according to law.

**Article 35** Administrative departments and other organizations authorized by laws or regulations to perform the function of administering public affairs may not abuse their administrative power to exclude non-local undertakings from making investment or restrict their investment locally or exclude them from establishing branch offices locally or restrict their establishment of such offices, by treating them unequally as compared with the local undertakings, or by other means.

**Article 36** Administrative departments and other organizations authorized by laws or regulations to perform the function of administering public affairs may not abuse their administrative power to compel undertakings to engage in monopolistic conducts that are prohibited by this Law.

**Article 37** Administrative organs may not abuse their administrative power to formulate regulations with the contents of eliminating or restricting competition.

#### Chapter VI Investigation into Suspected Monopolistic Conducts

**Article 38** The authority for enforcement of the Anti-monopoly Law shall investigate any suspected monopolistic conduct according to law.

All units and individuals shall have the right to report to the authority for enforcement of the Anti-monopoly Law against suspected monopolistic conducts. The latter shall keep the information confidential.

If the report is made in writing and relevant facts and evidence are provided, the authority for enforcement of the Anti-monopoly Law shall conduct necessary investigation.

**Article 39** When conducting investigations into a suspected monopolistic conduct, the authority for enforcement of the Anti-monopoly Law may take the following measures:

(1) conducting inspection of the business places or the relevant premises of the undertakings under investigation;

(2) making inquiries of the undertakings under investigation, the interested parties, or other units or individuals involved, and requesting them to provide relevant explanations;

(3) consulting and duplicating the relevant documents and materials of the undertakings under investigation, the interested parties and other relevant units

and individuals, such as bills, certificates, agreements, account books, business correspondence and electronic data;

(4) sealing up or seizing relevant evidence;

(5) inquiring about the bank accounts of the undertakings under investigation.

For taking the measures specified in the preceding paragraph, a written report shall be submitted for approval to the principal leading person of the authority for enforcement of the Anti-monopoly Law.

**Article 40** For the authority for enforcement of the Anti-monopoly Law to conduct investigation into suspected monopolistic conducts, there shall be at least two law-enforcement officers, who shall produce their law enforcement papers.

The law-enforcement officers shall make written records when conducting inquiry and investigation, which shall be signed by the persons after being inquired or investigated.

**Article 41** The authority for enforcement of the Anti-monopoly Law and its staff members are obligated to keep confidential the commercial secrets they come to have access to in the course of law enforcement.

**Article 42** The undertakings under investigation, the interested parties or other relevant units or individuals shall cooperate with the authority for enforcement of the Anti-monopoly Law in performing their duties in accordance with law, and they shall not refuse to submit to or hinder the investigation conducted by the authority for enforcement of the Anti-monopoly Law.

**Article 43** The undertakings under investigation and the interested parties shall have the right to make statements. The authority for enforcement of the Anti-monopoly Law shall verify the facts, justifications and evidence presented by the said undertakings or interested parties.

**Article 44** Where after investigation into and verification of the suspected monopolistic conduct, the authority for enforcement of the Anti-monopoly Law concludes that it constitutes a monopolistic conduct, the said authority shall make a decision on how to deal with it in accordance with law and may make the matter known to the public.

**Article 45** With respect to the suspected monopolistic conduct which is under investigation by the authority for enforcement of the Anti-monopoly Law, if the undertakings under investigation commits themselves to adopt specific

measures to eliminate the consequences of its conduct within a certain period of time which is accepted by the said authority, the authority for enforcement of the Anti-monopoly Law may decide to suspend the investigation. In the decision shall clearly be stated the details of the undertakings' commitments.

Where the authority for enforcement of the Anti-monopoly Law decides to suspend investigation, it shall oversee the fulfillment of the commitments made by the undertaking. Where the undertaking fulfills its commitments, the authority for enforcement of the Anti-monopoly Law may decide to terminate the investigation.

In any of the following circumstances, the authority for enforcement of the Anti-monopoly Law shall resume investigation:

(1) The undertakings concerned fail to fulfill its commitments;

(2) Material changes have taken place in respect of the facts on which the decision to suspend investigation was based;

(3) The decision to suspend investigation was based on incomplete or untrue information provided by the undertaking concerned.

