

CHINA'S

中国对外贸易

FOREIGN TRADE

The Export-Import Bank of China:
Want to Be the Best in A Better World ?

SPECIAL REPORT

Keywords in 2009

Dr. Lau Yau Bor,
Chairman of
Jiwa Bio-Pharm
Holdings Limited



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Jiangxi Changhe Motors Co.,Ltd.

I. The introduction of Changhe Motors

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

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

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

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

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

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

II. The main products

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





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

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

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

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

Jiangxi Changhe Automobile Co., Ltd.

Add: No.208 Xinchangdong Road, Jingdezhen, Jiangxi 333002, P.R.China

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Tel: 86-798-8462884

Fax: 86-798-8462987

E-mail: dqzou555@gmail.com

Web Site: www.changheauto.com

Lifestyle

ON STAGE



Believe Music, Magic Christmas Concert

Artists: Ding Dang
Guests: Maqic Powe, Cosmic Man, Chen Nairong
Time: December 25th, 20:00
Price: On door RMB 120, In Advance RMB 100, VIP RMB 280 (Sold Out)
Add: The Star Live, 3Floor, No.79, Hepingli Xijie, Dongcheng District, Beijing
Tel: 86-10-64255677

“I Sing The Folk for the City” Hao Yun Concert in Starlive

Artists: Hao Yun
Time: December 26th, 20:30
Price: On door RMB 80, In Advance RMB 60, VIP RMB 160, Pre-sale VIP (For 3) RMB 390, (VIP Limited 80)
Add: The Star Live, 3Floor, No.79, Hepingli Xijie, Dongcheng District, Beijing
Tel: 86-10-64255677



Monologues: Revel's World of Shakespeare

Time: 2009/12/19-2009/12/27
Venue: Peng Hao Theatre **Price:** RMB 120
Ticket booking hotline: (86-10) 64177845

More Info

Written by Joseph Graves
Dramaturg and Original Production Directed by Tom Whitaker
Directed by Xiaoqing Hu
Playwright and performer: Joseph Graves
Artistic Director of PKU Institute of World Theatre and Film

Long Time No See Qin Friends-Guitar China Ten members & Ten Moderators Awards

Time: December 27th, 19:30
Artists: Dengel, Yazo, Nightingale, Guitar China Forum Moderators & Band and so on
Add: The Star Live, 3Floor, No.79, Hepingli Xijie, Dongcheng District, Beijing
Tel: 86-10-64255677

Swan Lake by Royal Russian Ballet

Time: 2009/12/28
Venue: Beijing Exhibition Theater
Price: RMB 180/280/380/480/680/880 **Ticket Package:** RMB 1000
Ticket booking hotline: (86-10) 64177845

Irish Dance: Dancing Thru the Ages

Time: 2009/12/28-2009/12/29
Venue: Mei Lanfang Grand Theatre
Price: RMB 80/180/380/580/880/1280/1880/2010
Ticket booking hotline: (86-10) 64177845

Irish dance is a group of traditional dance forms originating in Ireland which can broadly be divided into social dance and performance dances. Irish social dances can be divided further into céilí and set dancing. Irish set dances are quadrilles, danced by 4 couples arranged in a square, while céilí dances are danced by varied formations (ceili) of couples of 2 to 16 people. In addition to their formation, there are significant stylistic differences between these two forms of social dance. Irish social dance is a living tradition, and variations in particular dances are found across the Irish dance community; in some places, dances are deliberately modified and new dances are choreographed.

Irish performance dancing is traditionally referred to as stepdance. Irish stepdance is notable for its rapid leg movements, body and arms being kept largely stationary. Most competitive stepdances are solo dances, though many stepdancers also perform and compete using céilí dances. The solo stepdance is generally characterized by a controlled but not rigid upper body, straight arms, and quick, precise movements of the feet. The solo dances can either be in “soft shoe” or hard shoe.

The dancing traditions of Ireland probably grew in close association with Irish traditional music. Originating in Pre-Christian Ireland, Irish dance was later influenced by dance forms from the Continent, especially the Quadrille. Travelling dancing masters taught all over Ireland, as late as the early 1900s.

Richard Clayderman & Guo Yue Tian Jiao 2010 New Year Concert

Time: 2009/12/27
Venue: Great Hall of the People
Price: RMB 180/380/680/980/1280/1680/2010
Ticket Package: RMB 1500/1600
Preferential ticket packages: RMB 1500 (680*3); RMB 1600 (980*2)
Ticket booking hotline: (86-10) 64177845
Performer: Richard Clayderman; Guo Yue Tian Jiao

A romantic and wonderful night will be made by Richard Clayderman, who is well-known to the world to be a piano prince, and the Guo Yue Tian Jiao, an excellent female quartet well in Chinese traditional instruments. Sometimes solo, and sometimes duet, they together make a conversation between eastern and western music. Richard Clayderman has done what virtually no other French act has ever done..... established a truly international career as a best selling recording artist and concert performer.

“The Prince of Romance” (as he was dubbed by Nancy Reagan) is not simply a recording artist. In fact, despite his natural shyness and reserve, he is completely in his element on stage; a Richard Clayderman concert is a real ‘Spectacular’.

Sunyang's China Tour at Beijing Concert

Artists: Sunyang & Band
Time: December 30th, 21:00
Price: On door RMB 60, In Advance Package (For 6) RMB 300, Pre-sale VIP RMB 120, VIP RMB 150 (Limited 80)



Secret Garden Duo Concert 2009

Time: 2009/12/30
Venue: Great Hall of the People
Price: RMB 180/280/480/680/980/1280
Ticket Package: RMB 1200/1600
Ticket booking hotline: (86-10) 64177845
Ticket packages:
 RMB 1200 (680*2);
 RMB 1600 (980*2)

Secret Garden is an award winning Irish-Norwegian duo playing New Instrumental Music, also understood by some as Neo-classical music.



Buyi Rock The New Year Party

Artists: Buyi Band
Time: December 31st, 21:00
Price: On door RMB 80,

Pre-sale Package (For 3) RMB 180, VIP RMB 160(Side), VIP RMB 380 (Front)

2010 New Year's Concert by Dresden Philharmonic

Time: 2009/12/31
Venue: Great Hall of the People
Price: RMB 200/500/800/1200/1800
Ticket booking hotline: (86-10) 64177845
Conductor: Rafael Frühbeck de Burgos
Presenter: Dresden Philharmonic

Return of the King - Yaksa CD release concert

Artists: Yaksa
Time: January 1st, 21:00
Price: On door RMB 80, In Advance RMB 60, On door Package (For 10) RMB 500, Pre-sale Package (For 10) RMB 400, VIP RMB 120 (Limited 80)
Add: The Star Live, 3Floor, No.79, Hepingli Xijie, Dongcheng District, Beijing
Tel: 86-10-64255677



The One — Not to Be Missed

By Guo Yan

Though live music in China had a quick development in recent years, the number of live houses is still very low. However, it is no doubt that The One will give music-lovers another choice. On December 11th 2009, The One, a core brand of Beijing Avant-garde Culture Art and Culture Communication Co. Ltd., raised the curtain. That night, many pop stars as Laolang, Ye Pei, Siqin Gerile, Sha Baoliang and others attended the opening ceremony for THE ONE. Laolang lead the first play on the next day. Though it was a very cold winter night in Beijing, the site was far away from the urban, and it was the first show at The One, The One had a large number of audiences.



Photo by Xiao D
 "Winter of Beijing" Lao Lang Concert ~the first performance in The One

One of the founders and a well-known music maker in Mainland China, Long Long said: "As a musician, I am able to understand what they really needed. And THEONE is established to realize their dreams – musicians' stage dreams. There is nothing can bring me more happiness than witnessing a dream come true."



Photo by Xiao D
 Designer Perry, COO Terry and CEO Long Long (from left to right)

Together with his old friend, Terry Wong, who has years of excellent management experiences, and another friend a young designer, Percy Laws, Long Long finally made the dream into reality. With dozens of changes in exterior design, The One in front of us is a perfect presentation of the designer's "surreal" design concept. In shape of a spacecraft, The One has a center, "space greenhouse", made of glass. The One has an overall color of white, while white is the fundamental and the most complex color, as it can present every color you expect, just like the perfect musical and artistic pleasure THEONE brings to the audience. The birth of The One was an ongoing burning of creative in the mind. As all the best ideas came off the paper and were put into practice, we were used to surprises The One brought. Create infinite possibilities in a limit space, and this is the conviction of The One.

According to Percy's introduction, in order to ensure the absolute sound-proof effect, all the walls and roofs of The One have a "insulation coat", meaning there is a new building seamlessly covering The One. What is more, all the doors of nearly one hundred square meters are directly imported from Germany. Inner building aesthetics is fully in accordance with the acoustic design requirements for standard recording studios. COO Terry at The One said: "Top audio equipments, professional services team, dazzling stage effects, and perfect performance plans, when all these bests are in position, all we need to do is to give the best performance, to the people who really need music".

Long Long viewed: "Artists need high-quality on-site atmosphere to stimulate their desire of performance, which I think is the fundamental of music, as well as many other art forms. At the same time, the audiences want to see true arts closely. At The One, people will not only enjoy performances, but also see a passion above life which is normally hidden behind performance. I think we have the responsibility and ability to provide such a space, where the audiences can see something different with TV music or online music. What we want people to see is the original desire for performance inside the performers."



Photo by Li Jiazuo

The One is the most suitable place for Live Music, and each show can be outstanding in its field, and will bring the audience expressive performances. No matter theatre, cafe, club, studio, etc, every one come to The One will find a brand new life, and they can even involves in the remodeling of contemporary and classic arts, experiencing the double impact of traditional and avant-garde.

Lifestyle

ART & GALLERY

Mind Set!



know what you know? How do go about making these insights? How can we learn the process?"

In Mind Set!, John Naisbitt reveals how to develop and experience the power of 11 cognitive tools that will allow readers to understand the trends transforming their daily life and the world around them, so they can anticipate and act on the future. In a narrative that is captivating in its scope and reach – ranging from Yao Ming and the NBA to Goethe and Global Domains – Naisbitt liberates readers from the limitations of our routine ways of thinking with a step-by-step program to incorporate these new attitudes of mind and apply them in making decisions.

Naisbitt's Mind Set! has the actionable, big ideas and global economic forecasting that senior executives are demanding of high – level books today. Just as powerfully, the stories, examples, and voice of Mind Set! will connect with the non – business reader from the suburbs to the college campus. Underlying the mind sets is Naisbitt's sensibility that we need greater balance between the pace of technological change and the humanistic skills of self – knowledge, and his faith in the endless promise and power of learning.

Review from Publishers Weekly

When Megatrends was first published nearly a quarter-century ago, Naisbitt was hailed as a cutting-edge futurist. Today, however, he's more like your crotchety grandpa, complaining about how he can't get through the voice-mail system to talk to a real person. Naisbitt's latest book reads like a manuscript that's been stuck in a drawer since 1985, as his insights into the future – corporations are becoming more powerful than nation states, video games are an art form – are embarrassingly behind the times. Although he touts 11 principles to help readers cultivate forward-looking thinking, these turn out to be banal guidelines like "focus on the score of the game" and "don't add unless you subtract." Tangential rants about hysterical environmentalists and free market capitalism as the only way to organize modern society reveal a creeping conservative mindset, but even here Naisbitt is bringing up the rear, touting Friedrich Hayek long after everyone else has moved on to Leo Strauss. In his eighth predictive tract, the author coasts on his reputation.

Book Description

In recent years, as John Naisbitt gave speeches across all continents and advised political and business leaders across the world, he would be asked with greater and greater frequency: "How do you

Taking on the Trust

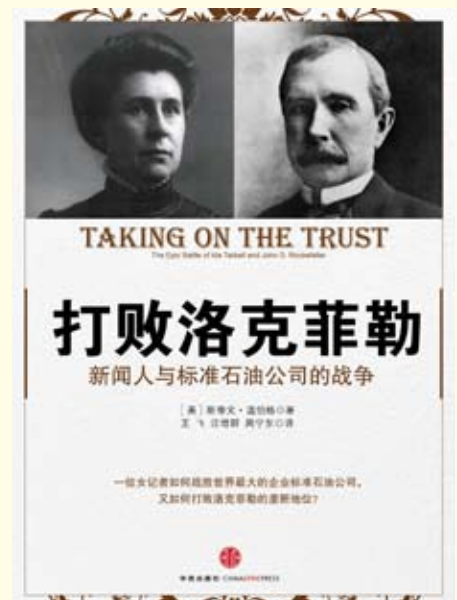
Authors:

John Davison Rockefeller (July 8, 1839 – May 23, 1937) was an American industrialist. Rockefeller revolutionized the petroleum industry and defined the structure of modern philanthropy.

Ida Minerva Tarbell (November 5, 1857 – January 6, 1944) was an American teacher, author and journalist. She was known as one of the leading "muckrakers" of her day, work known in modern times in the progressive era as "investigative journalism."

Review from Publishers Weekly

Investigative journalist Weinberg (Armand Hammer: The Untold Story) briskly recounts the story of the rise of the Standard Oil monopoly in the late 19th century and muckraking reporter Ida Tarbell's role in bringing it down. The book is a study in opposites: John D. Rockefeller used his enormous wealth to establish the staid, stable family life he had lacked as a youngster. Tarbell – raised in bourgeois stability, intellectually ravenous and interested in the women's movement from an early age – resisted women's traditional domestic role. Wishing to help address society's problems, Tarbell was lured into magazine writing, where she developed what Weinberg calls her trademark tone of controlled outrage. In her articles on Standard, published just after the turn of the 20th century in McClure's and then in book form, she amassed evidence that Rockefeller engaged in unfair competition and argued forcefully that all Americans should be concerned with business ethics. Her reporting helped create the modern genre of investigative journalism, and the author's brief references to Wal-Mart and contemporary journalism suggest that he hopes this engaging account – a likely pick for journalism classes – can help inspire more reporters to follow in Tarbell's footsteps. 16 pages of illus.



ART & GALLERY

Stolen Treasures from Modern China

Venue: ShangART Beijing, No.261 Caochangdi

Date: November 15 – December 31, 2009

Stolen Treasures from Modern China presents an opportunity to see photographs of many of China's famous artists from the early 1990s taken by Thomas Fuesser. Alongside these photographs we have a visual discussion of what has taken place in China over the last two decades conducted by the artists Zhou Tiehai, Chris Gill and Andy Hall.

There are many logical traps which catch out the observers of the Chinese reform process. There is especially a lack of understanding of what are the cultural and artistic processes that have fed the rapid and ongoing changes in the cultural field.

The media has played, and continues to play, an important role in modern and contemporary Chinese art. So one of the basic premises of the exhibition Stolen treasures from modern China is to show how media played an important role in the early careers of many artists in China, and also how some artists reacted to the role of the media. The media has documented as well as explained to local and international audiences the various Chinese artists and movements over the years.

The nature of intransigent cultural theft is a complex issue, as physical cultural objects created post 1949 are considered free from governmental control. But, as yet, it has not yet been really addressed what is the value of artworks created in the early 90s within the context of international dialogue alongside the Chinese phenomenon of reform and progressive change?

A unique set of circumstances in China in the early 1990s, a period when the country was still in the initial stages of its opening and reform process, led to a select group of artists becoming well known figures, and others less so.

For the starting point of this exhibition we have chosen 1993, when a series of visits introducing artists Joerg Immendorf (Hamburg), Guenther Uecker (Duesseldorf), art critics Andrew Solomon (New York Times), Thomas Fuesser (Stern, Germany), and others to the art scenes of Beijing, Shanghai and Hangzhou was arranged. This historical arrangement, a list of artist names constructed under the guidance of Hans van Dijk, proved instrumental for many artists' careers. Later Hans founded China Art Archives and Warehouse, with Ai Weiwei.

So this exhibition provides the first opportunity to see the photos taken by Fuesser, which remained as negatives in a box in Hamburg. Also, this visit inspired Zhou Tiehai's seminal works, such as his video and fake magazine covers.

Gill and Hall, though long term residents in China were never on the list. They weren't particularly bothered about not being on the list. Their work presents a historical flux- a counterpoint to the work of Zhou and Fuesser, talking about the changes that have taken place over the period 1993 until now, the process of historical flux – not only in the art world, but in attitudes and behaviour in society at large- including foreign views of China as well as China's self image.

The many circles of historical development that have taken place are represented in this exhibition in a simple edited format- a reflection of how history edits down the process' of development.

The key elements of foreign and local involvement in Chinese art will also be explored by the exhibition.

As Gao Shiming, curator of the Guangzhou Triennial, told Gill: "There have been three generations of foreigners involved in Chinese art, the first generation made a hole in the wall, the second generation built a bridge, and the third generation built a beautiful pagoda."

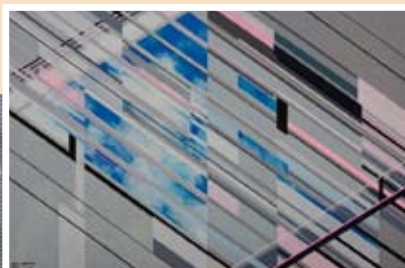
WINTER GROUP SHOW

Artist: Chen Wanshan, Li Xi, Zhong Jinpei

Duration: November 28, 2009-January 29, 2010

Address: No.327, Cao Chang Di Art Zone, Chaoyang District, Beijing, China

(contact): 010-6432808 www.eggartgallery.cn



▲ Chen Wanshan 200x300cm

◀ Zhong Jinpei City



Li Xi 330x300cm ▲



34 China, as the second largest greenhouse gas emitter in the world, should have its fair share in combating against climate change. China's position on climate negotiations means a lot to international community.



38 Pure in quality and mellow in taste, the spring water is ideal for drinking and making tea. Tea tasting is a favorite past time here. There is a saying here that you will spoil your Jinan tour if you do not drink the tea brewed with Baotu Spring water.



48 Shaanxi Automobile Group Co., Ltd (SAG) Heavy Truck (Iran) International Tour in 2009 is the first one that is for one automobile enterprise while in the past, China Auto International Tour was for many different automobile enterprises with many different types of auto.

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Bi-Weekly Watch

Imports and exports: 9.8% ↑ in Nov.

China's imports and exports rose 9.8 percent in November year on year, ending a 12-month decline, to stand at US\$208.2 billion, the General Administration of Customs announced on December 11.

The trade surplus was US\$177.96 billion in the January-November period, down 30.6 percent from a year earlier.

Exports stood at US\$113.65 billion in November, down 1.2 percent from a year earlier, but were up 2.6 percent from October for the fifth consecutive monthly increase. Imports rose 26.7 percent in November to US\$94.6 billion.

From January to November, the country's imports and exports totaled US\$1.96 trillion, down 17.5 percent compared with the corresponding period last year. Imports for the first 11 months were US\$893.02 billion, down 15.8 percent year on year; exports dropped 18.8 percent to US\$1.07 trillion.

The EU remained China's biggest trading partner, though bilateral trade declined 17 percent to US\$326.27 billion in value in the first 11 months; the United States was second with trade at US\$266.54 billion, down 13.4 percent; Japan followed with trade down 17.4 percent to US\$203.33 billion. (NBS)

CPI: 0.6% ↑ in Nov.

China's consumer price index (CPI), a main gauge of inflation, rose 0.6 percent year on year in November, the National Bureau of Statistics (NBS) announced on December 11.

It is the first monthly growth since January, before the CPI dropped 1.6 percent in February. The producer price index (PPI), a major measure of inflation at the wholesale level, declined 2.1 percent in November from a year earlier, according to the NBS.

The rate of decline was 3.7 percentage points lower than that in October, which was down 5.8 percent year on year. The CPI fell 0.9 percent in the first 11 months, compared with a 6.3 percent rise in the corresponding period last year.

Retail commodity prices in urban areas were up 0.4 percent and in rural areas they rose 0.9 percent year on year last month. Food prices, which account for about a third of the CPI, went up by 3.2 percent year on year in November, while non-food prices dropped 0.7 percent.

The rise in commodity prices was mainly brought about by rising food prices and housing costs, including rents, construction expenses and property management fees. Housing costs rose 0.8 percent month on month in November this year, according to the NBS. Property prices are not included in the CPI.

Inflation expectations were strong, due to this year's credit boom and a rapid growth in property prices. The government would keep food prices rising next year so as to encourage farm production, but prices of manufactured products would remain low as a result of the weak external demand. (NBS)

Retail sales: 15.8% ↑ in Nov.

China's retail sales rose 15.8 percent year on year to RMB 1.13 trillion (US\$166 billion) in November, the National Bureau of Statistics (NBS) announced on December 11.

The rise was 5 percentage points lower than that of a year earlier. It was also down 0.4 percentage points from that in October, the NBS data showed.

In the first 11 months, total retail sales topped RMB 11.27 trillion, up 15.3 percent year on year. The rate was 6.6 percentage points down from that of the corresponding period last year, but unchanged from the first 10 months this year, the data showed. In November, urban retail sales rose 16.5 percent year on year to RMB 760.6 billion, while those in counties and sub-county areas were up 14.4 percent to RMB 373.3 billion.



Retail sales grew 14.5 percent year on year for grain and edible oils in November, 24.9 percent for household electric appliances, and 61.5 percent for autos. To stimulate domestic consumption, the government put into place a series of measures, including tax cuts for auto and property purchases and introduced subsidies for home appliances in rural areas.

In November, auto sales reached 1.34 million units, bringing the total sales from January to November to 12.23 million, up 42.39 percent year on year, according to the China Association of Automobile Manufacturers. (NBS)

China vows to promote agriculture development



The Chinese government pledged on December 7 to push forward the transformation of its economic development pattern next year while maintaining stable and comparatively fast economic growth.

Participants at the three-day annual Central Economic Work Conference agreed that the global financial crisis highlighted the urgency to transform China's economic development pattern.

They agreed that the government should coordinate efforts to maintain stable and comparatively fast economic growth and speed up the transformation of the economic development mode.

The Central Economic Work Conference, held once a year to set the tone for next year's economic development, comprises policy-making officials from central and provincial-level governments, including President Hu Jintao and Premier Wen Jiabao.

The conference outlined six major tasks for next year's economic work: to improve macro-regulation to ensure stable and relatively fast economic growth, advance economic structure adjustment to lift quality and efficiency of economic growth, boost rural development momentum, deepen reform and opening up to enhance momentum and vigor of economic growth, promote stable export increase, improve people's livelihood and maintain social stability.

The government would continue efforts to boost domestic demand, especially expand people's consumer demand, and make consumption contribute more to boost economic growth, according to a statement released after the conference.

The government would also seek to push recovery of exports and promote balanced international trade. More efforts would be spent to deepen economic system reform and enhance the momentum and vigor of economic growth.

The government vowed to balance the tasks of ensuring a stable and relatively fast economic growth, adjusting economic structure and managing inflation expectations next year.

This was the second time the government mentioned about managing inflationary prospects in a national event after a State Council meeting in October picked the issue as one of the key points in macro-regulation for the rest of 2009.

The country would maintain the continuity and stability of macro-economic policy and continue implementing the proactive fiscal policy and moderately easy monetary policy. (*Xinhua*)

First batch of rural pension subsidies allocated

China's Ministry of Finance (MOF) Friday allocated RMB 950 million (or US\$139 million), the first batch of subsidies for a new rural pension plan, to pilot counties in 27 province-level administrative regions.

