

CHINA'S 中国对外贸易 FOREIGN TRADE

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SPECIAL REPORT

Recovery or
Recession?
It Is A Question!

EYE ON CHINA

Spirit of
Innovation

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Jay Chou Beijing Concert 2010

Time: 2010/7/3 **Venue:** Workers' Stadium
Price: RMB 280/380/480/680/980/1280/1680
Tickets are available at 400-610-3721

Jay Chou is a popular Taiwanese musician, singer, producer, actor and director who has won the World Music Award four times. He is well-known for composing all his own songs and songs for other singers. In 1998 he was discovered in a talent contest where he displayed his piano and song-writing skills. Over the next two years, he was hired to compose for popular Chinese singers. Although he was trained in classical music, Chou combines Chinese and Western music styles to produce songs that fuse R&B, rock and pop genres, covering issues such as domestic violence, war, and urbanization.

In 2000 Chou released his first album, titled Jay, under the record company Alfa Music. Since then he has released one album per year except in 2009, selling several million copies each. His music has gained recognition throughout Asia, most notably in regions such as Taiwan, China, Hong Kong, Japan, Malaysia, Indonesia, Singapore, Thailand, Vietnam and in overseas Asian communities, winning more than 20 awards each year. He has sold over 25 million albums worldwide.

North Korean Opera: A Dream of Red Mansions

Time: 2010/7/5-2010/7/7
Venue: NCPA-Opera House
Price: RMB 180/280/380/480/680/880
Tickets are available at 4006103721

North Korea's Phibada Opera Troupe will bring with it a Korean opera adapted from China's classic novel A Dream of Red Mansions written by Cao Xueqin. A Dream of the Red Mansions is a masterpiece of Chinese literature and one of the Chinese Four Great Classical Novels.

The North Korean version stays true to the original novel. The opera features 10 scenarios in six acts. It tells the love story of the protagonists Jia Baoyu and Lin Daiyu, with climaxes of Lin's death and Jia's running away from home. The songs in the opera are rendered in the style of Korean folk songs, and the script is taken from the original Chinese text. To better convey the tragic moods, the Chinese erhu was chosen as the main instrument for the music.

The opera have shocked hundreds of thousands of audiences by its unique interpretation since its premiere in September 2009.



Dino Dream Park

Time: 2010/7/1-2010/8/31 **Venue:** Dino Theme Park
Price: RMB 60/90
Tickets are available at 400-610-3721

Dino Theme Park aims to provide zero distances contact with the dinosaurs for children and adults. Treasured fossils from Institute of Vertebrate Paleontology and Paleoanthropology of Chinese Academy of Science, giant mechanical simulation dinosaurs and fossil restoration of labs work are dizzying.

Three Main Halls: Reentry Jurassic Period Hall-simulation dinosaurs to reconstruct the Age of the Dinosaur; Science Hall-dinosaur fossil hall and fossil restoration show; Ice Age Hall--fossils of saber-toothed tiger, mammoth, cave bear, cheetah and recovered Ice Age ruins.

Concert by Piano Seven, Switzerland

Time: 2010/7/6 **Venue:** NCPA-Concert Hall
Price: RMB 80/120/180/280/380/480
Tickets are available at 4006103721

The seven current pianists are Francois Lindemann, Olivier Rogg, Marc Perrenoud, Valentin Peiry, Fabrizio Chiovetta, Michel Bastet and PierreLuc Vallet - accompanied by violinist Stephanie Decaillet and percussionist Nicolas Levon.



Piano Seven started out in 1987 as a one-off experiment, the brainchild of Lindemann and Sebastian Santa Maria. The first performance bringing the sounds and skills of seven pianists on one stage was an instant hit, and a second run was in high demand. Since then, the Swiss-based ensemble has played around 150 concerts in Switzerland, France, Belgium, Lebanon, Egypt, Brazil, Thailand, Hong Kong, Singapore, Taiwan and China.

Roam about the Classics—Dublin Philharmonic Orchestra Concert

Time: 2010/7/10-2010/7/11
Venue: NCPA-Opera House
Price: RMB 180/280/380/480/580/680
 Tickets are available at 4006103721
Presenter: Dublin Philharmonic Orchestra
Conductor: Derek Gleeson

The Dublin Philharmonic Orchestra (“DPO”), together with Irish classical solists, traditional Irish instrumental soloists, and Irish conductor(s), will undertake a nine concert tour of China in July 2010 (including the cities of Guangzhou, Hangzhou, Shanghai, Suzhou, Qingdao, and Beijing).



THRILLER - LIVE Beijing 2010

Time: 2010/7/11-2010/7/13
Venue: Beijing Exhibition Theater
Price: RMB 280/480/680/880

Paul Walden & Derek Nicol for Flying Music in association with Adrian Grant for Key Concerts present
 Direct from London's West End
CELEBRATING THE UNDISPUTED KING OF POP

THRILLER - LIVE is a spectacular concert created to celebrate the career of the world's greatest entertainer. Moonwalking its way around the world, THRILLER - LIVE brings to life the sensational dancing and distinctive sound of Michael and the Jackson 5. With eye-popping multi-media effects and dazzling

choreography by the shows award-winning director Gary Lloyd, THRILLER LIVE marks the first Jackson's dedicated live theatrical experience ever!

In a career spanning 40 years, Michael Jackson sold an unparalleled 750 million records worldwide with the Thriller album still the world's best-selling recording of all time. His music continues to sell in its millions, winning new fans young and old alike.

THRILLER - LIVE includes over two-hours of non-stop hit songs in a show that pays homage to the world-class spectacle of Jackson's legendary live performances.

Expect your favourite Jackson songs delivered by an exceptionally talented cast and live band, including the smash hits: I Want You Back, I'll Be There, Can You Feel It, Off The Wall, PYT, The Way You Make Me Feel, Smooth Criminal, Beat It, Billie Jean and Thriller plus many more!

What the papers say:

“A TOTAL BLAST. The staging and constant brilliance of the musicians keep us riveted. A WONDERFUL SHOW” —*Watsonstage.com*
 “You can't beat it!” —*Evening Standard*
 “AN EXUBERANT BLAST!” —*Daily Mail*
 “This theatrical extravaganza is a breathtaking celebration – QUITE LITERALLY, THRILLING” —*The Stage*
 “A glitzy concert of song and dance. THE HITS JUST KEEP ON COMING” —*Daily Telegraph*
 “Dazzlingly well-drilled and brilliantly done” — *Mail on Sunday*
 “IMMENSELY ENJOYABLE.” —*The Independent*

Art Gallery & Theatres

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 中山公园音乐堂 北京西城区西长安街中山公园内
 86-10-65598285

Cherry Lane Movies Anjia Lou Inside the Kent Center, Chaoyang District, Beijing
 北京友厅公司 北京朝阳区高澜大厦红绿灯北70米路东按家楼肯特中心
 86-10-13901134745

Beijing Concert Hall No.1 Beixinhuajie, Xicheng District, Beijing
 北京音乐厅 北京西城区北新华街1号
 86-10-6605 7006/5812

The Star Live Daily 6:30pm-late, 3/F, Tango, 79 Heping Xijie (50m north of Yonghegong Subway station), Dongcheng District, Beijing
 www.thestarlive.com
 星光现场 北京市东城区和平西街79号糖果三层 (雍和宫桥北50米)
 86-10-64255677

Mao Livehouse No.111, Gulou Dongdajie, Dongcheng District, Beijing
 光芒 北京东城区鼓楼东大街111号 86-10-6402 5080

Yuging Yishan No.3, Zhangzizhong Lu, (next to the former Duan Qirui government building) Ping'andajie, Dongcheng District, Beijing
 愚公移山 北京东城区平安大街张自忠路3号 (段祺瑞执政府旧址大门左侧)
 86-10-6404 2711

Centre Cultural France in China Guangcai International Apartment, No.18, Gongti Xilu, Beijing
 法国文化中心 北京工体西路18号光彩国际公寓法国文化中心
 86-10-65532627

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 北京展览馆 北京西城区西直门外大街135号

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 保利剧院 北京东城区东直门南大街14号

Minorities Culture Palace Theater (Minzu Wenhua Gong) No.49, Funaida Street, Xicheng District, Beijing
 民族文化宫 北京西城区复内大街49号

Peking University Hall inside Peking University, 75 Haidian Lu, Haidian District, Beijing
 北大百年纪念礼堂 北京海淀区路75号北京大学内
 86-10-6275 1278

Beijing Concert Hall No.1 Beixinhuajie, Xicheng District, Beijing
 北京音乐厅 北京西城区北新华街1号
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Lifestyle

FRENCH ACTRESSES

This July, the French Cultural Centre invites you to experience the seduction and the power of France's major film actresses: Brigitte Bardot, Fanny Ardant, Nathalie Baye, Isabelle Huppert...

FRENCH CULTURAL CENTRE

French films with Chinese (and sometimes English) subtitles

Fidelity card: RMB 100/5 films + 1 free (Students: RMB 50) RMB 20 (Students: RMB 10)

Free entrance on Monday More information: www.ccfpekin.org



Casque d'or

France, 1952 96 min

Director: Jacques Becker

With: Simone Signoret, Serge Reggiani

Genre: Crime, Drama, Romance

French with Chinese & English subtitles

In an open-air dance hall, the members of Leca's gang are relaxing with their ladies. One of them, Marie, aka "Casque d'Or" (Golden Helmet) meets Manda, a carpenter. Her man Roland belongs to the jealous kind and Leca himself has his eye on her. A story of love, death, friendship and jealousy during the Belle Epoque.

Sunday 7.4 7.00pm

Monday 7.19 7.00pm

The Woman Next Door

France, 1981 106 min

Director: François Truffaut

With: Fanny Ardant, Gérard Depardieu

Genre: Drama, Romance

French with Chinese & English subtitles



Madame Jouve, the narrator, tells the tragedy of Bernard and Mathilde. Bernard was living happily with his wife Arlette and his son Thomas. One day, a couple, Philippe and Mathilde Bauchard, moves into the next house. This is the accidental reunion of Bernard and Mathilde, who had a passionate love affair years ago. The relationship revives... A somber study of human feelings.

Friday 7.2 7.00pm

Saturday 7.24 7.00pm



The Promised Life

France, 2002 93 min

Director: Olivier Dahan

With: Isabelle Huppert, Pascal Gregory

Genre: Drama

French with Chinese subtitles

Sylvie is a hooker whose illegitimate daughter commits a crime. She and her daughter flee to find Sylvie's first love in the countryside. The daughter is trying

to get to know her unwilling mother. Along the way, the two meet a male fugitive and bond with each other.

Friday 7.09 7.00pm

Sunday 7.25 7.00pm

Friday 7.16 7.00pm

Saturday 7.31 7.00pm

Venus Beauty Institute

France, 1999 105 min

Director: Tonie Marshall

With: Nathalie Baye, Audrey Tautou, Mathilde Seigner

Genre: Comedy, Drama, Romance

French with Chinese subtitles



Madam Nadine manages with pride the "Vénus beauté" Salon which offers relaxation, massage and make-up services.

The owner and her three beauticians: Samantha, Marianne and Angèle are pros. Contrary to her friend Marianne, who still dreams of the big day, Angèle no longer believes in love. Marie, the youngest of the three employees, discovers love in the hands of a sixty year-old former pilot, who risks everything...

Wednesday 7.7 7.00pm

Saturday 7.17 7.00pm

Sunday 7.11 7.00pm

Friday 7.23 7.00pm

Lili

France, 2003 104 min

Director: Claude Miller

With: Ludivine Sagnier, Nicole Garcia, Bernard Giraudeau, Julie Depardieu

Genre: Drama, Romance

French with Chinese and English Subtitles



Mado, a famous actress, spends her summer vacation in her country house in Brittany, accompanied by her brother, Simon, her son, Julian, who wants to become a filmmaker, and Brice her current lover and director of her latest films. She and Julien have a stormy relationship. Julien is madly in love with Lili, a young woman who lives in the region and who dreams of becoming an actress. Although fond of Julien, Lili is fascinated by Brice, an established filmmaker who doesn't seem insensible to her charms. One day, Lili offers to leave everything behind if he'll take her to Paris with him. Five years later, Lili has become a successful actress. She's no longer with Brice. She learns by chance that Julien is about to make his first film which happens to be about her.

Monday 7.5 7.00pm

Friday 7.30 7.00pm

ART & GALLERY

WEDNESDAY GIFTS Pan Tao Painting Exhibition

Artist: Pan Tao

Critic: Monica Dematté

Opening: 29. 05. 2010 /Saturday/ 4 – 7 pm

Duration: 30. 05. 2010 – 02. 07. 2010 / 10:00 – 18:00 Daily

Venue: ANART Space. 2F, Building 13, 50 Moganshan Rd, Shanghai, 200060

Tel: 021-62985416

Email: ofotogallery@vip.163.com

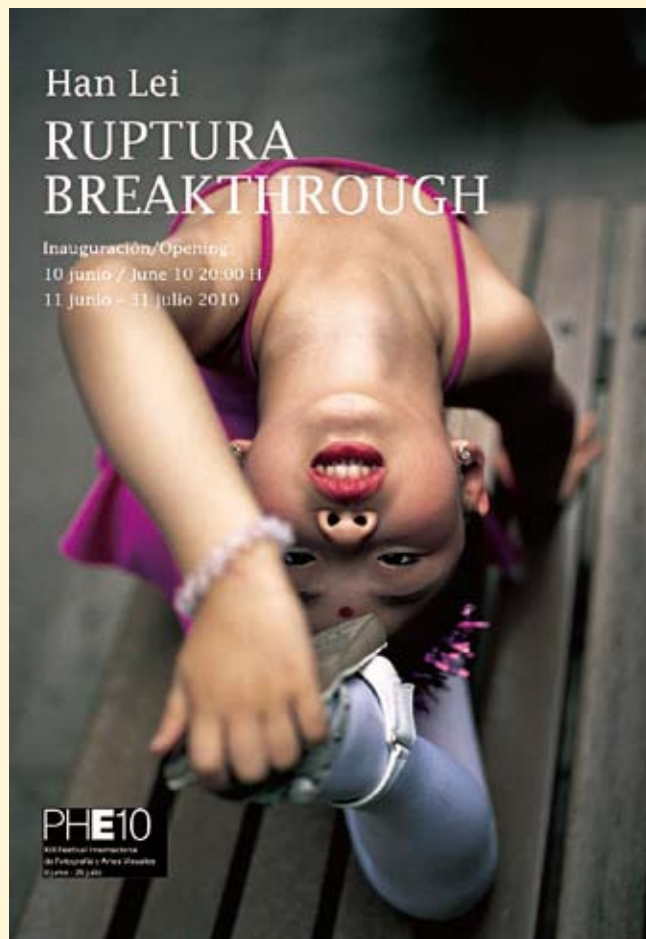
Web: www.anart-space.com

Pan Tao has the calm, smiling easiness of many women from the north of China, she is deeply female without being too feminine, she is a 'natural woman' who looks at love, bodies, birth like metaphors of the whole universe, of Life. I see in her paintings a 'panic' atmosphere that involves everything. Human beings, mainly nude, are just so much part of the universe, that a flow of vital energy passes through them.

I feel a warmth about Pan Tao, as a person, that makes me think she is a true, caring woman, and when, like in many cases, she manages to convey that very warmth to the viewers through her works, she achieves a great task, difficult to reach for many artists who are more concerned with external, superficial issues rather than with their inner being. It might be quite obvious to say that, but I believe this ability comes from the best part of female nature. Why should we give it up for some ordinary 'male' rationality?

Exploring the roots of life: Pan Tao's cosmic motherhood

Monica Dematté





22 Rising concerns about the sovereign debt situation causes much of the questioning of the V-shaped scenario. Instead, investors are wondering whether the global economy might be headed for a W-shaped, or a double-dip recession.



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Bi-Weekly Watch

CPI: 3.1% ↑ in May

China's consumer price index (CPI), a main gauge of inflation, rose 3.1 percent year on year in May, the National Bureau of Statistics (NBS) announced on June 11.

The May figure was up 0.3 percentage points from April's rise of 2.8 percent. It also surpassed the central government's targeted 3 percent annual inflation limit.

In May, consumer prices in China's urban areas increased 2.9 percent and in rural regions by 3.3 percent. Food prices, which accounted for about a third of the weighting in calculating the CPI, rose 6.1 percent.

NBS spokesman Sheng Laiyun said the higher inflation was because of a low comparison basis from the same period last year and was pushed up by food prices hikes. "Although China faces quite a lot of pressure, the 3% target is still possible with effort," he said.

Lu Ting, China economist of the Bank of America-Merrill Lynch, said in an e-mailed note that China's rising inflation could be interpreted negatively by markets, and would be a risk for a few more months. (NBS)

Exports: 48.5% ↑ in May

China's exports surged by 48.5 percent year on year in May, while the imports climbed 48.3 percent, the General Administration of Customs (GAC) announced on June 10.

The growth rate for exports was 18.1 percentage points up from the figure for April, and the import growth rate dipped slightly from 49.7 percent reported in April. Exports totaled US\$131.76 billion in May, adding imports topped US\$112.23 billion.

Experts said the strong growth of exports eased concerns that the Euro-

pean sovereign debt crisis would dent China's economic growth.

Total foreign trade value rose 48.4 percent from a year earlier to US\$243.99 billion in May. The figure was 10.2 percent higher than May 2008 before the global financial crisis began.

Exports were up 9.2 percent from May in 2008 and imports grew 11.4 percent. From January to May, the total



value of foreign trade rose 44 percent year on year to US\$1.1 trillion.

Exports were up 33.2 percent to US\$567.74 billion and imports rose 57.5 percent to US\$532.35 billion.

The trade between China and the United States reached US\$138.68 billion in the first five months, up 28.2 percent.

The Association of Southeast Asian Nations (ASEAN) replaced Japan to become China's third largest trade partner by thin margin. Its trade with China grew 57.5 percent to US\$111.8 billion. China-Japan trade stood at US\$111.56 billion, up 38.8 percent.

Zhang Xiaoji, a researcher at the National Development Research Center of the State Council, China's Cabinet, said China's exports continued recovery in May, and the ongoing European sovereign debt crisis did not pose a major threat to China's foreign trade.

Zhang said China's foreign trade data for April and May indicated that the global economy remained on the track of recovery.

He expected the foreign trade value to grow 10 percent for the whole year, and a big decline in the trade surplus.

UBS Securities economist Wang Tao also said in a note that the European debt crisis would not have big impact on China's exports in the near-term as exports to nations affected by the crisis only accounted for 2 percent of China's total. A recovery in demand was still a major factor pushing up China's exports, Wang said.

The People's Bank of China, the central bank, warned earlier this month that the expanding European sovereign debt crisis and trade frictions were among potential risks that might have a significant impact on China's economy. (Xinhua)

FDI: 27.48% ↑ in May

The amount of foreign direct investment (FDI) into China in May rose by 27.48 percent year on year to US\$8.13 billion, said Yao Jian, spokesman of the Ministry of Commerce (MOC), June 12.

The figure brought the country's FDI to US\$38.92 billion in the first five months, an increase of 14.31 percent from a year earlier.

Yao said that in the first five months, FDI mainly flowed into the manufacturing sector, accounting for 47.32 percent of the total, despite a fall of 3.85 percent in the amount.

The service sector saw actual inflow of the FDI up 32.05 percent from a year earlier, while FDI in the primary sector, including farming, fishery and forestry, rose 85.49 percent year on year, which accounted for 1.63 percent of the total FDI in the first five months.

China approved the establishment of 9,638 overseas-funded ventures in the first five months, up 22.15 percent from the same period of last year. In May alone, the government approved 2,132 such companies, representing a year-on-year increase of 29.29 percent. (Xinhua)

China's farm produce prices drop five weeks in a row

Farm produce prices in China's 36 large and medium-sized cities have fallen for five consecutive weeks, the Ministry of Commerce said on June 8.

In the week ending June 6, farm produce prices dropped 0.6 percent in those cities from a

week earlier, said a statement posted on the ministry's website.

Vegetable prices dropped sharply last week with the wholesale prices of 18 kinds of vegetables tumbling 7 percent from a week earlier, the statement said.

Food prices account for 34 percent of the weighting in China's consumer price index (CPI), a major gauge of inflation

China is yet to report its CPI figure for May, but analysts expect the figure to exceed the 3-percent government target partly because of a low comparison base last year.

China's CPI accelerated to 2.8 percent in April, up 0.4 percentage points from March.

The producer price index (PPI), a major measure of inflation at the wholesale level, increased 6.8 percent in April from a year earlier. The government is due to release major economic data for May this week, including the CPI, PPI and retail sales. (*Xinhua*)

Foreign giant eyes Chinese grain market

A recent wheat-processing project by Singaporean agribusiness group Wilmar International Limited in Henan province has stirred fears that foreign giants are threatening China's grain and oil enterprises, a report by China Economic Weekly said.