## Chapter VII Legal Liabilities

**Article 46** Where an undertaking, in violation of the provisions of this Law, concludes and implements a monopoly agreement, the authority for enforcement of the Anti-monopoly Law shall instruct it to discontinue the violation, confiscate its unlawful gains, and, in addition, impose on it a fine of not less than one percent but not more than 10 percent of its sales achieved in the previous year. If such monopoly agreement has not been implemented, it may be fined not more than 500,000 yuan.

If the business manage, on its own initiative, reports to the authority for enforcement of the Anti-monopoly Law about the monopoly agreement reached, and provides material evidence, the said authority may, at its discretion, mitigate, or exempt the undertaking from, punishment.

Where a trade association, in violation of the provisions of this Law, has arranged the undertaking in the trade to reach a monopoly agreement, the authority for enforcement of the Anti-monopoly Law may impose on it a fine of not more than 500,000 yuan. If the circumstances are serious, the administrative department for the registration of public organizations may cancel the registration of the trade association in accordance with law.

**Article 47** Where an undertaking, in violation of the provisions of this Law, abuses its dominant market position, the authority for enforcement of the Anti-monopoly Law shall instruct it to discontinue such violation, confiscate its unlawful gains and, in addition, impose on it a fine of not less than one percent but not more than 10 percent of its sales achieved in the previous year.

**Article 48** Where the undertakings, in violation of the provisions of this Law, implement concentration, the authority for enforcement of the Anti-monopoly Law under the State Council shall instruct them to discontinue such concentration, and within a specified time limit to dispose of their shares or assets, transfer the business and adopt other necessary measures to return to the state prior to the concentration, and it may impose on them a fine of not more than 500,000 yuan.

**Article 49** To determine the specific amount of fines prescribed in Articles 46, 47 and 48, the authority for enforcement of the Anti-monopoly Law shall consider such factors as the nature, extent and duration of the violations.

**Article 50** Where the monopolistic conduct of an undertaking has caused losses to another person, it shall bear civil liabilities according to law.

**Article 51** Where an administrative development or an organization authorized by laws or regulations to perform the function of administering public affairs abuses its administrative power to eliminate or restrict competition, the department at a higher level shall instruct it to rectify; the leading person directly in charge and the other persons directly responsible shall be given administrative sanctions in accordance with law. The authority for enforcement of the Anti-monopoly Law may submit a proposal to the relevant department at a higher level for handling the matter according to law.

Where otherwise provided for by laws or administrative regulations in respect of administrative departments or organizations authorized by laws or regulations to perform the function of administering public affairs that abuse their administrative power to eliminate or restrict competition, such provisions shall prevail.

**Article 52** Where, during the review and investigation conducted by the authority for enforcement of the Anti-monopoly Law, a unit or individual refuses to provide relevant materials or information, or provides false materials or information, or conceals, or destroys, or transfers evidence, or refuses to submit

to or obstructs investigation in any other manner, the authority for enforcement of the Anti-monopoly Law shall instruct it/him to rectify, and a fine of not more than 20,000 yuan shall be imposed on the individual and not more than 200,000 yuan on the unit; if the circumstances are serious, a fine of not less than 20,000 yuan but not more than 100,000 yuan shall be imposed on the individual and not less than 200,000 yuan but not more than one million yuan on the unit; and if a crime is constituted, criminal liability shall be investigated for in accordance with law.

**Article 53** Where an undertaking is dissatisfied with the decision made by the authority for enforcement of the Anti-monopoly Law in accordance with the provisions of Article 28 or 29 of this Law, it may first apply for administrative reconsideration according to law; and if it is dissatisfied with the decision made after administrative reconsideration, it may bring an administrative action before the court according to law.

Where an undertaking is dissatisfied with any decision made by the authority for enforcement of the Anti-monopoly Law other than the decisions specified in the preceding paragraph, it may apply for administrative reconsideration or bring an administrative action before the court according to law.

**Article 54** Where a staff member of the authority for enforcement of the Anti-monopoly Law abuses his power, neglects his duty, engages in malpractices for personal gain, or divulges commercial secrets he comes to have access to in the course of law enforcement, which constitutes a crime, he shall be investigated for criminal liability according to law; and if his case is not serious enough to constitute a crime, he shall be given an administrative sanction according to law.