Relevant departments should timely transfer the fund to specified accounts to ensure eligible farmers receive adequate pensions, said the MOC in a statement.

The pilot rural pension program launched in August is expected to embrace 10 percent of the nation's counties by the end of 2009, and expand to cover the whole country by 2020. The new scheme will be subsidized by the central and local governments.

Farmers over 60 will receive a monthly allowance of varying amounts set according to their area's standard income levels after paying a fee to join the program. (*Xinhua*)

Agricultural delegation learns U.S. expertise in technology transfer

A delegation of Chinese agricultural officials on December 9 began a visit in the United States to study U.S. practices in transferring modern agricultural technology from educational institutions and government to rural communities.

The three-day workshop, held in Prairie View A&M University in Texas, includes lectures by college teaching staff and agricultural extension specialists on the role of the Land-Grant System and college-led extension programs.

The U.S. Land-Grant System originated from the Morrill Act of 1862, under which the federal government gave parcels of federal-controlled land to each state to sell to fund the creation of public "land grant" colleges for agricultural and technical education.

There are now land-grant universities in all 50 U.S. states. Over the decades, the land-grant colleges have become an educational system that integrates teaching, research and agricultural extension and the system has played an important role in transferring agricultural technology to rural communities.

The U.S. agricultural technology transfer system was of value to China, which was focusing on agricultural development in rural communities, said Chen Liangyu, a consultant of China Rural Development Center.

China could learn from the United States on how to effectively transfer technologies from colleges to farmers, Chen said. Billy Lawton, a specialist at the Cooperative Extension Program at Prairie View A&M University, said the workshop was a perfect platform for U.S. and Chinese agricultural specialists to exchange views and expertise.

The workshop is sponsored by the United Nations Development Program (UNDP). The Chinese delegation is composed of 18 agricultural officials from 15 Chinese provinces and autonomous regions. (*Xinhua*)

China approves firm's bid for Australian Felix

China's Yanzhou Coal Mining Co. Ltd. has got an official approval to take over Australian coal mining company Felix Resources, according to the company's bulletin on the Hong Kong Stock Exchange on December 4, 2009.

The deal involving A\$3.3 billion (US\$3 billion) in a contractual agreement reached by the two companies in August would be the largest of its kind between Chinese and Australian firms.

Yanzhou Coal said in the bulletin that the National Commission of Development and Reform has approved the company's bid to take over 100 percent of the stake in Felix.

The company said that after the takeover of Felix, it will obtain an approved coal reserve of 1.5 billion tons in Australia. Its annual coal output in Australia is expected to exceed 10 million tons, accounting for one third of the company's production in China.

Yanzhou Coal, headquartered in east China's Shandong Province,

is listed on stock exchanges in Hong Kong, New York and Shanghai. It owns Austar Coal Mine in Australia, and mines in north China's Shanxi Province and Shandong Province, according to information on the company's website. (*Xinhuanet*)

China power investment to issue RMB 2.5 bln in short-term bills

China Power Investment Corp, one of the leading state-owned power firms in China, plans to issue RMB 2.5 billion worth of bills with a maturity of 365 days on the interbank market on Dec. 14, market sources reported.

The enterprise said in a statement that the short-term bills will be issued at the face value and that the yield will be determined in the process of book building. The bills will become tradable on Dec. 17 and the value date will be Dec 16.

Dagong Global Credit Rating Co Ltd has rated the issuer and bills AAA and A-1, respectively. China Everbright Bank has been assigned as major underwriter for the issuance. China Power Investment will use RMB 1.5 billion of the proceeds from the issuance to replenish working capital to buy fuel and equipment. The remaining RMB 1 billion will be used to repay bank loans.

Reportedly, China Power Investment, Jiangxi Ganneng Co Ltd, Jiangxi Ganyue Expressway Co Ltd and Shenzhen Nanshan Power Co Ltd have signed an agreement to set up a joint venture to develop a nuclear project to be located in Pengze, Jiangxi Province.

The first stage of the nuclear project, which will cost a total of RMB 35 billion, will consist of two units each with a generating capacity of 1.25 million kilowatts. (*China Knowledge*)

China Coal Energy to sell assets to parent

China Coal Energy Co Ltd, the country's second-largest coal miner by revenue, on December 4, 2009 said it has agreed to dispose of equity interest in its wholly-owned China Coal Xi'an Designing & Engineering Co to parent China National Coal Group Corp, sources reported.

China Coal Energy said in a statement filed with the Shanghai Stock Exchange that it will sell a 100% stake in the coal mine designing unit to parent for RMB 472.3 million, in a bid to strip off its non-core business.

The stake sale will help the company's management focus on the development of its core business, said the statement.

The coal producer realized a net profit of RMB 1.41 billion in the third quarter of this year. The figure, computed according to Chinese accounting standards, reflecting a 35.62% year-on-year decline. Earnings per share were RMB 0.11.

In the first three quarters of the year, the company's net profit fell 14% from a year earlier to RMB 4.94 billion, with earnings per share standing at RMB 0.37, according to the firm's quarterly financial report. (*China Knowledge*)

Shanxi's coal exports down through October

Shanxi Province's coal shipments to other provinces have fallen by 103.61 million tons, or 21.3 percent year-on-year, to 383.71 million tons over the first 10 months of 2009, according to statistics released by the Shanxi government on Dec. 9.

The sharp drop was the result of this year's government-sponsored closure of small-scale coalmines in an effort to improve efficiency and reduce coalmine accidents, the government said.

Shanxi's coalmines produced 489.96 million tons of coal over the first ten months, according to the statistics. The province transported 304.77 million tons by train and 78.93 million by truck to other provinces in the first ten months.

Because of the government's program to shut down small-scale coalmines, Shanxi slipped below Inner Mongolia Autonomous Region this year as China's largest coal producing region.

Shanxi's economic growth has been severely constrained by the reduction in coal sales. The province's gross domestic product (GDP) rose by 0.5 percent year-on-year over the first three quarters, leaving Shanxi with one of China's worst performing economies over the period. (*INTERFAX-CHINA*)



First national class wind turbine blade R&D and testing center to settle in Yanqing County of Beijing Municipality

China's first national class wind turbine blade R&D and testing center will be settled in Yanqing County of Beijing Municipality. Recently, the People's Government of Yanqing County and Institute of Engineering Thermophysics, Chinese Academy of Sciences signed a framework agreement to jointly build a national class wind turbine blade R&D and testing center in Badaling Green Energy Industry Base within 3 years. The center will be actively involved in the manufacturing of wind turbine blades, and the formulation of testing standards and regulations, so as to be an international authority in the field, Beijing Daily reported.



Under the agreement, the center will cover an area of 80 mu, and is expected to be completed and put into operation within 3 years. The basic work of the center is the identification of the life span and "health status" of wind turbine blades, and R&D on multi-leaf shaped blades.

According to Academician of Chinese Academy of Sciences Xu Jianzhong, there are currently a number of wind turbine blade manufacturers in China, but no one has the national qualification. Upon the completion of the center, it will introduce testing standards to promote the orderly development of the domestic wind turbine blade market and meet with the international market so that foreign wind turbine blades have import standards, and domestic wind turbine blades have export "identities". (*China Energy Net*)

China to add 70 GW of new installed capacity in 2010 - CEC

China will add 70 gigawatts (GW) of new installed power capacity in 2010, the China Electricity Council (CEC) forecasted on Dec. 11.

The CEC projected that 60 percent of next year's new installed capacity will be thermal power. In particular, the Chinese provinces of Shanxi, Liaoning, Jiangsu, Fujian, Henan and Guangdong will witness large increases in thermal power installed capacity.

Meanwhile, the water-rich provinces of Yunnan, Sichuan and Hubei will see substantial increases in hydropower installed capacity. And wind power will make up much of the new installed capacity in wind-rich provinces of Jilin, Liaoning, Jiangsu, Gansu and the Inner Mongolia Autonomous Region, the CEC said.

The CEC estimated that China's total power installed capacity will grow to 850 GW by the end of 2009, up 80 GW, or 10.39 percent, from that in 2008.

The CEC also forecasted that China's total power consumption in 2009 will grow by about 4 percent from 2008's total of 3.42 trillion kilowatt hours. (*INTERFAX-CHINA*)

China's first carbon neutral label issued

On December 9, Shanghai Pacific Millennium Packaging & Paper Industries Co. received China's first carbon neutral label. On November 17, this company conducted China's first VER (Voluntary Emission Reduction)-based carbon neutral transaction at the Tianjin Climate Exchange, offsetting 6,266 tons of carbon emissions from January 1, 2008 to June 30, 2009. Now, Shanghai Pacific Millennium Packaging & Paper Industries Co. has become China's first packaging enterprise to conduct a carbon neutral transaction.

Reporters learned that all of the packaging businesses under Pacific Millennium Holdings Corporation (the parent company of Shanghai Pacific Millennium) will gradually introduce the carbon management and carbon neutral measures in 2010. As relevant experts point out, solving environment-related problems by using the market mechanism will help to create an open and fair playing field, all the while reducing social costs and attracting more businesses. (*People's Daily Online*)

Carrots to spark Shanghai's new energy

Shanghai launched several stimulus measures to boost the development of new energy industries amid increasing government attention to environment protection for sustained growth on December 9, 2009.

The city wants to accelerate new energy equipment manufacturing and raise the use of new energy, including nuclear, wind and solar power, by offering favorable taxation, flexible financial tools and more government investment.

The city government said the comprehensive strategy aims to "fully enhance the innovation capability and competitiveness of the new energy industry in Shanghai and establish the industry as an important sector to drive the city's economic growth." Shanghai aims to lift wind power generation capacity to 500 megawatts by 2012 and solar generation capacity to 50 megawatts.

The city targets hybrid and electric cars in another important aspect of the new energy industry.

The government said it encourages investment funds to go into the new energy car industry and will support new energy car makers to float shares and issue cooperate bonds.

"The latest measures create a favorable environment for us, and I expect more regulations to come to facilitate the implementation," said Shi Tao, marketing manager of Shanghai Pearl Hydrogen Power Source Technology Co, which focuses on hydrogen technologies.

Although green cars can help drivers save daily driving costs, they still fail to appeal to consumers because of their high prices due to costly investment in the new technologies.

The government said it would provide a subsidy of up to three years to companies that lease batteries to be used in new energy cars.

Shanghai aims to increase its new energy vehicle population to 100,000 units by 2012 and to create an industry worth 30 billion yuan (US\$4.4 billion). About 1,000 new energy vehicles developed by the city's major automotive giant SAIC Motor Corp will ferry visitors during the 2010 Shanghai World Expo. (*Shanghai Daily*)

China moves to cool real estate sector, curb prices

The Chinese government intensified its efforts to cool the country's overheated real estate industry.

A policy was allowed to expire that had eliminated the turnover tax for those who sold homes they had owned for more than two years. From now on, the tax will instead be waived only for those selling homes they have owned at least five years.

The new guidelines were released following an executive meeting of the State Council chaired by Chinese Premier Wen Jiabao on December 2.

The original policy – the one that benefited those who had owned their homes at least two years – was enacted by the Ministry of Finance and the State Administration of Taxation to boost the real estate market, which had been hurt by the global financial crisis.

“Suppressing second-hand home sales is an effective way to prevent speculation in the real estate industry,” Zhang Huaxue, assistant manager of the China Index Academy, a real estate research institute, said Wednesday, adding that home prices had soared unreasonably since the second quarter this year.

China will increase the supply of low cost housing in the future and curb the speculation in the real estate market, Zhang Ping, director of the National Development and Reform Commission, said Wednesday.

“Judging from all the clues above we can see that the government may try its best to suppress the overheated real estate industry next year,” Zhang, of the China Index Academy, said.

Ensuring residents with lower income have housing is another possible way to cool the real estate industry.

On December 3, Wen said in Shanghai that China would enact fiscal, financial and land policies to support the construction of low-income housing.

“Ensuring every resident has a house to live in by the end of 2015 is our goal, and increasing the supply of low-rent houses is a possible way,” said Chen Huai, director of the policy research center of the Ministry of Housing and Urban-Rural Development, at the China International Real Estate & Archi-tech Fairs over the past weekend.

Home prices in China are out of reach for 85 percent of families, according to an economic blue paper released by the Chinese Academy of Social Sciences (CASS) in Beijing Monday.

The poor enforcement of some policies, including land supply restriction policies and punishment of developers who hold land without developing it, caused soaring home prices this year and the government could adopt a succession of macro-control policies so as to suppress the home prices, the report suggested.

But increasing the supply of low-cost homes will not be easy.

Developers prefer not to develop houses with a lower price, and how to execute relevant policies remains a question, said Yin Bocheng, director of the real estate research center of Fudan University.

“Take the 70/90 policy for example: It has never been fully executed since it was released,” Yin said, referring to the 1996 policy which mandates that 70 percent of

the new housing developers build must be smaller than 90 square meters.

Also, land for small- and medium-sized housing, and low-cost housing, was only 14.9 percent of the total land available for residential use in the first three-quarters of the year, the Ministry of Land and Resources said Tuesday.

Yi Xianrong, a CASS researcher, said the most effective way to suppress soaring home prices would be to curb the available credit. (cctv)



China imposes tougher home sale tax to control bubble



China's central government, facing rising complaints about soaring home prices, has moved to control bubbles in its real estate sector, by re-imposing a tough sales tax on homes sold within five years of purchase.

The decree is expected to pour cool water on the ever-growing prices of urban houses nationwide, analysts said.

At a State Council meeting on Wednesday in Beijing, Premier Wen Jiabao also pledged support for affordable housing projects in Chinese cities.

Beijing will impose a sales tax on homes sold within five years of their purchase, increasing the time period from two years. The move is targeted to control over-speculation on short selling of urban homes.

The country reduced the penalty period of the tax to two years from five years in January 2009 to stem falling prices, and a chilling economic slowdown which began in the United States.

A record US\$1.3 trillion of bank lending in the past 11 months has helped revive Chinese economic growth to 8.9 percent in the third quarter. Home prices in 70 major Chinese cities climbed at the fastest pace in 14 months in October.

While on a study tour in Shanghai on November 28, Premier Wen said that his government will support the development of affordable housing for low- and middle-income earners. Property speculation must also be suppressed to promote a healthy real-estate industry, Wen said then.

China's economy still faces many difficulties and challenges next year, the State Council statement said on Wednesday. The nation needs to continue expanding the role of consumption in driving economic growth.

The government will also scale back preferential tax rates offered for purchases of vehicles with engines of 1.6 liters or smaller, according to the statement.

China in January cut the sales tax on the vehicles to 5 percent from 10 percent between January 20 and December 31. It introduced the incentive to revive demand after auto sales rose at the slowest pace in a decade last year. The rate will be 7.5 percent next year, the State Council statement said. (cctv)

China issues initial ruling on U.S. and Russia steel dumping cases

China said on Dec. 10 investigations showed the United States and Russia had dumped oriented electrical steel on the Chinese market, and the United States had subsidized the exports.

The dumping and subsidies have caused substantial damage to the domestic industry, and China will charge deposits on the imports from the two economies from December 11, according to an initial ruling issued by the Chinese Ministry of Commerce (MOC).

The amount of the deposit paid at customs would be decided by the dumping margins of different producers. The dumping margins ranged from 10.7 percent to 25 percent by the U.S. companies, and 4.6 percent to 25 percent by the Russian companies.

China launched the anti-dumping probes into imports of the oriented electrical steel from the U.S. and Russia, and countervailing investigations into the imports from the United States on June 1. It is China's first anti-dumping and anti-subsidy investigations on imported products from a single nation, and the initial ruling was made by strictly following regulations of the World Trade Organization (WTO) and domestic trade laws, said an official from the MOC. (*Xinhua*)

Small steel mills face "big" problems

Consolidation moves in the fragmented domestic steel industry are set to gather pace in the coming days as the government is contemplating restricting sector entry to mills having production capacity of at least 1 million tons or more annually. The biggest casualties of such a move would be the small steel mills, who would now have no choice but to come together or get snapped up by bigger rivals, said industry sources.

The government has also decided to raise environmental standards for steel mills, forcing them to upgrade their equipment or have their licenses revoked, said a draft policy document released on December 9 by the Ministry of Industry and Information Technology. The proposals are yet to be implemented and have currently been sent for public feedback, the statement said. As per the new guidelines, steel mills would now have to install blast furnaces of over 400 cu m, compared with the 300 cu m standard set in April this year.

"We may add two 500-cu-m blast surfaces to meet the



standards and expand our capacity to 1 million tons, but it also depends on our ability to get bank credit," said a sales manager from Shandong Jintai Steel Corp, a steelmaker with an annual capacity of 600,000 tons. "Most of the smaller mills may find the going tough once the new norms come into place. Their survival would depend on the ability to tie up financing requirements and failure to do so would trigger a spree of mergers in the sector or closures," he said.

"The planned moves look contradictory to the government's intention to curb oversupply, especially when small steel mills expand their capacity to over 1 million tons," said Du Wei, a steel analyst with Umetals Research Institute. "The norms should also be backed up with supporting credit policies," he said.

According to the new environmental standards, mills should cap sewage discharge at 2 cu m and sulfur dioxide emission at 1.8 kg for every ton of steel made. Government departments should not approve construction and upgrading if steel mills can't meet the requirements and should not issue sewage discharge and land permits, the draft proposal said. Industry sources, however, maintain that Chinese government has taken the first steps as the fragmented industry could find itself at the mercy of the "Big Three" miners, namely BHP Billiton, Rio Tinto and Vale, for future iron ore supplies.

They point out that even big miners like Rio Tinto and BHP Billiton are on a consolidation mode, after they decided to merge their Australian iron ore operations into a new venture. By forcing the small steel mills to join hands, the Chinese government expects to build up enough firepower to match up to the international miners.

However, the industry also faces an acute oversupply situation and that could dent future profitability, said China Iron and Steel Association (CISA). "Oversupply problems have weighed heavily on steel prices and squeezed profit margins. This could lead to a more difficult situation next year also," Luo Bingsheng, vice-chairman of CISA, said earlier. (*China Daily*)

China Nov steel output estimated at 49 mln tons

China produced 49.37 million tonnes of crude steel in November, down 4.6 percent from October, according to preliminary figures from consultancy Custeel. But the November output was still up 40 percent compared with the same month last year, and the month-on-month dip is unlikely to allay government concerns that the sector is producing far more than the market needs. Custeel, affiliated with the China Iron and Steel Association, said total Chinese output from January to November is expected to reach 521.84 million tonnes, up 13 percent from the year-ago period.

The Chinese steel sector has been bucking global trends all year, producing 48 percent of world output in the first 10 months, up from 37 percent in 2008. The Ministry of Industry and Information Technology said on Wednesday that it would close all mills producing less than 1 million tonnes a year, and would also raise environmental standards in order to squeeze out excess capacity in the sector.

It also said it would close small and outdated mills with a total capacity of 16.91 million tonnes by the end of February 2010. China's fragmented steel sector is estimated to have a total capacity of about 700 million tonnes, with about 130 million tonnes idle. (*Xinhua*)

China overtakes U.S. as world's biggest auto market

China has overtaken the U.S. as the world's biggest market for automobiles, the first time any other country has bought more vehicles than the nation that produced Henry Ford, the Cadillac and the minivan.

Now that the Chinese buy more cars and trucks than Americans, the shift could produce ripples for the environment, gas prices and even the kinds of cars automakers design.

More than 12.7 million cars and trucks will be sold in China this year, up 44% from the previous year and surpassing the 10.3 million forecast in the U.S., according to J.D. Power and Associates.

China has long been expected to overtake the U.S. since its population of 1.3 billion is more than quadruple that of the United States. But the increase in sales happened much faster than anyone expected because of China's tax cuts, its stimulus program and a depressed American market.

Two years ago, J.D. Power predicted China would pass the U.S. in 2025. Earlier this year, it forecast 2009 sales of just 9 million vehicles for China.

After a sharp slowdown in auto sales late last year, the Chinese government cut taxes on small cars and spent US\$730 million on subsidies to encourage sales of SUVs, pickups and minivans. A big stimulus program also boosted truck sales by pumping money into construction.

Auto sales were expected to rise with China's stimulus, but they have far exceeded expectations, said Jeff Schuster, J.D. Power's executive director of automotive forecasting.

Most experts think the top-sales title will shift back and forth between China and the United States for the next several years, with China ultimately prevailing.

Improving sales of autos and other big-ticket items is key to Beijing's strategy to promote stronger domestic consumption and lower dependence on exports. (AP)

Chinese automotive stimulus to continue into 2010

2009 has been an impressive year for the Chinese car industry, it started off in turmoil with the January and February sales being at all time lows. The government stepped in and boosted the industry by cutting tax on small displacement cars which had the people heading en masse to the dealerships to pick up a subsidised car. Chinese car sales are expected to hit 13 million cars this year with every month's sales for the past 6 being bumper records. China became the world's largest car market this year, easily overtaking Japan and America to become the world's biggest automobile consumer.

The previous tax for sub 1.6L cars was set at 5%, which was the catalyst for the explosion in car vehicle sales this year, this is set to be raised to 7.5% to slow down the market, whilst the government is planning to increase subsidies on car trade-ins from between RMB 3000 to RMB 6000, to an impressive RMB 6000 to RMB 18,000. In 2008, car sales tax was set at 10% for sub 1.6L cars.

Sub 1.6L car sales accounted for 85% of the total number of sales this year, Overall auto sales reached 12.23 million units in the first 11 months of 2009, an increase of 42.39% over the same time frame in 2008.

2010 is likely to be another impressive year for the Chinese car industry with the government still promoting subsidies for rural buyers of mini vans and motorbikes. The government is hoping that the farmers will trade their heavily polluting tractors in for Mian Bao Che's. (China Car Times)

China plans to continue auto sales tax cuts in 2010

China plans to continue the auto sales tax cuts next year and the tax incentives will be expanded to more vehicle models to further support the country's auto industry, according to the Shanghai Securities News at the end of November.

China's Ministry of Finance and top economic planner, the National Development and Reform Commission (NDRC), have both approved of carrying on with sales tax cuts on passenger cars in 2010, a policy which has boosted auto sales in the Chinese market to record monthly highs this year, the newspaper said.

In late January, China began to halve sales tax to 5% for cars with a 1.6 liter engine or smaller, and said this stimulus measure was to expire by the end of this year. Now as the government plans to continue the successful incentives, the tax cuts will apply to all passenger cars, with sales tax on smaller cars to be cut more.

This year amid the global industry downturn, China's auto market has stood out thanks to government policy incentives, which also include subsidies for buyers in rural areas who traded in old vehicles for new and more fuel efficient ones. The "old-for-new car" scheme will also continue in 2010.

In the first ten months, China's auto sales grew 37.8% year on year to 10.89 million units, hitting the 10-million-unit mark for the first time ever. Sales in October rose 72.5% from a year earlier to 1.22 million units, with sales of passenger cars up 75.8% to 946,400.

Auto industry executives said that China's vehicle sales in 2010 may slow from roughly 40% growth this year due to a much higher comparative base, but will continue to expand at a fairly rapid pace. (Gasgoo.com)

China to offer higher subsidy for car trade-in

The Chinese government will offer higher subsidies to car owners who trade in their old vehicles for new clean models, CCTV.com reported on December 11. This move is expected to boost sales of new cars while helping protect the environment and achieve energy efficiency.