This project, which includes wheat processing plants as well as railway and warehouse construction for wheat products, is in Zhengzhou, capital of Henan province. This move marks the group has further completed its grain industry chain in the province known for agri-

cultural production.

Yang Peigan, chairman of a cereal and oil company in Henan, said the province's wheat processing companies are small and scattered, hardly a competitor for international groups.

"China's capacity for grain production and consumption are major attractions for foreign companies," analyzed Yang Zhengsheng, a researcher with the Henan provincial government, "they penetrate into all sectors in the industry chain with the aim of having a say in the pricing system." (*China Economic Net*)



Two Chinese dairy producers enter world's top 20

Two Chinese dairy producers, Mengniu and Yili, entered the world's top-20 dairy ranking last year, according to an annual report released on June 17.

Mengniu, with a turnover of US\$3.77 billion in 2009, ranked the 16th in the top-20 list, Dutch financial group Rabobank said in the report.

It was the second year that Mengniu, the largest dairy producer in China, was among the top 20 dairy companies in the world. Its ranking moved up by three places in the list.

Yili, a main rival of Mengniu, was a newcomer in the list. With an annual turnover of US\$3.54 billion last year, it ranked the 17th.

It marked the first time that there were two Chinese dairy producers entering the world's top-20 ranking, after Mengniu first appeared in the list in 2008.

"After Mengniu's entering the top-20 last year, we now see Yili enter the top-20 as well," Rabobank said.

Among the top 20 dairy companies, Nestle of Switzerland remained the global leader, recording an annual turnover of US\$25.9 billion last year, nearly two times that of France's Danone, the world's No. 2.

With the exception of two Chinese dairy producers, the top-20 list was predominantly occupied by western companies.

However, the main conclusion of the 2009 ranking is that the number of representatives of non-western countries is steadily increasing, thanks to rising domestic demand in the developing world, Rabobank said.

"Companies mainly operating in the mature markets of Europe and the United States may find it hard to achieve further growth, while companies operating in developing markets have ample opportunity to increase sales simply by keeping up with domestic market growth," it said. (*Xinhua*)



China seeks advice from industrial workers on energy saving

China kick-started on June 13, 2010, a national campaign to get energy-saving advice from industrial workers in an effort to reduce emissions and waste.

The campaign, which runs till December this year, was jointly initiated by the country's Ministry of Industry and Information Technology and the All China Federation of Trade Unions.

China aimed to reduce energy consumption per unit of gross domestic product (GDP) by 20 percent in 2010 compared to 2005 levels, according to the country's 11th five-year plan (2006-2010).

However, Minister of Industry and Information Technology Li Yizhong said Sunday it was an "extremely heavy task" given the current circumstances for the country to achieve this goal, even though between 2006 and 2009 reductions of 14.38 percent had been achieved.

Li said industrial workers were at the front line of production, and they knew a lot about how to further reduce emissions and save energy.

The campaign encourages com-

panies to seek advice from workers and publish articles on constructive ideas and achievements. Rewards will be given to workers or companies that make substantial progress in energy saving. (*Xinhua*)

Eco-friendly development stressed for eastern Jiangsu

Senior Chinese leader He Guoqiang has stressed the importance of adjusting economic growth pattern to reduce energy waste and pollution.

He, a Standing Committee member of the Political Bureau of the Communist Party of China Central Committee, made the remarks during his visit to east China's Jiangsu Province from May 14 to 19.

While visiting a heavy equipment manufacturer, He urged the group to improve operations and management methods to reduce production costs and energy waste.

During his trip to Taihu lake, he called for more efforts to develop the recycling, low-carbon and green economy to strengthen environmental protection and to ensure people "have clean drinking water and clean air to breathe."

Taihu, China's third largest freshwater lake, has suffered rampant algae

growth from water pollution due to sewage discharge.

An excess of algae removes oxygen from the water, killing fish and other aquatic life, which then decay and release toxins.

While inspecting the road tunnel which traverses the Yangtze River in Nanjing and the Sutong Yangtze Road Bridge that links the two cities of Nantong and Suzhou, He hailed engineers for overcoming various difficulties with their independent technological innovation. (*Xinhua*)

Goldwind to list in Hong Kong, expand overseas sales

Xinjiang Goldwind Science and Technology Co. Ltd., one of China's largest wind turbine makers, will expand its overseas sales, a senior company official said on May 20.

Currently, overseas sales account for around 10 percent of Goldwind's annual business, but the company hopes to boost that figure to 30 percent by 2012, said Sun Liang, chief financial officer (CFO) of Goldwind at an industry workshop on May 20.

In 2009, Goldwind boosted its sales revenues by 66.28 percent year-on-year to RMB 10.738 billion (\$1.57 billion), while its net profits surged 92.58 percent year-on-year to RMB 1.746 billion (\$255.64 million).

Sun also said that Goldwind, which is currently traded on the Shenzhen Stock Exchange, submitted its H-share initial public offering (IPO) application to the Hong Kong Stock Exchange on May 20 and will likely receive the necessary approvals. The plan to float 450 million H-shares has already been approved by the China Securities Regulatory Commission (CSRC), China's stock market watchdog.

Part of the capital raised from the IPO will be used to expand the company's overseas sales network, Sun said. (*INTERFAX-CHINA*)



Energy usage set to tighten to curb excess

Authorities will restrict energy supply in areas with excessive increases in energy usage and high energy-consuming industries, said a high-ranking official with the National Development and Reform Commission (NDRC), the country's top economic planning body.

The practice of uncapped energy supply and the uncontrolled use of energy will change with the new moves, Xie Zhenhua, deputy minister of the NDRC, said in a statement published by the People's Daily on Wednesday.

Starting from June 1, the NDRC has ordered enterprises using high levels of energy to be excluded from enjoying discounted electricity rates.

The central economic planner will also launch nationwide inspections to enforce the new moves, the statement said.

Such enterprises will also be required to limit or stop production, it said.

The country's goal of curtailing its energy usage and cutting carbon emissions has met with difficulties as a pick-up in the demand for energy-guzzling

China plans to cut its energy use by 20 percent below 2005 levels by the end of this year, according to a five-year energy-saving plan from 2006 through 2010.

The NDRC will also tighten its supervision of energy-saving practices in a number of key areas to meet the goal, Xie said. These key areas include large energy-consuming provinces such as Guangdong, Jiangsu and Shandong. In other provinces like Sichuan and Shanxi, energy consumption has grown so swiftly in the first five months of this year that supervision will also be boosted, he said.

Energy-saving moves in the past four years have fallen behind schedule, Xie said.

Only about half a year is left to make up for the lag, he said. *(Xinhua)*

Huaneng launches natural gas project in Xinjiang

Leading Chinese power company Huaneng said Tuesday it has launched a 26 billion yuan (\$3.8 billion) synthetic natural gas (SNG) project in Northwest China's Xinjiang Uygur autonomous region to boost energy exploration and production there.

output of 4 billion cubic meters, said a corporate source.

The gas sales will generate 7 billion yuan in annual revenue and 2.5 billion yuan in annual profits and taxes, the company said.

Zhang Tingke, deputy president of China Huaneng Group, said the SNG project, the biggest of the kind in the region, will be environmentally-friendly and energy-conserving.

The power giant also announced Monday it would lavish more than 100 billion yuan in the Xinjiang region over the next ten years to boost energy exploration in the Junggar Basin, the Turpan Basin and Hami.

Huaneng's move echoes the central government's support package for Xinjiang region unveiled at meeting held in Beijing last month.

The central government's support package stressed that the region's natural resources should be developed in their own time while the construction of energy projects should be accelerated. *(Xinhua)*

China-Russia oil pipeline to start running on Oct 31

China National Petroleum Corporation (CNPC), China's largest oil and gas producer, announced Monday a Sino-Russian crude oil pipeline was scheduled to be completed and begin operation by Oct 31 this year.

Construction of the 999-km pipeline project, with 72 kilometers within Russia and 927 kilometers in China, began last year.

CNPC said welding of the pipeline section in China, or the 927-km Mohe-Daqing trunk, has completed, and the Russian section was also about to be finished soon.

The pipeline starts from east Russia's Skovorodino town in its far-eastern Amur region to end at China's north-eastern city of Daqing.

The pipeline project is part of a bilateral loan-for-oil deal reached in February 2009 between the two countries, under which China offers Russia \$25 billion of long-term loan and Russia will supply a total of 300 million tons of oil through pipelines to China from 2011 to 2030. *(Xinhua)*



products pushed up the need for power.

Preliminary estimates showed that the energy use for every unit of gross domestic product, a measurement of China's energy consumption, rose in the first quarter by 3.2 percent from a year earlier, Xie said.

Last year, the country's energy consumption fell 2.2 percent, failing to meet an annual target of 4 percent.

The SNG project based in Qitai county of Xinjiang will turn coal from the Dajing mining area in the East Junggar coalfields into natural gas which will be transported to energy-hungry regions outside of Xinjiang, China Huaneng Group said.

The first stage of the project's construction will be completed by 2013 and it will have an annual natural gas

Steel prices decline for seven consecutive weeks

On June 9, Wuhan Iron and Steel and Anshan Iron and Steel, reduced prices of their main products by 300 yuan to 1,200 yuan, respectively, after Baosteel cut their prices to the same amount.

Data released by the General Administration of Customs on June 10 shows that China had only imported 52 million tons of iron ore in May, the first decline since April and the first decline over the same period of last year.

According to data from the Beijing Lange Steel Information Research Center, China's steel products market has decreased steel prices for seven consecutive weeks, with the average price of long steel products and steel sheets declining to 5,185 yuan per ton on June 4, down 428 yuan per ton from the end of April.

Of all the price adjustments that the big-three steel mills have scheduled for July, the price of auto sheets, which is a high-end product with hot sales, is expected to decline the most. The price of Baosteel DC04 automobile cold-rolled coils will decrease to 6,476 yuan per ton in July, down 1,000 yuan per ton.

Meanwhile, the sharp rise of imported iron ore prices has resulted in a rapid increase of China's steel product costs. At present, the formerly low-priced iron ore in steel mills has been used up. Although different steel companies have different cost bottom lines, prices of China's steel products have all lowered to or are close to the cost of production.

Among the seven main steel products, six have a transaction price that is 300 yuan lower than the production cost per ton. The transaction price of billets and wire rod coils is 400 yuan lower than the production cost per ton.

Market demand from two main steel consumption markets, the automobile and real estate industries, has significantly declined and has put steelworks under growing pressure. On one hand, the growth of the domestic auto industry continues to slow down, and there have been over 1.1 million vehicles left unsold over the past five

months, according to statistics from China Automotive Technology & Research Center. On the other hand, a series of government control policies have successfully cooled the domestic real estate market, resulting in a considerable drop in steel orders from real estate developers.

In 2010, China's steel exports have increased significantly due to the rising steel prices in the international market. According to customs statistics, China exported nearly 18 million tons from January to May, up over 127 percent from the same period of last year. However, some experts believe that the outlook for China's steel exports is not bright because of the unfavorable global economic situation and the recurrent protectionist measures adopted by foreign governments. There is little chance of a surge in the steel export volume in the short run. (*People's Daily*)

Top 10 steelmakers to produce 60% of the nation's steel

China expects its top 10 steel makers to produce more than 60 percent of the country's total steel output by 2015, up from 44 percent in 2009, according to a document published on the government's website on June 17.

China is encouraging its big steel companies to acquire other smaller ones and restructure so to consolidate the steel industry. It aims to create three to five major steel companies that will compete in the international market, according to the document issued by the General Office of the State Council.

The plan is also part of the coun-

try's efforts to cut emissions through restructuring the steel sector, which has the "biggest potential" for emissions reductions, the document said.

The government said it would encourage domestic steel mills and iron ore firms to set up reliable iron ore bases overseas and for big steel companies to establish plants overseas.

The government would prohibit "blind investment" and "repetitive construction" in the steel sector, the document said, adding that as of the end of 2011 the government would not approve of any new steel projects that aim to expand capacity. (*Xinhua*)

Iron ore import decreases in China

According to statistics from the Ministry of Transport, China's ports discharged 56 million tons of iron ore in May, 2.5 percent less than that during the same month last year. This is the first time that the iron ore import decreased since 2009.

China Iron & Steel Association announced on June 9 that steel output has begun to decline after the price of steel fell for a month. The country's average daily steel output in May reduced by 20,000 tons, from 1.821 million tons in April to 1.805 million tons in May.

At present, some small steel factories in north China are reducing or limiting their output, but large steel plants are not prepared to do so. An anonymous staff member from a steel plant said that although the price of steel dropped dramatically, it would cause more losses if machines stop operating.

The negative growth of iron ore import in May was mainly due to the high-volume import last year and the increasing price this year.

But there is no doubt that the domestic steel output has to decline. The demand from the real estate and auto industries is falling, and the price of steel is decreasing. Also, the quoted price of iron ore from the three major iron ore mining companies continues to increase. (*China.org.cn*)



Beijing extends cash-for-clunkers program to Dec. 31

China's government will extend its cash-for-clunkers incentive to the end of this year to encourage consumers to buy more fuel-efficient vehicles.

The program, enacted in June 2009, was scheduled to end March 31.

Consumers who trade in medium-duty trucks, light trucks and mini trucks are eligible for a subsidy of 6,000 yuan (\$878), 5,000 yuan (\$732) and 4,000 yuan (\$586), respectively.

Those who trade in medium-sized buses, light buses or minibuses are entitled to subsidies of 5,000 yuan, 4,000 yuan or 3,000 yuan, respectively. Motorists who trade in their old cars qualify for a subsidy of 6,000 yuan.

By the end of May, 127,000 old vehicles had been traded in under the program, said the Ministry of Commerce in a statement. (*Automotive News China*)

Car prices decline in May for third straight month

China's red-hot market for passenger cars is showing another sign of cooling: Car prices have declined in each of the past three months.

In May, passenger vehicle prices nationwide dropped 0.7 percent from April, according to the National Development and Reform Commission, China's highest economic planning agency.

This was the third consecutive month in which prices declined on a month-to-month basis.

In the highly competitive sedan segment, average prices dropped 2.0 percent. By contrast, SUV prices were unchanged compared with April.

The commission monitors auto-price changes through surveys conducted in 36 large- and medium-sized cities. The commission predicts passenger vehicle prices will continue to drift down for the rest of this year. (*Automotive News China*)

China's low-emission vehicle sales decline in May

In May, sales of China's passenger vehicles with 1.6-liter engine and below decreased 4.14% from April to 706,700

units, according to statistics released by the China Association of Automobile Manufacturers.

Last month, sales of passenger cars with 1.6-liter engine and below accounted for 67.74% of the country's total, 4.4 percentage points lower than that of the same period of last year.

In the period from January to May, the low-emission vehicle sales accounted for 69.20% of the country's total, down 2.04 percentage points from the same period of last year.

The Chinese government said on June 1 that it will offer nationwide subsidies of RMB 3,000 for each buyer of cars with 1.6-litre and below. "We are concerned about the sales downturn of low-emission vehicles. We hope that the new policy could turn the tide," said Dong Yang, secretary general of the association. (*China Knowledge*)

Chery to build Asia's largest auto test & tech center

An insider from Chery Auto revealed to the media that in late June the largest auto test and technology center in Asia will be built and put into operation at Chery.

An official from Chery said that Chery Automobile Test & Technology Center is mainly responsible for testing and verifying new products and providing upgrading and verifying support for the products in the production process.

It is said that the design standards of Chery Automobile Test & Technology Center are completely in accordance with European standards. After completion, the center will include seven sections for testing the vehicle, crash safety, NVH (noise and vibration), emissions, powertrain, spare parts and materials. With EMC (electromagnetic compatibility) and environmental wind tunnel test capabilities added to the former seven sections, the center will eventually cover all aspects of vehicle testing capacity as the same kind of testing center in Europe.

An expert said that without a first-level technical testing center, the domestic enterprises with independent brands have no access to complete innovative and sustainable development ability. (*Gasgoo.com*)

China auto sales up 53% to 7.5 mln units in Jan-May

In the first five months of the year, vehicle sales in the Chinese market grew 53.25% from a year earlier to



exceed 7.5 million units, Xinhua News reported on June 8, citing an industry association.

China's auto sales in May rose 28.35% from a year earlier to 1.44 million units, but the figure was down 7.5% from the April level, the China Association of Automobile Manufacturers said yesterday in a statement. The growth in May sales notched the slowest pace over the past 13 months.

Sales of passenger cars climbed 55.06% from a year ago to 5.68 million units in the first five months while that of commercial vehicles increased 48.13% to 1.93 million units. Passenger car sales in May grew 26% to 1.04 million units, but down from 1.11 million sold in April.

Global automakers are looking to China, which last year overtook the United States as the world's biggest auto market by selling 13.64 million vehicles, to boost sales, though China's sizzling growth in car sales has started slowing back to normal.

Auto production in China rose 55.59% to 7.54 million units in the January-May period. Last month's output grew 27.86% year on year to 1.42 million units but declined 9.39% from April.

The association estimated that both auto sales and production in China would exceed 15 million units this year, according to the statement released yesterday. (*Gasgoo.com*)

Carlsberg becomes biggest shareholder of Chongqing Brewery

Carlsberg A/S, the famous Danish brewing company, has won a 2.38 billion yuan (US\$348 million) bid to acquire an additional 12.25-percent in Chongqing Brewery Co., Ltd., a beer producer and distributor in China, from the beverage company Chongqing Beer (Group) Co., Ltd.

According to a notice published by Chongqing Brewery on Friday, the company signed an agreement with Carlsberg Hong Kong on Wednesday: Chongqing Beer (Group) plans to transfer its 12.25-percent equity stake, or 59.29 million shares, to Carlsberg Hong Kong, at 40.22 yuan (US\$5.89) per share.

After the equity stake is transferred, Carlsberg's stake in Chongqing Brewery Co., Ltd. will increase to 29.71 percent (including a 17.46-percent stake in Carlsberg Chongqing), becoming the biggest shareholder of Chongqing Brewery. With a 20-percent stake in Chongqing Brewery, Chongqing Beer (Group) will become the second-biggest shareholder. (*China.org.cn*)

Dairy imports soar in eastern China's Jiangsu

East China's Jiangsu Province saw dairy products imports almost quadruple year-on-year in the first five months, due to a recovery in consumption and the price advantage of imports.

Provincial Customs said on June 22 that Jiangsu bought 1,537 tonnes of dairy products from abroad from January to May, up 370 percent from the same period last year.

The imports were valued at 4.28 million U.S. dollars, up 590 percent, with the average price up 45.8 percent to 2,785 dollars per tonne.

The total arrivals included 556.9 tonnes from New Zealand, up more than 900 percent, and 392.2 tonnes from Australia, up 290 percent.

A Customs spokesman attributed the growth to lack of confidence in domestic products after the tainted milk scandal in September 2008 and comparatively lower prices of imports.

Import products averaged out at 16,000 yuan (2,346 U.S. dollars) per tonne, while domestic products cost an average 25,000 yuan per tonne. (*Xinhua*)

New China bathed with luxury

The world's leading business consulting firm Bain & Company (Bain) released Saturday, a report saying that China will see a 15-percent rise of gross income on the luxury goods industry, which is seen as a driving force for global income increase (four percent).

The purchase of luxury goods in China topped other countries in the first quarter of 2010, and is likely to maintain the momentum, said Bain.

According to research done by the Chinese wealth trackers and luxury publisher Hurun Report recently, 57 percent of Chinese multimillionaires spent 1 to 3 million yuan (\$146,348 to \$439,045) and the spendings of 18 percent even exceed this number. Luxury products account for the largest portion of the calculation.

Among all the expenditures on the luxury industry, expenses with limos represent 40 percent of the total, followed by elite housing (38 percent), clothing and jewelry (9 percent), private aircrafts (4 percent), first-class trips (1 percent), while other areas account for 8 percent, said Hurun.

Currently, the number of multimillionaires in China has reached 875,000, a growth of 6.1 percent year on year, and 55,000 billionaires, which increased 7.8 percent compared with last year, according to Hurun. (*Global Times*)

Beverage makers foaming over Foster's

Tsingtao Brewery Company, one of the largest breweries in China, may be considering the purchase of the beer assets of Australia's largest brewer Foster's Group, while domestic food and beverage giant, Bright Food Group, is said to be interested in Foster's wine

unit, according to Chinese media. Industry insiders said Bright Food is in a better financial position to actually conclude a deal.

The transaction price of the wine unit would be higher than Foster's original investment in the business at \$5.6 billion, but may prove financially feasible for Bright Food Group, Huang Wei, an analyst with China Jianyin Investment Securities, said. Foster's began expanding into wine 15 years ago to diversify its business. Now Foster's is the second-largest winemaker in the world, after Constellation Wines International. However, the wine division suffered declines in recent years.