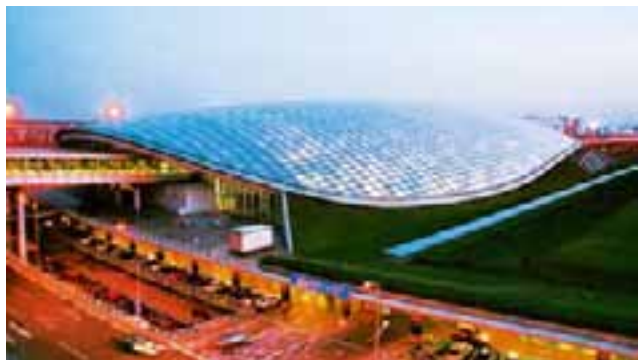
## Chapter VIII Supplementary Provisions

**Article 55** This law is not applicable to undertakings who exercise their intellectual property rights in accordance with the laws and administrative regulations on intellectual property rights; however, this Law shall be applicable to the undertakings who eliminate or restrict market competition by abusing their intellectual property rights.

**Article 56** This Law is not applicable to the association or cooperation by agricultural producers or rural economic organizations in their business activities of production, processing, sale, transportation, storage of farm products, etc.

**Article 57** This Law shall go into effect as of August 1, 2008. ©

# 打车 (一) Take A Taxi II



(凌晨一点钟, 首都机场)

(One O'Clock in the early morning at the Capital Airport)

大卫: 您好! 我要去友谊宾馆。

David: Hello! I want to go to Friendship Hotel.

出租车司机: 夜间行车, 请您系好安全带。友谊宾馆在哪儿, 您能说详细点么?

Taxi driver: Please tie the seatbelt as it's midnight. Could you tell me the address of Friendship Hotel in detail?

大卫: 我也不清楚。稍等。

David: I am not sure. Hold on a moment.

(大卫递给司机一张纸)

(David passed a paper to the taxi driver)

大卫: 这是地址, 您看看。

David: Here is the address. Have a look.

出租车司机: 哦, 中关村南大街。

Taxi driver: Oh, it's on the Zhongguancun South Street.

大卫: 我从大连过来, 那边很凉快。一下飞机, 都有点不习惯了, 北京很闷热。

David: I just came from Dalian, the cool city. When I got off the plain, I felt a bit unaccustomed to the hot and stuffy weather here.

出租车司机: 天气预报说, 要下暴雨。

Taxi driver: According to the weather report, it's going to rain heavily.

大卫: 大连这几天也常常下雨, 看来现在是中国的雨季。

David: It also rained a lot in Dalian recently, which seems that it entered the raining season now for China.

出租车司机: 真下起雨来了。我给您停到门口, 以免淋湿。

Taxi driver: It really began raining. I will park the car at the hotel gate lest you get wet.

大卫: 谢谢, 您想的很周到。

David: Thanks, you are very considerate.

## 生词 Vocabulary

凌晨	língchén	N	before dawn, early in the morning
机场	jīchǎng	N	airport
宾馆	bīnguǎn	N	hotel
行车	xíngchē		drive a vehicle
系	jì	V	tie
安全带	ānquándài	N	seatbelt
详细	xiángxì	Adj.	particular
稍等	shāoděng		hold on a moment
地址	dìzhǐ	N	address
凉快	liángkuài	Adj.	cool
习惯	xíguàn	Adj.	be accustomed to
暴雨	bàoyǔ	N	rainstorm
以免	yǐmiǎn	Adv.	lest, so as not to
淋湿	línshī		get wet
周到	zhōudào	Adj.	considerate

## 语法 Grammar

### ● 1. 不习惯+N

Be unaccustomed to something

例句

Examples:

大卫刚刚来北京, 还不习惯北京的天气。

David just arrived in Beijing, and was still unaccustomed to Beijing's weather.

丽丽转学了, 妈妈害怕她不习惯新环境。

Lily changed the school, and her mother worried that she would feel unaccustomed to the new environment.

### ● 2. 递给+somebody+something

Give somebody something by hand

李伟被雨淋湿了, 玛丽递给他一张纸巾。

Liwei got wet by the rain, so Mary handed him a tissue paper.

▲ When you ask somebody to do you a favor, you could use the pattern “把+something+递给+somebody” to emphasize the object you want.

Example:

你能把那本书递给我吗?

Could you pass me that book?

### ● 3. 以免+V/Clause

Lest that

要当心, 以免从树上摔下来。

Be careful lest you fall from that tree.

她轻轻的关好门, 以免吵醒其他人。

She closed the door gently so as not to make others awake.