Since August this year, China has been accepting old cars in exchange for subsidies on new car purchases. Initially, the trade-in subsidy for each clean model was 6,000 yuan (US\$880) at most. Now, the subsidy has been raised to a maximum of 18,000 yuan.

"The new subsidy will bring more benefits to car owners. For cars 10 years and older, they would attract a higher subsidy than their sale price on the used auto market. Car owners will be urged to benefit from the scheme," said Wang Meng, an analyst of Beijing's used auto market.

This new subsidy policy will speed up trade-ins of old cars and help China reach its target for cutting emissions, said an executive of China Auto Dealers Association. The government's subsidy will be at least equivalent to the price of a 10 to 15-year-old car on the second hand market. In smaller cities, the subsidy may be even higher, the industry expert said. (Gasgoo.com)

BSNL cancels US\$2 bln purchase order with Huawei

Indian state-owned telecom operator Bharat Sanchar Nigam Ltd has announced the cancellation of the US\$2 billion GSM equipment order it placed with Chinese telecom equipment maker Huawei Technologies Co Ltd one month ago.

An executive from BSNL said the reason is a disagreement concerning Huawei's additional conditions, but neither BSNL nor Huawei has revealed any details. Huawei defeated strong competitors including Nokia, Siemens, ZTE Corp, and Alcatel-Lucent and won the bidding together with Ericsson. BSNL is still in talks with Ericsson about GSM equipment bids for northern and eastern parts of India, but no agreement has been reached yet. (*China Knowledge*)

New managed services deal for Romanian network

Romtelecom will be able to focus on providing new and innovative services to its subscribers as a result of a five-year managed services agreement with Ericsson. The Romanian operator is handing over responsibility for part of its field operations activities starting from January 4, 2010.

Yorgos Ioannidis, CEO of Romtelecom says: "This strategic partnership is in line with our commitment to become an even more efficient operator, and to continue to launch new and innovative voice, data, broadband internet and television services to our subscribers."

Valter D'Avino, Head of Managed Services at Ericsson, says: "We have invested more than USD 1 billion in our global tools, methods and processes, and these will now add value for Romtelecom and ultimately its subscribers. This agreement is an exciting new opportunity to actively support the fast evolution and growth of the Romanian telecom sector."

The contract marks the first managed services deal for Ericsson in Romania. Ericsson will be responsible for corrective and preventive field maintenance of switching and power systems. As a result of the agreement, about 400 employees from Romtelecom will be transferred to Ericsson, strengthening Ericsson's global services organization. (*c114en*)

Alfa and Telenor would eye developing markets

A proposed mobile phone venture between Russia's Alfa group and Norway's Telenor would look at expanding in Asia and Africa, according to one of its prospective shareholders. Alexey Reznikovich, the head of Altimo, Alfa's telecommunications investment arm, said the new operator would look at opportunities in developing markets, including Indonesia and Nigeria. The proposed entity should consider merging with a mobile company in emerging markets, he said.

Altimo has struck a deal with Telenor, the Norwegian mobile operator, to form a venture that will control businesses in Russia and the Ukraine in a bid to end a bitter feud between the two companies. Telenor and Altimo are leading shareholders in VimpelCom, Russia's second-largest mobile operator, and Kyivstar, Ukraine's largest wireless provider, but the two investors have had big differences over strategy.

In October, Telenor and Altimo outlined plans to combine their stakes in VimpelCom and Kyivstar in a new vehicle that is scheduled to list in New York early next year. Altimo will hold 43.9 per cent of the voting shares in the company, which could be valued at more than \$23bn, and Telenor will have 35.4 per cent. Altimo has 44 per cent of the voting shares in VimpelCom and Telenor has 29.9 per cent. Telenor owns 56.5 per cent of Kyivstar and Altimo has 43.5 per cent. VimpelCom already has mobile operations in Cambodia and Vietnam, and Mr Reznikovich said the New York-listed company should look to increase its presence in Asia by expanding into countries including Indonesia and Thailand.

He added that the company should also consider African countries such as Ethiopia, Nigeria and Zambia. "I believe the best approach towards Africa could be a potential merger or acquisition with one of the large players in the African market," he said. MTN, Africa's largest wireless company, is looking at overseas expansion. In September, the South African group abandoned merger talks with Bharti Airtel, the Indian operator. Mr Reznikovich said the venture with Telenor included a dispute resolution mechanism to resolve differences over expansion strategy. The risk for Telenor is that the new company expands into markets where the Norwegian mobile operator is already present, such as Thailand.

Mr Reznikovich also said that Altimo would sell its telecoms investments when they stopped growing in five years or more. "As soon as the telecoms market is saturated and there is no growth, we will exit," he said. Altimo's other mobile assets include minority stakes in Turkcell, Turkey's leading mobile operator, and MegaFon, Russia's third-largest operator. (*FT*)

NTT DOCOMO selects NEC subsidiary's OSS solution ahead of LTE launch

NEC subsidiary, NetCracker, claimed its first contract in Japan for OSS solution by bagging a deal from the country's leading operator, NTT DOCOMO. NTT is in the preparation of launch of its LTE-based services in 2010.

NEC says its solution will manage Wavelength-Division Multiplexing (WDM) network that links core networks and base stations, as well as control communications equipment, including L2 switches in LTE networks for the Japanese operator. NEC claims the solution helps to reduce capex by providing WDM network path design capabilities supporting multiple vendors. The opex too is reduced as the solution unifies the network operations and provides common reports for each separated network. (*Telecom Tiger*)

ZTE Achieves 130 Mbps with TD-LTE

ZTE has demonstrated downlink speeds of 130 Mbps with its TD-LTE -- this is the theoretical limit of TD-LTE network technology. ZTE conducted the tests using its own system products including EPC, eNodeB, etc in Guangzhou in November.

The company said its SDR Base Stations will offer a smooth, software upgrade path from TD-SCDMA to TD-LTE or to TD-S/TD-LTE dual-mode. At the present time, there are more than 200,000 sets of ZTE SDR products in operation with various operators throughout the world. In May 2010, ZTE and China Mobile will jointly deploy a TD-LTE network at the Expo News Center for the World Expo Shanghai 2010. (*Converge Digest*)

China opposes EU proposal extending anti-dumping duties on shoes

The Chinese government and business groups are strongly dissatisfied with a European Commission proposal to extend dumping duties on leather shoes from China by another 15 months, a spokesman of China's Ministry of Commerce said on December 4.

The EU's executive commission had proposed the extension of duties up to 16.5 percent on leather shoe imports from China on Wednesday, said Yao Jian, the ministry spokesman. He said the EU had been taking protectionist measures for its shoe manufacturing industry for 14 years, but the sector has seen no harm caused by imports from other markets.

He said the commission's proposal, if approved, would damage the interests of Chinese shoe manufacturers. Yao said the 5th EU-China Business Summit held this week had reached agreement on fighting trade protectionism. He said cancellation of the extension would be in the mutual interests of China and the EU. China hoped the EU member nations would vote against the extension, he said.

From 1995 to 2005, the EU had implemented quota limits on some shoe imports from China. In 2005, the EU launched an anti-dumping investigation into China's leather shoes. In 2006, the EU decided to impose a two-year anti-dumping duty of 16.5 percent on Chinese leather shoes. (*Xinhua*)

China, India register strong growth in online shopping

Online shopping continues to be popular among internet users in Asia-Pacific with 89 percent of people who participated in a survey saying they had shopped online in the past 12 months, Visa said on December 3.

According to the Visa eCommerce Consumer Monitor survey, in terms of quarter-on-quarter growth, when compared with other respondents, those from China and India registered the strongest increase in online shopping over the last six months.

Respondents from South Korea (97 percent), China and Japan (94 percent respectively) and Australia (89 percent) reported the largest number of online shoppers of the six key countries surveyed in the Visa eCommerce Consumer Monitor, with 2,380 online interviews made on behalf of Visa with internet users, namely those who access the internet at least once a week. The most popular items to buy online in the past 12 months were clothes and shoes (55 percent), books (50 percent) and music downloads (49 percent).

The Monitor found that top reasons for online shopping are to be able to shop anytime (80 percent), compare prices and save money (79 percent), find and compare products easily (78 percent) and search for bargains (75 percent).

The Visa eCommerce Consumer Monitor survey was conducted from January to March 2009. Internet users aged 18 to 49 years from six territories (China, Singapore, Japan, South Korea, Australia and India) were interviewed to measure their online usage behavior. (*Xinhua*)

Feather industry recovers from doldrums

The Chinese feather and down industry has seen the price of raw feather and down products rebound to the level at the beginning of 2008 after touching a five-year low during the global economic slowdown.

"The drastic price plunge devalued my stocks of 90,000 tons by RMB 100,000 in a week at the worst time this year," said Li Fangyi, a duck and goose feather and down supplier in Wuwei County, east China's Anhui Province. The county, which produces 70 percent of China's supply of feather and down products, makes more than

RMB 1 billion (US\$144.9 million) from raising poultry and processing feather every year. Li's factory purchases raw feathers and down from local farmers, and mainly supplies Wanlida Co., a big Chinese feather and down products manufacturer.

He said he lost RMB 7 million during a chain-effect business recession in the world market. Bankruptcy of



upstream garment makers and canceled orders forced Wanlida to close its factory in Xiaoshan of Zhejiang Province and cut production. Wanlida's major client, U.S.-based Pacific Coast Feather Co., abruptly canceled a RMB 120 million orders placed in August. "The losses were almost my life-time saving. I started door to door feather collection at the age of 12. When the price fell to a five-year low in the first half of this year, I thought I could only start all over again from the bottom," said the 39-year-old feather supplier.

Luckily, the price started to climb in the third quarter, and Li has just got several new orders of 250 tons of feather and down products. "The county government has exempted feather businesses from a series of taxes and fees, and helped us obtain low-interest loans in order to seize the chance for an industry revival," he said. He is optimistic about the future of his business, and believes the recovery will lead to a boom that would last for at least three years.

"There is a rigid demand for feather and down products in the world market. People in western countries have particular favor for feather and down quilt and clothes," he said. Ji Jianhua, a goose farmer in the county, said he has planned to increase his flock of geese from 1,300 to 4,000, as the demand for feathers and down surged again. China produces 80 percent of the world's supply of down and feathers, of which 90 percent are from ducks and 10 percent from geese. Industry sales hit US\$1.88 billion last year, according to data from the China Feather and Down Industrial Association.

The data also suggested the industrial sales value of leather, fur, feather and related products increased 15.36 percent year on year in October, and 8.41 percent in the January to October period. The sales ratio stood at 96.87 percent in October, down 0.79 percentage points from the same month of last year. (*Xinhua*)

East Asia to standardize senior-friendly products

Korea, China and Japan have agreed to cooperate in standardizing senior-friendly products, industry officials said on November 24, 2009.

Participating in the eighth Northeast Asia Standard Cooperation Forum in Guilin, China, the three decided to standardize the size and measurement of portable bathtubs, safety handles and gears that assist the elderly in their daily lives. Efforts to meet these international standards will mutually be made in phases.

"The three countries make up a sizable market in the world economy and this is another step we're taking to improve international trade efficiency," said Yoon Jeong-ku, a division director at the Korean Agency for Technology and Standards.

The agency, affiliated with the Ministry of Knowledge Economy, also proposed the standardization of "green technology," which calls for uniformity in assessing quality of plastics before they are recycled into textile goods. China and Japan are taking this under consideration.

"Active cooperation among the three countries will enable a shift in leadership from the International Organization for Standardization. It is also a preemptive step for a possible free trade agreement among the three nations," said Nam In-suk, administrator of the KATS.

The annual forum will include a separate session for an in-depth discussion from next year onwards. Possible topics include energy efficiency and welfare standards. (*koreaherald*)



Specialty chemicals see growth potential in textile industry

"Our flexibility is one of our key marketing tools," says Mr He on November 30, 2009 "As an integrated manufacturer we are able to control the entire process, and in addition to providing the ability to work with customers on specific brands and ranges, this gives us total control over quality."



Shanghai Textile Industrial Park is co-developed by China Textile Industrial Enterprises Administrative Association, Shanghai Textile Holding (Group) Company and Jinshan People's Government, and is coordinated by Shanghai Development and Reform Commission and Shanghai Economy Commission. (*Fibre2fashion News Desk - India*)

-1.6%: Garment CPI kept down

The Consumer Price Index went down 0.5% in October (While it grew 4.0% in last October). By the category of industries, garment CPI went down 1.6%; food up 1.6%; daily commodity up 1.3%; household appliance down 1.2%; transportation and telecommunication down 2.7%; entertainment down 0.7%; residential down 3.8%. (*CNTEX NEWS*)

China sewing up Indonesian textile markets

While Indonesian textile producers have been lamenting the industry's lack of preparedness for a region-wide free-trade agreement with China that begins on New Year's Day, Chinese textile producers have been quietly securing space in the largest textile markets in Jakarta and Surabaya for their imports.

Ade Sudrajat, vice chairman of the Indonesian Textile Association (API), said on Thursday that the Chinese producers have also launched a quiet campaign to recruit more traders, distributors and importers as they prepare to flood Indonesia with duty-free garments.

Ade told reporters that Chinese producers plan to convert an entire floor of the Tanah Abang market in Central Jakarta, the largest textile market in Southeast Asia, for Chinese products only. The producers, he said, have offered support and funding for local traders willing to sell imported Chinese garments.

Ade said Chinese producers were also targeting Surabaya's Turi Market. "[The traders] will function as importers and sellers, as well as distributors," Ade said. "This has been a common practice of China in marketing textile products. They did the same thing in Dubai to market their products in the Middle East."

China signed a free-trade agreement with the 10 members of the Association of Southeast Asian Nations, including Indonesia, in November 2002, with broader terms of the agreement set to go into effect on Jan. 1.

Under the deal, the signatories agreed to scrap import duties on manufactured goods such as steel, textiles and footwear. Tariffs in other sectors, such as food and beverages and electronic goods, will be gradually reduced to zero by 2018.

Ernovian Ismy, secretary general of the API, was quoted by local media as saying 75 percent of textiles sold at Tanah Abang were imported, and the vast majority came from China.

Indonesia has already suffered heavy trade deficits with China in recent years in textiles and garments but the worst was yet to come, he said. Citing data from the Central Statistics Agency (BPS), he said bilateral trade in textiles and garments showed a trade balance of \$860 million in favor of China.

With illegal Chinese goods already flooding the country's textile market, some say that the industry is doomed once the pact takes full effect. (*thejakartaglobe.com*)



Moutai - The



汉帝茅台酒

稀世珍品

流香自汉帝 溢彩到今朝

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

Han-Dynasty Moutai - Rare Treasure

Rare Drink with Fragrance Never Faded

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



八十年陈年茅台酒

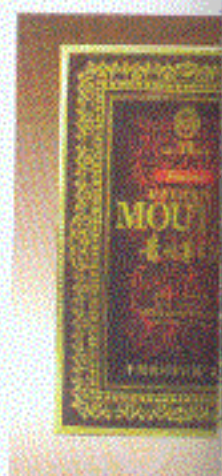
茅台至尊

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

80-Year-Old Supreme Moutai

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

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



五十年陈年茅台酒

天香之作

五十岁人生，功成名就。五十年陈酿，甘美醇香。简介：贮存五十年，年复一年，精心勾兑，老熟加久。

50-Year-Old Supreme Moutai

Aroma in Heaven Successful Experience

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

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

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

National Liquor



三十年陈年茅台酒

陈酿珍品

一段百事俱兴的岁月 一个意气风发的年龄
一杯三十年茅台 一片美好的憧憬

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

十五年陈年茅台酒

陈酿精品

十五年人生，如花似锦，旭日东升，
十五年陈酿，沁人心脾，荡气回肠。

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

Moutai

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

30-Year-Old Moutai

High-Quality Drink

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

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

15-Year-Old Moutai

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

and diabetes mellitus and dipel chill.

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

Railway building in W China sped up

China would extend railways to more than 50,000 kilometers in its vast western regions by 2020, a senior railway official said on November 24, 2009.

More investment will be made in railway construction in the western regions in the coming several years to serve local economic and social development, said Yan Hexiang, deputy director of the development planning department of the Ministry of Railways.

The ministry will step up building of major railways currently under construction and push construction of more projects such as the Chengdu-Guiyang railway, Chongqing-Guiyang railway and Kunming-Nanning railway to start at an early date, Yan told a meeting on railway development in western China.

China launched the "West Development Strategy" in January 2000 to help underdeveloped western regions catch up with the more prosperous eastern regions. The western regions comprise 12 provinces, autonomous regions and municipality, which have a combined population of about 370 million and account for 71.4 percent of the country's total land area.

Since the implementation of the strategy, the operating mileage of railways in the western regions jumped 50 percent from 20,000 kilometers to nearly 30,000 kilometers at the end of 2008, accounting for 36 percent of China's total operating mileage.

China's total railway length will top 120,000 kilometers by 2020, Yan said. (*Xinhua*)

Freight prices rise as coal shipping demand booms

The China Coastal Bulk Freight Index (CCBFI), a barometer of the shipping market, has been rising for the past six weeks and freight prices for coal and grain have doubled in about 30 days, according to data released by the Shanghai Shipping Exchange, China Securities Journal reported.

The CCPFI closed at 1,808.61 points last week, a big increase from the last week of October, when the index stood at 1,113.51, the report said.

Analysts said the shortage of coal reserves in power plants in southern China has resulted in this round of freight price hikes, as the demand for coal shipping has increased.

The bad weather in the north has caused huge overstock at harbors, which has also triggered the rise in prices. The recent price rise of coal has led to high expectations for next year's coal shipping prices, which is another factor behind the freight price jump, according to the report. (*chinadaily.com.cn*)

22 Chinese cities to get subways

China's State Council has approved plans for 22 cities to build subways with a total investment of 882 billion yuan (\$129 billion), the People's Daily Overseas Edition reported on Dec.10.

Eleven cities in China currently have subways covering a total of 835.5 km.

China will also have another 89 subways measuring 2,500 km in total as of 2016 with an investment of 993 billion yuan (\$145 billion). (*chinadaily.com.cn*)



Wuhan-Guangzhou high speed railway on trail operation

The Wuhan-Guangzhou high speed railway, which will shorten travel time from ten hours to three, will start a trial operation on December 20.

It is the world's first 350-km per hour ballastless track. The train can reach speeds of 350 km per hour and can cover a 1,068.6-km distance.

Thousands of police officers have been sent to inspect the entire railway to ensure its safety, according to reports.

Such a high speed is reportedly fast enough to cause a "train whirl", which can draw people nearby into the bottom of the train. Furthermore, when the train is at its top speed, a 0.5 kg block will cause a 500 kg wallop, which can overturn the train instantly. The thirty thousand volt electricity net along the route can also pose danger to those nearby. (*www.ycwb.com*)

ADB provides \$2m loan to build railways in E China

The Asian Development Bank (ADB) on Dec.13 said it has approved a \$2-million loan to finance a-billion-dollar project to build railways in an eastern Chinese province to link remote rural villages to the country's economic hubs.

The \$1.35-billion Anhui Integrated Transport Sector Improvement Project includes building of a new 139-kilometer-long expressway in Anhui province's neglected northern region, upgrading 452 kilometers of existing roads, improving village bus services, and strengthened capacity in the province's transport departments, the ADB said.

As a result of the improved transport corridor, two poor counties in the northeast of the province will gain direct access to markets and development opportunities in the more affluent neighbouring Jiangsu province, it added.

"An underdeveloped transport system is one of the major barriers to development and poverty reduction in Anhui, particularly in the rural areas," said Xiaohong Yang, principal transport economist in ADB's East Asia Department.

"A well-developed transport network will help the central region capitalize on its strategic location and transform it into a major hub linking China east and west, north and south."

ADB's loan, from its ordinary capital resources, covers almost 15 percent of the project cost of the \$1.35 billion. The loan has a 25-year term, including a grace period of five years, with interest determined in accordance with ADB's LIBOR-based lending facility.

Parties to provide the balance include the national and provincial governments, Anhui Communications Investment Group Co Ltd and the Industrial and Commercial Bank of China and Bank of China. (*Xinhuanet*)

Chinese gov't keeps expanding scholarships to foreign students

The Chinese government is to grant scholarships to 20,000 foreign students next year, an increase of 2,000 over this year's number, Education Minister Yuan Guiren said here on December 4.

Yuan said at an evening party for foreign students in Beijing that the move was aimed at encouraging more young people from other countries to engage in communication between China and the rest of the world and contribute to bilateral and multilateral ties.

"More and more young foreigners have turned their eyes to China for study," Yuan said. "China will offer them a broader stage."

Nearly 230,000 foreign students are now studying in China. In 2009, the Chinese government has expanded the scale of its scholarship to foreign students, with a total of 18,078 recipients, 33.8 percent higher than that of 2008. (*Xinhua*)

Shanghai opens first opera museum

Shanghai's first museum dedicated to operatic arts has opened in the grounds of the city's Drama Academy. With a wealth of archives and artefacts on display, the museum offers a historical look into the richness and variety of Chinese operas.

The museum is divided into five halls, showcasing Peking Opera and Kunqu Opera arts, and their historical development. Exhibits include stage props, masks, costumes and other paraphernalia. Donations from private collectors are a highlight among the exhibits. These four costumes have all been worn by famous Kunqu opera master Yu Zhenfei in his shows. The hand-embroidered garments each trace seven years of history.

And these stage weapons were used in a performance by Peking Opera master Gai Jiaotian.

Shang Changrong, Peking Opera performer, said, "The exhibition is well-arranged both for visitors and students wishing to study and research Chinese operas."

Students from opera schools also regularly stage performances in the museum to offer a vivid demonstration of Chinese operas. (*cctv*)

Awards recognize top animations in Beijing

In Beijing, the 9th Animation Academy Awards of China was held last weekend. Now we look at some of the honored productions.

Among the top winners are Moon Goddess for Best Visual Effects, Wind From Cypress Hills for Experimental Visuals, and Big Watermelon for Best Technique.

Distinguished for their bold imagination, exquisite production, and distinctive style, these works were all composed by undergraduates still in college.

The Animation Academy Awards were created to encourage originality, innovation and initiative among China's young animators. This year, more than 100 institutions took part, contributing more than five hundreds works.

The Best Director honor went to Huang Jianle, a student from the Beijing Film Institute. His work titled Chicken Perched on the Tree was inspired by a childhood experience.

Huang Jianle, winner, best director, said, "After graduation I want to set up my own business. I will work in animation. I hope to build a remarkable studio like Pixar."

The Animation Academy Awards were launched in 2001, and have been held annually since then. It is regarded as a platform for China's young aspiring animators. (*cctv*)



China to hold Confucius Institute conference

China is to hold the 4th Confucius Institute Conference in mid December in Beijing with delegates from 87 countries and regions, according to the Beijing-based Confucius Institute Headquarters.

Xu Lin, director of the headquarters, said the conference would focus on the role of Confucius institutes in community services.

She said they set community service as the theme because more Confucius institutes have built their reputation in local communities through giving lectures on the Chinese culture and organizing other activities.

Delegates to the conference would discuss topics such as how should Confucius institutes and the universities they belong to help local schools open Chinese classes, Xu said.

Currently, altogether 282 Confucius institutes have been set up in higher education institutions around the world. They are jointly held by Chinese and foreign universities. Seen as a channel to spread Chinese culture around the world, the Confucius Institute is also a demonstration of China's rising soft power.