Shanghai-based Bright Food has been striving to expand its brand portfolio in recent years. On April 1, it offered \$1.43 billion for the sugar business of CSR Ltd, Australia's second-biggest building materials maker.

Ge Junjie, vice-president of Bright Food Group, said in April: "Bright Food Group is considering an investment in the top 10 companies around



the world in the sugar, wine and milk industries."

"However, for Tsingtao Brewery, acquiring Foster's beer assets is well beyond its financial means and it's impossible to make an exclusive investment," said Huang.

According to Tsingtao Brewery's first-quarter financial report, the total cash flow of the company is \$878 million, while it has been reported that Foster's beer division could be worth more than \$11 billion, far outweighing Tsingtao Brewery's total cash reserves. With a profit ratio of more than 38.5 percent, the beer division accounts for 85 percent of Foster's total revenues. (*China Daily*)

Textile and garment exports rise 16.4% in April

The value of China's textile and garment exports has continued to rise this year, with trade figures pointing to a 16.4% rise in shipments in April compared with the same month last year.

Exports rose to US\$14.5bn in the month, with textile exports up 24.8% to \$6.4bn and garment exports rising 10.6% to \$8.2bn, the General Administration of Customs said.

This is a rise of 31.8% on the \$11bn of exports booked in March.

For the first four months of this year, China's textile and garment shipments grew 15.6% year-on-year to \$53.8bn.

Textile exports from January to April rose 26.1% to \$21.6bn, while garment exports climbed 9.5% to \$32.2bn.

Chinese export figures are helped by the ongoing global economic recovery, as well as comparisons with last year's weak figures when US and EU retailers reined in their inventories.

Companies are, however, keeping a wary eye on the debt crisis that has embroiled countries in Europe such as Greece, Ireland, Spain and Portugal.

Rising costs of labour and raw materials are another concern, with the China National Textile and Apparel Council noting that average salaries had risen by 10-30% since last year, while the price of cotton rose by 14% per ton from January to May. (*just-style*)

Textile printing production to reach 32 Billion square meters by 2015

GIA announces the release of a comprehensive global report on textile printing production. The global production of printed textiles is projected to reach 32 billion square meters by the year 2015. Widespread acceptance of digital printing and technological improvements in areas including inks and consumables, printheads, and printing machinery are expected to infuse new demand for textile printing.

San Jose, California (Vocus/PRWEB) June 1, 2010 -- Textile printing has become a concept rather than just an embellishment on an out-

fit contributing to the style and shape of the garment. Digital printing, the newest as well as the most potential textile printing means, is increasingly becoming more accessible for the textile printers around the world to enable the designers to produce innovative prints



as per their imagination in the right color on the right fabric. Technological advancements in textile printing made the two aspects associated with textile printing - the designing and the printing, more interdependent. Today's textile printing technology facilitates precise and exact placing of prints on a garment, enables the manufacturers to decrease or increase the size of the print, modify the background tones, produce optical illusions, print advanced graphics, and offer the best translation of every single design.

Asia Pacific represents the world's largest as well as fastest growing region in textile printing production as stated by the new market research report on Textile Printing. Asia Pacific accounts for more than half of the world textile printing production with China and India, the two most populous countries in the world, leading from the front. By fabric type, Apparel represents the largest fabric segment, while interior/furnishings represent the fastest growing and second largest fabric segment for textile printing. The digital printing market today is driven by technological advancements in inkjet printers such as direct-to-fabric sublimation printers. While, improvements in the printhead technology are leading to increased nozzle density, which implies increased

number of nozzles in each row. In addition, the market is influenced by the developments in textile applications including apparel and soft signage.

Major players in textile printing machinery profiled in the report include Brother International Corporation, d.gen Inc., Hewlett-Packard Development Company L.P, Hollanders Printing Systems, Kornit Digital Ltd., Mimaki Engineering Co. Ltd., Mutoh Europe NV, Roland DG Corporation, Seiko I Infotech Inc., and Stork Prints BV, among others.

The report titled Textile Printing: A Global Strategic Business

Report announced by Global Industry Analysts, Inc., provides overview of market, market trends, product overview, product developments/introductions, and recent industry activity. The study analyzes market data and analytics in terms of volume production for regions including North America, Europe, Asia Pacific, Latin America, and Rest of World. Additionally, the global market for textile printing is analyzed by the following fabric types ?? Apparel, Interior/ Furnishings, and Industrial/ Technical Textiles. (*Global Industry Analysts, Inc*)

Textile and apparel turnover at Canton Fair increased

According to the data of the 107th China Import and Export Fair (Canton Fair), up to May 3, the total turn volume of textile and garments reached 2.408 billion US dollars, 11.7% growth compared to last session, and increase of 20.46% compared to the 105th Canton Fair. The turn volume of garments and accessories is 1.32 billion US dollars, 54.9% of the total volume, 4.6% up compared with the 106th Fair and 25.17% increase compared to the 105th. The fabric and raw materials of textile yarns also increased at turn volume. (*CNGA*)

China's rural home appliances sales hit new high

Monthly sales of home appliances in China's countryside surged 220 percent year on year in May, boosted by the government's rural subsidy program for home appliance purchases, the Ministry of Commerce said on June 7.

The sales value soared to 12.6 billion yuan (1.84 billion U.S. dollars) in May, 26 percent higher than the April figure, said a statement on the ministry's website.

Sales volume topped 5.75 million units, up 160 percent year on year.

The May figure brought the total sales value in the first five months to 54.35 billion yuan, up 400 percent from year on year, the statement said.

China started the subsidy program in February last year to spur rural consumption to buoy the nation's economic growth amid the global economic downturn.

Farmers have received subsidies equal to 13 percent of the price of designated brands of refrigerators, TV sets, mobile phones, washing machines, computers, air conditioners, water heaters, microwave ovens and ovens.

In March, the government made another six items -- electric bikes, smoke exhaust ventilators, gas stoves, pressure cookers, electric cookers and DVD players -- eligible for the subsidy. (*Xinhua*)

Over 1,000 new products to debut at electronics fair

More than 1,000 new electronics products will be on display at the China International Consumer Electronics Show (SINOCES) between July 8 and 11 in the east China coastal city of Qingdao, organizers said on June 9.

Up to 500 consumer electronics manufacturers, including international IT giants Microsoft, Intel, and Canon, will participate in the largest technology trade event in Asia. The increased participation by vendors represents a 10 percent increase over last year.

With the theme of "Convergence and Innovation", participants will have the opportunity to sit in on 30 forums focusing on topics such as the sustainability of consumer electronics and 3G telecommunications developments.

The fair will also draw 700 buyers from around the world, an increase of 20 percent over past years, and include e-commerce websites such as eBay.com



and Alibaba.com.

Accounting for 13 percent of the entire global consumer electronics industry, China has grown into the world's largest electronics manufacturing base and the second largest consumer market for electronics products. (*Xinhua*)

China Unicom has no timetable yet for iPhone 4

China Unicom, the country's leading mobile telecommunications service provider, announced June 9 that the company hadn't developed a detailed timetable to introduce Apple Inc.'s iPhone 4.

China Unicom's Deputy General Manager Li Gang confirmed this.

Apple's CEO Steve Jobs said June

8 that iPhone 4 will be released simultaneously in the United States, France, Germany, UK and Japan this month. Apple will start accepting orders June 15.

The iPhone 4 offers two colours -- black and white. The 16 GB and 32 GB versions cost US\$199 and US\$299 respectively.

"China Unicom and Apple are assessing the feasibility of introducing iPhone 4 into the Chinese market," Li Gang said. "Apple has contracted sales channels worldwide, and China Unicom will observe their performance before finalizing a detailed introduction plan."

Apple said at Worldwide Developers Conference 2010 that iPhone 4 will be available in 88 countries and regions by September of this year. Business insiders think Apple will include China in that group.

China Unicom, which is already in cooperation with Apple on previous models of iPhone, said it didn't have a detailed plan to introduce iPhone 4, nor would it at once modify the contracted price for older iPhones. (*China Daily*)

India loosens control over Chinese telecom exports

According to China's Ministry of Commerce website, the Indian newspaper The Economic Times said that the Indian Prime Minister's Office, Department of Information Technology and intelligence service have agreed to import Chinese telecommunication equipment, in case the Indian service providers have to delay the projects.

However, officials from Chinese telecom manufacturers like Huawei and ZTE both said they hadn't received any official notice from the Indian government yet, but were paying close attention to the matter.

A 3G license was recently auctioned in India, in which bidders paid a total of 677.19 Indian rupees, or US\$14.61 billion, almost doubling the expectation. This has given Indian telecommunications a heavy financial burden. They have largely halted equipment procurement, primarily because imports from China have not passed India's security audit. (*China.org.cn*)

E China's Jiangsu builds nation's first super clean oil tanker

A 7,500-tonne oil tanker for transporting liquid chemicals, the first super clean vessel for such a purpose ever built in China, has been delivered to the ship-owner in the Netherlands.

Built by Jiangsu Ganghua Shipyard Co. Ltd. in Taixing in eastern China's Jiangsu Province, the oil tanker, 112 meters long and 17.6 meters wide, can simultaneously hold 20 different liquid chemicals.

The vessel has passed a test by Bureau Veritas in France. The Chinese company will build seven more such vessels for European and American clients. (*Xinhua*)

Singapore Airlines Check-in Experience Simplified

Singapore Airlines customers who check in online and travel without check-in baggage can now look forward to a streamlined check-in experience, with the Airline partnering Changi Airport Group to introduce the Passenger Reconciliation System (PRS) for its flights at Terminals 2 and 3 from 1 June.



Currently, customers with self-printed boarding passes are required to present their travel documents at the check-in counters for verification and endorsement. This is the case even for customers who travel without check-in baggage. Only after all documents have been verified can customers then proceed to the immigration access point.

With PRS, customers departing Changi Airport without check-in baggage can proceed directly to the im-

migration access point, where security officers with 2D barcode scanners will verify their self-printed boarding passes.

Customers who have visa or credit card verification requirements will, however, still need to present their documents at the check-in counters first. These customers should proceed to the designated self-service counters at Row 9 in Terminal 2 and Row 4 in Terminal 3.

To ensure a smooth travel experience, customers are advised to arrive at the airport at least 40 minutes before the scheduled time of departure.

Presently, close to a quarter of Singapore Airlines' customers check in online and over a third of these customers print their own boarding passes. These numbers have increased significantly over the years and PRS is one way through which the Airline aims to enhance the travel experience for this growing segment of customers. (*Fleishman-Hillard*)

China taps railway for importing gas from C. Asia

China is diversifying its methods of importing energy from neighbor countries in central Asia as a train carrying 45 tons of liquefied petroleum gas (LPG) from Kazakhstan reached the country's inland port of Alataw Pass on Monday in the Northwest Xinjiang Uygur autonomous region.

It also marked the first time China imported energy from central Asia using railroads, rather than pipelines, since the founding of new China back in 1949.

"Central Asia is rich in oil and gas. China's state-owned oil giant CNPC has made large investments in recent years to purchase and explore resources in the region," said Gao Hongbo, general manager of a privately-run logistics and financial services company based in Xinjiang Uygur autonomous region.

"Oil and gas could be transported through pipelines but the liquefied gas,

obtained as a by-product from the refining of petroleum, could not be effectively transported due to the product's nature, causing huge waste," Gao said.

Gao said the only option is to import the liquefied gas using railways, given current circumstances.

But China's railways use the standard gauge (distance between rails at 1,435 mm), which is different from its Central-Asian neighbors' broad rail gauge (distance above 1,435 mm), and special lines need first to be built for the mass importing of LPG.

Gao said his company has so far spent 300 million yuan (\$44 million) in building nine broad-gauge rails and six standard gauge rails in Alataw Pass. These lines are expected to import 50,000 tons of LPG this year.

The company plans a total of 21 lines to be built, and the annual capacity of these lines is expected to reach 200,000 tons of LPG during the next three years.

These lines, when completed, will also be used to import 500,000 tons of oil each year and 2.5 million tons of commodities and mineral resources from central Asia. (*Xinhua*)

Chinese govt to pump 700 bln yuan into railways

China will invest 700 billion yuan into railway construction this year and continue to speed up development of rail transportation, according to the 2010 China (Changchun) International Rail Transit and Urban Development Forum.

China has 10,000 kilometers of high-speed railway under construction at present, including the Beijing-Harbin, Harbin-Dalian, Hefei-FuZhou, Beijing-Wuhan, ShangHai-NingBo and many other lines. The government plans to add 4,613 kilometers of new lines, according to He Huawu, chief engineer for the Ministry of Railways and member of the Chinese Academy of Engineering.

In addition to further expanding and improving the layout of the railway network, China will expand the scale of the western road network and perfect the structure of the central and eastern road network. (*People's Daily*)

Experts say foreign investment to remain robust

Pressures that foreign companies may face in China for pay rises will not dampen their confidence about investing in the country, with the nation set to welcome a new wave of foreign direct investment (FDI) this year, according to a think-tank of the Ministry of Commerce.

Wang Zhile, director of the research center on transnational corporations under the ministry, predicted that China's FDI will surpass US\$100 billion this year.

His remarks were made in response to growing concern that China is losing its charm as a destination for foreign investment as some international companies are reportedly considering moving plants to cheaper Asian markets. This follows calls for higher pay at some factories of overseas investors including Foxconn and Honda in southern China.

"I do not agree that labor costs are the most important factor attracting foreign investors to China as was the case several years ago. Such a decision is based on a number of factors, such as China's huge potential as a consumer market," said Wang.

In early April, the State Council issued new FDI development guidelines which include preferential policies for land use and tax, encouraging investment in renewable energy, high-technology and service industries, and moving into central and western areas of the country.

The guidelines include a measure allowing local authorities to approve foreign projects of up to US\$300 million, compared with a previous cap of US\$100 million.

"It is an undeniable truth that there were cases of restrictions and discrimination involving the operations of foreign enterprises in China in

the past few years, but the guidelines will make this a thing of the past as they provide real measures to improve the investment environment," said Wang.

Despite the global financial crisis, China remains the world's most attractive destination for FDI. Last year, China's FDI dropped 2.6 percent to US\$90 billion, while the decline was 39 percent worldwide during the same period.

China's FDI grew nearly 25 percent in April, the ninth consecutive month of positive growth since late 2008. (*China Daily*)

CIC speeds up investment in North America

Focusing on financial and energy companies, the China Investment Corporation (CIC) is expanding its holdings in North America.

Earlier this month, the United States Securities and Exchange Commission (SEC) revealed that CIC agreed to pay US\$817 million for a 45 percent interest in a joint venture to develop Penn West Energy Trust's Peace River oil sands assets along with an additional US\$435 million to take a 5 percent equity stake in the trust itself.

Less than three months ago, SEC also revealed that CIC has invested in U.S. power company AES Corporation and now hold 15.8 percent. The two transactions involve about US\$2 billion total.

As of the end of 2009, China Investment Corporation has invested in 84 listed companies in the United States, totaling more than US\$9.6 billion. Financial and energy sectors seem to have received the largest amounts of money.

The three companies that received the largest investments are: Tektronix Resources, Morgan Stanley and Blackstone, which received US\$3.5 billion, US\$1.8 billion and US\$710 million, respectively, accounting for 63 percent of the total.

About a quarter of the US\$9.6 billion are invested in exchange-traded funds, but these funds focus on non-US markets.

In addition, the remaining less than 15 percent of investments are in dozens of listed companies, including Johnson & Johnson, Coca Cola and other companies in the Dow Jones Industrial Average. Apple and other new companies are also attractive to the investment company. CIC holds US\$6.3 million of Apple stock.

It is worth mentioning that Shanda Games, a Chinese company listed in the United States, is also on CIC's list of investments.

In fact, the CIC deployed US\$110 billion for overseas investment, of which the US\$9.6 billion investment in stocks of U.S. listed companies accounts for less than 10 percent.

According to Reuters reports, in the China Investment Corporation portfolio, about 25 percent are stocks, 18 percent are fixed income products, 8.8 percent is in "inflation-indexed" securities, about 9.4 percent for hedge fund investment, 7 percent is private equity, 8.6 percent in cash, 18.9 percent for "special circumstances" and about 4.3 percent of funds is invested in other assets.

CIC is an investment institution established as a wholly state-owned company. It is operated on a commercial basis, seeking stable and long term risk-adjusted financial returns. (*People's Daily*)



China increases purchase of U.S. securities in April

China boosted purchases of U.S. long-term securities by US\$5 billion to US\$900.2 billion in April, its highest level since November 2009, the U.S. Treasury Department said on June 16.

The department said that foreign net purchases of U.S. long-term securities were US\$83.0 billions in April, down from US\$140.5 billion in the previous month.

The figures reflect demand for U.S. Treasury obligations and other assets including stocks and government agency debt, is key to funding the massive U.S. balance of payments deficit with the rest of the world.

Total foreign holdings of U.S. Treasury securities rose US\$72.8 billion or 1.9 percent to US\$3.96 trillion in April.

According to the Treasury International Capital (TIC) report, China, the largest holder of U.S. Treasury securities, increased its holdings by US\$5 billion or 0.5 percent in April from the previous month of US\$895.2 billion.

Japan, the second largest foreign holder of U.S. government debt, increased its holdings by US\$10.6 billion to US\$795.5 billion.

Britain also boosted its holdings to US\$321.2 billion in April from US\$279.0 billion in March. (*Xinhua*)

Tianjin assets exchange debuts

China's first officially registered financial assets exchange debuted at the 4th China International Private Equity Forum in Tianjin on June 12 as an integrated financial institution offering a wide range of solutions to investment and finance companies.

Industry experts said the formal establishment of Tianjin Financial As-

sets Exchange was a significant innovation in the financial arena, as it will serve as a trading platform for financial assets, particularly for banks' non-performing assets.

The assets exchange completed its registration on May 21, the earliest in China, and has so far wrapped up transactions worth RMB 600 million (US\$87.9 million), said Zhou Liyao, chairman of the exchange.

The exchange was co-founded by China Great Wall Asset Management Corp and Tianjin municipal government.



Focusing on China's domestic market, it aims to develop an electronic financial assets trading platform with a large customer pool that embodies the trading principles of fairness, justice and openness.

The exchange will gather non-performing financial asset sources and share-related information, as well as promote the brokering and fair trading of non-performing financial assets, in order to improve trading efficiency and reduce costs. It will also provide online services for bidding, auctioning, marketing, information release, and pricing and inquiry, according to the requirements of different clients.

Great Wall Asset Management Corp is exploring innovative approaches to financial asset trading with the support of Tianjin municipal government.

At the end of 2009, the China

Great Wall Asset Management Corp signed a strategic cooperation agreement with Tianjin government to join the financial reform and innovation pilot project of Tianjin Binhai New Area. (*China Daily*)

Agricultural Bank to launch Shanghai offering

Agricultural Bank of China, seeking to raise more than US\$23 billion in what would be the world's biggest initial public offering (IPO), said it will launch the Shanghai portion of its IPO this week.

Agricultural Bank also said on June 17 it aimed to list July 15, confirming details reported in official media.

China's third-biggest lender by assets said it would start pre-marketing to potential Chinese investors today and begin taking subscriptions on July 1.

Agricultural Bank, the last of China's four big State-owned banks to go public, is selling a 15 percent stake in a dual listing in Hong Kong and Shanghai, excluding a green shoe option, to replenish its capital and fuel expansion.

Agricultural Bank originally pushed a valuation that would have raised as much as US\$30 billion, but a drop in China's stock market, coupled with scrutiny of the bank's loan exposure has tamped down estimates of the lender's worth.

The bank said up to 40 percent of the Shanghai portion of the IPO, including the green shoe option, would be placed with strategic investors.

Its Hong Kong listing, expected one day after the Shanghai debut, has already signed up Asia's third- and fourth-richest individuals as cornerstone investors, according to a report.

If Agricultural Bank raises more than the US\$23 billion it hopes, it will be the world's largest ever IPO, beating out ICBC's US\$21.9 billion dual listing in 2006. (*Global Times*)

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Research on China's Foreign Trade Service Market in 2010

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Recovery or Recession? It Is A Question!

By Li Zhen





After a fairly impressive rebound for the global economy, economists and investors started to believe in a V-shaped recovery. This would see economic activity return to pre-recession levels in a relatively smooth and speedy fashion.

However, over the last few months, economic momentum has been stalling in many regions. Rising concerns about the sovereign debt situation causes much of the questioning of the V-shaped scenario. Instead, investors are wondering whether the global economy might be headed for a W-shaped, or a double-dip recession.

There is still an ongoing debate among global policymakers about when and how fast to exit from the strong monetary and fiscal stimulus that prevented the Great Recession of 2008-2009 from turning into a new Great Depression. Germany and the European Central Bank are pushing aggressively for early fiscal austerity; the United States is worried about the risks of excessively early fiscal consolidation.