# SUPPLY INFO

## 2009 China Market Suppliers List

**Company Name:** Qingdao LiYikun Carbon Development Co., Ltd

**Company Profile:** Qingdao LiYikun Carbon Development Co., Ltd located in Qingdao, China, is an integrated enterprise, specializing in manufacturing graphite base products for many years. The main products include graphite electrode, scale graphite, micron zed graphite, expandable graphite, Continuous casting graphite mould and so on, which are widely applied to the following industries: metallurgy, machinery, electronics, battery, chemical industry, light industry, military industry, national defense, and astronavigation and fire resistance industry.

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**Company Name:** MinDong ShengYu-an Electromechanical Co., Ltd

**Company Profile:** It is located in famous China MinDong Engine City-the city zone of Fu'an Fujian. Its traffic is very convenient, and environment is so beautiful. Our company occupies 3600m<sup>2</sup> with abundant strength and skill base. We produce all kinds of generators, electromotor, SY series gasoline gen-sets and pump professionally. Our products move off in the national market and are exported to the international market, well trusted by the customer.

It is a modern enterprise with generator, motors and electric pumps as its main products. It strictly carries out ISO9001-2000 management system and tries to create first-class product bands. It has strong technical forces, and its products include 20 series and are sold in regions such as Southeast Asia, the Middle East, Africa, America, etc.

**Contact Person:** Jonathan Zhu

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**Company Name:** Fuzhou Changhua Power machinery Co.Ltd

**Company Profile:** We are professional electric machinery manufacturer in China, which specializes in producing diesel and gasoline engine, diesel and gasoline generator, as well as diesel and gasoline water pump. Our company has obtained ISO9001 certification and Chinese national CCC certification; most of our products now have passed CE certification. Our products have been exported to more than 30 countries and regions, including Europe, Southeast of Asia, America and Middle East.

**Contact Person:** Kate

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**Company Name:** Hunan Ren Yuan Corp

**Company Profile:** Hunan Ren Yuan industry group takes the agriculture, the forest and the minerals industry as the foundation. It is a stock enterprise, whose production and investment development are integrated. It has 11 subordinate product enterprise, which mainly produces the Daily products, Home products, kitchen & toilet products, Handicraft Decoration, the daily use sundries, the present, solar lights, the canned foods, the construction template the electrolysis metal manganese and so on. Many varieties of product, which are sold to Europe, American and the Southeast Asia country, have received high praise from the domestic and foreign customers.

The management of the company devotes to humanist for foundation, strives for perfection; The enterprise product devotes to the item strives for new; the quality asks the essence, the cost to strive for lowly, the benefit strives for high.

The company insists taking the good faith as the principle, building the enterprise high quality brand. Meeting the challenge of the new century, We honestly invite the domestic and foreign merchants to create a better future together.

**Contact Person:** Frank

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**Company Name:** Longyan Zhuoyue New Energy Development Co. Ltd

**Company Profile:** China Biodiesel International Holding Co., Ltd is an international renewable energy corporation focusing on Biodiesel R&D, manufacturing, marketing and investment. Its major subsidiaries include: Longyan Zhuoyue New Energy Development Co., Ltd. and Xiamen Zhuoyue Biomass Energy Co., Ltd.

We demand large quantity of used cooking oil, palm acid oil, jatropha oil, coconut acid oil, sunflower oil, soybean acid oil, or Rapeseed Oil as material to produce biodiesel.

Our leading product is Biodiesel (Fatty acid methyl ester), a renewable, non-fossil fuel alternative to mineral diesel. It can be used as a burning fuel. It can also be used to synthesize many chemical products, or to be an additive in soap, PVC plastic and leather production. Our clients are some gas stations and many chemical factories.

**Contact Person:** Sindy Wu

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**Website:** [www.chinabiodiesel.cn](http://www.chinabiodiesel.cn)

**Company Name:** Senta Plastic Products Co., Ltd

**Company Profile:** Established in 1993 and located in the Anping Development Zone. The Senta Plastic Products Co., Ltd is a professional plastic production manufacturer, which deals in student stationery. There are more than 100 workers with 10% as the technicians.

With advanced equipment, unique products, technique, and qualified staffs, we have created our own brands "CHIRK" and "SENTA" in the stationery and gifts industry.

At present, we have about 100 kinds of stationery (rulers, pencil case, pencil vase, blackboard, whiteboard, stationery set), office supplies, gift and toys. Most of them are exported to Europe, North America, the Middle East,

Southeast Asia and other regions.