Confucius was an ancient Chinese philosopher whose thoughts are still cherished today. The Confucius institute conference has been an annual event since 2006. (*Xinhua*)

Perf. arts center for Shanghai Expo becomes new landmark

With half-a-year to go to the Shanghai World Expo, the new building complex for the event has just been unveiled. Besides the pavilions for various countries, there is a performing arts center and the Private Enterprises Pavilion.

The Performing Arts Center for the Shanghai World Expo will be the top venue for the event's grand opening. It's also expected to be the largest entertainment locale in China. Due to its giant scale, it has become a new landmark in Shanghai, following the Oriental Pearl Tower, and the Jin Mao Mansion.

The flying disk shape architecture turns into a mesmerizing gigantic ship, shining on the sea. The new Shanghai Center for the Performing Arts can alter the capacity, the scale, and shape of the individual theater halls within it, to make use of the building's energy saving design. At most, the main theater can seat an audience of 18-thousand.

The Performing Arts Center also houses cinemas, music clubs, exhibition halls, and art salons. Major art activities and shows will be held here during the Shanghai World Expo. The center will open for twenty-four hours a day during the event, helping to turn Shanghai into a sleepless city. By 2011, the futuristic venue will be turned into Mercedes-Benz Arena and will also feature auto culture.

Another main building unveiled recently is the Private Enterprises Pavilion. It is called the "vibrant matrix", composed of nineteen "cell" shaped columns. It is dubbed as a brand new example of energy saving and eco-friendly architecture. (*cctv*)

Coal-mining company's bid for Australian Felix approved

China's Yanzhou Coal Mining Co. Ltd. has got an official approval to take over Australian coal mining company Felix Resources, according to the company's bulletin on the Hong Kong Stock Exchange on December 6.

The deal involving 3.3 billion Australian dollars (US\$3 billion) in a contractual agreement reached by the two companies in August would be the largest of its kind between Chinese and Australian firms.

Yanzhou Coal said in the bulletin that the National Commission of Development and Reform has approved the company's bid to take over 100 percent of the stake in Felix.

The company said that after the takeover of Felix, it would obtain an approved coal reserve of 1.5 billion tons in Australia. Its annual coal output in Australia is expected to exceed 10 million tons, accounting for one third of the company's production in China.

Yanzhou Coal, headquartered in east China's Shandong Province, is listed on stock exchanges in Hong Kong, New York and Shanghai. It owns Austar Coal Mine in Australia, and mines in north China's Shanxi Province and Shandong Province. (*Xinhua*)

China is expected to be its largest single market by 2012

Global innovative technology leader Advanced Micro Devices (AMD) said on December 2 that China could become the company's largest single market within the next two years, boosted by the country's booming rural market and increasing demand for notebooks.

The observation came from AMD President and Chief Executive Officer Dirk Meyer, whose company now stands as the world's second largest chipmaker.

"There are speculations that China will become the world's largest PC market by 2012, but for us, China could become our largest market sooner than that, as we have a higher market share in the country," he said.



China's PC market has showed signs of recovery during the past few months, as the government's economic stimulus package and efforts to subsidize rural computer buyers took effect.

According to figures from research firm Gartner, the PC market in China is estimated to have grown 28.5 percent in the third quarter of 2009, compared with a worldwide average growth of 0.5 percent in the same period.

AMD Senior Vice President and President of AMD Greater China Karen Guo said China's PC market has shown great potential during the financial crisis. She said the company's growth in the country is expected to come from rural areas and demand for notebooks in the future.

Since the company's entry into China in 1993, it has maintained sustained growth as it successfully won local customers such as Lenovo, Founder, Tongfang and Dawning.

The company also established a close relationship with key Chinese government organizations by transferring key x86 microprocessor technology and helping China develop its own supercomputing capability.

Lagging behind market leader Intel, AMD accounts for about 25 to 30 percent of desktop computers around the world, according to the company. In the emerging notebook market, the company's share is about 10 to 15 percent.

Guo said in China AMD's market share is relatively higher. She said the company would work closely with local governments and its partners in China to cash in on the plan to sell more computers in rural areas.

Dirk said that most of the payment it received from Intel would be used to pay the company's current debt. "But we will assuredly increase our investment in emerging markets such as China where most of the PC shipment growth comes from," he said.

In the past few years, AMD has challenged its biggest rival Intel Corp as never before in the company's 40-year history. Earlier this year, AMD decided to drop its "Smarter Choice" tagline in exchange for "The future is fusion", as it tries to highlight the combination of its microprocessor and graphics technologies. (*China Daily*)

U.S. companies find an oasis of profit in China

Many U.S. companies hit hard around the world by the global economic downturn have reported profits from their dealings in China.

The China Business Report 2009, which was released on December 10, shows most corporate members saw a growth in revenue and profit in China and the report ranked the nation a top investment destination for 2010.

"Many American companies are finding that their performance in China has outshone those in other markets," said J. Norwell Coquillard, chairman of AmCham Shanghai.

"This year's report offers businesspeople, policymakers and opinion leaders a valuable resource to better understand the China market, which is sure to play an even larger role in the world economy for years to come," Coquillard said.

More than 40 percent of respondents said the profit margins of their China operations in 2009 were better than their global averages. This was in stark contrast to the situation a decade ago, when 58 percent of U.S. companies surveyed said their margins in China were narrower than in many other countries. (*China Daily*)

Cross-border yuan settlement picks up

The volume of cross-border business transactions settled in the Chinese yuan has started to increase significantly, but experts fear the rising trend is unsustainable due to the de facto pegging of the currency to the US dollar.

The aggregate yuan settlement amount in Shanghai alone was estimated to have surpassed RMB 300 million (US\$43.9 million) as of November. As of November 20, the Shanghai branch of Bank of China had handled RMB 120 million (US\$17.6 million) in the settlement.

An unnamed person in charge of international business in a Chinese bank in Shanghai said that the increase was due to the completion of related regulations on such issues as customs claims and tax rebates, but the acceptance of the yuan by overseas companies remains a problem.

Tan Yaling, a Beijing-based foreign exchange expert, argued that firms in Southeast Asia are willing to accept the yuan because they expect it to appreciate. If the yuan starts to decline, the settlement volume is at risk of going down.

Bank of America Merrill Lynch said in a research report that they expect the yuan to appreciate gradually next year and the short-term inflation risks and a longer-term orientation toward the consumer argue for ending the artificial weakening of the currency.

Calyon, the investment bank arm of Credit Agricole, a major French bank, forecast the dollar-to-yuan exchange rate would rise to 6.50 by 2010 and 6.20 by 2011.

The Chinese mainland began testing cross-border settlement in the yuan with Hong Kong and Southeast Asian countries first in Shanghai on

July 6, followed immediately by four other cities in South China's Guangdong Province, involving 365 companies in the five cities.

However, ever since they made the first settlements on July 8, many of the companies stopped settling accounts in the yuan. One of the reasons was that there was no measure

to give tax rebates to the exporters which adopted the currency.

Tan said that the current foreign exchange regime does not effectively support the broadening of the settlement. She said that the internationalization of the currency should rely on the country's economic fundamentals and the yuan targeting a basket of foreign currencies. (*Global Times*)

Credit quality, pace control needed after lending spree

China's banking authorities vowed to step up efforts to improve credit quality, and keep credit expansion in reasonable pace after record lending, to echo government's call to rebalance economic growth pattern.

Chairman of the China Banking Regulatory Commission Liu Mingkang said bank loans should play a bigger role in economic restructuring as he put it the regulator would strictly control lending to industries that were energy-



intensive, polluting and had overcapacity.

More credit support should go to promoting employment and industries of strategic importance, said

Zhou Xiaochuan, governor of the People's Bank of China.

The central bank would continue to implement the moderately easy monetary policy in 2010 to ensure stable and relatively fast economic development, Zhou said. The move was in response to the directives of the annual Central Economic Work Conference, which agreed to advance economic structure adjustment to lift the quality and efficiency of economic growth.

The central bank would exert more strength to beef up rural development and stimulate domestic demand, as well as enhance balance of payment, and hold down potential financial risks, Zhou said.

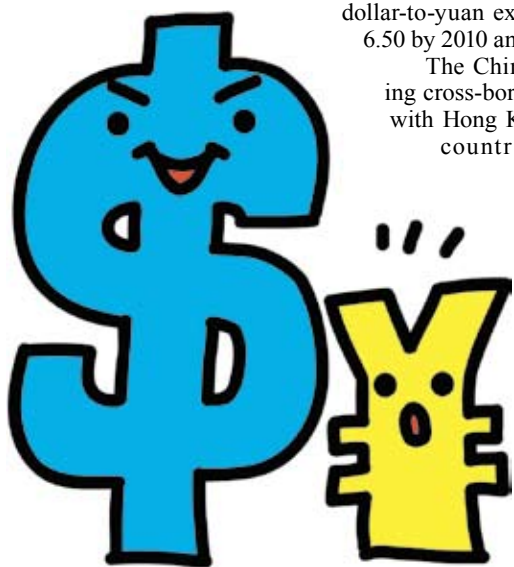
Chinese banks lent a record RMB 8.92 trillion (US\$1.31 trillion) in the first ten months, far exceeding the government's target of RMB 5 trillion for this entire year, prompting fears of bad loans and unprofitable investment. (*Xinhua*)

Bank of China to improve credit structure for risk control

Bank of China, the nation's third largest lender, said on December 7 it would beef up efforts to optimize credit structure to avoid systemic risk and realize sustainable development.

Credit structure should help promote economic restructuring and development pattern transformation. The move was in response to the directives of the annual Central Economic Work Conference, which was concluded on December 7 agreeing to advance economic structure adjustment to lift the quality and efficiency of economic growth.

The bank said it would continue to extend financial support to key state projects, small businesses, low-income housing projects, major technological research and energy-saving programs. Projects with obsolete capacity, and those that fail to meet the emission cut standards should be devoid of money, said the statement. (*Xinhua*)



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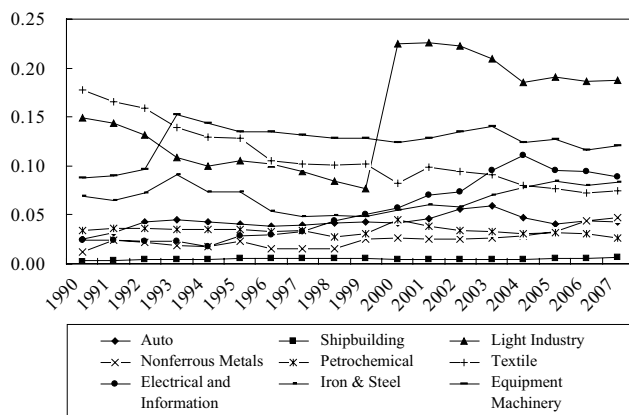
As we reach the end of a miserable 2009, signs are mounting that the world economy is stirring back to life. China, as we can see, has been doing a good job throughout the whole year compared with other financially bedraggled countries. The annual targeted economic growth of 8% is expected to be achieved without doubt. Behind the figure of 8%, more facts need to be highlighted. Series of revitalizing plans on key industries have contributed a lot to domestic economic recovery. China's export, due to slow recovering world economy, is still in the long time trough phase. Capital and market are always top concerns for Chinese entrepreneurs. While the world is seeking cooperation on climate change and new energy, China adamantly pledges to oppose and reject trade protectionism. As Confucius said, "Consider the past, and you shall know the future", *Special Report* this issue picks the most frequently cited keywords of 2009, to reflect back and to look forward.

REVIVAL PLANS, Ten Key Sectors Benefit?

By Yantai CHEN, Hongbo CAI, Yang XU

To revive China's industrial establishment during the biggest Great Depression in the world after World War II, China's Central government has launched the "Revival Plans of Ten Key Sectors" plus the 4 trillion stimulus package in the early 2009. Formulated by the National Development and Planning Commission (NDRC), these revival plans aimed at reinvigorating "ten key sectors", to be specified, the iron and steel, automotive, shipbuilding, petrochemical, textile, light, nonferrous metals, equipment manufacturing, electronics and information technology, and logistics industrial sectors. These revival plans have been announced and implemented continually in the first half year. We have a brief look at the background, implementation process and the short term effect — if any considering the short time of executing. See Graph 1.

Graph 1. The Relative Importance of "Ten Key Sectors" in China's Secondary Industry (Value Added, 1990-2007)



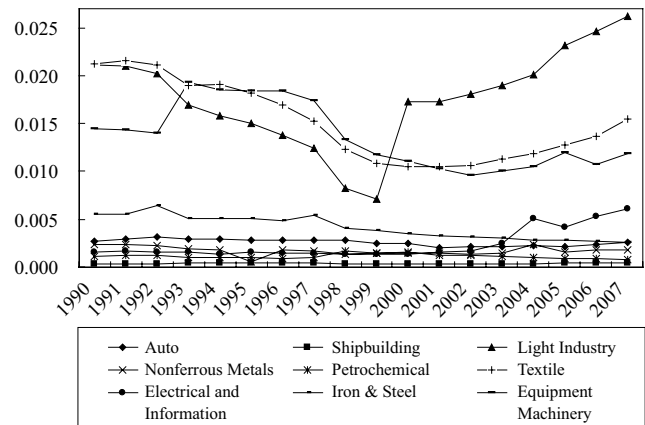
Data source: from China' Statistic Year Book (2008) and National Bureau of Statistics

Why these "Ten Key Sectors" for revival?

According to the National Bureau of Statistics, the "Ten Key Sectors" accounted for more than 80 percent of the industrial added value generated in China and one-third of China's economic output, while employing more than 30 percent of the country's urban labor force. In 2007, these industries contributed about 40 percent of the central government's tax revenue. The following graphs illustrate their dominant roles in China's economy. See Graph 2.

Moreover, the initial aim of these revival plans is to "Kill two birds with one stone". Due to its export-reliant economy, China cannot stay immune from the global financial crisis

Graph 2. The Relative Importance of "Ten Key Sectors" in China's Employment (1990-2007)



Data source: from China' Statistic Year Book (2008) and National Bureau of Statistics

from 2008 to 2009. Unlike five-year plans that set economic targets to be attained over a certain five-year period, these plans, as Chinese officials have repeatedly said, are to ensure a minimum growth of 8 percent for 2009, while changing China's growth pattern in the long run. Currently most of these "top ten" sectors are large but not powerful.

What are the keys to make these revival plans work?

Iron & steel and Nonferrous metals sectors

To encourage production via merger and acquisition (M&A) on the merits of scale and the adoption of advanced technologies and equipment, capacities based on obsolete technologies will eventually be done away with, put it in another language, small, wasteful and polluting factories and mines will have to be shut or acquired by better-performed and large-scale firms. Most of the manufacturers are small in capacity and obsolete in technology and equipments, heavily polluting and wasteful in consumption of energy and raw materials, which are difficult for sustainable growth. As to the scales/efficiency of iron & steel and nonferrous metals between China and developed countries, It is illustrated by the data in table 1.

However, in the process of improving scale and efficiency, there are lots of barriers. For instance, the interests of the central government, local governments and private or local enterprises and their employees are bound to be affected or even clash with one another because of the protectionism.

Table 1 Comparisons of Scales/Efficiency of Iron & Steel and Nonferrous Metals between China and Developed countries

Region	Percentage of Iron & Steel produced by small mills	Annual output of an copper smelter (ton)	Annual output of an electrolytic aluminium factory (ton)	Annual output of a lead-zinc smelters (ton)
China	38	80,000	140,000	30,000
Developed Countries	90	150,000	200,000	100,000

Data source: from National Bureau of Statistics

Auto industry

The key to reviving domestic auto industry is to develop environmentally friendly and small vehicles, in order to boost domestic demand, attributed to the potential in the world's largest market with 1.3 billion people, in particular the potential of rural consumers.

Chinese government encourages the auto manufactures in an effort to develop new, cleaner models, such as hybrid cars, and adopt new technologies and equipment. From January 20 to December 31, the tax rate on purchases of "small vehicles" with engine displacements of 1.6 litres or smaller shall be reduced from 10 percent to 5 percent.

Likewise, automakers are developing trucks that can easily be refitted for passenger transportation for use in areas where road conditions are relatively poor. From March 1 to December 31, the government will spend RMB 5 billion (US\$729 million) on subsidies to farmers to convert their utility vehicles or purchase mini-vehicles with engine displacements of 1.3 litres or smaller.

Petrochemical products

The government will subsidize farmers' purchases of chemical fertilizers and other farm materials to boost domestic demand. Tax rebates on exports of light manufactured goods will be increased. The government will try to boost appliance sales in China's rural areas by increasing subsidies for purchases by residents.

Textile industry and equipment manufacturing industry

The domestic consumption of textile industry is positively encouraged through development and design of new products. Also, the rural market shall be branched out, so as to boost the application of the textile in relevant industries. Meanwhile, the export markets are encouraged to be diversified to different regions and stabilize the international market shares of "made-in-China".

The Chinese central government urged the technological progress in such industries as textile, textile printing and chemical fiber, so as to boost the industrialization of high-tech fiber and improve the localization of textile equipment as well as foster the self-owned brands. This is a government push process and it also makes compulsory regulations. The standards for admission have been worked out and improved to phase out the backward production process and equipment with high energy consumption and pollution.

Logistics sector

Among the "Ten Key Sectors", logistic sector is both a national necessary and the basis for supporting other sectors. The government has also decided to build nine key infrastructural projects to stimulate logistics development, mainly to serve the needs of the energy, mining, automating, pharmaceutical and agricultural sectors. Traditionally the efficiency of logistic sector in China was fairly low due to a couple of reasons such as low tech equipment, unreasonable management system and local protectionism.

Have these revival plans functioned?

In the short term, it seems there will be few difficulties stood in the way of China realizing its annual target — made early this year — of 8 percent GDP growth year on year. Generally, China's gross domestic product (GDP) growth in the first three quarters reached 7.1 percent, with 6.1 percent in the first quarter and 7.9 percent in the second. The government's 4-trillion-yuan (585.65 billion U.S. dollars) stimulus package plus 'Ten Key Sectors Revival Plans', rolled out early this year, contributed much to China's economic recovery. Industrial output of the world's third largest economy increased 9.4 percent year on year over the first 10 months this year, according to figures released by the National Bureau of Statistics (NBS). The data showed China's industrial sector had picked up momentum and the government's stimulus measures had taken effect.

Specifically, the effect of revival plans also can be illustrated from the different sectors.

Iron & steel

Data issued by China Iron & Steel Association recently showed that in the first three quarters, the profit gaining performance of enterprises in iron and steel indus-

try has improved gradually. There are 70 large-and-medium-scale iron and steel enterprises have realized profit gaining from May to September successively with the total profit amount of RMB35.585 billion. And deducting the loss of the first four months of this year, the total profit amount in the first three quarters has reached RMB29.978 billion. Iron and steel industry has made further progress in energy conservation and consumption reduction. Driven by great increase of China's investment on fixed assets, domestic market demand has increased. In the first three quarters, the apparent consumption (the volume of resource that can be supplied) of crude steel in domestic market reached 421.7722 million tons, up 19.97 percent year on year. However, The NDRC also warned of obvious production overcapacity in this sector. Iron and steel enterprises shall follow the market demand to organize production, prohibit the over-rapid release of capacity. Moreover, firms should quicken the elimination of laggard and weak capacity, boost the acquisition, combination and reorganization of iron and steel enterprises.

Automobile

In the first nine months of 2009, a total of 9.7 million vehicles were sold in China, up 34.24 percent year-on-year and exceeding total auto sales for the whole of 2008 by 282,200 vehicles, according to the latest data released by the China Association of Automobile Manufacturers (CAAM). A total of 1.3 million vehicles were sold in China in September 2009 alone, up 77.88 percent year-on-year and setting a new record. Still, the abolition of the tax on purchase of "small cars" and other policy measures helped temper the demand drop.

Textile

According to data released by National Bureau of Statistics, the first eight months in 2009 for more than the size of China's non-woven fabric industries and enterprises realized an industrial output value of RMB 29 billion, an increase of 7.97%, of which the new product output value of RMB 1.4 billion, down 0.55%; the completion of a total profit of RMB 1.3 billion, an increase of 14.76% over the previous year 165.4 million yuan. To have a deep look at this sector, how-

ever, this is driven by investment. Non-woven fabrics industry, the investment has a rising trend. Non-woven fabrics industry, the actual investment of RMB 4.3 billion was completed, an increase of 30.38%. So far this year there has been a total of 190 construction projects, an increase of 33.80%; of which there are 133 new projects, an increase of 41.49%. But the completion of export delivery value was RMB 4.5 billion, down 7.87%; industry as a whole employed 79910 people, down 0.50%.

Equipment machinery

There are diversified performances. Various sectors of the economy affect the demand for machine tools is different as railway, aviation, energy and other industries there is still greater demand for machine tools. China machine tool industry experienced 8 consecutive years of rapid development, level and ability are greatly improved, but to meet the domestic demand for industrial development there are still significant gaps, especially in high-end CNC machine tools is currently far from being able to meet the user needs to import equipment, which provides a lot of room.. For instance, with the Chinese railway-related industrial development policies of the continuous issuance of the next three years, the investment in China's railway infrastructure is planned to exceed RMB 3.5 trillion. China's newly opened rail-

way line completion will bring a large number of on-line operations, demand for high-speed and heavy vehicles, will also usher in the Chinese railway equipment manufacturing heights. In the locomotive and vehicle manufacturing, it requires a variety of medium and large vertical and horizontal machining center. China's machine tool market, the average low-end machine tools and CNC machine tool demand has shrunk dramatically, large heavy-duty and high-end CNC machine tools has remained stable demand. It's of great importance for domestic Chinese manufacturers to design and develop high-ended products.

Logistics

According to China Federation of Logistics and Purchasing, the fixed assets investment of China's logistics sector surged 55 percent year-on-year in the first ten months in 2009, higher than the 33.1 percent growth rate of China's urban fixed-asset investment nationwide in the same period. Adopting advanced technology and taking the modern management method, combined with government push to break some institutional obstacles are keys to reviving logistic sector.

Signs of revival are appearing in the above-mentioned industries, though it is certainly too early to assess the viability and final performance for the support plans since most of them are to be totally imple-

mented from 2009 to 2011. To deal with the overcapacity, it's of significance to redress production overcapacity in some sectors such as steel, the coal-chemical industry, polycrystalline silicon and so on. Government should also give more support to make these revival plans work better. For instance, it's also necessary to deal with the expansion of roads to release the press of traffic after the rapid increase of auto purchase.

In the long run, how to boost domestic consumption is still the basis for China's sustainable development. The potential of rural markets remains far from being fully tapped. Refrigerators are found in almost all homes in cities. In contrast, less than 7 percent of rural families own a refrigerator. The number of air-conditioners used in rural homes, if any, is simply negligible, as is the use of personal computers. Seizing this opportunity, appliance manufacturers are working hard to develop products suiting rural conditions while affordable to the average farmer. ☺

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Declined foreign demand

In 2009, trapped in the global financial meltdown, the world economy is still struggling its way out of an economic crisis, though little signs of recovery began to surface with stimulus packages in developed countries gradually taking some effects. But, all these countries have learned some lessons from this crisis. One is that it is never too late to save more and spend less. With this common rule, people in these countries have begun to cut spending to cease their consumption binge, and showed strong appetite for austerity, which means that China will be saddled with declining exports demand.