In fact, policymakers are faced with a dilemma about whether to follow an exit strategy or not. If they take away the monetary and fiscal stimulus too soon, when private demand remains shaky, there is a risk of falling back into recession and deflation. While fiscal austerity may be necessary in countries with large deficits and debt, raising taxes and cutting government spending may make the recession and deflation worse.

Failure to implement coordinated policy measures, to sustain global aggregate demand at a time when deflationary trends are still severe in advanced economies, could lead to a very dangerous and damaging double-dip recession in advanced economies. Such an outcome would cause another bout of severe systemic risk in global financial markets, trigger a series of contagious sovereign defaults, and severely damage the growth prospects of emerging-market economies that have so far experienced a more robust recovery than advanced countries.

In this special report, *China's Foreign Trade* tells more about leading countries' standpoint on it is too early or too late for an exit strategy, and their efforts to fight against a double-dip recession. ☺

G20 Countries Are Seeking Exit Strategies

China Business News

“IN SPITE OF THE FAILURE TO ADVANCE THE GLOBAL BANK TAX PROPOSAL, CONSENSUS IS TO BE REACHED ON BANK CAPITAL AND LIQUIDITY REGULATION, WHICH IS EXPECTED TO BE ACCELERATED.”



The 2-day G20 Finance Ministers and Central Bank Governors Meeting ended on June 5th in Busan, Republic of Korea. Although the countries agreed in the June 5 Communiqué that the world economy has been recovering faster than anticipated, they hold different standpoints on whether to put priority to economy stimulus or fiscal austerity.

In spite of the failure to advance the global bank tax proposal, consensus is to be reached on bank capital and liquidity regulation, which is expected to be accelerated.

Withdrawal from Economic Stimulus Slows Down

According to the Communiqué, the recent international economic events have highlighted the importance of sustainable public finances and the need for countries to put in place credible and growth-friendly measures to deliver fiscal sustainability, differentiated for and tailored to national circumstances.

However, the statements made by the finance ministers or central bank governors reflect the diverse perspectives of the countries. The president of the European Central Bank Trichet

advocated a fiscal austerity in Europe, while the US Treasury Secretary Geithner preferred to achieve sustainable economic growth by stimulating domestic demand.

Trichet said after the June 5 meeting, to reduce the fiscal deficit would not necessarily impose negative impact on economic growth, if confidence could be boosted. And the traditional industrialized economies clearly needed such measures.

Unlike Trichet, Geithner stressed countries like Germany with trade surplus should make domestic consumption as the major engine for economic growth. On another press conference,

he regarded it necessary for Japan and the European countries with trade surplus to expand domestic demand.

Despite recognizing the necessity to strengthen fiscal discipline, Geithner merely regarded it as a medium-term objective. The European counterparts, however, considered to tightening budget from the next year. German Chancellor Angela Merkel held that recovery of economic growth should not be achieved at the expense of high fiscal deficit.

The IMF shared Geithner's view. According to Dominique Strauss-Kahn, IMF Managing Director, the efforts to reduce fiscal deficit will weaken the economic growth in the next two years. The IMF held the policies to stimulate the economy adopted in the past two years should be adhered to, if not expired.

An IMF research shows austerity budget, if not accompanied by deregulation and some other measures to stimulate domestic demand, will drag economic growth by 2.5% with 30,000,000 jobs lost in the coming two years.

The European debt crisis, in fact, is hindering some countries from withdrawing the stimulus. During the first quarter of this year, Canada saw a GDP annualized growth rate of 6.1%, the highest rate within 10 years. But the favorable economic indicators have not led to a higher interest rate from the Bank of Canada. In the June 5 gathering, the Bank of Canada only indicated the European debt crisis would affect the confidence in the global economic recovery instead of taking a clear-cut stand on whether to continuously raise the interest rate.

The Chinese Finance Minister Xie Xuren spoke in the meeting, adhering to a proactive fiscal policy and moderately easy monetary policy, this year the Chinese Government will spare no efforts to expand domestic demand, adjust and optimize the economic structure and to accelerate the transformation of economic development mode.

Bank tax up in the air

Reform of the global banking system is an inevitable issue in this G20 Finance Ministers Meeting. A further



consensus has been achieved on the banking capital and liquidity regulation in the meeting and the relevant details are expected to be nailed down before this November, which is prior to the previous timetable—the end of this year.

But the global bank tax proposal has not seen any progress in the meeting. In late April, the IMF proposed to impose FSC and FAT on the banks and financial institutions across the world. The tax payment will be mainly used for setting up a fund to address financial crisis and for funding future bailouts of banks and financial institutions.

Regarding this issue, the G20 Communiqué made the following statement: “We agreed the financial sector should make a fair and substantial contribution towards paying for any burdens associated with government interventions, where they occur, to repair the banking system or fund resolution. To that end, recognizing that there is a range of policy approaches, we agreed to develop principles reflecting the need to protect taxpayers, reduce risks from the financial system, protect the flow of credit in good times and bad, taking into account individual country's circumstances and options, and helping promote level playing field.”

The statement—“taking into account individual country's circumstances and options” means whether to implement the policy is left to the discretion of the individual country, which lives up to the expectation of the

countries dissatisfied with the global bank tax policy, such as Canada, Japan and Australia. The Financial Times pointed out, the above statement in the Communiqué has actually given a “death penalty” to the proposal of a global bank tax.

After the meeting, Kahn said he did not see that all the countries would adopt bank tax, and even so, a uniform mode would not be employed. He stressed that what really matters was not “uniformity” but “consistency”, which will not cause conflicts of interests. He also indicated this principle was expected to be adopted in the G20 Toronto Summit at the end of June.

This means “seeking common ground while putting aside differences”—developing solutions tailored to individual countries under the principle of consistency may become a consensus most likely to be achieved when governments across the world are to deal with differentiating economic circumstances. Almost all the G20 members were committed to implement financial repair and recovery policies in line with their own circumstances. “It has become a wide consensus that different solutions should exist in the banking sector and the G20 will develop a series of principle.” said Elena Salgado, Rotating EU Presidency and Spanish Finance Minister.

A differentiated bank tax will not put an end to the “bank tax”. The US, Britain and many other European countries are likely to introduce bank tax policies tailored to their respective circumstances in the post-crisis era.

Sources revealed that the new British administration has pledged to introduce a bank tax and may unilaterally implement the measure. The White House has also stated the “Financial Crisis Responsibility Tax” may be incorporated into the 2011 fiscal year budget plan to make up for taxpayers' loss imposed by the USD 70 billion governmental aid.

Analysts pointed out, to avoid distortion of competition with countries shouldering lighter bank tax burden, a relatively smaller amount of bank tax is to be levied for these countries due to their absolute superiority in the global economy. ☉

G20 Finance Ministers Meeting Vows to Fight Against A Double-dip Recession

21 Century Business Herald

When the finance ministers and central bank governors of the Group of 20 began their first meeting on June 4 in Busan, South Korea, they expressed their concern about the recovery of the global economy and promised action taken to prevent the global economy from falling into the pit of a double-dip recession.

Trevor Manuel, former Finance Minister and present Minister in the Presidency of National Planning Commission of South Africa, said on the intervening press conference, "It's important that we all understand just how fragile the recovery is."

He said, "The specter of a double-dip recession for all countries has shown itself. This (G20) is an opportunity to take decisions to save the global economy from plummeting into recession again." If the leaders failed to do so, the

world economy would be worsening considerably.

Lin Yifu, chief economist at World Bank, said on the very day, that the current economic recovery trend was mainly attributed to the financial stimulus and stock accumulation. "The foundation for recovery is still weak, especially in Europe."

Since April, the European debt woes deepened continuously, with Morgan Stanley Capital International (MSCI) index dropping by 12%. To avoid a global recovery hindered by the financial market turmoil, central banks worldwide have recently sent out signals to postpone phasing out the currency

policies.

European Central Bank Governor Jean-Claude Trichet changed his original withdrawing strategy last month in order to tackle the problems confronting euro. While on the part of the United States, Presidents of Chicago Federal Reserve and Atlanta Federal Reserve have indicated during the past few days, that the current market pressure may set back the timing for interest rate increase. Central banks of Canada, Australia and so on have been hinting at the absence of intention to increase the interest rate in the short run.

William White, former chief economist at Bank for International

TO AVOID A GLOBAL RECOVERY HINDERED BY THE FINANCIAL MARKET TURMOIL, CENTRAL BANKS WORLDWIDE HAVE RECENTLY SENT OUT SIGNALS TO POSTPONE PHASING OUT THE CURRENCY POLICIES.



INVESTORS ARE WORRYING THAT THE SOVEREIGN DEBT CRISIS WILL BE THE GREATEST THREAT TO THE GLOBAL ECONOMIC RECOVERY.

Settlements, said, “Considering the increasing uncertainty of the economy, it is quite natural that people would not like stringency.”

G20 Discussing European Crisis

Manuel said he could not conceive of another period more challenging than present for G20. This is the first gathering for economic and financial leaders from main developed and developing countries since the bail-out scheme of € 75 bn was launched by the European Union.

Investors are worrying that the sovereign debt crisis will be the greatest threat to the global economic recovery. The EU’s bail-out program did push the market upward for a time, but it didn’t give the investors worldwide enough confidence, so the market has slipped again. As the credit rating agency Fitch recently lowered the rating of Spain’s sovereign debt, it is worried that more countries will be trapped.

“First, I don’t think the Greece problem is over yet. We are not out of the woods,” Youssef Boutros-Ghali, Egypt’s finance minister, said. “Second, I don’t think they got off lightly. The measures they have been required to implement are fairly tough. And there are in some areas doubts about whether they are able to continue implementing such tough measures,” Boutros-Ghali, who also heads the IMF’s policy-steering committee, said.

At the time being, only the U.S. is comparatively confident facing the European crisis. Its Secretary of the Treasury Geithner said before his departure to Busan that the global economy was strong enough to sail through the European troubles.

David Dollar, American Treasury’s Economic and Financial Emisary to China, also told the reporters that the European crisis was not going to exert significant negative influence on the global economy and he did not

“worry about a double-dip”.

“We are in the preliminary stage of a sound economic recovery. Better coordination among the G20 members will help further consolidate the recovery.” said David. But the Wall Street and central banks of main developed countries are not so optimistic.

Central Banks May Postpone Interest Increase

European Central Bank Governor Jean-Claude Trichet takes the lead in this maneuver. On May 10, he announced that market would be intervened through purchasing governmental bonds, banks’ infinite cash auction would be prolonged by another six months, and meanwhile currency swap mechanism would be re-launched with Federal Reserve to facilitate the borrowing of US dollars.

Julian Callow, chief European economist at Barclays Capital, estimated that the economic aggregate of Greece, Ireland, Portuguese and Spain only accounted for 4% of the global economy. Instead of being concerned about the relenting demand of euro, the European Central Bank now worries most that banks will stop giving loans, which may lead to frozen credit markets as what happened in 2008.

Recently, Goldman Sachs has re-adjusted its expectancy on the interest rate increase by the European Central Bank. In the last estimation, its Chief European Economist Erik Nielsen predicted that the European Central Bank would raise its interest rate in the first three months of the following year. And recently he has changed that expectancy to be the second quarter of the year to come.

Central banks of other countries have also noted the trouble of Europe. Australia kept its interest rate at 4.5% on June 1, and claimed it would remain at the same level in the “short run”. Russian Central Bank lowered its inter-

est rate for 14 times in a row on May 31. Meanwhile, Indonesian Central Bank announced yesterday that its interest rate was left as it was.

As for the U.S., Chicago Fed President Charles Evans said on May 31, that he would not feel surprised if Federal Reserve was to prolong the “policy of keeping the interest rate near zero for a comparatively long period”. Atlanta Fed President Dennis P. Lockhart made it clear on June 3 that the pressure from Europe would slow down the process of withdrawing any measures.

Even those central banks that have started to raise their interest rates will probably slower their pace. After two interest rate increases in March and April, some vice president of an Indian bank said last month that they would become more cautious for further actions. President of Canadian Central Bank mentioned the European crisis four times in a short statement of June 1, which has been interpreted by the market as the signal of no repetition of the interest rate being raised.

Brazil and Canada are exceptions in G20. Brazilian inflation rate has recently been above the government’s controlling target. The president of its central bank said the policy-makers were in “the mood for stringency”. While Canadian Central Bank announced on June 1 a 25-basis-point increase of its interest rate to 0.50%, which was the first time for Canada to round up its base interest rate since April 2009 and made the country the first one of G7 to increase its interest rate since the breaking out of the global financial crisis. The growth in house sales and consumer expenditure and the continuously rising employment rate serving as a strong support, Canada witnessed its economic growth hitting 6.1% in the first quarter, which was the fastest growth rate for more than a decade. ☺

G20 Financial Officials Discuss Global Economy in Busan

China Securities Journal

G20 ASSUMED THE RESPONSIBILITY TO FORMULATE GLOBAL STRATEGIES TO KEEP ECONOMIC RECOVERY ON TRACK AND LEAD WORLD ECONOMIES AND FINANCIAL SYSTEMS TO GET AWAY FROM THE MESS IN A MORE PRUDENTIAL AND SKILLFUL WAY.

In September 2009 the Group of Twenty (G20) took over the Group of Eight (G8) as a premier forum for international economic cooperation at the Pittsburgh Summit. The first achievement of the new forum, a “Framework for Strong, Sustainable, and Balanced Growth”, would be tested and improved in the G20 meetings in June 2010. Considering the escalating debt crisis in the euro zone since this spring and calls for getting rid of the weaknesses of the financial regulatory system, the G20 assumed the responsibility to formulate global strategies to keep economic recovery on track and lead world economies and financial systems to get away from the mess in a more prudential and skillful way.

The two-day meeting of the G20 finance ministers and central bank governors kicked off in Busan, South Korea on June 4. Participants of the G20 members had some preliminary discussions and coordinated their positions around issues such as to maintain the sustainable recovery of the global economy, to reach a common consensus on financial regulatory reform, to promote international financial institutions reform, to increase trade and resist trade protectionism as well as the G20 Toronto Summit at the end of this month. The mounting euro zone debt crisis at the other end of Eurasia, an important backdrop of this meeting, was set to feature prominently in the Busan meeting.

Exit strategies delayed

According to the organizers, results obtained through exploring items on the agenda in the meeting will be further negotiated at the G20 Toronto Summit at the end of June to develop a preliminary strategy and a general consensus. Final policy proposals will be made in a follow-up summit in Seoul in November. The primary objective committed by the G20 Seoul Summit is that the G20 will work to achieve a global recovery in the short-run, and further strengthen global cooperation to the end of a strong, sustainable, balanced growth of the economy. Therefore, before the introduction of an economic growth strategy the focus of the G20 in June is to consolidate recovery trend and resolve the crisis step by step.



In fact, as early as the Pittsburgh Summit in 2009, the G20 leaders committed to “continue to implement our stimulus programs to support economic activity until recovery clearly has taken hold”. However even now, nine months after the Pittsburgh Summit, major economies are still hesitant about their withdrawal of emergency stimulus. Apart from uneven recovery pace, the fact that exit strategies have shown trends towards complication because of the European debt crisis is clearly a major interference.

Charles Evans, executive officer of the Federal Reserve Bank of Chicago, indicated on May 31 that the European debt crisis would prompt the American Federal Reserve Committee to delay raising interest rates. The European Central Bank President Jean-Claude Trichet even reversed the bank’s exit strategy. According to the schedule of the Busan meeting, Trichet would make a speech on June 5 to rebuild consumers’ confidence in the euro in the medium-term.

Fix European banking system

Some analysts believe that the exit strategies of the G20 have become more multi-dimensional and multi-layered because of the escalating debt crisis in Europe, as economies ready to exit need to consider negative impacts inflicted on them; after reselecting the time to exit, the actual pace to do so also needs to be reconsidered. What’s more complicated, those economies which already begun to implement exit strategies have to make necessary adjustments to their developed strategies faced with these challenges.

Therefore, the top priority for the Busan Meeting is to support the euro zone and simplify exit strategies to ensure sustainable economic recovery. According to the draft of the Busan G20 communiqué released by the Western media, the G20 finance ministers are more worried about whether the euro zone as a whole can continue to exist and they stressed the “the need for countries with serious fiscal challenges to expeditiously pursue credible, coordinated, growth-friendly and tailored fiscal consolidation”.

Canadian Finance Minister James



“**THEREFORE, THE TOP PRIORITY FOR THE BUSAN MEETING IS TO SUPPORT THE EURO ZONE AND SIMPLIFY EXIT STRATEGIES TO ENSURE SUSTAINABLE ECONOMIC RECOVERY.**”

Flaherty also expressed his concern in Beijing on June 3 that the global economy was experiencing some recovery, but “it’s fragile” especially against the background of Europe’s sovereign debt crisis, therefore the G20 would ensure fiscal soundness to promote the ongoing trend of sustainable economic recovery in the meeting this month and “it is essential to ensure continued recovery that Europe fix its banks.”

Global consensus on financial regulatory reform encounters obstacles.

Just as the attempts to achieve balanced global economic growth, the G20’s efforts to reach a global consen-

sus on financial regulatory reform have also encountered obstacles.

Although the G20 members agreed to a general consensus on the financial regulatory reform, but they have different ideas on how strictly these new regulations should be. Before arriving in Busan Mr. Flaherty said that Canada is opposed to the introduction of taxes or levies on banks and proposed an instrument known as “embedded contingent capital” as an alternative to discuss in the meeting, which is to issue a special type of security that would convert to common equity when a bank faces trouble and the conversion would replenish the bank’s capital without a government bailout. Before the United States and the United Kingdom have proposed collecting different types of bank tax one after the other, but were opposed firmly by several member states including Canada.

Fortunately the participants have been aware of difficulty in discussing bank levy. Before the financial leaders meeting U.S. Treasury Secretary Timothy F. Geithner warned that it was unlikely to see a global consensus on the issue in Busan. Mr. Flaherty also urged his G20 counterparts to fulfill commitments on financial reform and “not to get distracted by sharp divisions over a

global bank tax". Relating to Germany's ban on naked short selling and expanding restrictions to include all shares, the minister noted that the G20 account for 80 percent of global GDP so they should cooperate closely on financial regulatory reform.

Faith in international concerted efforts

Meanwhile the G20 members also attached more importance to emergencies due to their increasing negative impacts on global financial sector. Topics such as how to lessen the impact of emergencies, like the Gulf of Mexico crude oil spill and the tension on the Korean Peninsula, are likely to enter the agenda of the Busan meeting and even the G20 Toronto Summit.

Robert Blohm, a professor at the China Economics and Management

Academy of Central University of Finance and Economics, noted in an interview with China Securities Journal that it's hard to foresee how issues, whether it is to support the euro zone and help resolve the European debt crisis, or to promote financial regulatory reform, or to reduce negative impacts of emergencies, would make progress at the Busan meeting, but the positive attitude and strong determination of the G20 on the key issues could serve as firm guidance for the global market in the medium-term; and investors, who withdrew from the market alarmed by the escalation of the European debt crisis in May, would be expected to regain confidence gradually.

The G20's role as a "premier forum" for international economic co-operation has been recognized by the economies through vigorous discussions

of member states about macro-economy and financial system.

Sakong II, chairman of the presidential committee for the meeting, said on June 4 that thanks to the internationally concerted policy responses led by the G20, the current crisis did not turn into another Great Depression. During the intermission of a private session on the same day, Trevor Manuel, former South African Finance Minister and current Minister of the National Planning Commission, said that the G-20 must exert leadership to prevent the world from going into a fresh recession and concerted efforts are needed to tackle the crisis. He stressed that the South-South co-operation would be an important basic co-operation across the world and he's impressed by China's important role in the program. ©

Links

G20 Communiqué: the world economy recovers faster than expected

The meeting of the G20 finance ministers and central bank governors came to an end, and the meeting communiqué is as follows:

On the fifth day this month, the two-day meeting of the G20 finance ministers and central bank governors drew to a close in Busan, a southern port city of the Republic of Korea. The issued meeting communiqué concluded that the world economic revival was happening in a faster pace than expected, although the speed of recovery differed among countries and regions. Also the recent fluctuations of the world financial market revealed the existence of great challenges and the importance of international co-operations.

The communiqué stated that the recent world economic affairs highlighted the sustainability of public finance and the need for each country to take credible and pro-growth fiscal measures. Those countries suffering severe fiscal problems should accelerate the pace of their financial structuring.

The communiqué held that a co-operation framework for sustainable and balanced growth is an important mechanism in fuelling the world economic recovery and achieving a mid-term common goal. This meeting also considered the policy plan raised by IMF (International Monetary Fund) and the mid-term report issued by the World Bank, and further proposed many alternative plans on the basis of consideration. It is said these policy plans would be submitted to the G20 financial summit held in late June at Toronto, Canada.