We are quickly becoming an important supplier both domestically and abroad. Upholding our principle of "quality first, customer supreme and high prestige", we hope to develop a long term cooperation relationships worldwide. For more information, please visit our website or contact us directly with your questions or inquiries.

Along with all of the staffs, the director extends its earnest invitation to friends at home and abroad to join us and attain mutual development together.

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**Company Name:** Qingdao Changlong Stationery Co., Ltd

**Company Profile:** Qingdao Changlong Stationery Co., Ltd. (Snowwhite), a professional stationery manufacturer specializing in investigation, production and marketing, was founded in May of 1988. After 18 years' development, the total investment amounts to US\$8.62 million. The factory occupies over 60000 square meters, and more than 1800 people are working in the company. The brand of Snowwhite is the only stationery brand that was certificated as the Chinese Well-known Trademark, China Top Brand and China Product Exempted from Quality Surveillance Inspection in Chinese stationery industry line. Snowwhite has been appraised as most meritorious and effective manufacture by China Writing Instruments Association many times.

The main products include gel pen, ball pen, free ink system/reservoir sign pen, free ink system/reservoir highlighter pen, correction fluid, correction tape, white board pen, marker pen, fountain pen, oil pastel, erasable pen and various refills. Till now, Snowwhite is one of the biggest correction pen manufacturers in Asia, with annual production ability more than 50 million pieces; and is one of the biggest pen manufacturers in China, with annual production ability more than 0.3 billion pieces.

After Snowwhite became the first company in the industry line who successfully actualize Quality/Circumstance/Occupation Safety Health three system management and input standardization manage mode, the company give its best on Performance Excellence

evaluation mold. In 2005, Snowwhite was appraised as Excellent Shandong Performance Advanced Enterprise. In 2006, Snowwhite got Shandong Quality Management Award. In 2007, Snowwhite got two China top brands for ball pen and markers.

In 2006, Snowwhite's new Industry Area began to be used. A grand China Writing Instruments Science and Tehnology Garden Standing erect by Qingdao west coast in Yellow sea bank. This is a landmark in company's socialization management development history. Snowwhite will use this field, expand and filter to every corner all over the world, keep go-ahead to become "the most valuable writing instruments in the world".

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**Company Name:** Fuzhou New Landscape Agriculture Co., Ltd

**Company Profile:** Fuzhou New Landscape Agriculture Co., Ltd is located in the east of Fujian of China. It is about 38 kilometers away from Ma Wei Port. It is a leading agricultural enterprise specializing in bamboo & wooden charcoal and bamboo products. Our company was founded in 1999. After effort of all the staff, we have developed and invented 11 series of products, including bamboo & wooden charcoal, BBQ product, bamboo charcoal product, bamboo vinegar, charcoal tea- an organically grown tea and heath care charcoal products. In November of 2002, our refined bamboo vinegar won gold prize in international timber product fair of China Xiamen; In January 2005 our organically-grown tea and its cultivation technology were awarded national patient prize for its contribution to the progress of science and technology. In July 2005, our organically-grown tea and tea cultivation technology were proved and certificated as High-technology by American Palladium, which created the conditions to U. S. Nasdaq. In August of 2006 our company was approved by German ISO 9000. Our products have found a good sale in Japan, Korea, Tai wang and other countries and areas of south-east Asia. Both our products and service have been highly praised by the consumers. We hope to cooperate sincerely with professional importers from Europe and America to open up the big market of the bamboo and wooden

charcoal industry together.

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**Company Name:** Ningbo DAR International Trading Co., Ltd

**Company Profile:** Our company is situated at a beautiful coast port city -Ningbo, in southeast area of China, with the fine economic environment and the harbor facilities.

Our company mainly sells the related computer accessories, the existing variety has surpassed several thousand kinds, moreover we can follow different customer's demand to provide many kinds of levels of products, simultaneously we also provide special services about other industrial products' purchasing and the processing and so on. The "high quality, high efficiency" are our service objective!

The hope with yours care and the support, enables between us to have a broader prospect!

**Contact Person:** Stella Shen

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**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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# 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  
and Reform Commission of P.R.China  
People's Government of Jilin Province

Time: Sept.2-6,2009

Place: China.Jilin Changchun International  
Conference & Exhibition Center