This can be obviously reflected in China's export figures in 2009. Recent statistics indicate that exports dropped 21.3% from the same period of 2008 to US\$846.65 billion in the first three

quarters. In this period, trade volume between China and its largest trading partner, EU, decreased 19.4% from the same period of 2008 to US\$260.05 billion. For its second trading partner, the US, the figure remained at US\$211.88 billion, 15.8% down from a year earlier. From the back of these figures, it can be generally concluded that developed

countries like the US and others in EU have not completely dusted off the negative effects of the economic downturn, though the global economy is showing signs of recovery.

To stabilize export growth, the Chinese government has laid out a series of measures in an attempt to tackle the problem, including tax rebates, subsidies

FOREIGN TRADE, Still An Important Engine for Economic Growth?

By Li Zhen

and heavy bank lending. On December 7, at the annual Central Economic Work Conference, the Chinese government has made it clear that the continuity and stability of trade policies will be further maintained in 2010. In addition, China will further diversify its market strategies, tapping new export destinations while maintaining old ones in order to promote export growth. But unfortunately, no matter what China will do, it is hard for China to regain another export boom in a relatively longer term. Analysts say that China's export will maintain its declining trend in the years ahead.

Rampant protectionism

Though China's export keeps falling in 2009, developed countries are still complaining that China should be largely responsible for their trade deficits. This situation is particularly serious when more and more people in these countries become jobless. Recently, for example, the unemployment rate in the US has soared to 10.2%, the highest rate since 1983. Economic prospect seems still uncertain despite the fact that the government has injected massive sums of money into the sagging economy.

Under such circumstances, it is no surprise that many of these developed countries would be likely to pin the blame on China for its huge trade surplus. Amid a new wave of protectionism, the fact that China would be the biggest victim is beyond doubt. Statistics from China's Ministry of Commerce has it that 17 countries and regions have lodged 79 trade complaint cases against China from January to August of 2009, among which 50 cases are anti-dumping investigations.

The most concerned case happened

in September when the Obama administration imposed tariffs of 35 per cent on imports of Chinese tyres, prompting China to announce a probe of US exports of poultry, cars and car parts. Fearing that the series of measures and counter-measures could eventually lead to a trade war, the US and China had appeared to strike a positive tone at a trade summit in Hangzhou in late October, promising that the two countries should not release protective measures against each other in the future.

But, just not very long after President Barack Obama's first visit to China, the US hit China with another big trade action on November 24 as it slapped anti-dumping duties on US\$2.7 billion worth of Chinese pipe imports. Anti-dumping duties are used when companies sell their products unfairly cheaply into foreign markets. It has been said that the ruling will affect more imports by value than the duties on Chinese tyres, which sparked a protest by Beijing to accuse the US of "rampant protectionism".

In the meantime, the US also asked for a World Trade Organization disputes panel to investigate Chinese restrictions on exports of specialized raw materials used in industry. It was joined by the European Union and Mexico in claiming that China's restraints on some raw materials were driving up the cost of end products.

Opportunities behind

However, it has been predicted that if China continues to dispose its excess output on world markets, there will be far more anti-dumping cases against China in the future as it would take about 12 months to prepare a case alleging dumping. China has been accused of overcapacity as a result of falling foreign

demand and still overheating investment. The crisis has smashed demand for exports from China at a time when even more investment, in the form of the Chinese government's massive stimulus package, is being pumped into building new plants and adding unnecessary capacity.

The Chinese government singled out the iron and steel, cement, electrolytic aluminum, chemical and wind power equipment sector as the worst offenders when it came to overcapacity and announced steps to rein in their expansion.

A recent study showed that local government policies aimed at attracting investment were regarded as the main reason for overcapacity, and the second most frequently cited cause was loose lending. Though central government has spared no efforts to curb new capacity, it often proved to be in vain in the face of local governments that set up new factories for tax revenues and jobs they could provide. Central efforts are very often derailed by local politics.

Faced with amounting trade frictions and declining export demand, what China should do to deal with its excess capacity? In the short run, it is not possible to rely on domestic consumption as Chinese people's buying power is not strong enough. Especially, people in China tend to spend less and save more in preparation for social security, health and education. In this context, it does make sense to turn to multinational mechanism such as WTO and counter measures for resolving trade frictions. In the long run, the fundamental solution to this problem is a complete overhaul of China's economic model by shifting investment-oriented and export-oriented economic growth to focusing more on domestic consumption and services. ☉

TRADE PROTECTIONISM, Better Cooperate than Fight?

By Guo Liqin

In 2009, China witnesses a rage of trade protectionism wave. According to the Ministry of Commerce, currently, 35% of anti-dumping and 71% of anti-subsidy cases are against

Chinese products. In the first three quarters this year, there are 19 countries launching a total of 88 anti-dumping ("AD") and countervailing ("CVD") investigations against China. Among

them, there are 57 cases of anti-dumping, 9 cases of anti-subsidy, 15 cases of safeguard measures, and 7 special protectionist tariffs, involving US\$10.2 billion, an year-on-year increase of 29% and 125%, respectively.

Though the experts say the total volume of trade dispute only accounts for a tiny or controllable ratio of the whole multi-lateral trade, the possible risk of laid-off by any closure of export-oriented companies still concerns China's whole economy.

As a matter of fact, Chinese products have been one of the top targets of US anti-dumping actions, and this situ-

ation is unlikely to change since China's accession into the WTO. It is curious that China did not secure a firm basis for its treatment under US AD rules as a non-market economy. This unfairness is manifested on the climax on the night of September 11, 2009, when Barack Obama announced that his administration would impose punitive safeguard tariffs on tires imported from China. Taking effect on Sept. 26, the new tariffs, on top of an existing 4-percent tariff on all tire imports, will add another 35 percent in the first year, 30 percent in the second and 25 percent in the third year. This action enraged China and brought about domino effect, pushing a new round of trade protectionism.

EU, China's largest trading partner, and the largest export market and import source also have growing trade friction with China. Sun Yongfu, Director-General of the Department of European Affairs at the PRC Ministry of Commerce told *China's Foreign Trade*: "It is a fact that China's trade friction with the European Union is on the rise with the continued growth of trade volume. There are about 12 anti-dumping investigations by the European Union against China this year. In our opinion, some of them are obviously in defiance of WTO principles and regulations."

Unavoidable Victim of AD& CVD

"United States extraordinarily shows a growing trend of trade friction," said Yao Jian, spokesman of China's Ministry of Commerce in November 7, "Statistics show that starting from January to September, only United States launches 14 safeguard investigations against China, despite an year-on-year decrease of 6%, it involves US\$5.84 billion, a amazing year-on-year increase of 639%. Meanwhile, United States Consumer Product Safety Commission in September recalls products from 7 countries for 15 times, of which Chinese products become the top one victim, it have been recalled for 6 times, accounting for 40% of the total."

In a interview with Joseph Michael Finger, former lead economist of World Bank, Mr. Finger told *China's Foreign Trade*, "As a matter of fact, China shouldn't feel moral responsible for the anti-dumping cases. "Anti-dumping is only a commercial tool used by business man to free from foreign competition." said in a handbook by an American lawyer who was once the administrator on anti-dumping. Almost 2/3 of these



cases have been in developing countries. Much more developing countries than developed countries are victims of anti-dumping cases."

From his words, we can imply that international market's real need for an avalanche of China's cheap daily consumer goods is the most vital reason why Chinese export is the target of such commercial tools. From the statistics in January to July released by China Customs Administration of PRC, China's labor-intensive commodities still have strong competitiveness under financial crisis. For instance, from January to July, despite the whole volume of export reduced by 22%, while shoes export only reduced 52%, clothes and appendix dropped 9.1%, furniture is down 9.8%, toys dropped 12.7% compared with the same period of last year. All these daily consumer good has a lower dropping rate than that of exporting production portfolio. From the statistics from other markets also echoed the idea. For instance, from January to July, the textile import of the United States is reducing 9.4% compared with last year, but that figure from China only reduced 0.04%. The reasons behind this are as explained, "Most of our export consist of labor-intensive industry. They are stable need of daily life which is not intended to be easily affected by changes of income in the fluctuating international market. "

Non-market status, too difficult to be resolved

According to a 1998 review of US anti-dumping cases involving China, the New Jersey based Dumont Institute for Public Policy Research noted that, "Where the alleged dumping has been done by companies in a nonmarket economy, the normal methodology is to choose a surrogate country's prices, per-

haps with adjustment, as a substitute for the alleged offender's costs, in an effort to determine whether the foreign producer has sold products on the domestic market for less than cost. This faulty methodology invites abuse, and is compounded by the fact that the petitioners are often the ones that choose which country is to be used as a surrogate, and which data from the surrogate country are to be examined. This procedure is especially relevant to cases involving the People's Republic of China, since the Commerce Department has on many occasions classified the PRC as a nonmarket economy."

A recent example is EU's punitive measures against China's export of aluminum road wheels, E.U. has chosen Turkey as the replacement country to provide aluminum road wheels which is obviously irrational since the GDP per capita of Turkey is more than US\$10,000 while China's is only US\$3000, less than 1/3 that of Turkey. In other similar cases, the E.U. has used its own members as substitutes for China.

For many years, US anti-dumping rules have been disputed as being subjective and arbitrary. should anti-dumping rules be put on the table in a new round, China will have secured a key opportunity to join with Japan and other critics of US rules to achieve a more transparent, objective and equitable basis for contesting charges of selling below cost. In this regard, it is to be expected that China will want to develop some clear provisions on the application of nonmarket economy methodology.

However, against the global financial crisis, even Obama's visit in China, experts say, achieve limited results, or even little harmony. There is no question that China's road of striving for market status is still long. ☹

YUAN POLICY,

Good for China, Bad for the World?

By Li Zhen

As we can learn from this world financial crisis, it seems to be an acceptable fact that China can not be regarded as a heavy victim. On the contrary, in the opinion of many foreigners, China is greatly benefiting from this financial crisis by holding its exchange rate fixed against the dollar, which obviously fuels its export an important engine for economic growth. Statistics show that China has maintained strong economic growth in the first three quarters of 2009, and the goal of 8% annual GDP growth is probably no longer something beyond reach.

Yuan's growing power

It is not difficult to see that this world economic crisis has brought many economically developed countries to the brink of bankruptcy with their currencies depreciating drastically. But China's yuan seems to be an exception by pegging to the dollar, increasingly gaining power and popularity amid other countries around the whole world.

In March of 2009, the central bank announced that four commercial banks could begin yuan-denominated settlement in some of China's international trade deals as soon as possible, representing an important step for China's yuan in international trade settlement.

In April, based on the recognition that settling cross-border trade deals in yuan was important for promoting economic and trade ties between China and neighboring countries and regions, China has decided to start a pilot program to allow exporters and importers in five cities to settle cross-border trade deals in yuan. The cities are Shanghai, Guangzhou, Shenzhen, Zhuhai and Dongguan.

On July 6, the Bank of China (BOC), China's largest foreign exchange bank, announced that it had transacted the first cross-border yuan trade settlement deal, which was considered to be of huge importance in facilitating trade between

China and neighboring countries and regions and helping enterprises avert exchange rate risks. Latest figure show that the Bank of China has transacted more than RMB 200 million in cross-border trade settlement in yuan by the end of November.

The growing influence of yuan has attracted the attention of World Bank president Robert Zoellick, who said in November that with China's growth trend and Beijing's efforts to internationalize its currency, the Chinese yuan could develop into the alternative to the dollar as a global reserve currency in 15 years. However, Zoellick's view does not mean that the yuan will replace the U.S. dollar, but it can provide an alternative for a country to hedge against exchange risks.

In addition to yuan's growing power, China is becoming bolder when airing views on the world economic stage. On March 26, Zhou Xiaochuan, the governor of China's central bank, proposed the creation of a new, super-sovereign reserve currency to help reform the global monetary system, stirring a big wave of debate around the globe.

According to Zhou, a desirable goal for the international monetary system was "an international reserve currency that is disconnected from individual nations, able to remain stable in the long run". Special drawing rights, or SDRs, issued by the International Monetary Fund (IMF) could be such a currency. Since then, Zhou's remark was frequently cited as a challenge to the position of the dollar.

Appreciation pressure

While increasingly gaining power in the international market, criticism on China's yuan policy was always on the rise, especially from developed countries. Critics of China claimed that it kept its currency at a relatively low rate in order to help its huge export sector, an allegation that has been particularly strong in Europe in recent months as the euro has risen strongly against the US dollar and

the Chinese yuan. For EU's large trade deficit, most European countries were likely to pin the blame on the weakness of dollar and China's fixed exchange rate policy.

The International Monetary Fund said in November that the yuan, which was effectively re-pegged to the dollar in the middle of 2008 after being allowed to appreciate by about 20 per cent against the dollar since 2005, was "significantly undervalued".

The U.S. president Barack Obama, on his first to China, also urged the Chinese government to allow the yuan to rise when meeting Chinese president Hu Jintao, but it was proved to be an ignored request. Other officials, including Jean-Claude Trichet, the president of the European Central Bank, and Dominique Strauss-Kahn, the managing director of the IMF, have also expressed the same hope of a stronger yuan.

No coincidence, when speaking at a summit with EU leaders in Nanjing on November 30, Chinese premier Wen Jiabao said it was unfair of Europe to demand exchange rate changes while maintaining trade protectionism. He said the stability of the yuan against the dollar had benefited China's economic development as well as the global recovery. He also condemned countries that demand an appreciation of the yuan while engaging in "brazen trade protectionism against China". "This is unfair. In fact, this amounts to restricting China's development." Wen added.

What explains China's refusal

Faced with mounting criticism on monetary policy, it seems that China has its own explanations. Firstly, China held its exchange rate fixed against the dollar in 2008 throughout the economic crisis, while others tumbled, which means that the yuan has actually risen against these currencies. Secondly, China argued that it has fully shouldered its responsibilities to help global rebalancing. With its large monetary and fiscal stimulus, domestic demand has begun to contribute more to GDP growth while net export subtracted significantly. Statistics has it that its current-account surplus has declined by almost 50%, from 11% of GDP in 2007 to around 6% now. Thirdly, some Chinese economists maintained that the benefits of developed countries from yuan appreciation were too much exaggerated. As there was little overlap between Chinese products and foreign products, a stronger yuan would not be helpful in reducing trade deficits. In

stead, western consumers might end up paying more for products imported from China, which was like slapping an additional duty on western consumers.

The reasons mentioned above might

be helpful in explaining why China refused to allow the yuan to appreciate. It can be said that international concern over China's monetary policy will not stop. Anyway, one thing is certain, Chi-

nese policymakers agree that the yuan needs to appreciate in the long run, but now is the wrong time. China will adjust its currency only when it sees fit, not in response to foreign pressure. ©

Small and medium-sized enterprises (SMEs) are a crucial driving force for innovation, employment and development and the engines of growth in an economy. But as the sector is characterized by information asymmetries and high processing costs, banks are reluctant to lend to SMEs, which have long faced difficulties in financing. Amid capital depletion, risk aversion and credit contraction in the current global economic crisis, the issue of financing for SMEs is a pressing issue for all nations, which is not exceptional to China.

SMEs' financing hard nut

According to the official statistics, at present, China has 42 million SMEs, accounting for more than 99% of all enterprises in the country, the value of the end products and services created by SMEs accounts for about 60% of gross domestic product, and SMEs provide more than 75% of urban employment positions. However, although the government has taken a slew of measures to promote the development of SMEs, financing difficulties still prevail as one of the biggest obstacles preventing them from developing healthily. As some surveys have indicated, among the 30 million SMEs, more than 70 percent have been plagued by capital shortages. The existing financial services have a wide gap with the actual demand of SMEs, and the financing predicament currently faced by SMEs constitutes a great bottleneck for their development.

At the macro-level, there are several reasons accounting for the financing difficulties of SMEs in China. First, the capital market in China lacks function of finance especially for SMEs, so most of SMEs have not much access to direct financing. Second, the competition in banking sector is not sufficient to stimulate the banks to tap the market of the SMEs. Besides, the somewhat unfriendly social, legal and credit environment also is not favorable for the financing of the SMEs.

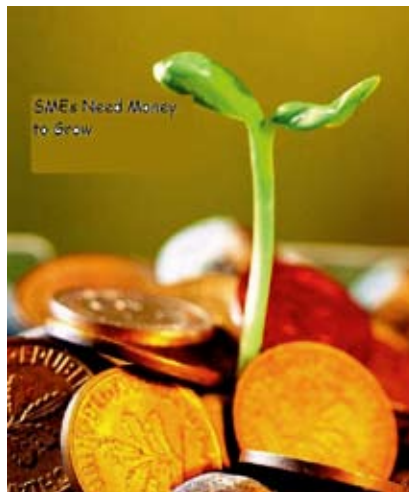
At the micro-level, that the core credit tech for SME lending of banking institutions is not mature is one reason. Information asymmetry and poor corpo-

rate governance of SMEs are also important reasons for the difficulties of SMEs' financing. Due to lack of collateral and their poor capability in pricing risk, the large commercial banks are reluctant to lend to them. This is why credit guarantee institutions play a key role in SME financing and the perfection of the credit guarantee system is important for promoting their access to credit.

China's SMEs are said to have received cold shoulder in the government stimulus package, which is reported to have benefited mostly big SOEs. According to the report of The Wall Street Journal, SMEs accounted for 14.1 trillion yuan of outstanding bank loans at the end of September, up 28% year-on-year, whereas overall bank lending was up 34.2% in September, which meant that SME loans accounted for 36% of total lending. However, by the end of the first half of this year, Chinese banks' outstanding loans to SMEs was 12.52 trillion yuan, accounting for 53.7% of the total outstanding loans to all enterprises according to China's

SMES' FINANCING, Hard Nut to Be Cracked?

By Rose Yan



Banking Regulatory Commission. According to the Wall Street Journal, it would seem to show that the explosion in bank credit has indeed been weighted toward large, state-owned companies, and that SMEs' share has been shrinking.

Expected to be cracked?

SMEs' financing hardship in China has early aroused concern of the government. Since the outbreak of the international financial crisis, Chinese government has formulated a series of policies to support SME development. Up to October 2009, the loans that had been granted by the four large state-owned commercial banks to SMEs was up to 5.8 trillion yuan, up 1.3 trillion yuan from the beginning of the year, with an average growth rate of 43% or so.

According to an official from China's Banking Regulatory Commission, China's state-owned commercial banks and twelve joint-stock commercial banks had by the end of the first half of 2009 all established specialized institutions for providing financial services to SMEs, and the plans of setting up 1294 new rural financing institutions within three years is on the agenda.

A directive issued by the State Council on September 22 committed the government to loosening rules for bank loans to SMEs in order to tackle difficulties in raising funds. The directive promised tax breaks for small firms with an annual taxable income below RMB 30,000 for the year 2010.

On October 9, China's long-awaited Nasdaq-style Growth Enterprise Market board was launched. Hailed as an important step for stimulating enthusiasm for entrepreneurship and boosting private investment, the board will cater largely to technology and innovation-


oriented startups that typically find it harder to obtain bank loans.

According to the Central Bank of China, on November 13, three collective bonds including the bonds of Beijing Shunyi District, of Shandong Zhucheng's SMEs and of Shandong Shouguang's farming-related enterprises which had been registered at Association of Securities Dealer was officially on the line and was successfully issued on November 23, raising funds of RMB 1.265 billion in total, 1.5 times of oversubscription. Collective bonds are bonds jointly issued by several small and medium enterprises together in order to raise capital. The Central Bank believed that by issuing collective bonds and introducing compensatory mechanism etc, it would help overcome

the SMEs' financing difficulties owing to their small size, low credit ratings and lack of collateral etc.

On December 1, 2009, the Chinese Ministry of Industry and Information Technology and the four State-owned commercial banks including the Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China and the China Construction Bank signed a memorandum of cooperation in Beijing to support together the development of SMEs in China. Mr. Li Yizhong, Minister of Ministry of Industry and Information Technology, said at the signing ceremony that the signing of this MOU was to band government policy and financial resources together to guide and promote the interested parties to

further develop financing channels for SMEs in various forms, play four banks' exemplary and leading role in relieving the contradictions of financing difficulties for SMEs, thus promote other financial institutions to increase credit support to SMEs.

Through the series of actions, it can be seen the efforts made by the government and relevant banking institutions to crack the hard nut of SMEs' financing. As for how effective will these measures be, it still needs time to tell. Whatever, this issue needs to be addressed with joint efforts by governments, financial institutions and enterprises, to enhance innovation in financial systems, products and services, and to improve the sustainable development of SMEs. 



New Road Map?

By Yan Manman

New energy industry fever

In the winter of the world economy, the new energy industry seemed to have found their spring. The voice for developing new energy is increasingly ringing. And in China, it seemed more frenetic towards this sector. From the local governments to private capitals, from large energy enterprises to the VCs or speculators, all were fueled with enthusiasm for scrambling a share from the big cake of the new energy industry which turned out not that big actually.

Driven by the pursuit for rapid GDP growth, the local governments in China

wooded the new energy industry with an extraordinary zest. Over a half of the provinces in China are either building the base of new energy industry or working hard to develop this sector as their backbone industry. Hundreds of cities made plans for developing new energies. Take Jiangsu Province for example, 10 out of its 13 prefecture-level cities are endeavoring to construct a base for new energy industry. Jiangsu also had made out its provincial plan for new energy development, setting the goal of achieving sales revenue of RMB 300 billion in this sector in 2010, and RMB 450 billion in 2011. Shanghai and Zhejiang also had made clear the goal in

their new energy industry development planning. In the plan of Shangdong Province, its highlighted new energy industry covered five sectors including solar energy, wind energy, biomass energy, geothermal energy and ocean energy, and it also proposed to get 30% of their urban buildings equipped with new energy and the consumption of new energy increased to 3% of the total consumption. Qinghai announced to erect solar power plant with the installation capacity of 1g watts in Tsaidam Basin and Gansu also declared to build the first 10 million kilowatts wind power base which could be connected with the grid.

In 2009, the fiscal support for the new energy industry was also substantial, which was up to RMB 10 billion, RMB 6 billion higher than that of last year. And the sharp-nosed investors and spectators all sniffed the opportunities for making fortunes and flocked to the industry. By the end of the May, Zhejiang Power Corporation had received application from 28 photovoltaic projects for connection with the grid, totaling 38,000 kw. Now there are about 40 to 50 polysilicon producers, 200-300 solar battery producers and over 70 wind power equipment producers in China, according to Li Junfeng, Vice Director of Energy Research Institute of National Development and Reform Commission.

In addition, owing to discord between the price of coal and electricity, many electric power companies are eager to change the dominant position of coal in generating power. New energy

was therefore regarded by those companies as an alternative choice. China Guodian Corporation was the first to get engaged in the solar energy sector. Then Huadian Corporation, Datang Group and Shenhua Group all incorporated new energy subsidiaries. SDIC Electrical Power Group, Guodian Group and Huaneng Group had been approved to develop photovoltaic projects in Qinghai Province. Many large SOEs such as China National Aviation Corporation, China Aerospace Corporation (CASC), China South Industries Group Corporation (CSGC), China National Petroleum (CNPC), Sinopec and China Shipbuilding Group, etc all have entered the new energy industry.

Driven by so many forces from different lines, the temperature for the new energy kept soaring.