The communiqué showed that all sides agreed

to contribute their efforts to the acceleration of financial recovery and reform. The financial recovery is the key to the world economic revival, therefore the balance sheets of banks should be healthy and transparent, and regulations of financial companies should be improved. All parties promised to reach a consensus soon on strengthening the capital liquidity standard, and suggested the Basel Committee on Banking Supervision submit the unanimously approved standard before the Seoul G20 financial summit was held in November this year. All parties also emphasized on the necessity to mitigate the moral hazards of the financial institutions, agreeing that the financial institutions should assume part of the costs incurred in the government's bailing-out of the financial system in a rational and sustainable way. Also, all parties stated that measures should be taken to improve the transparency of hedge funds, credit rating companies, subsidy conducts and also financial derivatives.

On strengthening the financial safety net, the communiqué stated that the recent European situations made all parties recognize the necessity to step up unilateral, bilateral and multi-lateral efforts to prevent capital market turmoil and the spread of crisis.

In addition, the communiqué also provided suggestions and opinions about international accounting standard, the World Bank voting rights, and the share and loan system reform of the International Monetary Fund.

China's Standpoint at G20

XIE STRESSED THAT TO ACHIEVE A STRONG, SUSTAINABLE AND BALANCED GROWTH OF THE WORLD ECONOMY NEEDS COMMUNAL EFFORTS OF ALL NATIONS.

On the fourth and fifth day this month, Chinese Finance Minister Xie Xuren and the governor of People's Bank of China Zhou Xiaochuan led a Chinese delegation to participate in the meeting of the G20 finance ministers and central bank governors held in Busan, the Republic of Korea. At the meeting they exchanged views about the current macroeconomic situation, the framework for strong, sustainable and balanced growth, financial supervision and regulation, and the reform

of international financial institutions with leaders from other parties. Xie and Zhou also expressed Chinese standpoint at the meeting.

Xie Xuren stated in this meeting speech that all countries should maintain the continuity and stability of their macroeconomic policies in order to stimulate the stable recovery of the world economy; all countries should choose prudently the timing and manner of the exit strategy, and prevent inflations and financial crisis while striving for economic growth; all countries should fight against trade and investment protectionism, promoting the healthy development of the international trade.

Xie stressed that to achieve a strong, sustainable and balanced growth of the world economy needs communal efforts of all nations. The developed countries should take effective measures to tackle internal problems such as lack of growth engine and unsustainable fiscal resources; maintain

reasonable stability of the exchange rate of major reserve currencies; and temper fluctuations of the international financial markets. The developing countries should promote their economic growth through domestic reforms and economic restructuring.

Xie also pointed out that this year the Chinese government would continue to implement a proactive fiscal policy and also moderately loose monetary policy, and would grasp the focus and intensity of policy implementation in accordance with domestic and foreign economic situations. The Chinese government would strive to expand domestic demands, readjust and optimize economic structures, speed up the transformation of economic development mode, and keep a stable and fast economic development.

Zhou Xiaochuan stated when speaking on the topic of financial regulation that the Chinese government was fully supportive of the suggestions given by the Financial Stability Council and other international organizations, agreeing that strengthening the regulation framework of capital adequacy ratio and liquidity for financial institutions is conducive to improving their abilities to prevent risks.

As for the sharing of costs incurred from managing the financial crisis, Zhou indicated that all countries were taking or considering taking different assistance cost-sharing models, but no universal solution was available currently. Since situations differed among countries, the operation difference of those countries' financial institutions should be taken into account and different cost distribution methods should be implemented. Zhou also said that all countries should strengthen the regulation and supervision of credit-rating institutions, explore an effective regulation model and reduce reliance on the external credit rating institutions. ©





Hefei:

A Place of Interest in Anhui Province

Lying between the Yangtze River and Huaihe River, Hefei is the capital city of Anhui province and is ranked as one of the fifty strongest cities in China. Close to the coastal area, Hefei plays an important part in connecting the eastern and western areas of China while also linking the south and the north. Covering an area of 7,266 square kilometers, Hefei is known as the central tourist city of the whole province.



With a long history of over 2,000 years, Hefei was also nicknamed “Luzhou” or “Luyang” because it was under the governance of Luzhou prefecture in the Ming and Qing dynasties. Due to its good surroundings and long history, many natural and cultural places of interests can be found in Hefei. The most famous one is undoubtedly the Memorial Temple of Lord Bao.

Hefei is a beautiful city with good surroundings, the Huaihe River flows to its north, to its south is Yangtze River, and to its south, east lies the Chaohu Lake with its expansive blue waters. It exemplifies the good climate to be found in the area having a mild climate with clearly defined seasons and moderate rainfall.



To better understanding the ingrained culture of Hefei, you have to watch the performances of the Lu Opera. Lu Opera is a popular local opera which originated in Hefei. It became an independent style of opera in the era of Emperor Jiaqing of the Qing Dynasty and evolved from many artistic forms such as folk songs and folk dances. The arias are rich and various, and the performance is vivid. "Natural and simple" is what makes Lu Opera a popular drama appreciated by all.

Hefei is a scientific and educational city and boasts of many talents both past and present, such as the famous upright officer Lord Bao in Northern Song Dynasty along with the Nobel Prize for Physics winner, Yang Zhenning, whose hometown is Hefei. The University of Science and Technology of China, and the Hefei Branch of the Chinese Academy of Sciences are both located in Hefei. There is no doubt that talented people in Hefei are foremost in China.





CITY

Tourism

Situated in the center of Anhui province, Hefei is a hinterland city which is in the vicinity of Chaohu Lake and between the Yangtze and Huaihe Rivers. Thanks to the water surrounding it, Hefei City is proud of its enticing natural scenery.

Natural Landscape

The well-known Chao Lake is located in Hefei and is one of the five largest fresh-water lakes in China covering an area of about 800 square kilometers. There is an abundance of aquatic produce in the lake, amongst which the whitebait, the shrimp and the crab are known as the three treasures of Chaohu Lake. The lake is embraced by surrounding green mountains, layer upon layer of ridges and peaks. The “moonlit night of the Chaohu Lake” and the “morning glow of the four peaks” are two of the ancient eight top scenic spots in Hefei.



With the assiduous support of the Parks' Horticulture Department, there are many parks built around Hefei City including Xiaoyaojin Park, Shushan Forest Park, Hefei Wild Animal Park, Hefei Arboretum and Huancheng Park which is the biggest among these parks covering an area of 137.6 hectares. This open park connects six scenic areas which form a beautiful image of a “Jade Necklace”.

These six scenic areas are Baohe Scenic Area featuring the culture of Lord Bao; Yinhe Scenic Area featuring a water-scape; Xishan Scenic Area featuring animal sculptures; Hupotan Scenic Area featuring entertainment items, Huanbei Scenic Area featuring natural environment and wildlife and Huandong Scenic Area with a visitors' service area to enhance the garden visit.



Human Cultural Landscape



Perhaps Hui Garden, located in Hefei Economic and Technological Development Zone, is a window through which you can best learn about Anhui province culture. It covers an area of 20 hectare around which the Yangtze and Huaihe Rivers flow. There are many symbolic man-made constructions in corresponding sections such as the beautiful Huangshan Mountain, the Chaolu Lake, the Di Garden, etc.



If cultural scenery is more suitable to your taste, then a visit to the historical and cultural landscapes of Hefei beckons. The most famous one is called Memorial Temple of Lord Bao which is located south of the city center in Baohe Park. It is built to the memory of Bao Zheng, a well-known honorable officer of the Northern Song Dynasty. The Memorial Temple of Lord Bao is a typical architectural complex built in the Qing Dynasty.



As a result of its important historical strategic position, Hefei is an area of contention among the local powers. Another cultural destination worth a visit is “Xiaoyaojin” a famous battlefield of the Three Kingdom Period and can best elaborate its strategic importance. In this scenic area there is the Xiaoyao Lake, the Bridge of the Flying Cavalier, the Three Isles in the lake, and the Cangyou Garden.

The Former Residence of Li Hongzhang is another cultural destination which is a well preserved former home in Hefei. It is a typical residence of the south during the Qing Dynasty. Li Hongzhang was born in Hefei and held a civil and military position in the Qing Government. Here you can examine detailed materials that give comprehensive information of this eminent historical person.



Eat

Anhui Cuisine is one of the famous “Eight Cuisines” of China and in the capital, Hefei, the authentic flavors can be tasted. Due to Hefei’s geographic advantage, it has assembled many of the surrounding areas’ flavors but still maintains the flavor of ancient Luzhou Cuisine.

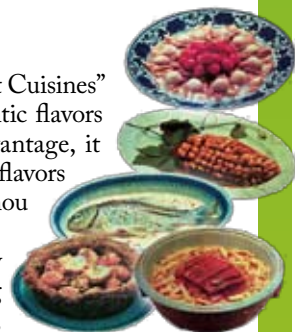
For those who have been to Beijing they have never forgotten the good taste of Beijing Roast Duck. Now when you come to Hefei, the Luzhou Roast Duck must be the first recommended cuisine by the local tour guide. Luzhou Roast Duck originally was served to the royal court as the imperial dish. Until the period of Ming Dynasty this cuisine could be found being cooked by local families. You will be attracted by the Duck’s golden yellow shininess, crisp skin and tender meat. Compared to Beijing Roast Duck, it has moderate fat and salt, rich taste, and plentiful nutrients.

Lord Bao Fish is another well-known Hefei dish. This fish was originally found in a moat called Lord Bao River; hence it got the name Lord Bao Fish. This cuisine is a traditional cold dish, tender meat and dark reddish crisp skin.

Caocao Chicken also called “Xiaoyao Chicken” was said to have been liked by the Wei Emperor Caocao during the period of Three Kingdoms. The chicken is made with medicinal herbs, thus is good for health. These two dishes can be found in most restaurants in Hefei.

The last specialty dish called Li Hongzhang Hodgepodge Cuisine is also very delicious. It is said that this dish was an invention of the Li Hongzhang’s cook once when Li Hongzhang treated some American guests. The raw materials in this cuisine include holothurian (sea cucumber), sleeve-fish, chicken, ham, pig liver and spinach which are all braised with chicken soup, thus it smells fragrant and tastes delicious.

In addition, Honggao (baked cake), Mabing (sesame cake), Baiqie (white sesame slices), Cunjin (sesame cookie) are recommended high quality specialties, made with refined, shelled sesames along with choice white sugar, flour and sesame oil, and treated with a special technique. Crisp, sweet, and fragrant are these cookies’ characteristics.



科技 & 未来之美

Science & Future



FOTON VISION 2010: The first world-class automobile brand in China

It is FOTON's constant pursuit to become the first world-class automobile brand in China. In the globalization of world economy and value chains, an open-up FOTON is dedicated to work with global partners in all business to achieve synthesis and win-win linkage in technological innovations, industry resources, management experience and compliance with international regulations, so as to create and share a beautiful future.

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成为中国第一个世界级汽车品牌是FOTON不懈的追求。在世界经济及价值链要素日趋全球化的今天，开放的FOTON致力于在所有业务领域与全球伙伴携手合作，在创新技术、产业资源、管理经验以及符合国际准则的作业规范等方面追求协同效应和链合共赢，以共创、共享未来的美好世界。

Spirit Of Innovation

By Yang Wei

China has directly invested 28.6 billion yuan in the Shanghai World Expo, according to its official data. So far, the Shanghai Expo has embraced over 15 million total visitors over 50 days (95% of whom are Chinese), and hit a record of 552 thousand people in one day. Reports from the Pavilion of the Kingdom of Saudi Arabia said that the longest queue at the pavilion has reached as long as 9 hours, which still does not capture the enthusiasm for these pavilions. So, as a big celebration for Chinese everywhere, what is the meaning of holding such a big World Expo?

With this question mark over my head, I went to the Expo myself, trying to find a good reason. To save money, I took an early flight (8am) from Beijing to Shanghai, and I soon found that I was not the only one who wanted to get there first. The early morning's airport was even busier than during the Spring Festival. (There is an yearning inside every Chinese to travel back to their hometown during the

Spring Festival time.) In the noisy place, hustling and bustling with loud speakers from different travel agencies, I noticed that this was still likely to be the first flight experience for many of the Chinese passengers. The tour guide with a little hat and a flag stood at the check-in desk, teaching his customers one by one what to expect. Though airline service started half a century ago in China, in the minds of many average Chinese it is still considered to be an expensive and luxurious thing to take a plane, so that first experience is always filled with anticipation.

Once I arrived, it was most convenient to take metro line 2 from PVG or SHA to anywhere in Shanghai. (The metro here is looking more and more like Charlottes Web.) In the airport, I found the service team of volunteers in a little booth, there to hand out some booklets about the Expo and answer any questions from the interested visitors, but mainly focusing on the Expo. I asked for a map of the Expo from them (which was for free),

1. Resting area in Swedish Pavilion - beautifully designed chairs

2. ABB is pasting my name card to the Swedish map.



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and said thanks. I feel it's better to have various versions of these maps and then find the most useful one. And studying the map in advance will make the best use of one's visiting time.

The big Expo has made Shanghai even more popular and busy. The Inn I booked from Ctrip near the Expo's Pudong area secretly raised their room price by 30%-50% during the special Expo period. However, you still can't get a room even if you tried to book 3 weeks ago. A pattern of planning ahead will fix the schedule of life, making it easier to reach one's goals.

When it first started, the Expo opened at 9 in the morning, but shifted to one hour earlier due to too many excited visitors. There were already long queues at the Expo gate before the gates opened. (Overall, the Expo was much more pleasant at night, with less people and shorter queues.) Queuing is a must at the Expo, which also serves to teach Chinese visitors order, respect, and more importantly, patience.

The Expo occupies a huge area and you will spend a long time waiting in queues, therefore it is flat heel friendly.

1. **The keyword** of Argentinean Pavilion - Passion!

2. **Talktive brother** and sister in France Pavilion.

3. **Who said** the Ferrari is always red - Surprise in the Italian pavilion.

4. **Who wants** to wear the high heels - Italians!

Each self-built pavilion took great efforts to design and decorate a unique experience. Even the architecture of the pavilions themselves give the visitor much to appreciate. The Expo seems to bring an entire world full of culture to the Chinese people at once, and in one place. So many different thoughts went into their design, from the inside to the outside. Realizing these differences helps people have a better chance to understand others and themselves. In my eyes, that is the original purpose of cross-culture communication.

The UK pavilion was my first stop at the Expo. It was raining very hard on the day I visited, but there was still a long queue. The UK pavilion, also called "The Seed Cathedral", has some ingeniously designed architecture. Very impressive and creative. The Brits intelligently reserved plant seeds to preserve the planet's biodiversity against any future disaster possibility (2012 is close anyway). The remarkable building is a physical representation of the Millennium Seed Bank, but an interesting thing is that all the seeds in the heart of the Seed Cathedral are from Kunming, Yunnan province, in the southwest of China; the UK wrapped the seeds in a decorative way, and then presented them to China as a gift. To have a chance to look at the 60,000 seeds, you need to wait patiently in line for about 3 hours. However, in my view, it was better to admire the masterpiece from the outside. Learning how to appreciate a work of art needs more observation, knowledge, and taste.

The Italian pavilion was also great, where the creative concepts were spread across every detail. Even the uniforms for the pavilion working staff were designed by Prada. Milan is going to host the next World Expo in 2015, so Italians are putting extra effort on this Shanghai session, to win a promotion for their session in advance. In the pavilion, they display extremely high but beautifully decorated high-heels, and a green Ferrari; they show exquisite



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costumes to go along with tasty spaghetti and wine. It is a place that never lacks in design.

The Swedish Pavilion, however, was my favorite, as each step in the pavilion unfolds a vivid picture for a better living style. The Swedes named their pavilion “The Light of Innovation”, and they brilliantly displayed the idea. You can have a Volvo ping-pong ball as a gift from ABB machine hands, if you sacrifice one of your business cards. You can also play with children in an IKEA made home. More importantly, if you have patience to read at the pavilion, you’ll learn more. “Don’t waste the waste. What can’t be recycled can be made into energy in Stockholm, 95% of all household waste is recycled or used as fuel,” I read this at the Swedish Pavilion, admiring it so much.

Throughout the Expo, environmentally friendly thoughts are found deep inside the pavilions. From the Norwegian Pavilion, you can see those encouraging words etched in wood, “Show that you care.”, “Cities are nature with houses.” You can go bicycle on the roof of the Danish pavilion, where the little mermaid now lives. But there, you have to go down some stairs first before you can go up to the roof. When I was walking in these pavilions, a hope grew in my mind that China can better understand how to achieve sustainable development as it claims to head for urbanization.

For me, it was a fully worthwhile visit. My heart melted when the Danish singer sang peacefully by the side of Miss Mermaid. My spirit was cheered when Romanian artists invited the audience to join in their group dance. My tongue was excited when it had a taste of delicious Portuguese egg tart. The Sound of Music from the Austrian Pavilion, passionate dancing from Argentinean Pavilion, and the Australians’ outdoor guitar...I can name an endless list of things I enjoyed.

Staff at the Australian pavilion told me they received 4 thousand visitors per hour, and that the figure keeps growing. that is really busy, but on average, each visitor only spends 15-20 minutes in the pavilion. I thought, how much of this precious information can a visitor get from such a short tour? Some reports have mentioned that people are disappointed after they have waited for so many hours outside a pavilion, but only receive a few minutes



Swedish Pavilion is full of valuable information.

of entertainment as a reward. However, what I want to say is that if each visitor can read, touch, smell, or taste a pavilion with their own mind, instead of through a camera, they will enjoy the Expo much more.

Many visitors I saw were just there for the stamps from each pavilion. It appeared that they were only there to collect the stamps for the Expo passport, rather than to enjoy the better living ideas or diversified cultures. Sadly, the two busiest areas of each pavilion are always the entrance (those who are eager to get in), and the exit (those who are eager to get out, with a chop). Some pavilions, such as Norway and France, closed the stamp service for visitors due to high demand. And the Italian pavilion didn't bother to make a chop at all from the opening day.

When the night fell, I sat in the German bar, enjoying the best beer in the world. I wrote down a few lines in my notebook, “The main purpose of the Expo is to educate the Chinese people, though it’s a long and tough process. People learn most from their first experience, and reflect most from the great differences. To visit the Expo, Chinese get the chance. As China needs to step into the world, it’s a more complicated and time-consuming task to bring the world to the eyes of Chinese. From one century ago, China has been experiencing a tide of learning from the outside world. Now, it is still on that road, and heading for a better life.” ☺

China Fairs & Expos

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

2010 The 12th China International Power Transmission & Control Technology (Qingdao) Exhibition

Date: August 11-August 13, 2010

Venue: Qingdao International Convention Center

Exhibits: Hydraulic technology, pneumatic technology, seal technology, rectilinear motion system, compresses air technology, etc

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

Tel: 86-532-55552903

Web: www.china-ptce.com

Email: service@china-jinnuo.com

2010 Qingdao New Product, New Technology Press Conference

Date: August 11-August 13, 2010

Venue: Qingdao International Convention Center

Exhibits: Hydraulic technology, pneumatic technology, seal technology, rectilinear motion system, compresses air technology, etc

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

Tel: 86-532-55552903

Web: www.china-ptce.com

Email: service@china-jinnuo.com



Machinery, Machine tools

2010 China Shanghai International Flat Panel Display Exhibition

Date: July 7-July 9, 2010

Venue: Shanghai Everbright Convention & Exhibition Center

Tel: 86-21-64363606

Fax: 86-21-54976528

Email: kuozhanexpo@21cn.com

The 12th Shanghai International Machine Tool Fair

Date: July 15-July 18, 2010

Frequency: Yearly

Venue: Shanghai New International Expo Center

Exhibits: Machine tools, tools and accessories, automation control and power train, machine tools, etc

Add: No.1258 Yuyuan Road, Shanghai, China

Tel: 86-21-52396999

Fax: 86-21-51010002

Email: shanqi1688@126.com

Auto tools and Fittings

2010 The Eighth China Shanghai International Battery Industry Expo and Technology Exchange



Date: July 7-July 9, 2010

Frequency: Yearly

Venue: Shanghai Everbright Convention & Exhibition Center

Exhibits: Series of batteries, a variety of battery for different uses, types of manufacturing equipment, raw materials, parts, components and charges, etc

Add: Room 602, Yinxing Building 251 Nong, Longcao Road, Shanghai, China, 200235

Tel: 86-21-64363606

Fax: 86-21-54976528

Email: kuozhanexpo@21cn.com

2010 Shanghai International Automobile Manufacturing Technology and Materials Show

Date: August 11-August 14, 2010

Frequency: Yearly

Year of the first event: 2004

Venue: Shanghai New International Expo Center

Host: Society of Automotive Engineers of China, China Automotive Manufacturing Equipment Innovation Union, Shanghai Modern International Exhibition Co., Ltd

Add: 8F, Zhongxin Zhongshan Building 999 Nong, Zhongshan South 2nd Road, Shanghai, China, 200030

Tel: 86-21-64681300*203

Fax: 86-21-64681849

Web: www.shanghaiamts.com

Chemical Industry

SpeChem China 2010

Date: August, 2010

Frequency: Yearly

Venue: Shanghai Exhibition Center

Exhibits: Fine&specialty chemicals, custom chemicals, new materials, chemical equipment, etc

Add: Bldg No.16, Block 7, Hepingli, Dongcheng District, Beijing, 100013

Tel: 86-10-64272119

Fax: 86-10-84292180

Web: www.spechemichina.com

Email: moka@ccpitchem.org.com

Electronic Intelligence

2010 The Seventh China (Shanghai) International Mobile Phone Industry Exhibition & Conference

Date: July 8-July 10, 2010

Frequency: Shanghai Everbright Convention & Exhibition Center

Exhibits: mobile terminals, related accessories and products, etc

Add: Room 904, Yixing Building, 251 Nong, Longcao Road, Shanghai, China, 200235

Tel: 86-21-64363606

Fax: 86-21-6755056

Web: www.mobileexpo.cn

Email: xiaoting6688@yahoo.com.cn

Sound, Musical instruments, Lighting

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

Date: July 7-July 9, 2010

Frequency: Yearly

Venue: Shanghai Everbright Convention Exhibition Center

Exhibits: outdoor LED large-screen display technology and application system equipment, outdoor lighting device technology and equipment, urban energy-saving lighting technology

and equipment, etc

Add: No.18, 8 Shengze Road, Huangpu District, Shanghai, China, 200002
Tel: 86-21-34090058
Fax: 86-21-64807399
Email: 3067539@163.com

Fur, Leather, Shoes

2010 Guangzhou Fashion Focus International Leather Shoes Exhibition & Brand Marketing Summit

Date: July 8-July 10, 2010

Frequency: Yearly

Year of the first event: 2007

Venue: Guangzhou Jinhua Exhibition Center

Exhibits: Suitcase, handbag, shoes, other leather products, decoration products, etc

Host: Guangdong Province Leather Association

Zip Code: 510500

Tel: 86-20-38385920

Fax: 86-20-38385920

Web: www.shishangjiaodian.com

Email: 21052106@163.com



Toys, Gifts and Craftwork

2010 Guangzhou Calendar, Festival Gifts and Notebook Exhibition

Date: August 9-August 11, 2010

Venue: Guangzhou Jinhua Exhibition Center

Exhibits: Calendar, festival, gifts, sanitary products, etc

Host: Guangzhou Huacai Exhibition Service Co., Ltd

Add: Room 304, No.7 Beishadong Lv Street, Guangzhou Avenue, China, 510500

Tel: 86-20-87243951

Fax: 86-20-87647420

Web: huacaigz@126.com

Contact person: Ms. Xiao

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

2010 The 104th China Daily Goods Trade Fair and China Modern Home & Houseware Expo

Date: July 12-July 24, 2010

Frequency: Yearly

Venue: Shanghai New International Expo Center

Exhibits: plastic household products, enamel and ceramic household products, small household, cooking utensils, kitchen utensils, etc

Add: 302, 88 1288Nong, Lianhua South Road, Shanghai, China, 201100

Tel: 86-21-54997483

Fax: 86-21-54997483

Email: Shanghai-xf@163.com



2010 Dalian The 6th International Tea Expo and World Chinese Tea Tasting Conference

Date: July 15-July 18, 2010

Frequency: Yearly

Venue: Dalian Xinghai Convention and Exhibition Center

Exhibits: tea and water product, tea ware, tea equipment and tea package, teahouse franchise, chain teahouse, tea culture tea etiquette training organization, tea planting, tea production new technology, tea planting, tea production, etc

Add: 14 East Area, No.18 Huizhan Rd, Shahekou District, Dalian, Liaoning, China, 116023

Tel: 86-411-39916916

Fax: 86-411-84809988

Medical Care, Health Care

2010 The Eighth China Shanghai International Optical Fair

Date: July 7-July 9, 2010

Frequency: Yearly

Venue: Shanghai Everbright Convention & Exhibition Center

Exhibits: flat panel display and LED lighting conductor, opitics, opital and optical communications test equipment, infrared, etc

Add: Room 904, Yinxing Building, 251 Nong, Longcao Road, Shanghai, China, 200235

Tel: 86-21-64363606

Fax: 86-21-64755056

The 8th China Wenzhou International Optical Manufacturing Industry Exhibition

Date: July 10-July 12, 2010

Venue: Wenzhou International Exhibition Center

Add: Floor 7, Wanbao Building, Xincheng Avenue, Wenzhou, Zhejiang China

Tel: 86-577-88902222

Fax: 86-577-88901788

2010 China Qingdao International Stone Material and Mechanical Equipment Exhibition

Date: July 16-July 19, 2010

Venue: Qingdao International Convention Center
Exhibits: marble materials, granite material natural stone materials, stone carving products, stone tablets, etc

Add: Rm 2101, Building B, No.33, Shandong Rd, Qingdao, 266071

Tel: 86-532-80791023

Fax: 86-532-8381887

Email: qdhaichenexpo@gmail.com

International Conference & Exhibition of the Modernization of Chinese Medicine & Health Products

Date: August 12-August 16, 2010

Venue: Hong Kong Convention and Exhibition Center

Exhibits: Chinese medicine, health products, scientific, etc

Host: Hong Kong Trade Development Council

Tel: 86-592-1830668

Fax: 86-592-28240249

Email: exhibitions@tdc.org.hk

Media, Advertisement

The 12th Shanghai International Advertisement Technology & Equipment Exhibition

Date: July 7-July 9, 2010

Frequency: Yearly

Venue: Shanghai New International Expo Center

Exhibits: Advertising technical equipment and materials, printers and supplies, sculptures, logos, signage technology, equipment, materials, exhibition display technology and equipment, retailer promotions equipment, new media technology, innovation and creative design industries, etc

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

Tel: 86-21-5938052

Fax: 86-21-64807399

Email: Shanqi1688@126.com

Commercial Trade, Chain operation, Agency, Import and export

2010 China Ningxia International Trade & Investment Fair

Date: August, 2010

Frequency: Yearly

Venue: Ningxia Yinchuan International Exhibition Center

Host: Ministry of Commerce, China Council for the Promotion of International Trade, etc

Add: No.363, Jiefang West St. Yinchuan, Ningxia, China, 750001

Tel: 86-951-5044987

Fax: 86-951-5044239

Email: Qiaoxinmin@ccpit.org



H.E. Rui Quartin Santos, the ambassador of Portugal to China

Solid Base for Next Three Decades

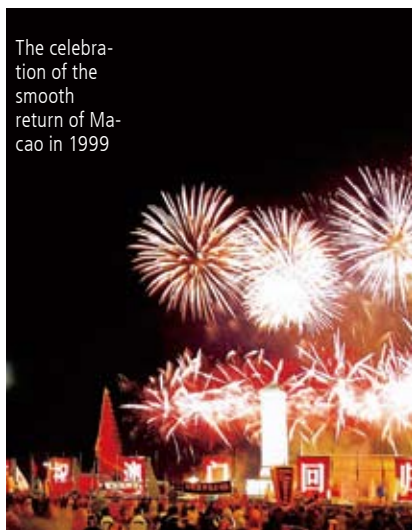
By Guo Yan

Portugal was the first country in Europe to establish a link with China more than 300 years ago, since then the two countries have shared a great deal with each other in the fields of trade and culture. With the smooth settlement of Macao, more and more Portuguese enterprises started to eye the Chinese market. Now, at the Shanghai Expo, the Portugal Pavilion is presenting its uniqueness to the entire world. Recently H.E. Rui Quartin Santos, the ambassador of Portugal to China accepted an exclusive interview with *China's Foreign Trade*, and he raised his views on issues such as the development between China and Portugal, the current situation of bilateral trade and the economy, the Portugal Pavilion at Shanghai Expo 2010, and many more.

The smooth return of Macao close the relationship between China and Portugal

With the establishment of modern diplomatic relations between China and Portugal in 1979, the bilateral relations have stepped into a new era. Both countries have experienced great changes and now Portugal has established a comprehensive strategic cooperative partnership with China. Ambassador Santos said, "I think the bilateral relationship between Portugal and China can be divided into two stages. In the first stage there were negotiations on the turnover of Macao. During the negotiation, both parties adopted a constructive attitude, and had very friendly and peaceful dialogue, so as to make a solid foundation for the turnover of Macao. These talks also pushed the development between China and Portugal. We have solved the problem with Macao well. Both sides were satisfied. The second stage involved the establishment of a bilateral comprehensive strategic cooperative

The celebration of the smooth return of Macao in 1999



MACAO HAS BECOME A LINK BETWEEN CHINA AND PORTUGAL. THE SMOOTH RETURN OF MACAO IN 1999 PLAYED A POSITIVE ROLE IN THE DEVELOPMENT OF BILATERAL RELATIONS.

partnership as a symbol. The high level exchanges were to be strengthened. After a state visit by Premier Wen in 2005, bilateral relations were expanded across wider fields such as politics, trade and the economy, culture, and education have all progressed to new areas. Also through Macao, China has strengthened its links with Portuguese nations. We expect that President Hu Jintao will visit Portugal this year."

Last year was the 10th anniversary of Macao's return to China from Portuguese administration, many Portuguese have expressed that Macao was just like their home in China; they have no communication barriers and work comfortably here. Ambassador Santos added: "Macao has become a link between China and Portugal. The smooth return of Macao in 1999 played a positive role in the development of bilateral relations. In recent years, the China-Portugal Trade and Economy Cooperation Forum was held in Macao, which means that Macao has become an important platform for development

between China and Portuguese nations. This also provides an opportunity to promote cooperation between non-governmental organizations. All entrepreneurs can exchange their experience, which leads to good interactions. Thanks to its development, the volume of investment on both sides have increased.”

Great potential and promising future—the bilateral relation in trade and economy

Despite the effects of the financial crisis on Portugal's imports and exports, the turnover of bilateral trade totaled US\$ 2.3 billion. Relatively, the Portuguese enterprises in China are few, and focused on specific fields such as pharmaceuticals. He mentioned: “Portuguese enterprises have just entered the Chinese market. As an example, we all know Portugal is famous for olive oil, but for some Portuguese olive oil companies it is their first time in China. Previously, many European companies have produced olive oil in China, except Portugal. We are the first world factory to produce olive oil with high quality. So we have encouraged Portuguese companies to go into China, and I think many fields have great potential that both sides should explore. Although Portugal is smaller than China, so how best to occupy this large market, the enterprises of Portugal still need to investigate and carry out detailed research. And at the same time, thanks to the large turnover of Chinese exports to Portugal, the volume of bilateral trade has been growing.” Ambassador added, “Certainly, Por-

tuguese enterprises have been increasing in recent years, if we compare with several years ago; the fields of investment in China include cement, pharmaceuticals, and auto parts. At the same time, Chinese products being exported to Portugal are in areas such as, auto parts, logistics, etc. Especially in the fields of logistics, Portugal has an advantage with its ports, which Chinese products can use to access Europe. So he feels both sides have a wide space to cooperate.”

When mentioning the investment by Chinese enterprises in Portugal, the Ambassador said, “Now, many excellent Chinese enterprises have invested in Portugal. For instance, Huawei and ZTE have cooperated with Portuguese enterprises to do business in third world nations. I think both sides could cooperate in the fields of information technology, electronics, auto parts, and logistics. Many years ago, Portugal had Chinese communities, nowadays, around 15 or 20 thousand Chinese live there. Due to the world economic crisis, investment has been difficult to implement, but we should look forward. We know a few Chinese enterprises that want to do more investment in Europe through Portugal. This is a good chance for Portugal.” Then, he put forward his suggestions for future cooperation. “We expect that Portuguese enterprises can cooperate with Chinese enterprises in larger fields such as new energy, environmental protection and high-efficient energy.” He When the reporter asked the detailed figures about the bilateral investment, the Ambassador answered: “Although I have no more detailed data to tell

you, I can tell you that not only bilateral investment, but also trade and economy, they are moving in good a direction.” The tone was filled with full of confidence.

Renewable energy is the focus of bilateral cooperation in the future.

In recent years, the issue of Climate change has been emphasized more and more. The Ambassador also mentioned during the interview



The port of Lisbon

that he thought that although there were some differences between the developed countries and developing countries, the aim is specific, which is that the world faces a problem of global climate change. He expressed his point of view that Portugal was one of the first European countries to use renewable energy. Using wave power has been one of its advantages; wind and solar power are also very important energy resources. Due to the consideration of environmentally-friendly energy sources and the economy, Portugal is seeking to minimize the use of oil. In the rainy seasons, they have sufficient hydropower resources that are adequate to meet more than 40% of the electricity demand in the country, which is the second highest in Europe, just behind Denmark.

He told the reporter from *China's Foreign Trade* that Portugal is setting out to generate electricity using the wind and tides. These are both key for Portugal to realize its goals of innovation and energy moderation. In the terms of environmentally-friendly en-



China-Portugal Trade and Economy Cooperation Forum promoted the bilateral trade.

ergy, Portugal will build the platform for both sides; we recommend that Portuguese enterprises that have experience in energy-conservation invest in China. The Ambassador thought that in the future, renewable energy will be a major focus of bilateral cooperation.

Sustainable development should integrate into the World Expo

The Shanghai Expo now is the focus of the world; in the meantime, the World Expo also provides an opportunity for Shanghai to showcase the features of China. 22 years ago, Lisbon held the last large-scale World Expo of the 20th century successfully, and that event also provided a historic opportunity for Portugal to develop. The theme of that expo was that *the Ocean—was the heritage of the future*. There were about 166 countries and organizations that attended the expo with over 10 million visitors. The success of this expo affected the future of Portugal greatly. The Ambassador was full of pride when talking about the Lisbon World Expo. At the same time he mentioned that when organizing an expo, the first thing that should be avoided is wasting land on construction of the pavilions. From the experience of Lisbon, the site for the Expo was a discarded industrial zone and port zone near the river which was poor, dirty and noisy. When designing the Expo site, the government of Portugal was wise to put forward three principles for the construction, these

were to build permanent buildings, promote tourism, and to improve the environment. The government of Lisbon built plenty of permanent halls and related buildings with traditional Portuguese features, for instance the hall of the ocean, the hall of sports, the pavilion of the future and the hall of entertainment. After the World Expo, these pavilions and construction were not leaving them alone. Most of them have changed their function and continue to be used. The rate of reuse was 90%. Now, the center of the pavilions has become a beautiful part of the modern city of Lisbon. Now every year Lisbon attracts thousands of visitors both domestic and overseas, meanwhile, it also provides Lisbon with tremendous tourism revenue.

Ambassador Santos added: “This time, when we built the Portugal Pavilion for the Shanghai Expo 2010, we put forward one point that these pavilions should be built to integrate into the overall framework of this city and become a part of Shanghai. The Portugal Pavilion takes up approximately 2000 square meters in Shanghai. The themes of our pavilion were firstly to introduce the Portugal’s

ideas of innovation and moderation; secondly, to present the latest achievements Portugal has made regarding environmental savings; and third, to introduce the economic achievements of Portugal.” At the end of the interview, Ambassador Santos expressed his wishes, “I hope all the visitors see our pavilion and like it. If I have spare time I will visit the Shanghai Expo, and also wish great success to the Shanghai Expo.” ☺



Portugal Pavilion in Shanghai EXPO 2010



Lisbon Expo landmark

LINK

Portugal Pavilion Offers Cristiano Ronaldo Signed T-shirt to Its 888,888 Visitor



Portugal Pavilion has offered its 888,888th visitor a shirt signed by the country's football super star Cristiano Ronaldo on June 21, 2010.

The lucky one was Bian Jiang from Xinjiang Uigur Autonomous Region. He is 23 years old and loves football. He came to the Portugal Pavilion because he watched the game between Portugal and Ivory Coast and was interested in Portugal.

At the exit of the Pavilion Bian Jiang was invited by the Portugal Pavilion to taste the

Portuguese egg tarts wearing the T-shirt with Ronaldo's signature.

Expo 2010 Shanghai occupies an area of 5.28-kilometre-area along both sides of the Huangpu River between Nanpu and Lupu Bridges. The event expects 70 million visitors in total and has the presence of 192 countries and 50 international organisations: the largest number of participants ever reached. The biggest World Fair ever runs until October 31st, 2010, under the theme “Better City, Better Life”. (Portugal Pavilion)

China-South Asia Expecting Closer Cooperation

On June 5, the 5th China-South Asia Business Forum, sponsored by CCPIT, Yunnan Provincial Government, South Asia Federation of Business Associations(SAFBA), CCPIT Yunnan Sub-Council and China-South Asia Business Forum Secretary, was held in Kunming, Yunnan Province. This forum got support from the business circles of the South Asian countries, and India

The theme of this forum was China-South Asia Cooperation in the Recovering Period of World Economy. The subjects discussed involved economic stimulation policies, reform and innovation of finance as well as the reciprocal cooperation among the enterprises etc. Member countries of SAFBA including India, Pakistan, Afghanistan, Bengal, Nepal, Sri Lanka, Maldives and Bhutan all sent delegations to the forum. More than 200 representatives from the South Asian countries and 400 entrepreneurs from China attended the forum. Qin Guangrong, Governor of Yunnan Province, Wan Jifei, President of CCPIT, Zhang Zhijun, Deputy Foreign Minister of China and the high-rank officials from the 8 member countries of SAFBA participated and addressed the forum.

Wan Jifei said that South Asia, bordered on the Southwestern China, was China's traditional trade partner and had strong economic complementarities with China. China and South Asia has had close cooperation in the fields of trade and cross investment as well as project contracting etc. Though the global financial crisis posed great challenges for the economic development of China and South Asian countries, and also for the bilateral trade and cross investment, yet the trade volume between China and the SAFBA countries still amounted to US\$57 billion and the cross investment also tended to be more active. The crisis also render the Asian countries have to make closer cooperation in fields such as finance, trade, adjustment of industrial structure. With the rebound of the economies, the trade and cross investment between China and South Asian countries also steered to the period of rapid recovery.

Qin Guangrong said that Kunming had always attached great importance to the cooperation with the neighboring countries, deepening the cooperation with Southeast Asia and South Asia and building Yunnan into China's bridgehead for opening up of the Southwestern China. Yunnan is to strengthen the construction of infrastructure and further improve the cooperation with Southeast Asian and South Asian countries.

"In recent years, China and South Asia has kept making progress in cooperation mechanism construction: China signed comprehensive free trade agreement with Pakistan and finished the joint feasibility study on the regional trade arrangement with India." said

Zhang Zhijun, Deputy Foreign Minister of China. Chinese

Government paid much attention to its trade imbalance with South Asian countries and tried to take measures to increase import from South Asia all along.

Wan Jifei, President of CCPIT, addressed the forum.



On May 28, the 2nd Chi-

na-South Korea Green Economic Cooperation Forum, sponsored by CCPIT and KCCI, was held in Seoul, South Korea.

The subjects talked about at the forum were "New Recycle Energy Cooperation Plan and Strategy" and Cooperation Plan and Strategy in Green Industries" etc.

Wan Jifei, President of CCPIT addressed the Forum. He said that at the moment when the world economy was steering out of the financial crisis, governments all over the world advocated the development of green industry and recycle energy, driving sustainable development and the transformation of economic growth pattern. To develop green industries has become the important measures for the governments to push forward the adjustment of economic structure. Under this circumstance, this forum should be an significant measure for the economic circles in the two countries to find new direction for further common development. China extended great welcome to South Korean companies for joining Chinese companies to develop green industries together.

Sun Jingzhi, President of KCCI remarked that many South Korean companies were very willing to cooperate with their Chinese counterparts to develop green industries, and this forum provided them a very good platform for exchanging ideas.

Qin Guangrong, Governor of Yunnan Province, addressed the forum.



Seeking Cooperation in Green Economy



Gong Weihai



Gong Weihai, a Shanghai citizen, graduated from Department of Art in Heilongjiang Heihe Normal School in 1972, and became a teacher there. From 1981 to 1984, Gong studied in Luxun Academy of Fine Arts. He learned flower-bird painting from Professor Guo Xihe, and stayed in Guo's studio for two years. Besides, he learned figure painting from Professor Xu Yong. Till now, he has published 15 collections, and hundreds of works on China Collections, China Painting and Calligraphy, China Painting and Calligraphy-Art and Life Version, China Painting and Calligraphy-Year Collection, Art Market, Collections, Zhejiang Daily, Shanghai Social Science and other newspapers and magazines. Liberation Daily, Labor Daily and The Press has had full-page reports about Gong Weihai, and his works are also sold overseas.