Debate over overcapacity

With the National Development and Reform Commission (NDRC) put six industries including steel, cement, sheet glass, coal chemical, polysilicon and wind power equipment in its list of overcapacity, whether the capacity of new energy industry was excessive aroused hot debate. The Ministry of Public Works and Ministry of Science and Technology gave an opposite judgment. After investigation and study, the experts in the Chinese Academy of Science and Technology for Development (CASTD) suggested that the new energy industry was just at the phase of start-up phase in China. In the long run, the capacity of the new energy industry was not sufficient rather than excessive since the market demand for this industry would be likely to get explosive growth in 3-5 years.

According to "Opinions on Restraining Overcapacity and Redundant Construction in Parts of Industries and Leading the Healthy Development of Industries" (Hereafter short for OPINIONS) promulgated by NDRC, etc ten ministries, "Polysilicon, belonging to the category of high-energy consumption and high-pollution products, is the fundamental materials in the information industry and in photovoltaic industry. In 2008, the polysilicon capacity in China is 20,000 tons, the output is 4000 tons and the capacity under construction is about 80,000 tons, so the capacity is obviously excessive. And for the slow development of photovoltaic power generation, 98% of the solar battery output in China is used for export, which means exporting large amounts of energy in shortage"



According to Liu Feng, Director of Industry Department of CASTD, the polysilicon output in China in 2008 was 4,500 tons while the demand was over 20,000 tons, which meant 3 quarters of demand had to be met through import. There are three kinds of capacity: planned capacity, constructed capacity and real output. He said that the constructed project was likely to stop production and the planned capacity may not be fulfilled. It is conservatively estimated that the demand for polysilicon this year is about 28,000 tons, but the output this year is only likely to surpass 10,000 tons, therefore, the current real capacity is not excessive. He also suggested that the current so-called overcapacity of wind power was actually resulted from the incoordination between the grid and wind farms development, which caused the wind farms not easy to connect with the grid in time. The grid was a bottleneck for the development of the new energy.

"The so-called overcapacity in the new energy industry is actually a typical phased and bottleneck excess. For the development of the new energy industry, the priority is to take the other leg — improving the grid rather than withdraw the leg ahead — developing the new energy industry." Said Wang Yuan, Vice President of CASTD.

The key — technology breakthrough and cost reduction

Admittedly, the achievement of the new energy industry in China all depended on the favorable fiscal subsidy

policies formulated by the government. At present, the price for the electricity generated through new energy is at large higher than the thermal power. Even the grid price for the wind power, which is nearest to afford the market competition, is still 50% higher than the thermal power. And the 50% is subsidized by the national fiscal revenue. The cost for photovoltaic is still quite high. The government would give subsidies of RMB 20 per watt generated by the qualified photovoltaic projects, i.e. RMB 20,000 per kilowatts. Nonetheless, the subsidies is still not enough.

According to Li Junfeng, Vice Director of Energy Research Institute of NDRC, the key to the development and expansion of the new energy industry is technology breakthrough. The hardest bottleneck for the photovoltaic industry in China is the current technology could not bring down the high cost. If this fundamental issue can not be solved, even with more subsidies from the government, this industry would not gain sustainable development. Compared with the developed countries, the R&D capability in China is still lagging behind.

The prospect bright

On November 27, "China Smart Energy Net's Development Mode and Implementation Scheme Task Force" was officially established, which indicated that China officially began to prepare for the development of the smart energy net. It was one important project in the national twelfth five-year planning.

It is revealed by the insider that the

construction of the smart energy net would lay foundations for the development of the renewable and new energy in terms of synchronization in order to achieve the goal of increasing the non-fossil energy consumption to 15% of the total primary energy consumption.

In addition, recently it is reported that the relevant departments were prepared to formulate the uniform price for photovoltaic power connecting the grid. And the major photovoltaic enterprises suggested that the RMB1.5/kwh would be reasonable and also proposed to the government the price degression scheme channeled through the industrial associations.

Therefore, accordingly, the government would strongly support the R&D and generalization of the renewable and new energy. Jiang Dahe, Professor

in Environmental Science and Engineering School of Tongji University, said that from long run, the utilization of nuclear energy would exceed the total sum of the renewable energy, the biomass energy would see greater development while wind energy and solar energy development may get some restriction. He was optimistic about the prospect of the electric autos but meanwhile expressed that the development of the fuel cells still remained to be seen.

However, Jiang Qian, Chief Researcher of Energy Industry of China Investment Consulting Company thought that photovoltaic power would be the first choice for the energy industries in the future. He also said that it was just a matter of time to bring down the price for the electricity generated by the

new energy. With breakthrough of the technological bottleneck, the cost for production would decline and the photovoltaic grid price would be down to the price of thermal power.

Talking about the electric cars, Zhou Heliang, Chairman of Electric Car Specialized Committee of China Electrotechnical Society, remarked that battery technology was the key bottleneck to restricting the development of the electric cars. "Fuel cells, still at the stage of R&D, are the direction in the future, but owing to their high price, are not considered to be commercialized right now. Lead-acid cells which have been industrialized is the main stream at present, and Li-ion cells is the trend in 3-5 years and expected to be industrialized in the next five-year plan period." said Zhou. ☐

International efforts against climate change in 2009

In order to realize the aim set by the Bali Action Plan in 2007, the majority of the countries in the world have worked out all kinds of plans and engaged in many measures to combat against climate change within or beyond the UNFCCC Framework, taking in multilateral or bilateral form.

Efforts within the UNFCCC

Currently, the UNFCCC is the main channel to coordinate all parties' efforts against climate change. For all parties of the UNFCCC, especially the most vulnerable ones, the priority of 2009 is to successfully finalize a post-2012 climate agreement in Copenhagen at the end of the year. For this purpose, the Conference of the Parties (COP) to the UNFCCC declared that 2009 would enter into full mode of negotiation at the Poznan Climate Change Conference at the end of 2008. In 2009, the UNFCCC has held five climate talks within its two Ad hoc groups — AWG-KP and AWG-LCA until November this year. And now the sixth climate talks — the Copenhagen Climate Change Conference is in progress.

The UNFCCC conference in Bonn from March 29 to April 8, 2009 which was named Bonn I represented the first round of international negotiations on a new climate change pact and countries were attempting to reach agreement on a package for addressing climate change after 2012. But as the year's first set of international climate change discussions, the main objective of the Bonn I



CLIMATE CHANGE, Change International Negotiations?

By Gao Xiaosheng

Climate change is one of key threats to human beings who have to deal with. According to Bali Action Plan released after the 2007 Bali Climate Talk held in Indonesia, the United Nations Framework on Climate Change (UNFCCC) has launched a two-year process to negotiate a post-2012 climate arrangement after the Kyoto Protocol expires in 2012 and the Copenhagen Climate Change Conference will seal a final deal on post-2012 climate regime in December, 2009. For this, the United Nation Chief Ban Ki Moon called 2009 "the year of climate change".

was to work toward a negotiating text. The Bonn I, attended by approximately 2,600 participants, led to no real surprises or tangible results. In fact, no one has such king of expectation. Just like the UNFCCC Executive Secretary Yvo de Boer said at the press conference after the meetings, “Bonn talks succeeded in narrowing gaps among Parties and solid progress was made on what the new agreement must comprise when it is signed in December.”

Based on the discussions of Bonn I, the Chairs of the two Ad Hoc groups formed the draft of negotiating text for the next talks. Two months later, in June 2009, the UNFCCC held its second meetings in Bonn again, that is Bonn II. The main objective of the second Bonn meeting, in June, was to develop a negotiating text. Bonn II was defined by the “six-month rule,” a provision that any amendments to the Kyoto Protocol or other legal instruments proposed for adoption in Copenhagen must be communicated to the parties by June 2009. The June meeting began with a 53-page document and ended with a 200-page revised negotiating text after countries submitted additional proposals.

In order to quicken the pace of climate discussion and to streamline the long negotiating texts, the UNFCCC held an informal talk in Bonn for a third time in August, that is, Bonn III. It focused on how to proceed with the 200-page revised negotiating text. While there was some hope that countries would streamline the text, consolidate it and make it more manageable, countries were not ready to give up any traditional positions they carried into the negotiations. Many countries felt that consolidation would risk losing some ideas, and no agreement existed on areas of convergence or divergence to begin shortening the text. As a result, the 200-page negotiating text remains on the table, accompanied by a plethora of non-papers tables and tools to assist negotiators in navigating through the issues, which makes it hard to realize the goal set for Copenhagen in December.

In less than 100 days it seemed that some changes had taken place. At UNFCCC Bangkok talks in September-October 2009, the pessimistic mood appeared. It was successful in ‘setting the table’ for the December negotiations to the extent that we at least saw some progress in ‘streamlining’ and more clearly identifying the negotiating options. As a result, there is a general recognition that Copenhagen will deliver a set of discrete deci-

sions on the substantive issues that will then need to be transformed into appropriate legal text in 2010. However, there is some we should worry about. The two large substantive issues — targets and finance — remain largely

unresolved in the talks. Nevertheless, after Bangkok, it is also apparent that negotiators are making constructive headway on some of the critical issues. The issue of Reducing Emission from Deforestation and Degeneration (REDD) won wide support, and agriculture continues to gain in prominence. Moreover, discussions on adaptation were also relatively constructive and there is a growing sentiment that it will be afforded an unprecedented place in the next agreement.

When the UNFCCC resumed its meeting in November in Barcelona, Spain, the tone and spirit of the negotiations took on a more positive one.

Progress continued to be made under within AWG-LCA as Parties moved line-by-line through the negotiating text in an attempt to reach agreement wherever possible. There appeared to be a real concern amongst all the major players about the potential for Copenhagen to end in failure and all seemed tried to ensure a successful agreement in Copenhagen. But that is not to say that we are closer to reaching a comprehensive global agreement on climate change. On the contrary, we are far away from it and there are still too many to be resolved. Discussion on finance and investment was buoyed by an announcement by Spain at the opening plenary that it was committing €100 million for climate change financing by 2012. There is no little progress within AWG-KP for the African Group threatened to drop out the talks if developed countries’ further reduction commitments were finalized first. All of these led to one result: the AWG-KP and AWG-LCA cannot finish their work in time and continued to work until COP/MOP5.

Now the time for the Copenhagen Climate Talks has finally arrived. One week has passed since the opening of Copenhagen Climate Change Conference. In this week, the general impres-



sion was not so optimistic. Every party began to show up their stances on future climate regime and all kinds of draft blueprints for the future appeared at the Copenhagen Conference, among which Copenhagen “Plan B” and the “Danish Draft Plan” were highlighted. Judging from all kinds of plans at the conference, the gaps between developing and developed countries were not bridged. As to key issues of the post-2012 international climate regime such as Annex I countries’ further reduction targets and financial support to developing countries, the situation was stark. There is a big gap between the reductions pledge developed countries could make and what developing countries demanded them to commit. In terms of financing, many Annex I parties no specific sum. Even European Union pledged to provide 2.4 billion USD as a fast-start fund annually, some developing countries didn’t agree with that and required developed countries should take out one percent of their GDP. Just on December 12th, the Chairs of two Ad hoc groups put forward the draft texts of the AWG-KP and AWG-LCA, which will form the basis for all parties to negotiate in the later part of the conference. In the draft texts, the mode of dual tracks is confirmed, which means that AWG-KP and AWG-LCA will be kept separate in the future negotiations. The second week of the Copenhagen Conference will enter real mode of negotiation. But based on current situations, the most likely result is that the post-2012 negotiation process will not end in 2009 and will continue in 2010. Thus this process will probably be divided into two phases. The first phase is to reach a political consensus and establish a general framework of combating against climate change. Then the second phase comes to settle the specific obligations of every party to the UNFCCC and Kyoto Protocol. Let’s take a look-and-see attitude.

Efforts outside the UNFCCC

Beyond the UNFCCC, many countries have taken other multi-lateral and bilateral cooperation to cope with climate change, which includes actions under the framework of G8, The Asia-Pacific Partnership, World Bank and other institutions.

G8, found in 1975, consists of France, United States, Italy, Canada, Japan, Germany, United Kingdom and Russia. At the beginning, G8 was a major forum to discuss world economic issues. But since G8 discussed climate issues in Gleneagles meeting in 2005, The G8 process has created new momentum for the international discussions on climate change. In G8 2009 meeting held in La Guaira, Italy, developed countries claimed that they would halve of their GHG emission by 2050. By creating the conditions under which any future agreement could be successfully implemented, the G8 activities can complement the UNFCCC process.

The Asia-Pacific Partnership on Clean Development and Climate, also known as AP6, was initiated by Australia, China, India, Japan, South Korea and the US. The purposes of this partnership are to “advance clean development and climate objectives, thus increasing energy needs and associated challenges. At its 2009 meeting on October 27th in Shanghai, China, all parties pledged to further promote their cooperation in technology research, transfer and other aspects, making AP6 a better supplement of UNFCCC. It has poured great efforts to ensure the success of Copenhagen Conference.

The World Bank has also its efforts to promote the cause to combat against climate change. As the only worldwide multi-lateral bank, it is described as important instrument in creating a new framework for clean energy and development, including investment and financing. In 2010 World Development Report released in October 2009, in which it put forward a new suggestion for climate financing.

In addition, the bilateral cooperation between China and the United States are worth our attention. Since Obama government came into power early 2009, the Sino-US climate cooperation was strengthened. From US Secretary of State Hillary Clinton came to China at the beginning of 2009 to US president Barack Obama’s visit to China in November 2009, the two countries’ stances on climate change were coordinated and the two sides signed many environmental agreements. As the first and second

GHG emitters in the world, their cooperation means a lot.

China’s position in constructing a Post-2012 Climate Regime

China, as the second largest greenhouse gas emitter in the world, should have its fair share in combating against climate change. China’s position on climate negotiations means a lot to international community. Judging from past experience and China’s current performance, China’s position on climate change is based on four elements: (1) China’s understanding of climate change; (2) China’s ecological vulnerability in face of climate change; (3) cost-benefit of engagement in international climate regime; (4) fairness in combating against climate change. Thus it will understand better China’s position by analyzing development of these elements.

First, China’s understanding of climate change has changed greatly. The changes take in two ways. In one way, China has a better understanding of the essences of the climate negotiation. In China’s view, International climate negotiation has become a geopolitical game where all countries spare no efforts to compete for development space and economic interests. In order to protect her own interest, China has no choice but to form a close union with other developing countries to cope with the pressures from developed countries. In another way, China’s scientific research on climate change has greatly improved. When Intergovernmental Panel

on Climate Change (IPCC) published its First and Second Assessment Report in 1990 and 1995, only a few Chinese scientists engaged in them. When it came to IPCC’s Fourth Assessment Report, 28 Chinese experts came in. All of these make China’s realization of climate change improved a lot.

Second, China’s ecological vulnerability is highlighted in face of climate change. Chinese research related to climate change shows that climate change will have seriously negative effects on China. With the rise of sea level, some parts of China’s coastal areas have the possibility of being flooded and cause a series of bad environmental results. According to the disaster relief department of the Ministry of Civil Affairs of China, an increasing number of natural disasters are disrupting the lives of 200 million to 400 million people on the mainland every year and sending 10 million farmers back into poverty, causing economic losses of more than 200 billion RMB a year. This is partly attributed to global warming.

Third, the costs of China’s engaged in international climate regime is reducing and the benefits are increasing gradually. In the early stage of climate negotiation, China thoughts that there were more costs than benefits in combating against climate change and thus had a negative and skeptical attitude. However, with China’s realization and familiarity with the process and role of international negotiation, China has found the benefits of engagement in coping with climate change. (1) It will bring China considerable economic benefits. (2) China can realize its dual goals of controlling GHG emission and reducing environmental pollution. (3) Coping with climate change will also help China establish an image of “responsible power” in international economics and politics.

Finally, fairness of burden sharing is given more attention than before in post-2012 climate negotiation. Although the developed countries had made commitments to reduce GHG emission in the first place and provide finance and technology to help developing countries cope with climate change in the United Nations Framework on Climate Change and Kyoto Protocol, but they had never realized them. So it’s hard for the later to engage in such unfair climate regime. However, this was not the case for post-2012 climate negotiation. All the members of the UNFCCC and Kyoto Protocol began to pay attention to the fairness



China’s position on climate change is based on:

- * China’s understanding of climate change;
- * China’s ecological vulnerability in face of climate change;
- * Cost-benefit of engagement in international climate regime;
- * Fairness in combating against climate change.



in combating against climate change. According to the Bali Action Plan, developing country Parties should take nationally appropriate mitigation actions in the context of sustainable development, supported and enabled by measurable, reportable and verifiable technology, financing and capacity-building from developed countries.

Generally speaking, there are more and more benefits for China to engage in the international climate regime. Thus China behaves much more active than before in the process of coping with climate change. China published its National Climate Change Program in 2007 and China's Policies and Actions for Addressing Climate Change — The Progress Report 2009 recently. In order to show China's good faith in combating against climate change, At the UN Summit on Climate Change held in New York September 2009, Chinese President Hu Jintao declared China's new GHG reduction commitment: strengthening energy conservation, energy efficiency, in pursuit of the year 2020 carbon dioxide emissions per unit of GDP dropped significantly than in 2005, vigorously developing renewable energy and nuclear power and securing non-fossil energy sources by 2020, accounting for the proportion of primary energy consumption reached about 15%, greatly increasing the forest carbon sinks, forest area in 2020 to secure more than in 2005, 40 million hectares, forest reserves in 2005 compared to an increase of 13 billion cubic meters. On November 25th, 2009, China continued to make further commitment to reduce its carbon dioxide emissions per unit of GDP 40 to 45 percent in 2020 compared to 2005 level. But as a developing country, China claimed that she would not make any legally-binding commitments. Thus China's commitment was a voluntary action free from international supervision. At the same time, China maintained that developed countries should take the lead in reducing their GHG emission and provide necessary finance and technologies with developing countries, helping the later mitigating and adapting to climate change.

China's role in the construction of Post-2012 International Climate Regime

The essence of China's engagement in the climate regime is the process of China's adaptation to international regime. But two elements will make China exert a particular role in constructing a post-2012 international climate regime: China is the second largest emitter of



GHG in the world on the one hand and she has great influence in developing countries on the other hand. Judging from the current situations, China will probably influence in the following aspects.

First, due to China's pledge and actions of climate change, she is promoting the smooth development of post-2012 climate negotiation, transforming from a "rule-observer" to a "rule maker" in the construction of post-2012 international climate regime. When the negotiation falls into a deadlock, it is always China that tries every way to break the impasse. For instance, less than 100 days before Copenhagen Climate Change Conference, China made new commitment at UN Summit on Climate Change in September 2009 to give new impetus to the final Copenhagen deal. Due to this, the media home and abroad paid a high tribute to China's action, thinking that it marked the fundamental change of China's stance on climate change, which would help to break the deadlock of the current international climate negotiation. Climate research conducted by the think tank E3G shows that China has the capability to realize her commitments. And once they are realized, China will lead on climate change curbs by 2020.

Second, China's position on climate change and its action will push developed countries further to make more ambitious GHG reduction. In post 2012 period, the climate negotiation takes in two Ad hoc Groups names AWG-KP and AWG-LCA. The former discusses developed countries' further commitment under Kyoto Protocol after 2012, and the later discusses all parties' long-term cooperative action under UNFCCC. On many occasions, developed countries attempted to connect two Ad

hoc groups together, which were failed by developing countries. China's alignment with other developing countries will give more pressure on developed countries to make sufficient commitments in accordance with Bali Action Plan. China's commitments and actions on climate change also make developed countries such as the United States lose the excuse to reduce emission, keeping the climate regime much fair than before.

Third, China's emphasis on adaptation will push the future climate regime much more balanced between mitigation and adaptation, which will increase the support of the climate regime from all parties. The past and current climate regime focused their attention on mitigation in combating against climate change, ignoring emphasis on adaptation. However, all the facts proved that the ecological vulnerabilities of China and Small Island Developing States were highlighted in face of global climate change, which showed that adaptation was as important as mitigation. Though adaptation has been given more attention since the Bali Climate Change Conference, the adaptation taken within UNFCCC still appeared fragmented and disintegrated. With the increasing frequency of extreme weathers, "G77 plus China" will put more pressures on other parties, urging international community to give more support to adaptation in developing countries. As a result, the post-2012 international climate regime will have a better balance between mitigation and adaptation. ☺

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JINAN: the City of Springs

Jinan is a historical city with a history of some 2000 years and is famed for its numerous relics. It is the cradle of the Longshan Relics Culture, the reputed prehistoric culture of China and is found in Longshan Town of Jinan, hence the name. In Jinan, you will find far more than you would expect, the ancient Great Wall of the Qi State (a state of the Zhou Dynasty (770B.C.-221B.C.)), the colored sculptures of the Song Dynasty (960-1279) in the Lingyan Temple and so on.

Compared with those capital cities, or other large and medium-size cities in China, Jinan has few advantages and lacks a metropolitan atmosphere, the highlight being its numerous springs. Some people say Jinan's glamour is not merely its enticing natural beauty, but more the warmth of the Jinan people. The beauty of nature is thin and weak, but the beauty that comes from people will last forever.

Attractions

Jinan is not a hot tourist destination in China, but it has something special to offer, such as the 72 springs scattered throughout the city. Jinan has an alias of the Spring City (Quan Cheng) because of over 700 natural springs run through the city. Among them, the Baotu Spring is the most famous.

Located in the center of Jinan, the Baotu Spring Park neighbors the Qianfo Shan to the south, Quancheng Square to the east and the Daming Lake to the north. The Baotu Spring flows from the underground caves. Its largest steam flows at a rate of 240,000 cubic meters per day. Waters gush from three spring holes together creating a sound like thunder. The water of the spring is pure and sweet, and is drinkable.

Quancheng Square is the center of downtown Jinan. The spring sculpture in the center represents the numerous springs in Jinan and can be called the architectural symbol of Jinan.





Heihu Spring ranks as the second largest spring for its water flow and is located in the south of the city.



Daming Lake Park is famous for Daming Lake, a natural lake fed by the flowing springs. The Daming Lake, the Baotu Spring and the Thousand-Buddha



Mountain (Qianfo Shan) are three must-see attractions in Jinan.

Thousand-Buddha Mountain (Qianfo Shan) is a tourist destination for the Buddhism Culture. Since the Chinese Yuan Dynasty (1271-1368), the temple fair is held on the mountain on the ninth day of the ninth Chinese lunar month.



Baotu Spring Park

Beautiful Baotu Spring Park is located in the centre of Jinan City, and it is here that you will find the Baotu Spring. In the past, the Baotu Spring only covered 4 mu (about two thirds of an acre). The park itself was originally established in 1956 and more recently has been extended to 158 mu (about 26 acres). This highly valued facility represents the symbol of Jinan and is regarded as one of the three major places of interest in Jinan. This park is highly regarded as a well known scenic spot which makes an ideal location for admirers of wonderful natural springs, culture and various constructions.

Baotu Spring is located in the centre of Baotu Spring Park and is renowned as



the best of the 72 springs in Jinan. Since ancient times, many famous poems and prose have been written relating to its unique beauty. According to experts' research, this spring has a history of 3,543 years, dating back to the Shang Dynasty (16th–11th BC). The special geographical structure in Jinan creates the special Baotu Spring. The spring pool is rectangular in shape, stretching about 30 meters (about 98 feet) west to east and about 18 meters (about 59 feet) north to south. Spring water pours out from the underground limestone cave throughout the night and day, sometimes reaching its maximum of 240,000 cubic meters per day. When water bursts out from the three outlets, the spring creates thunderous sounds and sprays water jets. Sometimes water columns are created that reach as high as 26.49 meters (about 86.9 feet), making a real spectacle.