龚伟海, 上海市人, 1972年毕业于黑龙江黑河师专美术专业, 后留校任教。1981年至1984年就读于鲁迅美术学院。花鸟画师从郭西河教授, 并在郭西河教授工作室, 亲聆郭西河教授的指点和教诲达两年之久。人物画师从许勇教授。出版各种作品集十五集作品数百幅, 作品发表于《中国收藏》《中国书画》《中国书画艺术生活版》《中国书画年度特刊》《中国书画优秀作品专题》《中国艺苑》《艺术收藏与投资》《艺术市场》《收藏》《浙江日报》《上海社会科学》等各大报刊和杂志《解放日报》《劳动报》《新闻报》曾作专版介绍, 部分作品流传于海外。



In 2002, Gong was selected as Contemporary Painting and Calligraphy Artists Collection, and entitled "Elite Contemporary Artist"

In 2005 China-France Culture Year, China Collections-Auction Guide and China Collections had a full-page report respectively on him.

Member of Pudong New District Artists Association

Visiting professor at Department of Art in College of Heihe

Member of Shanghai Duoyunxuan and Yidong Culture and Art Salon

2002年入选《当代书画艺术家精英大典》, 并授予“当代精英艺术家”称号。

2005年中法文化年, 外交部《世界知识》画报社出美术专刊, 入选四幅。

2005年《中国收藏拍卖导报》《中国收藏》杂志专版推介。

浦东新区美术家协会会员。

被聘为黑河学院美术系客座教授。

上海朵云轩, 依东文化艺术沙龙会员。

Contact number: 13564799767 Website: www.gongweihai.com

联系电话: 13564799767 网址: 伟海国画艺术网 www.gongweihai.com



Prices for Traditional Chinese Painters' painting published on Art Market

Gong Weihai	offer	auction price
Figure painting	4,500 RMB	4,000 RMB
Flower-bird painting	2,500 RMB	2,500 RMB

(Unit: per square Chi, a unit of length)

刊登于《艺术市场》国画家权力榜润格

龚伟海	自报价	拍卖收藏价
人物画	4500元/尺 ²	4000元/尺 ²
花鸟画	2500元/尺 ²	2500元/尺 ²

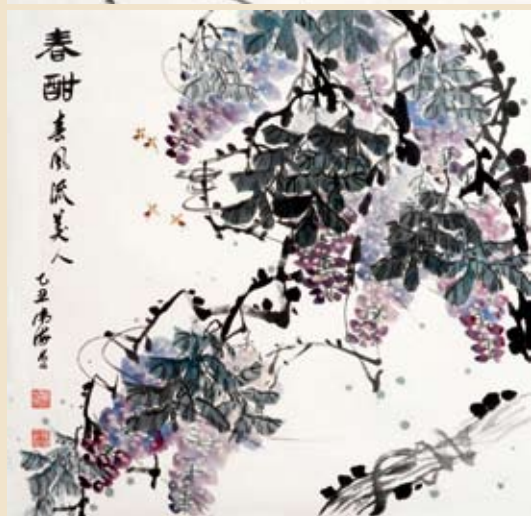




紅粉靚妝世翠蓋低風雨正斷
人間六月涼明月驚鷺滿根底藕絲長
花至蓮心苦只為風流青絲受村佳人步看蓮花
乙丑秋月 楊西







Highlights and Uncertainty

in the RECOVERY GROWTH

By Guo Yan

Canton Fair has been called the weatherglass of China's foreign trade. Due to the effects from the financial crisis on the global economy two years ago, the recent Canton Fairs have been held with a greatly decreased turnover. So how was China's foreign trade in 2010? Let's focus on the 107th Canton Fair.



The Bi-yearly Canton Fair attracts the most outstanding companies in foreign trade with their latest and best products, along with the purchasing businessmen from around the world who can't miss this important event held twice every year. So what was the trend regarding China's foreign trade? The Canton Fair has become a natural focus when looking for answers. In 2010, the world economy has begun to show signs of recovery, but the foundation of this recovery remains fragile. There are still some uncertainties affecting China's exports such as the financial risks that are re-spreading across Europe, the exacerbated fluctuation of commodity prices and exchange rates, as well as rising trade protectionism. During

the fair, the overall trend of recovery in foreign trade was further established, but it has yet to return to the levels from before the financial crisis. Benefiting from improvement of the global economic environment and the stability of China's foreign trade policy, the 107th Canton Fair was held successfully, with a growth rebound in both overseas buyers in attendance and export turnover. As of May 4th, a total of 203,996 overseas buyers from 212 countries and regions around the world attended the Fair. There were 15,827 more in attendance than at last Autumn's Fair, representing an increase of 8.4%, and the total export turnover stood at USD 34.3 billion, increasing by 12.6 % over the last Fair; however these figures were still a year-on-year decrease of 1.3% and 10.30% respectively.

Seeing recovery growth from figures of 107 Canton Fair

Mr. Chen Chaoren, a spokesman for the Canton Fair pointed out that, affected by Iceland volcanic eruptions, buyer attendance from the E.U. in Phase dropped by 23.6%, and the turnover with E.U. countries also decreased. Additionally, turnover with the United States and the Middle East went down as well. The attendance of overseas buyers for this session saw a general increase, whereas the attendance of buyers from more traditional markets was less than satisfying. Figures by country and region show that attendees from the E.U. and Japan were down 15.2% and 4.6%, respectively, while attendance from the U.S. was up 3.8%. Signif-

icant increases were seen in emerging markets, while growth was maintained from countries in Asia, the Americas, Africa and Oceania, of which Oceania registered the largest increase with 6,921 in attendance, representing an increase of 23.6%. This was followed by the Americas, Africa, and Asia with 29,206, 16,189 and 117,925 respectively; representing increases of 17.8%, 17.7% and 10.5 %. The top 3 countries and regions at the fair were Hong Kong SAR, U.S.A., and Taiwan Province, whose attendance figures reached 27,821, 11,274, and 9,249 respectively. There were 132,735 returning buyers that attended the Fair, accounting for 65.1% of the total and representing an increase of 8.2% over that of last Autumn's Fair. In addition, 71,261 new buyers attended this session, accounting for 34.9% of the total overseas buyers, an increase of 8.7% over the last Fair. In terms of turnover, machinery and electronic products, light industry products and textiles and garments were the top 3 industries, accounting for 46.9%, 29% and 11% respectively. Major transactions involved household electrical appliances, hardware, garments and accessories, textiles, construction and decoration materials etc.

Highlights of this Canton Fair

Due to the fact that recent Canton fairs were affected by the economic crisis, at this session of the Canton Fair, there were obvious changes not only with the exhibitors, but also with the products and brand innovation. During the Canton Fair, Mr. Yi Xiaozhun, Vice minister of Commerce of Ministry, said that this was a surprising phenomenon since enterprises have made great efforts to strengthen innovation, improve the level of product quality and added-value. He also encouraged that the companies should speed up the upgrade of products in order to improve their abilities, in terms of bargaining power and international competitiveness.

Exhibitors became more rational. In the past, exhibitors attending the Canton Fair were focused on signing contracts with foreign buyers so as to ensure benefits for the whole year. But as they have attended the Canton Fair



BUT AS THEY HAVE ATTENDED THE CANTON FAIR FOR MANY YEARS, MANY ENTERPRISES HAVE GRADUALLY CHANGED THEIR MINDS, THEY HAVE LEARNED THAT JUST ATTENDING THE FAIR WAS NOT THE MAJOR AIM, AND ALSO THAT TURNOVER WAS NOT THE MAIN OBJECTIVE TO MEASURE THE PERFORMANCE OF THEIR SALESMEN.

for many years, many enterprises have gradually changed their minds, they have learned that just attending the fair was not the major aim, and also that turnover was not the main objective to measure the performance of their salesmen. A salesman from Jiangsu Guotai Group said that the goal of their attendance at the fair has changed from simply signing the contracts to demonstrating an image of their enterprise, as well as using the fair as a chance to catch up with old customers. Enterprises have learned that they can display their strengths and products and also make friends. They don't pursue the short term benefits, but instead focus on the development of long-term customers.

Enterprises are good at environmental protection. Minister of Commerce Chen Deming said nowadays, energy conservation and environmental protection have become the main concepts behind consumption. Enterprises should closely follow this trend to further enhance their capability of independent innovation, so they can make it in the international market. During this Canton Fair, many exhibitors focused on environmental protection in terms of researching new products. For instance, 90% of the products from Gree were low-carbon and energy-saving, such as their new multi-functional inverter water heater that combines many new technologies, in summer it can produce a cooling effect through a special air conditioning fan, while, in winter, it also can improve indoor temperatures through its additional floor heating system, also any waste water produced can be recycled. Other brands also launched new 3D digital TVs with vivid pictures and a screen thickness of only 1.99cm; these TVs also have integrated wireless internet access. Zhong Shan, vice minister of Commerce of Ministry believed that the concepts of low-carbon, energy saving and environmental protection have become the new trends of consumption, a trend-consumer concept. Export products should keep up with this trend, optimize management processes, and strengthen independent innovation and brand building, as well as accelerate the pace of improvements, in order

to compete in the fierce international market with many excellent products and famous brands.

The core competition is built by innovation and brands. Over the last two years, enterprises have had to face increasing pressures, such as RMB appreciation, rising raw material prices, and protectionist tendencies in international trade. Obviously, the main advantage of "Made in China" products has always been their low cost, which has slowly been losing its price advantage. It is easy to see that not only traditional areas such as products of construction ceramics are popular, but also the booths in emerging sectors like electronic information products, which were crowded by overseas buyers and enterprises with high tech innovation and the core competition. General Manager Wu from Hongyu Ceramic Company said that faced with the decreasing cost advantages, they are only left with innovation to increase added-value. He was also proud that at the first day of the Canton Fair, their new 3D products received an order worth US\$ 200 thousand, and that currently they were the only domestic company that could produce these products.

After experiencing the economic crisis, many enterprises have changed their attitudes from "I have changed" to "I want to change", they have begun to achieve this by adjusting their industrial structures, strengthening R & D capabilities, adding more value to their products, and improving external bargaining power, which has been the strategy to for many enterprises responding to crises. It is notable that this Fair saw mainstream innovation of exhibits and exporting businesses took the initiative to adopt industrial transformation and make enhancements. The percentage of new products exceeded 40% with a quoted price 20% higher than that of traditional products. Low-carbon and environmentally-friendly products took the spotlight. Those enterprises with industrial bases and long industrial chains demonstrated their relatively strong capabilities to offset costs and fend off risks. The turnover in the Brand Zone at this Fair stood at USD 10.60 billion, accounting for 30.9% of the total, up by 6.1%

over last Autumn's Fair. During the inspection of the Canton Fair, Minister Chen Deming pointed out that many companies have changed from simply producing, to both engaging in design and practicing marketing. It was a great progress that enterprises bid in domestic and overseas through OEM.

Uncertain in the light future

As market conditions became warmer in the first quarter, many export enterprises have seen different degrees of recovery growth. Among them, the exporting rates of Guangdong Xinbao Electrical Appliances Holdings Co., Ltd, Fengshun Peiying and Konka Group's were up by 30%; Gree exported US\$ 300 million in the first quarter, with year-on-year growth of 60%. Minister Chen Deming noted that with the emerging market and the slow recovery of the European and U.S. economy, the situation at this year's first Canton Fair is undoubtedly a significant improvement and much better than that of the Fairs held last Spring and Autumn. However, the improvement was not a complete recovery, and

the Fair has still not returned to pre-crisis levels. He pointed out that there were two factors affecting recovery growth: first, after a decline in trade last year and after Christmas, overseas merchants were anxious to replenish inventory; second, various uncertain factors existed that prompted buyers to sign fast and short contracts. Mr. Chen Chaoren said that due to the unconsolidated foundation of the world economic recovery and uncertainties in export performance, the whole situation is far more complicated than we expected. With a combination of worries in policy changes, a rise of costs and exacerbated trade protectionism, a number of export companies are cautious to take long-term or big-value orders, as three-month short-term contracts accounted for 53% of the total.

At this session of the Canton Fair, small and middle enterprises made gains; around 30 SMEs got contracts with an exporting turnover of over US\$ 45.6 million. Their orders were short, and affected by the exchange rate of the RMB, the restrictions on productivity and an increase in the price of raw materials. In general, they dare not take long-term orders; most of the orders were placed for within 3 months. More than 85% of enterprises raised their quoted prices; the increase was between 5% and 15% with an average close to 10%. However, these price increases still could not make up for the increase in their costs; the space of enterprises' profits is squeezed as the pressure on management is also added.

In order to achieve better performance in China's foreign trade in 2010, enterprises hope that the Government will maintain the continuity and stability of the current foreign trade policy; keep the RMB exchange rate stable; and take measures to carry out macro-controls on the price of cotton to better stabilize the price of raw materials; put forth more effort in support of high-quality enterprises; and promote a resolution to the difficult problems of employment, labor shortages and other issues. Half of 2010 has already passed, and if China would like to evaluate the whole year's performance, one fair is not comprehensive enough; all kinds of factors need to be considered. ©

AFTER EXPERIENCING THE ECONOMIC CRISIS, MANY ENTERPRISES HAVE CHANGED THEIR ATTITUDES FROM "I HAVE CHANGED" TO "I WANT TO CHANGE", THEY HAVE BEGUN TO ACHIEVE THIS BY ADJUSTING THEIR INDUSTRIAL STRUCTURES, STRENGTHENING R & D CAPABILITIES, ADDING MORE VALUE TO THEIR PRODUCTS, AND IMPROVING EXTERNAL BARGAINING POWER, WHICH HAS BEEN THE STRATEGY TO FOR MANY ENTERPRISES RESPONDING TO CRISES.



The Conspicuous Opening Date of CHAD

By Guo Yan

“The Opening Date of Chad”—an event organized by the Chadian Embassy to China will be held in Beijing on the 28th and 29th of June. It will take up such forms as meeting for discussions and site touring ect., with the purpose of facilitating the mutual understanding between Chad and China as well as boosting the international exchanges between the two countries in the area of culture, economy and trade.

His Excellency, Soungui Ahmed, the Extraordinary and Plenipotentiary ambassador of Chad to China mentioned that, “The Chad Opening Days” is an efficient approach to promote his country’s image and its incomensurable economic, cultural, and mineral resources. He added that by setting up a bridge of culture and economy, people from the two countries can enhance their exchanges and communications. The Embassy of Chad extends a warm welcome to the enterprises in China and the Chinese people and is waiting for you to this event. The embassy also hopes that entrepreneurs can go to Chad for commercial prospection or for sightseeing, thus mutual benefit will be realized by exchanges and communications.

According to Mr. Ossodongarti M Justin, the Economic and Commercial Counselor of the Chad Embassy, a sound diplomatic relation between Chad and China constitutes a vital part of the two countries’ friendship; it also serves as a pushing force for the development of the economy and trade in both countries. He stresses that Chad is one of the member states of the Central African Economic and Monetary Community (CEMAC), situated in central Africa, occupying an area of 1,284,000 square kilometers, with Libya, Sudan, Central Africa, Cameroon, Niger, Nigeria as its neighbors. The capital city N’Djamena locates on the joining points of

two rivers, Logone and Chari. Agriculture, husbandry and oil are the three pillar industries of the country.

During the opening date, delegations from Chad will present to the Chinese businesses in detail the opportunities for investment in Chad, the focus will be on the investments in such areas as agricultural products processing, processing,

excavation, energy, water conservation, scientific research, communication, tourism, service, hotel, health and education, since they are in extremely huge demand.

In agricultural products processing, for example, N’Djamena is offering investing opportunities in the following programs: the construction project of modernized plants and tanneries; the building of Milk Products Center, and the project of “providing assistance in the fruits and vegetables processing industry in both N’Djamena and East Logone”.

In infrastructure construction, there are the construction projects of the asphalt road connecting Mongo and mangalme, the tar roads in the urban areas, the building of Comprehensive stadium with a capacity of 8000 seats in N’Djamena and the construction of administrative and social buildings with joint efforts from both Chad and China.

Opportunities can also be found in the area of city planning, housing, the exploitation of solar/wind energy, information and communications.

In the aspect of the natural resources, Chad hopes to cooperate with China in the construction of the transport piping system for petroleum, the exploitation of ammoniac soda and gold ore, tourism and in many other areas as well. ☺





Ecological Qinghai,

Green Economy to TAKE OFF

By Yan Manman

QINGHAI WOULD INSIST ON THE CONCEPT OF "GREEN ECONOMY, LOW CARBON ECONOMY AND RECYCLE ECONOMY" AND SEARCH FOR A GREEN DEVELOPMENT PATTERN, ORIENTED BY THE GROWTH WITH LOW CARBON EMISSION AND FOCUSING ON RECYCLE ECONOMY, NEW ENERGY AND NEW MATERIAL INDUSTRY.

On May 19, the Promotion Conference for Qinghai Green Economic Investment and Trade Fair was held in CCPIT. Previously called Qinghai Investment and Trade Fair, Qinghai Green Economic Investment and Trade Fair, which was added two words "green economic", mirrored that Qinghai put more focus on developing green economy.

Yu Ping, Vice President of CCPIT said at the conference that since 2008, Chinese Government had taken a series of measures to promote the development of western China, bringing opportunities for the western area in terms of increasing domestic demand and constructing projects. At present, the international investors have turned their eyes on the Western China. The central government proposed the goal of building western green ecological shelter in the 11th Five Year Plan. Along with this goal, Qinghai was striving to develop green economy, providing good environment for the investors. Luo Yulin, Vice Governor of Qinghai pointed out that Qinghai would insist on the concept of "green economy, low carbon economy and recycle economy" and search for a green development pattern, oriented by the growth with low carbon emission and focusing on recycle economy, new energy and new material industry.

Qinghai has rich natural resources, and the hydro energy, solar energy and mineral resources are in particular with considerable reserves. Among the 129 found minerals, the reserve of 54 materials rank top 10 nationwide, 23 rank top 3 and 9 rank No.1. Those rich resources provide resource base for Qinghai to further develop their economy.

According to Zhang Shoucheng, Director of Qinghai Provincial Economic Commission, Qinghai set 9 sector as the development priority: the energy and chemical industry, salt-lake based chemical industry, non-ferrous metal and its processing industry, equipment manufacturing industry, new material industry, solar energy industry, special biological resource processing industry, steel industry and recycle economy related industries. In addition, Qinghai will make great

efforts to develop ecological husbandry, plateau tourism, finance and logistics industry.

Zhang also told China's Foreign Trade that at present the share of the green economy accounting for the total GDP of Qinghai was 40% and Qinghai's goal is to increase the share to 70% after the 12th Five Year Plan.

Hundreds of representatives from

business circles, government institutes and media attended the conference. The participated companies had made effective talks with the officials of Qinghai on the specific projects. Qinghai brought 120 key projects which invite investment, mainly involved in new energy industry, new materials industry, environmental protection industry, investment and financing, infrastructure

construction, metallurgical industry, auto industry, chemical and mining industry, medicine, machine and equipment manufacturing industry as well as tourism etc. The industries which most attracted the participated companies were finance, new energy industry, photovoltaic industry, mining, infrastructure construction, building materials as well as real estate development. ©

Exploring the Path for FINANCIAL INNOVATION

—Top Forum of Financial Innovation, Market and Instrument to Be Held Soon

By Yan Manman

On July 6, a top forum themed with financial innovation and regulation is to be held in Renmin University of China (RUC). This forum is sponsored by Hanqing Advanced Institute of Economics and Finance (Hanqing Institute) under RUC and the Shanghai Advanced Institute of Finance at Shanghai Jiao Tong University. It is a top talk in the financial world.

On April 16 2010, the US Securities and Exchange Commission(SEC) filed a suit against Goldman Sachs and Fabrice Tourre, its vice President on account of securities fraud, claiming that Goldman Sachs concealed key facts when selling one subprime financial product and misled the investors. Im-

mediately this event aroused close watch and intense debate from all walks of life. But what on earth is the truth? Who should be mainly responsible for this event? Why did SEC filed this suit at that moment? Is there any factors of timing working? What implications could China get for its start-up financial innovation?

In April 2010, stock index futures was finally launched in China. As an important safe-haven instrument at the financial market, the launch of index futures was of milestone significance to the development of China's financial market and the health of its financial system. But what influence will it bring on the capital market in China?

Besides, will the development of the corporate bonds market help address the financing plight of the SMEs? Is the nationwide upsurge of VC and PE an optimum scheme for resource allocation or the last carnival of the excess liquidity? Is the market of the carbon and its derivative transaction a great innovation concerning the life and death of the world or a blasting fuse for next crisis?