Pure in quality and mellow in taste, the spring water is ideal for drinking and making tea. Tea tasting is a favorite past time here. There is a saying here that you will spoil your Jinan tour if you do not drink the tea brewed with Baotu Spring water.

What's more, the traditional and very popular Lantern Festival and Chrysanthemum Show are also held here every year, which greatly highlights the cultural significance and importance of this beautiful and very impressive scenic spot. There's no doubt that visitor's will be struck with this very memorable place.

Daming Lake Park

Located in the center of Jinan, Daming Lake Park is regarded as one of the three must-see tourist spots in Jinan. Daming Lake Park is famous for Daming Lake which is a natural lake formed from many springs. Characteristically unique is its constant



water level, unaffected by heavy rains or drought.

Daming Lake Park covers a total area of 860,000 square meters (about 212 acres) of which the lake itself comprises of 460,000 square meters (about 113 acres). The six islands in Daming Lake contain flowers, trees and other plants flourishing amongst the various pavilions. The lake is a center of activity and one can find fish leaping near yachts and boats. In summer, lotuses bloom uninhibitedly filling half of the park with its fragrant scent. At the same time, willows circle the lake on three sides and swing with the breeze, a scene for which Daming Lake is famous. The centerpiece of the lake is a great man-made hectometer fountain built in 1985. The fountain has 103 injectors, and the main injector can spout water as high as 100 meters (about 328 feet) in all its majesty.

At the northwest bank of the lake stands Tie Xuan Temple (Tie Gong Temple). Built in 1792, it is a memorial to an official of the Ming Dynasty (1368-1644), Tie Xuan. He was a loyal military officer leading the army fighting for his emperor and local people, finally was killed cruelly after the failure. Admiring his heroic spirit and loyalty, the later generations built the temple. Tie Xuan Temple is a traditional courtyard in square shape. In the courtyard are Tie Xuan Temple, Small Canglang Pavilion.

The largest Taoist Temple in Jinan, Beiji Temple (North Pole Temple), also called North Temple is located at the northeast bank of Daming Lake.

First built in the Yuan Dynasty (1271-1368), it has been restored many times. This group of constructions consists of the Bell and Drum Tower, the Front and Back Halls, and two other rooms. In the Front Hall, one will find the gilded statue of Zhenwu in the center (a Taoist god), and other 18 mud statues to represent the divinity of wind, thunder.

Because of both the exceptionally



natural and man-made scenery, many festivals and activities take place here every year, including the Temple Fair in Spring Festival, the New Year Flower Exhibition, the Lotus Exhibition, different folk festivals, and a wonderful Stone Exhibition.

Qianfoshan (Thousand-Buddha Mountain)

Lying 2.5 kilometers (1.55 miles) to



the south of Jinan, the Thousand-Buddha Mountain is one of the key points of interest in the city of Jinan. It is about 258 meters high (846 feet) ranging from east to west. It has been constructed into



a park in 1959 which occupies an area of about 166 hectare (140 acres).

In the early days of Sui Dynasty (581-618) a great many statues of Buddha were chiseled on the rocks of the mountain and the Thousand-Buddha Temple was built and soon became famous, so the name of the temple was to become that of the mountain. There are many scenic spots and historical relics distributed in the mountain.



The Thousand-Buddha Temple was renamed as Xingguo Temple after reparation during Tang Dynasty (618-907). It is located at half way of the mountain, leaning against the cliff on the south and overlooking the Jinan on the north. There are the Daxiong Baodian, Kwan-yin Hall, the Laughing Buddha Hall and Duihua Kiosk distributed in the temple. Four seal characters carved on the cliff southwest of the temple is a celebrated stone inscription in the city of Jinan. The Lishan Courtyard, to the east of the temple, where you can see Confucianism, Daoism and Buddhism harmonize with each other in one courtyard. The Shun Temple, the Luban Temple, the Wenchang Pavilion and the Yilan Kiosk are to be found in it.

Dining

Jinan is the home of Lu Cai (Shandong cuisine), a popular cuisine of China. Jinan cuisine is famous for its scrumptious, aromatic, fresh and pure dishes. The methods of cooking employed in the preparation of these local foods include deep-frying, grilling, frying and stir-frying but the food is non-greasy. Nutritious soup is an important feature of Jinan cuisine while shallot and garlic are widely used to create delicious flavors. Tang Cu Li Yu (Sweet and Sour Carp), Jiu Zhuan Da Chang (Fried Pork Chitterlings) and Jinan Roast Duck are very popular local delicacies. ©

—Edited by Li Zhen



In the early days of China's reform

In later 1970s when China first launched “reform and open” policy, there were numerous business opportunities all around China, so were there all kind of uncertainties and obstacles. At the beginning of his business, Dr. Lau recalled one unforgettable event – he and his secretary had once hand typed and sent out more than 1,000 letters to suppliers in one week just to accomplish a commission of emergent product importation on behalf of a local government agency in China. Pitifully, these commissions often brought no profit to the company.

In middle of 1980s, being one of the most important Chinese agents of MNCs like Scherring Plough and fostering strategic partnerships with a number of significant European pharmaceutical companies such as Pirrel, Lisapharma, Sicor and ASW, Jiwa had already a prominent position in the China pharmaceutical market. However, with the multinational pharmaceutical groups setting up production bases in China respectively, it was obvious that business model of distribution alone had to undergo a transformation to include manufacturing in order to survive. The neglecting of such need of change was the reason why many Hong Kong based well-known drug agencies disappeared in the 1990s. Dr. Lau made a judgment at that time that the demand of pharmaceuticals in China would grow exponentially over the years, while the productivity and research capabilities in China would continue to improve, making China a significant player in the world drug market. And his business acumen is now proven as a very correct foresight.

Following the diversification of company businesses, Jiwa had adopted the approach of consortium development and subsequently set up Jiwa Investment Co., Ltd., Jiwa Pharmaceuticals Co., Ltd., Jiwa Advertising Company, Jiwa Pharm & Chemicals Co., Ltd., Contemporary Research Institute of Traditional Chinese Medicine and Tech-Medi Development Limited. In 1990, Dr. Lau founded Jiwa Austwools Pty. in Australia. While these companies covered an extensive range of booming businesses, including some manufacturing, Dr. Lau was nevertheless still not quite satisfied at being not able to achieve a desirable industrial scale. Since 1990, Dr. Lau had been exploring industrial development, and eventually in August 1993 he set up his first pharmaceutical manufacturing plant in China - Kunming Jida Pharmaceutical Co., Ltd. (KMJD).

Why Kunming, Yunnan, and not elsewhere in China? This is a query often asked of Dr. Lau. Below is his fascinating story: In July 1993, during his first visit to Yunnan, while very impressed by the rich resource reserve of the province, Dr. Lau found the local pharmaceutical industry relatively undeveloped. That means the Yunnan Province could be the right location to set up a bio-pharmaceutical enterprise. Spotting the opportunity, Dr. Lau immediately decided to invest in Yunnan, and established KMJD as a Sino-foreign joint venture. At that time, the approval of a joint venture was a complicated and tedious matter. Yet with the timely policy of one-step review and approval introduced in the Summer of 1993, the incorporation of the company was done in unprecedented speed. In a couple



Heart in China,

Vision on the World

—An Australian Chinese's Business Legend in China

years, the company had developed many sophisticated formulations of chemical and biological drugs, as well as traditional Chinese medicines. Through the years, KMJD has prospered significantly and is now being recognized by the Yunnan government as one of the top ten pharmaceutical manufacturers in the province. Besides supplying China, the company also registers and markets products in Southeast Asia, US, Canada and South America.

Innovations in science and technology

While focusing on development of western pharmaceuticals at KMJD, Dr. Lau also paid attention to the development of traditional Chinese medicine. He set up Contemporary Research Institute of Traditional Chinese Medicine and Tech-Medi Development Lim-

ited. The former being a platform for TCM experts from China mainland, Hong Kong and Taiwan for scholarly exchange, while the later focus on development of Chinese medicine and healthcare products. Back in the 1980s, there were many senior and well-known doctors of traditional Chinese medicine who could not find investments to have their decade-long research to bear fruit, causing losses to themselves and also the country. Since some of these doctors were Dr. Lau's friends for many years, and out of friendships he was motivated to invest in traditional Chinese medicine. What were initially friendship offers have turned out to be savvy businesses. Up to now, Jiwa has developed 20 plus traditional Chinese medicine products that are popular in Hong Kong and Southeast Asia. Dr. Lau tries to bridge the East and West in pharmaceutical development, with Jida engaging in manufacturing of western medicine, while Tech-Medi focusing on traditional Chinese medicine. This dual approach definitely broadens the company's mandate for future growth.

In 1996, KMJD began to make significant profits. Through the implementation of rigorous quality systems, the emphasis of innovation for incessant technology development, and by putting people first, making "loyalty, accountability and efficiency" as the criteria for employee selection, training and developing, the company has been growing in vibrant way all along the years. From 1994 to 2008, Jida had an accumulated industrial production value of RMB 2.13 billion and profit before tax of RMB 396 million. According to the statistics from State Economic and Trade Commission, KMJD was ranked in 2003 114th in sales and 73rd in profit among the top 400 chemical pharmaceutical companies in China.

Following the success of KMJD, Dr. Lau set his vision to form a vertically integrated pharmaceutical enterprise. In 2002, he again invested in Yunnan for a pharmaceutical logistics company. Later in 2005, through the introduction of the Overseas Chinese Affairs Office of The State Council, Dr. Lau acquired a chemical manufacturer and set up Jiangsu Jiwa Rintech Pharmaceutical Company Limited in Jiangsu, China. This entity is engaged in the devel-



opment of advanced active pharmaceutical ingredient (API) that meet requirements of the US and the European Union and strives to become the global production base for a range of API with patents expiring between 2010 to 2015. The total investment for the first phase of construction, which occupies an area of 43,900 square meters, amounts to RMB 95 million.

In 2008, Dr. Lau demonstrated once again an investor's courage and resolve while the world was facing the financial tsunami. To promote high-tech development within the Group, Dr. Lau decided to set up Yunnan Jiwa Biotech Limited, which manufactures world-class new products with proprietary IP rights, including GSH and new types of cephalosporin intermediate in Kunming. The Company plans to spend a total of not less than USD40 million in new drug projects in the next three years.

In September 2009, Jiwa Group was accredited as "Best Under a Billion" by Forbes Asia. "Best Under a Billion" were selected out of 12,000 listed companies in the Asia Pacific region with substantial growth in sales and profit in the past three years and a promising future. The accreditation demonstrates that the group is extraordinarily resilient and has a strong competitive edge in the challenging economic environment.

Colourful Yunnan, countless opportunities in investment

As economic globalization progresses, the collaboration and economic flow between China and ASEAN are accelerating. Taking advantage of the geographical location of Yunnan bordering on three ASEAN countries, KMJD could have an important role to play. Since the two

GMS (Greater Mekong Sub-regional Cooperation Mechanism) conferences, trade between China and ASEAN grew significantly. In addition to special geographical location, Yunnan has a comparative industrial and complementary advantage. With inter-governmental efforts, cooperation between Yunnan and ASEAN progresses quickly. "Kunming-Bangkok" expressway in China reached Jinghong



COVER STORY

in 2006, together with the completion of the China-aided segment of the highway in Laos and the 220 KV transmission line from Yunnan to Vietnam, the logistics transferring base is also under planning and so on. Since the issue of "Kunming Declaration" on the second GMS conference held in Kunming, Yunnan and neighboring regions welcome the opportunity of enhancing economic and trade activities across the borders. All these events would provide KMJD a good environment to enter ASEAN market.

In a recent interview by journalists, Dr. Lau said, "To expand into the ASEAN market, we have formulated two strategic plans. The first is through exportation. With KMJD as the bridgehead, we'll take full advantage of our regional proximity to export our products to Burma, Thailand and Vietnam. KMJD has years of experiences in this aspect, and we have very good development prospects. The second is by direct investment. Within the scope of health business, we will seek opportunities to have capital investment in the form of merge or acquisitions. This way we'll enter the ASEAN market by forming a China-ASEAN-US three-prong interactive operation."

As to how to grasp the business opportunities to enter ASEAN, Dr. Lau said, "Governmental promotions provide important policy environment and development room for the operation of enterprises. However, it can't provide all the elements for a project to be successful, and the key to success is whether the company can ride on its competitive advantages to get into the appropriate entry points.

"KMJD position itself as high-tech, export-oriented, with

a good manufacturing system to meet export requirements. Entering ASEAN is one of our plans, and we believe that we will continually find new entry points as the overall economic environment rapidly improves," said Dr. Lau.

Meeting the challenges of healthcare industry in China

As an expert in entrepreneurship, Dr. Lau has an unique insight of the current status of China pharmaceutical industry. He said, though there will always be new and different problems and difficulties, the fact is that China pharmaceutical industry and pharmaceutical market are still in a booming stage.

In the past twenty years, different statistics have revealed the same message: the annual growth of China pharmaceutical market ranged from approximately 13% to 18%, with no sign of slowing down in the foreseeable future. From 1950s to 1980s, the pharmaceutical market in developed countries all have kept a double-digit growth, and China is believed to be in a similar phase now, so the rate should be higher than the growth of gross domestic product. Such a huge and booming domestic market will provide an important foundation and support to the development of China pharmaceutical industry.

Today, China has a population amounting to 1/5 of the whole world, while its pharmaceutical market only accounts for less than 4% of the world's total in value. This market has an enormous growth potential. We are optimistic to foresee that, if China economy can continue to have a stable and smooth development, the demand in this market will gradually catch up with the developed countries.

In April this year, China promulgated the Implementation Plan for the Priorities of the Health Care System Reform (the "Plan"). The State Council stated clearly that a total of RMB 850 billion will be earmarked for the Plan from 2009 to 2011 and the central government will allocate RMB 118 billion in health care expenditures in 2009. It is anticipated that the expansion of capacity to meet the domestic demand in the pharmaceutical market will accelerate, and capacity expansion in the essential medicine market in particular will further accelerate. Industrial participants believe that large-scale generic drug producers will be the first to benefit from this Plan.

The sound development of an industry comes under a high-quality, comprehensive and effective industrial management system. Since establishment of State Food and Drug Administration (SFDA) in 1999, China has made substantial progress in regulating the pharmaceutical industry and market. In areas ranging from R&D, clinical development, manufacturing, distribution and dispensing, we can see a gradual adoption of management concepts of the developed countries by Chinese Pharmaceutical companies, creating a favorable environment to straighten up the management and competition of the pharmaceutical industry, and preparing domestic enterprises for international markets.

Attracting massive foreign capital, absorbing international advanced technology, popularizing higher education, in addition to a large number of "returned" overseas Chinese professionals, all these quickly upgrade the pharmaceutical R&D capabilities of China in the last decade. Compared to developed countries, China has a higher performance to cost ratio in pharmaceutical R&D. In the past three years, we could clearly feel the trend that many multinational companies not only take China as a market, but also as an extension of their global R&D,

Links

Profile

Born in Indonesia, Dr. Lau Yau Bor, is an Australian Chinese entrepreneur and presently Chairman of the Board of Hong Kong Jiwa Group, a pharmaceutical corporation whose shares are listed on the main board of the Hong Kong Stock Exchange Limited (HKSE) since 2003.

In his early years, Dr. Lau designed and managed industrial projects and engaged in industrial engineering research at the University of Hong Kong. In 1978, he established Jiwa Group, and by the mid 80s, the Group gradually focused on distribution of pharmaceutical products in China from multinational pharmaceutical enterprises such as Roche and Glaxo, as well as many US and European pharmaceutical brands and became the pioneer among Hong Kong enterprises that tapped into China's pharmaceutical market. Besides helping to ease the drug shortage issue in China, the Group made significant contributions in improving the country's drug quality. Since the listing of Jiwa BioPharm in HKSE in 2003, Dr. Lau has been leading the Jiwa Group to meet the challenges of international regulatory requirements, and to expand to regulated markets and other developing countries.



or even part of their core operation.

In the next five to ten years, China and India will become the world's production center of active pharmaceutical ingredients. Meanwhile, from 2007 to 2014, a large number of "blockbuster" patents will expire, which will offer an attractive international market for China pharmaceutical industry, which is mainly comprised of generic players.

Dr. Lau added. "The pharmaceutical industry in China is now under a sound development environment, but there are still challenges. If industrial policies and industrial leaders cannot respond effectively to these changes, China pharmaceutical enterprises will face bottlenecks in future development."

Until recently, the previous efforts in reforming our medical system has failed to achieve the expected target. On one hand, patients still have difficulty to afford the relatively high drug prices; on the other hand, profits of pharmaceutical companies continue to shrink. "Artificially high" drug prices due to a complicated and fragmented distribution and dispensing system force the government to take measures to control prices. However, without a restructuring of the distribution and dispensing system such controls only result in profit shrinking for pharmaceutical producers, further reducing their resources necessary to expand, absorb first-class talents and devote to research and development.

After the implementation of first GMP certification program in early years of 2000, there are still nearly five thousand pharmaceutical manufacturers in China. This is in drastic contrast with developed countries such as US, which only has less than 200. Overcapacity in the industry will cause massive duplication of investment and competition among copy-cats, resulting in a serious waste of social resources.

Although the concept of intellectual property rights and their protection system continue to improve in our country, for now, the entire intellectual property protection efforts have not yet caught up with developed countries, which not only greatly restricted Chinese enterprises on investments in products development, but also affected multinational companies' confidence in relocating core research base in China. Without scientific and research development, China can only be a "world workshop", and never a leading country in pharmaceutical industry.

Pharmaceutical industry needs highly devoted and professional management. Registration and sales of pharmaceutical preparation in each country are now subject to very strict regulatory controls. That is the reason why the number of China's pharmaceutical preparation registration in foreign countries are still very limited, especially in developed countries. In contrast, the size of Indian pharmaceutical market is less than half of that in China, but they have a better performance in international

market, taking advantage of language and historical factors.

In the pharmaceutical industry, size does matter. Presently, the largest multinational pharmaceutical group in the world has an annual revenue of more than RMB 210 billion, while the largest China pharmaceutical company (excluding its distribution business) has an annual revenue of less than RMB 5 billion. The Chinese pharmaceutical industry is characterized by its fragmented and chaotic nature, making it incapable of effectively integrating and organizing resources to compete with multinational corporations.

The laws and regulations in China often fall into the problem of poor enforcement. When we talk with the State Food and Drug Administration (SFDA) officials, we can feel their clear concept, wide and far vision, as well as objective understanding of the industry and rational planning for the development. However understanding and implementation of the policies in local governments are quite often being twisted. Besides, local protectionism is common in the provincial or municipal level, which degrades domestic competition environment, and also increases distribution costs.

Suggestions to deal with current crises

To deal with these crises, Dr. Lau has offered several suggestions. First, depending on the "organic" combination of next phase of national medical & healthcare reform and the management of the pharmaceutical industry, the governments should follow not only the direction of WTO to treat local enterprises and foreign enterprises the same, but also provide support to boost those sectors with potential for development. Second, strengthen the building up of basic national competitive advantages. To pharmaceutical industry, this should focus in areas of cultivating pharmaceutical talents, improving drug utilization by medical establishment and enhancing the overall R&D and analytical capabilities of pharmaceutical manufacturing. Third, promote the effective links of high-tech and capital investment of the society. Pharmaceutical research and development and venture capital are inseparable. Only an effective use of financing platform can really speed up the industrial integration and change the currently scattered, and chaotic conditions in today pharmaceutical industry in China. It is encouraging to see the Shenzhen Stock Exchange GEM to start trading, but still our venture capital market is underdeveloped. Fourth, the government should strengthen the enforcement of laws and regulations, while accelerating the improvement of patent protection regulations, encouraging export of high value-added drugs and allowing the professional returnees from oversea to fully contribute their talents to the benefits of the Chinese biopharmaceutical industry. ☺



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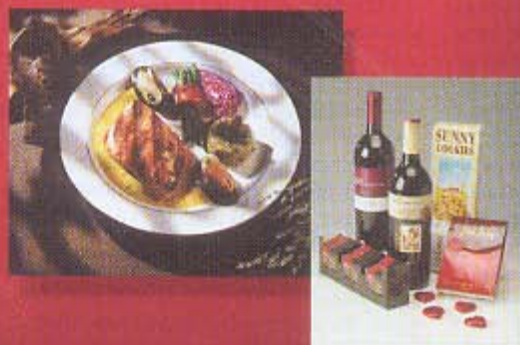


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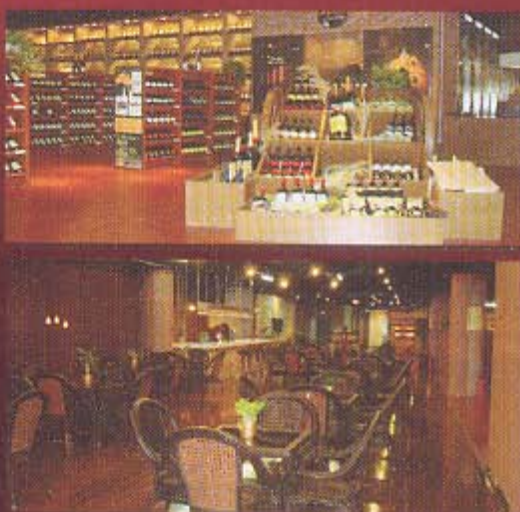
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China Auto International Tour into Iran

— 2009 Shaanxi Heavy Truck (Iran) International Tour

By Guo Yan



Map of the tour

There are centuries-old cultural and economic relations between China and Iran, which have made the famous Silk Road. In recent years, the trade between China and Iran has been developing very rapidly. The volume of trade between China and Iran last year has arrived at US\$27.6 billion. And from January to August this year, the total volume of imports and exports between China and Iran has arrived at US\$13.5 billion. 2009 Shaanxi Automobile Group Co., Ltd (SAG) Heavy Truck International Tour into Iran, which is one of China Auto International Tour series held by Media and Press Center of the China Council for the Promotion of International Trade (CCPIT), has been conducted successfully in Iran from Oct. 25 to Nov. 2 in 2009. The group, that consisted of tens of persons and 4 heavy trucks, started from the southern port city of Bandar Abbas, and headed for the North through Shiraz, Isfahan, finally arrived at Teheran, the capital of Iran. The team traveled safely 1,060 kilometers and held 4 conferences and 4 heavy truck live show, which had earned praises from the officials to customers, and also had very extensive influence in Iran. Luckily, I had the chance to witness it.

The rapid development of China auto enterprises

Iran is the very important market in the



Middle East Area. The

automobile industry in Iran started from 1970s, but developed very tardily and left behind the world in production and technology aspects. Because Iran put the increasingly strict criteria in import and export license and import certification, the amount of commercial vehicles from China to Iran decreased on a large scale. According to the latest statistic from the branch of China Chamber of Commerce for Import and Export of Machinery and Electronic Products, from January to September this year, the amount of vehicles from China to Iran is 8,462, up 3.45% over the same period of last year. And the sum is US\$164 million, down 58.7% compared with the same period of last year. The heavy truck is main vehicle model, making up 51.71% in the total vehicles from China to Iran. But the sum of heavy trucks still decreased by 58.8% compared with that of the same period of last year. According to requirement from Iran government, in 2009, before conducting importing business, the dealer must get the import license by the Commerce Ministry of Iran. And the trucks imported into Iran must pass the Euro III authentication. Those changed policies have an obvious impact on the commercial vehicles import from China to Iran.