All these issues will be discussed and explored at the top forum. Elites from the academic and business circles at home and abroad, including K.Geert Rouwenhor, Professor of Finance and Director of International Finance Center at Yale University, William N. Goetzmann, Professor of Finance at Yale, Wang Jiang, Professor of Finance at MIT, Chen Zhiwu, Tenured Professor of Finance at Yale, Li Xianglin, General Manager of China International Capital Corporation (CICC), etc all will gather at RUC to debate over these issues from the perspectives of eastern and western world, searching for the right path for the financial innovation in China. ©

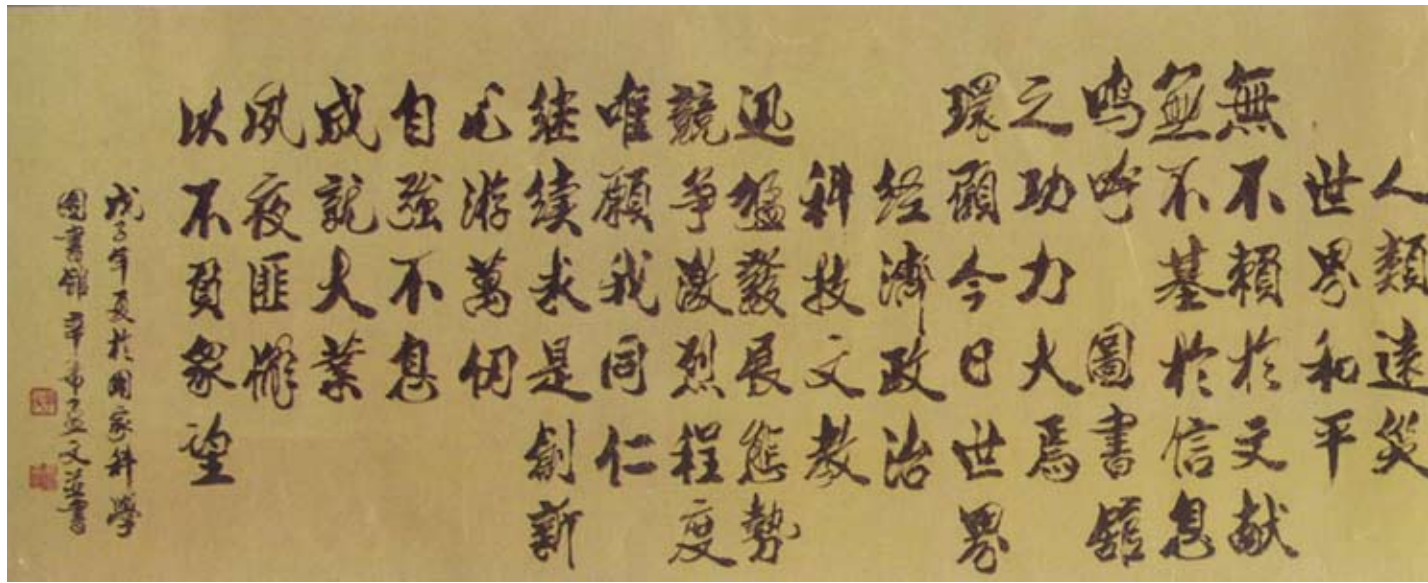




Xin Ximeng



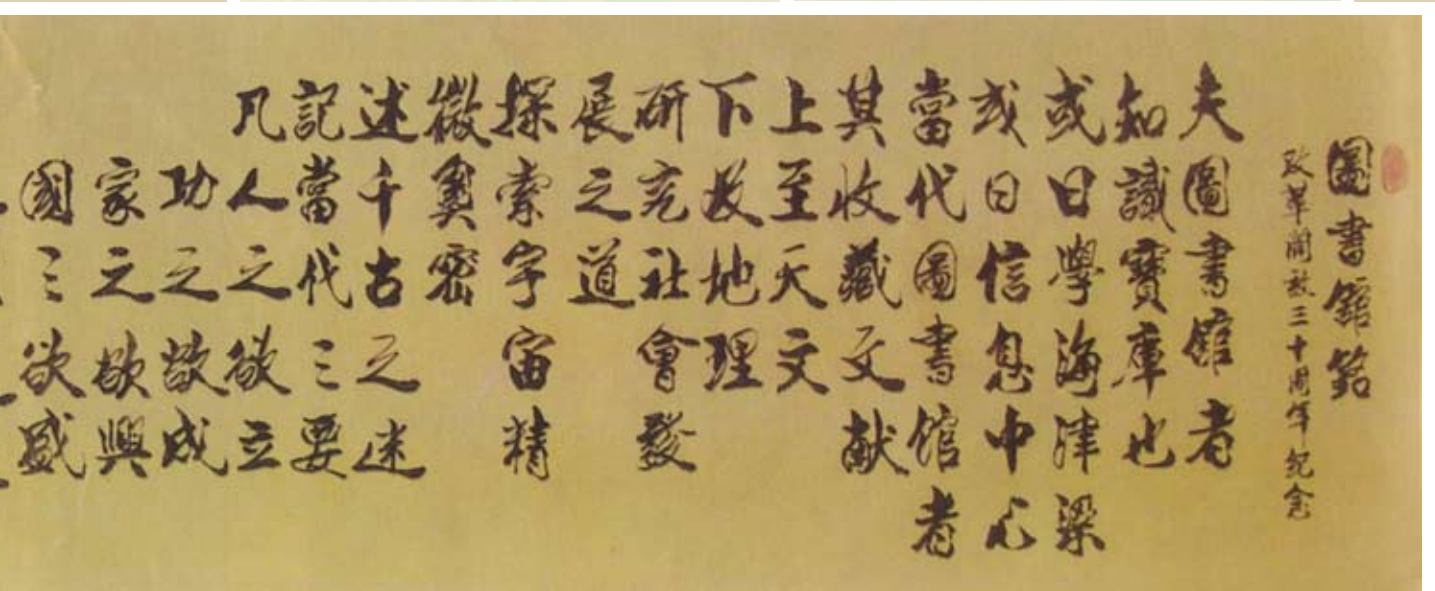
Born in Dingzhou, Hebei Province
 Professor and doctoral supervisor in Graduate University of Chinese Academy of Sciences
 Chief Editor of Library Science in Encyclopedia of China 2nd Edition
 Member of presidium of China Research Association of Famous Painting and Calligraphy Masters
 Vice chairman of Hong Kong Chinese Painting and Calligraphy Research Society
 Director of UN Artists Association



Professor (and doctoral supervisor) Xin Ximeng was born in a revolutionary intellectual family in Dingzhou, Hebei Province in 1938. In 1962, he graduated from Beijing University and he has taken positions as vice director of Document and Intelligence Center of Chinese Academy of Sciences (deputy director of National Library of Science) and professor in Graduate University of Chinese Academy of Sciences, president of library academy for central governmental departments and scientific research organizations, managing director of China Library Academy, director and honorary member of Compilation, Translation and Publishing Committee, hold positions as a professor in East China

Normal University, Beijing University, Hebei University, Shandong University of Science and Technology, etc., chief editor of Library and Information Service, chief editor of Library Science in Encyclopedia of China 2nd Edition, and participant and manager of dozens of national and provincial scientific research projects. He ever issued 300 plus thesis and receives special government allowance from the State Council since 1992. He won "Contribution Award for Aged Chinese Professors" in 2004, and "Ambassador of China Public Welfare" in 2008, and also other honorary titles.

Professor Xin loves traditional Chinese culture, paint-



ing and calligraphy. He began to learn calligraphy when he was four, and participated in the activities organized by Art Clubs during his stay in Beijing University. After a long hard work, he got mature with his calligraphy and won acceptances in the world, justifying by several awards. Since 1980s, his works have become collections of colleges and universities, libraries, museums and cultural and research organizations, and also personal favorites of scholars and politicians like Shi Changxu, academician of Chinese Academy of Sciences and Chinese Academy of Engineering, and Sihanouk of Cambodia. In 2004, he registered and established Beijing Ximengxuan Painting and Calligraphy

Art Studio. Now he is member of presidium of China Research Association of Famous Painting and Calligraphy Masters, vice chairman of China Painting and Calligraphy Research Academy, vice chairman of Hong Kong Chinese Painting and Calligraphy Research Society, and director of UN Artists Association.

Professor Xin Ximeng takes little interest in fame and fortune, but commits himself to academic and art. Although he is over seventy years old, he is still contributing to the research on China's document information theory, prosperity of national culture and cultural exchanges between China and other parts of the world.



Im/Ex in May, 2010: Exports Continued Recovery in May

On June 10, 2010, General Administration of Customs of the People's Republic of China (GAC) released the profile of China foreign trade import and export in May and the first five months of this year. China returned to a trade surplus in April on strong exports growth after posting its first monthly deficit in almost six years in March, and China's exports surged by 48.5 percent year on year in May, while the imports climbed 48.3 percent, the General Administration of Customs (GAC) announced. The growth rate for exports was 18.1 percentage points up from the figure for April, and the import growth rate dipped slightly from 49.7 percent reported in April.

The statistics from customs show that, the total import and export value for May amounted to US\$243.99 billion, up 48.4%. Among the total value, the export value continued to exceed 100 billion USD, amounting to US\$131.76 billion, 48.5% increase month-on-month after season adjustment, while the import reached US\$112.23 billion, 48.3% higher than last month. (See Table 1)

According to the customs' statistics, the total import and export value for the first five months amounted to US\$1100.09 billion, 44% increasing compared with the same period last year. Among the total value, the export value amounted to US\$567.74 billion, up 33.2% year-on-year, while the import US\$532.35 billion, skyrocketed

Table 1 Brief on China's import and export in May 2010

Item	May		Jan. - May	
	Absolute Value	Increase $\pm\%$ (m-m)	Absolute Value	Increase $\pm\%$ (y-y)
Total Import and Export Value	243.99	48.4	1100.09	44
Total Export Value	131.76	48.5	567.74	33.2
Total Import Value	112.23	48.3	532.35	57.5
Import and Export Balance (surplus is +; deficit is -)	19.53		35.39	

**Table 2 Brief on China's import and export from Jan. to May, 2010
Unit: Billion USD**

Month	Item	Absolute Value	Increase $\pm\%$ (m-m)
Jan.	Total Import and Export Value	204.78	-15.7
	Total Export Value	109.48	-16.3
	Total Import Value	95.31	-15.1
Feb.	Total Import and Export Value	181.43	-11.5
	Total Export Value	94.52	-13.7
	Total Import Value	86.91	-8.9
Mar.	Total Import and Export Value	231.46	27.6
	Total Export Value	112.11	18.6
	Total Import Value	119.35	37.3
Apr.	Total Import and Export Value	238.16	39.4
	Total Export Value	119.92	30.5
	Total Import Value	118.24	49.7
May	Total Import and Export Value	243.99	48.4
	Total Export Value	131.76	48.5
	Total Import Value	112.23	48.3

**Table 3 Bilateral trade value of China's top trading partners in Jan.- May, 2010
Unit: Billion USD**

Rank	Partner	May	Jan. - May	Increase $\pm\%$ (y-y)
1	EU	39.72	177.49	37.4
2	US	31.51	138.68	28.2
3	ASEAN	24.67	111.79	57.5
4	Japan	22.91	111.56	38.8
5	South Korea	17.46	80.42	47.2
6	Hong Kong	18.36	80.18	34.5

57.5% year-on-year. And the accumulated trade surplus in the first five months of the year arrived US\$35.39 billion.

Trading partners

In the first five months of 2010, E.U., U.S., and ASEAN remain the China's top 3 trading partners (See Table 3). In this period, the bilateral trade volume between China and E.U. amounted to US\$177.49 billion, up 37.4% year on year. Sino-U.S. bilateral trade value was US\$138.68 billion, increased 28.2% year on year. China's trade volume with ASEAN countries in the first five months accounted for US\$111.79 billion, 57.5% increase year on year.

In the first five months, trade

surplus fell 59.9 percent to US\$35.39 billion. The trade surplus expanded to US\$19.53 billion in May on surging exports from the US\$1.68 billion in April and a deficit in March, the first time in six years.

Zhang Xiaoji, a researcher at the National Development Research Center of the State Council, China's Cabinet, said China's exports continued recovery in May, and the ongoing European sovereign debt crisis did not pose a major threat to China's foreign trade.

Zhang said China's foreign trade data for April and May indicated that the global economy remained on the track of recovery.

He expected the foreign trade value to grow 10 percent for the whole

year, and a big decline in the trade surplus.

UBS Securities economist Wang Tao also said in a note that the European debt crisis would not have big impact on China's exports in the near-term as exports to nations affected by the crisis only accounted for 2 percent of China's total. A recovery in demand was still a major factor pushing up China's exports, Wang said.

The People's Bank of China, the central bank, warned earlier this month that the expanding European sovereign debt crisis and trade frictions were among potential risks that might have a significant impact on China's economy.

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

China's Annual Trade Surplus to Go Down Sharply

— More from the Ministry of Commerce

By Yang Wei



On June 12, Yao Jian, spokesman of the Ministry of Commerce released more details on the trade and investment in the first five months this year.

Not so optimistic foreign trade

Import and export from January

to May has the following main features:

First, import and export continued a recovery trend. From November 2009, the import and export has continued a renewed growth for 7 months; after falling to the bottom in May last year, it has achieved a more substan-

tial recovery of growth to this May. Comparing with the pre-crisis period of January to May 2008, total trade, exports and imports this year were up 8.5%, 4.0% and 13.6% respectively.

Second, China enjoyed a rapid development in the trade with the emerging markets. From January to May, China's exports to Brazil, Russia, ASEAN, South Africa, India and other emerging markets were 65.2, 20.6, 13, 11.2, 4.9 percentage points higher respectively than the overall export growth percentage. Particularly since the establishment of the China-ASEAN free trade area, ASEAN has surpassed Japan to become the third largest trading partner of China. The bilateral trade of China and ASEAN increased 57.5% from January to May, of which China's imports more from ASEAN than its exports, with a deficit of US\$6.4 billion.

Third, the impact of the debt crisis

in Europe has not yet fully apparent. From January to May, China's export to EU increased 34.4%, showing that the impact of the debt crisis in Europe has delayed. As the orders need at least 2 months or even longer to perform from signing contract, delivery to export L/C, the export figures in May only reflected contracts signed three months ago. In the next few months, the negative effects of the debt crisis in Europe might gradually emerge.

Fourth, the export growth accelerated monthly, but the overall situation is still not optimistic throughout the year. In May, China enjoyed rapid export growth. This in one aspect reflected the overall recovery of the international market demand. On June 10, the World Bank released the "Global Economic Prospects 2010", predicting that the global GDP growth in 2010 and 2011 would be within the range of 2.9%-3.3%, which was relatively higher than the forecast earlier this year. However, the current recovery of the world economic is still not solid. China's traditional major markets — the developed countries are in a relatively slow pace of recovery comparing with the emerging markets, and the instability of the European sovereign debt crisis will limit the pace of global economic recovery. Also, the increasing costs in raw materials and labor will restrict the international competitiveness of the Chinese products. Despite a big surplus increase in May, China's trade surplus is forecast to come down significantly annually because while China's economy continues to rebound, the effects of expanding imports will emerge, and imports will continue to maintain a high growth.

Attracting foreign investment

From January to May, the number of the newly established foreign-invested enterprises was 9638, an increase of 22.15%; the actual use of foreign investment was US\$38.921 billion, up 14.31%. In May, the number of the newly approved foreign investment enterprises was 2132, up by 29.29% year on year; the actual use of foreign investment was US\$8.132 billion, up 27.48%.

From the perspective of industries, the actual use of foreign capital in ag-



riculture, forestry, animal husbandry, fisheries increased 85.49% from January to May, accounting for 1.63% over the same period of the national total; in manufacturing, it fell 3.85%, accounting for 47.32% over the same period of the national total; in services, it rose 32.05%, accounting for 44.85% over the same period of the national total.

From a regional view, the proportion of the total foreign investment in China is 87.63% for the East, 6.32% for the Central and 6.05% for the West China in the first five months 2010. And the actual use of foreign capital in the East, Central and West were increased by 14.64%, 14.09% and 9.98% respectively; the actual use of foreign investment in the traditional industrial base in the Northeast China increased by 58.72%.

Growing overseas investment and economic cooperation

Foreign direct investment (FDI). From January to May, Chinese investors have made direct investment in 1540 foreign enterprises in a total of 109 countries and regions globally, accumulated a non-financial overseas direct investment (similarly hereinafter) of US\$14.3 billion. Among them, US\$3.5 billion of direct investment was achieved by purchase, accounting for 24.5% of the total investment over the same period. In May, the foreign investment was US\$2.9 billion.

Foreign direct investment from China mainland mainly flows to China's Hong Kong, Canada, Australia, the United States, Brazil, Singapore

and other countries and regions. From the composition of domestic investors, the foreign direct investment from Chinese local provinces remains a fast growing trend, with Shandong, Anhui, Shanghai, Zhejiang, Guangdong, Liaoning, and Jiangsu ranking in the forefront.

Overseas project contracting. Statistics show that from January to May, the turnover of China's foreign contracted engineering business was US\$28.92 billion, up 16.7%; the amount of the new contract signed was US\$45.45 billion, down by 15%; the number of more than US\$50 million projects in the newly signed contracts was 157, with a capital in all of US\$35.19 billion, accounting for 77.4% of the total new contracts.

Judging from the distribution of industry in the newly signed contracts, the overseas engineering contracts are mainly in housing construction, power industry, petrochemical, and transportation. The above industries accounted about 20% respectively. In addition, there are other industries such as electronic communication, manufacturing and processing, water supply and drainage, mining construction, etc.

Up to the end of May 2010, the total turnover of China's foreign contracted project was US\$369.6 billion, while the amount of contract was US\$605.7 billion.

Foreign labor service cooperation. From January to May, the turnover of China's foreign labor cooperation was US\$3.53 billion, up 4.1%; the amount of the newly signed contracts was US\$3.45 billion, up 23.2%. In the first five months of 2010, China has newly sent 152 thousand labor workers to overseas markets, 5 thousand people more over the same period of last year. By the end of May, there were 800 thousand various labor service personnel working abroad, an increase of 55 thousand workers comparing with last year.

By the end of May 2010, the turnover of China's foreign cooperation of labor service accumulated US\$68.3 billion, with the amount of the contract US\$70.8 billion, and various labor service personnel sent abroad 5.17 million. ©

Jiangxi Hongtai Industry Group Co., Ltd

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China United Engineering Corporation

Company Profile: China United Engineering Corporation (CUC) is one of the best engineering corporations in China; it has high comprehensive strength with science and technology as the vanguard, engineering service as the main business. CUC was founded in Shanghai in 1953, and now the headquarters of CUC is located in the famous scenery city, Hangzhou. CUC currently has more than 2300 employees, among which over 80% are technical personnel, including 1 member of Chinese Academy of Engineering, 4 state design masters, 2 state exploration masters, 95 experts enjoying special allowance of the State Council, over 900 senior engineers (including 191 engineering professors). After 50 years development, as the earliest state-level comprehensive engineering corporation, CUC has expanded service field into machinery industry, power industry, civil architecture industry, environment industry, urban utilities industry, light industry, textile industry, petrochemical industry, electronic industry, military industry, building material industry, etc. International Business Department (IBD) is the department that deals with international business of CUC, mainly does the job of overseas project marketing and import & export products used in different engineering projects. Depending on the powerful technical capacity and perfect procurement network & price-information system of CUC, the department has distinct trading preponderance in the products correlating

to engineering projects, especially in the field of electromechanical products.

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Jiaxing Zhongwan Import&Export Co. Ltd

Company Profile: Jiaxing Zhongwan Import&Export Co. Ltd. is located in Jiaxing City which is the center city of the most prosperous and dynamic Economic Circle in China --Yangtze River Delta. It cannot be ignored about highly convenient transportation system of Jiaxing City. You can go everywhere in China through the highway and three big airports around Jiaxing enable you to fly all over the world.

In addition, several multifunctional seaports along the coast of Jiaxing City qualify us to do world trade without transportation problem.

There is only one hour away to go to Shanghai metropolis by car. Hangzhou and Suzhou are also an hour away from Jiaxing. This represents our company's place utility that will down the transport expenses to the lowest level.

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Fuzhou Haoqiang Hardware Co., Ltd

Company Profile: Fuzhou Haoqiang Hardware Co., Ltd. enjoys convenient transportation by sea, land and air. Our company, which owns rights of import and export, combines the manufacturing and trading. There are two main production lines. One is electric appliance production line and the other is garden tool production line.

Our main products of electric appliances are electric porcelain and bakelite appliances, such as lamp holders, plugs, sockets, switches, fuses, insulators and flood lights. We have established a strict quality insurance program. Some items had authorized by CE, UL and ISO9001 certificates. Our products are exported to all over the world. We also specialize in all kinds of garden tools which sell well in Europe, America, Australia and Southeast Asia. We always pursue the best quality and the fastest service with reasonable price. Our company will develop rapidly with our efforts and your cooperation

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Fujian Glong Electric Co., Ltd

Company Profile: Fujian Glong Electric Co., Ltd is one of biggest motors and water pumps manufacturer in China. It covers an area of 66 thousand square meters. The company possesses advanced producing equipments, perfect testing methods which guarantee good quality of products. The products are in great demand in motherland and also have been greatly exported to many countries and areas.

With fifteen years professional experiences we'll continue to provide you high quality products and competitive prices. Based on high-level business reputation. We firmly believe the cooperation between us will get better and better!

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