The statistic from the China Association of Automobile Manufacturers indicates that automobile industry of China is developing rapidly while the world automobile market is suffering a downturn. As a very famous tour, the China Auto International Tour traveled many countries such as Vietnam, Cambodia, Syria, Russia, Algeria, etc. in recent years to promote China automobile industry to tap the local markets, which has been benefiting many China auto enterprises including Shaanxi Automobile Group Co., Ltd (SAG). Last year, Shaanxi Automobile Group Co., Ltd (SAG) developed remarkably at the local market after tour in Algeria. According to the statistic, the export of heavy truck of SAG hit No.1 on the heavy truck exporting chart in 2008, and developing rapidly under the background of international financial crisis in 2009. From January to April this year, the sum of exporting of SAG arrived at US\$160 million, up 187.5% over the same period of last year. From January to September this year, the sum of heavy truck exporting business of SAG arrived at more than US\$400 million, up 10% over the same period of last year. The capacity to earn foreign exchange through exports of SAG has already hit No.1 on the Shaanxi enterprises of import and export of machinery and electronic Products list, No.1 on China heavy truck enterprises list and No.1 on China automobile enterprises list. Although SAG is not the earliest Chinese enterprise which exploited the market of Iran, it has made very remarkable achievements in domestic and foreign markets. Not long ago, SAG signed the exporting agreement with the third largest dealer on the scale and became the only one China truck enterprise which got the Euro III certificate. Now, Shaanxi Automobile Group Co., Ltd (SAG) set up the branch in Tehran. The International Auto Exhibition will be good for the fact that Shaanxi Automobile Group Co., Ltd (SAG)



The guests experienced the truck performance in the car live show.



The officials from China and Iran with the leaders of automaker and local dealer cut the ribbon in Tehran.



Auto live show





On the road in Iran



During the journey



Conference in Tehran



Conference in Isfahan



The local journalists interviewed China automaker leaders and its agency in Shiraz.

expand the market of Iran because the exhibition is just ahead of another exhibition called Iran International Auto Exhibition in Teheran.

High efficient work + effective communication

The China Auto International Tour held by China Council for the Promotion of International Trade has been the famous tour, which promotes the enterprises to tap into the international market. Shaanxi Automobile Group Co., Ltd (SAG) Heavy Truck (Iran) International Tour in 2009 is the first one that is for one automobile enterprise while in the past, China Auto International Tour was for many different automobile enterprises with many different types of auto. Generally, the time of research and preparing last at least half an year. But this time, the research and plan just cost almost one month including the holiday of National Day. The commitment of the tour collected the local information at the first stage of September and finished the investigation at the second stage of the same month. At the same time, we started to design the plan of the exhibition. During the holiday of National Day, we made more concrete designing of all plans and agreements. On Oct. 25, the tour started on time.

Through the platform of the China Council for the Promotion of International Trade, the tour got supports from the governments of China and Iran. At every conference and auto live show at different place, many local officials of chamber of commerce, leaders in automobile industry and customers appeared. Mr. Kanbloochi, Manager of Commercial Business Community of Truck Owners of Tehran, attended all 4 conferences and 4 auto live show. At the conference at last stop of Teheran, some officials such as Trade Minister of Iran, Chairman of Chamber of China-Iran Commerce, Manager of Bank Eghtesa-e-Novin of Iran and other leaders of Iran companies, meanwhile officials of business department of Chinese embassy to Iran, also appeared the dealer conference and the car live show. At the conference, Mr. Cao Ansheng, first secretary of the business department of Chinese embassy to Iran, addressed.

At every conference in different places, almost 20 media such as Jamejam, Sarmayah, Tarabaran, etc., appeared and listened the speaking of officials and of leaders in the fields of the selling and technology of SAG, and interviewed the related leaders for more information of the development of SAG and this auto tour. During the tour, we especially and strictly selected the local attendee, which the real customers and retailers could get the knowledge and communicate with the leaders of enterprises, by face to face. The car live show arranged after every conference, all attendee including local officials, customers and drivers could experience the performance of the trucks and raised some questions such selling, service and technology, also they gave their suggestions. At the same time, the leaders of enterprise listened to these questions, then solved them. This part let the enterprise got the direct reactions and requirements from the customers so as to promote the improvement of their products. The arrangement got the praise from the leaders of SAG and the local customers.



The customers consulted with the local dealer during the teabreak of the conference.



Local guests were coming into the meeting room.



Display different series of heavy trucks of SAG.



Special models for the local market

The tour traveled from the South to the North in Iran with 1060km, almost spanned the whole Iran. I saw the imperfection infrastructures in Iran relatively, which means the fact that the heavy trucks would be urgent needed in this country. There are many mountains and deserts of tableland in Iran with few highway, so the speed is slow, and the difference of temperature between the South and the North is great. For example, in late October, it is 26°C in Teheran, but almost 40°C in Bandar Abbas. The difference of temperature and the driving characteristics of the local people have the high demands of the function and quality of vehicles. At every conference, what I heard most was the quality of vehicles, which was the issue that the officials and customers of Iran were most concerned about. They suggested that whenever the China enterprises enter into the market, after all, the future of china truck enterprise expanding the market of Iran depends on the quality of vehicles. The high quality of vehicles is the most dependable guarantee to occupy the market.

SAG has its own special understanding about it. Li Hongyan, assistant dean of Shaanxi Auto Corp, introduced that the 4 truck examples exhibited in Iran this time were the special models to Iran market, which would satisfy the needs of the local market. And 18 models of Shaanxi Automobile Group Co., Ltd (SAG) had already got the GCC authentication of the Middle East Bay Countries and 4 models got the authentication of Iran. Model M2000, which Shaanxi Automobile Group Co., Ltd (SAG) designed under the base of investigating the features of the local market, was the main products in the market of Iran as well as favorable among the customers of Iran.

Through this international tour, Shaanxi Heavy Truck (Iran) International Tour made the basis of good reputation in Iran. The style with the intensive publicizing and personal experiencing not only benefits the China automobile enterprise, dealers, but also makes the customers have more opportunities to select their favorable vehicles. Meanwhile, after along with the tour, I believe that the potential of China heavy truck enterprises tapping into the local market is great and they will have bright future here. In the future, China Auto International Tour will continue to help China enterprises make their own international tour. ©



The Third China-Latin American Enterprises Summit Held in Colombia

On November 25, the third China-Latin American Enterprises Summit was held in Bogota, capital of Colombia. 800 political celebrities, representatives from the business associations, enterprises and scholars etc from 20 countries attended this summit. The theme of this summit was “enhancing confidence and defeating the crisis to promote the common development of China and Latin America”. Through plenary meetings and specialized forums, the participants had in-depth discussions on two-way invest-



ment, market liberalization, government’s role in the crisis and commodity trading etc. Apart from the meetings and forums, grand Latin American National Exhibitions, business association exhibitions, enterprise exhibitions, project presentation events and matchmaking trade seminars all staged on.

Abdul Abdulrixit, Vice Chairman of Chinese People’s Political Consultative Conference (CPPCC), Alvaro Uribe, President of Colombia, Yu Ping, Vice President of CCPIT and the President of Inter-American Development Bank addressed the opening ceremony of the summit.

Abdul Abdulrixit first presented the measures Chinese government took to combat the crisis as well as the effect of the measures and then proposed specific suggestions on how to develop relationship between China and Latin America. The suggestions were as follows: first the two counties should deepen the political ties

to create a good atmosphere for the cooperation in other fields. Second, China and Latin America should promote the trade facilitation and handle the trade frictions appropriately so as to achieve sustainable development of China-Latin American trade cooperation. Third, the two countries should develop the potentials in the complementation of the two sides and the last suggestion was to accelerate the fostering of growing enterprises, creating mechanism platforms for the exchange and cooperation of SMEs in China and Latin America. President Alvaro Uribe made a review over the history of relationship development between China and Colombia and highly praised China’s achievement of its opening-up policies. He expressed great confidence for the prospect of the trade cooperation between China and Colombia and also extended welcome to the Chinese enterprises for doing business in Colombia. ©

Florida Welcomed China’s Businesses

On December 2, China-Florida Economic and Trade Cooperation Forum was held successfully in Miami, Florida State in the US. Hundreds of enterprises from China and the US rallied at the forum, discussing economic and business cooperation and searching for opportunities.

Yu Ping, Vice President of CCPIT, addressed the forum. He expressed in his address that Florida State was not only the fertile soil for the growth of trade and economic cooperation between Chinese and American enterprises, but also a good platform to assist enterprises extend to the Latin America’s vast market. Mr. Yu expressed his hope that the business circles in the two countries strengthen exchange to maximize the benefit of the trade cooperation between the two countries. ©



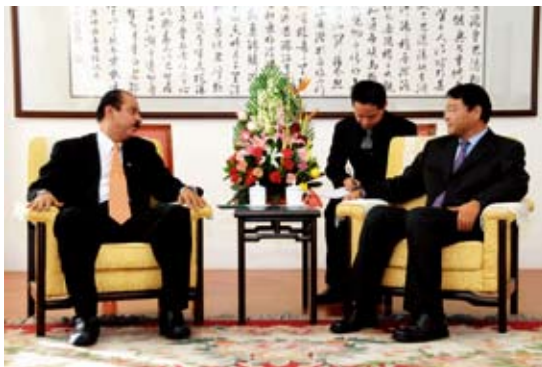
China Products Shine in India

On December 10, China Products Exhibition hosted by CCPIT staged in Mumbai India. This exhibition covered area of 5000 m², and 213 enterprises from 11 provinces in China such as Shandong, Hunan, Jiangsu, Zhejiang, Yunnan, Guangzhou, Shenzhen and Fujian etc. participated in the exhibition. The major exhibits included machines, transportation tools, vehicles and accessories, building materials, agricultural products and technologies, home appliance and electronic and communication products. Apart from the product display, the exhibition also presented the history of China-India friendly exchange and China’s economic achievement as well as the Shanghai World Expo in the form of photo and videos. The exhibition attracted concern from all circles of India, and over 8000 people visited the exhibition at the first day of the exhibition. ©

First China-Gulf Countries Economic and Trade Cooperation to Open Next March

Forum On December 2, Zhang Wei, Vice President of CCPIT, met delegation headed by Mr. Naqi, General Secretary of Federation of Gulf Countries Chambers of Commerce (FGCCC) and Mr. Langiavy, Chairman of Bahrain Association of Industry and Commerce Executive Committee.

Mr. Naqi presented the preparation jobs done for the first China-Gulf Countries Economic and Trade Cooperation Forum, which is to be held from March 22 to March 24 next year. He said that the trade and investment cooperation between member countries of Gulf Cooperation Council (GCC) and China got increasingly strengthened and GCC countries had risen to the No.8 trade partner of China. He wished to cooperate with CCPIT to make the first China-Gulf Countries Economic and Trade Cooperation Forum an effective platform for promoting the cooperation and exchange between the business circles of China and GCC countries. Mr. Zhang Wei expressed that CCPIT would organize entrepreneur delegation to attend the forum in Bahrain next March. He also indicated that the two



parties should keep effective communication on the preparation of the forum, project selection and enterprises mutual communications to ensure the forum function as a real bridge to connect and benefit the entrepreneurs of the two sides.

Mr. Naqi especially extended welcome to the enterprises in the energy industry, electric power industry, project contracting industry, education training and health care etc. Meanwhile he emphasized the support for the trade and investment cooperation between the SMEs of the two sides and revealed that the national bank of GCC would provide support for the SMEs intending to invest in GCC countries. ☺

Links

Federation of Gulf Countries Chambers of Commerce (FGCCC), is a comprehensive, effective international high-level economic organizations, based on the economic integration of GCC countries, includes six Gulf countries (UAE, The Kingdom of Saudi Arabia, The State of Kuwait, The Sultanate of Oman, The State of Qatar, The state of Bahrain), has 36 chambers of commerce, 760,000 registered members by the end of the 2008, headquarter is in Saudi Arabia. The purpose of establishing this kind of international economic organization is to keep GCC countries and other international economic organizations on an equal footing. Through Economic integration of FGCCC can further perfect the process of Arab economic integration, promoting international economic cooperation and prosperity. FGCCC represents the general attitude and viewpoint of Arab country's Labor and Business industry, reconciling economic disputes and policy disputes among GCC countries and international organizations. The main responsibility is to offer information and technical support.

China's Delegation Visiting CBBC and CBI to Further Push Sino-UK Exchange

On November 27, Wang Jinzhen, Vice President of CCPIT, led one delegation to visit the China-Britain Business Council (CBBC) and the Confederation of British Industry (CBI) and exchange views on Sino-UK economic and trade exchange & cooperation as well as how to take the opportunity of Shanghai World Expo to deepen the cooperation in various sectors between China and UK. The delegation was composed of the representatives from General Office of the State Council, the Propaganda Department of the Central Committee of the CPC, Ministry of Human Resources and Social Security and CCPIT etc.

During the talks, Wang Jinzhen remarked that CCPIT had kept good relation-

ship with CBBC and CBI for long, which joined CCPIT together, based on each one's respective resources, to engage in building a sound platform for communication between the governments, enterprises and other organizations etc in China and the UK. CCPIT hoped to extend and deepen cooperation with CBBC and CBI through mutual visit, implementing market survey, holding specialized seminars and exhibitions as well as providing information service for the member enterprises etc. In addition, Wang also introduced to the head of CBBC and CBI the preparation of Shanghai World Expo and hoped that the UK take good advantage of Shanghai World Expo to strengthen and expand the economic and trade cooperation with provinces, cities and



relevant organizations in China through organizing high-level, business, culture, art and students delegations to visit the World Expo, holding economic and trade seminars and forums etc.

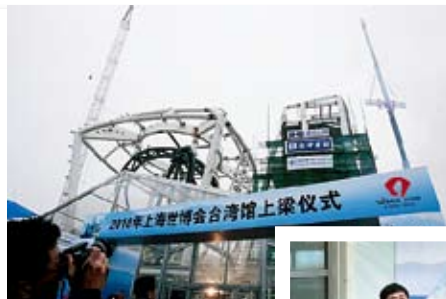
CBBC and CBI extended warm welcome to the Chinese delegation headed by Mr. Wang and totally agreed to take the advantage of Shanghai World Expo to further deepen the cooperation between UK and China in all fields. They indicated that it was valuable to further expand and deepen relations with CCPIT and would organize UK's enterprises to visit China during the 2010 Shanghai World Expo. ☺

Luxury cars, fashion and art adorn Italy Pavilion

The Italy Pavilion on November 10 unveiled its exhibition plan at the 2010 World Expo, which will feature craft, luxury cars, fashion and famous paintings. Italian tailors, blacksmiths and violinists will show off their craft at the pavilion, said Dario Rota, director of the pavilion. There will be narrow streets, courtyards and lanes with an Italian flavor, and even a closed square with walls decorated by changing pictures and fashion videos.

Another highlight will be the country's achievements in technology and environmental protection, Rota noted. The pavilion will use air purification and antibacterial ceramic tiles. Meanwhile, its glass walls can absorb solar radiation to save energy. The pavilion's design was inspired by the children's game "pick-up sticks," which is known as "Shanghai" in Italy.

The rectangular pavilion will be laced with intersecting lines - representing pick-up sticks. It comprises 20 functional modules of different shapes, bounded by the "sticks." They represent Italy's 20 regions. The modules can be assembled into smaller structures. After the Expo, the building will be disassembled and reconfigured.



Taiwan celebrates topping-off

Taiwan Pavilion on November 10 hit another milestone as the steel structure of its pavilion was finished. The final beam was hung on the top of the pavilion after officials of Taiwan and the Bureau of Shanghai World Expo Coordination as well as sponsors signed their names on a red ribbon attached to it.

It took less than four months for workers to finish the pavilion's steel structure since construction started in August. The exhibition will be installed by the end of March and trial operations will start in April. The 1,000-square-meter pavilion will be a transparent cube housing a giant ball at its center. Its exhibition theme is "Mountain, Water, Heart and Lantern."

Hong Hao, director of the Bureau of Shanghai World Expo Coordination, said the 2010 Expo has attracted wide attention and active participation on the island, particularly among some famous corporations. He hoped the Expo would serve as an important platform in promoting cross-Strait exchange and cooperation.

Expo ticket sales start in Singapore



The organizer of next year's World Expo announced the start of ticket sales in Singapore on November 10 after granting the authorization to two travel agents on the island. Zhong Yanqun, deputy director of the World Expo 2010 Shanghai Executive Committee, granted plaques to Singapore-based Commonwealth Travel Service Corporation Pte Ltd and Singa China Travel Service Pte Ltd to handle ticket sales in the country and other parts of South East Asia.

A total of 11.8 million tickets for the 2010 World Expo have been sold by the end of November, reaching this year's sales target set by the organizer. About 3.5 to four million visitors, accounting for about five percent of the expected 70 million Expo visitors, will come from overseas, according to a survey conducted by the National Bureau of Statistics of China. More than 400,000 visitors are expected from South East Asian countries.

Zhong said that the Expo has been well recognized by the international community. She invited Singaporeans to visit the Expo next year on behalf of the organizer. Zhang Xiaokang, Chinese ambassador to Singapore, said Singapore is a converging spot for eastern and western cultures. Next year will mark the 20-year anniversary of the establishment of Sino-Singaporean diplomatic ties and the Expo would help the two sides further deepen friendship and cooperation, she said. Zhong and Zhang also held talks yesterday on the Expo's promotion in Singapore.



Pacific Pavilion passes inspection

Bernadette Ganilau, director of the joint pavilion for Pacific Oceania nations at next year's Expo, yesterday received technical documents related to the pavilion on behalf of 16 participants from Pacific Oceania islands. Exhibition arrangements inside the pavilion will be finished in early April. Ganilau inspected the pavilion built by the organizer on December 8 and expressed her satisfaction.

The 8,100-square-meter pavilion will host exhibitions by Vanuatu, Papua New Guinea, Palau, Tonga, Micronesia, Samoa, Fiji, Cook Islands, Kiribati, Solomon Islands, Tuvalu, Marshall Islands, Nauru and Niue as well as the South Pacific Tourism Organization and the Pacific Islands Forum. The pavilion will showcase the beauty of the Pacific countries, their unique culture and sustainable lifestyle. Its theme is "Pacific Ocean - Spring of Inspiration."

Prime Minister Harper visits Canada Pavilion

Canadian Prime Minister Stephen Harper inspected the construction site of the Canada Pavilion at the World Expo Shanghai grounds this morning and thanked workers for their hard work to make the construction one of the fastest at the Expo site.

Harper shook hands with construction workers and posed with them in front of the C-shaped pavilion. He also unveiled the national flag of Canada and a nameplate for the pavilion with Hua Junduo, commissioner general of China at the 2010 event. He made no official speech during his visit.

A "virtual waterfall" that changes its pictures when people touch it will be a highlight of the pavilion, Mark Rowswell, Canada's commissioner general for the Expo told media today. The waterfall will also show the sceneries of future cities in the imaginations of many Canadian children.

The installation symbolizes every resident's contribution to a city's development, he said. The pavilion will be finished by the end of the year, and it is expected to be the first finished self-built pavilion at the Expo, he added. Outfitting will be completed in March before a trial operation of the Expo site scheduled in April.

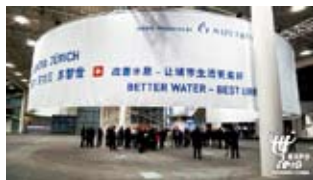


France Pavilion welcomes first newly-wed

Jose Freches, the France Pavilion's commissioner general, granted a wedding certificate to the first couple attending the dream weddings organized by the pavilion late last month.

Accompanied by "The Most Romantic Wedding" by singer Ye Beilei, couple Liu Chen and Zhu Liping tied the knot on November 24 at COFRES, the company in charge of the France Pavilion because construction on the pavilion is yet to be finished. The bride and groom are popular contestants in "Come On, the Whole Family," a popular Expo-themed talent show on Dragon TV.

The pavilion's mascot, a cute little cat, also joined the celebration. Freches expressed his best wishes for the newlyweds. The pavilion is preparing to offer dream weddings for couples during the six-month event. Couples will tie the knot inside classical French-style gardens. Dubbed "The Sensual City," the pavilion will showcase the sights, smells, tastes, sounds, feel and glamour of France.



Switzerland's cities to dazzle visitors

A spectacular movie about the landscape and water protection practices of Basel, Geneva and Zurich, Switzerland, will be shown at the Urban Best Practices Area of Expo 2010.

The eight-minute film will be broadcast ceaselessly at the pavilion of Basel, Geneva and Zurich, who will jointly present an exhibition "Better Water - Best Urban Life." The film will be shown in "water curtain" format - which gives brighter images on a large special screen - displaying the three cities' sustainable water treatment and management efforts.

The three cities will invest one million Swiss francs (US\$974,900) each and sponsors will fund another 1.6 million Swiss francs.

China Fairs & Expos

Trade and Commercial Expo

Las Vegas Market 2010

Date: January 28-February 1, 2010

Frequency: Yearly

Year of the first event: 2005

Venue: Beijing Museum of Natural History

Exhibits: Bedroom furniture, office furniture, kitchen furniture, living room furniture, bathroom furniture, children's furniture, indoor decoration material, and hardware

Host: Organizing Committee of Las Vegas Market

Organizer: China Council for the Promotion of International Trade Construction Industry Sub-Council

Add: Rm 125, South Building of Ministry of Construction, No.9 Sanlihe Road, Haidian District, Beijing, China, 100835

Tel: 86-10-88372582

Fax: 86-10-88372582

Email: zgmchjs@163.com

Contact Person: Li Haixia



2010 Hebei (Shijiazhuang) Spring Festival Folk Goods Expo

Date: January 14-January 21, 2010

Venue: Shijiazhuang People's Conference Center National Flag Square

Exhibits: candy, wine, food, daily goods, gifts, garment, etc

Host: Shijiazhuang Government Commodity Trade Fair Management Office; Shijiazhuang Municipal Industrial and commercial Union; Shijiazhuang Commerce Union

Organizer: Shijiazhuang People's Conference Center, Shijiazhuang Shangmao Exhibition Co., Ltd

Tel: 86-311-86720871

Contact Person: Mr. Zheng

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

The 6th China(Shanghai)Food Fair

City: Shanghai

Venue: Shanghai Everbright Convention & Exhibi-

tion Center

Duration: January 18- January 21, 2010

Host: Shanghai Society of food science

Organizer: Shanghai Fulemi Exhibition Co., Ltd

Tel: 86-21-64278273

Fax: 86-21-64279573/64642653

Contact Person: Li Lin

Email: cheng7102@126.com



The 9th Nanjing (China) Spring Festival Food & Commodity Trade Fair

Duration: January 26-February 2, 2010

Venue: Nanjing International Exhibition Center

Frequency: Yearly

Sector: various special, name brand, new food products, green food, health care food, grain, oil, snack food, quick frozen food, meat and poultry, spice, dairy, roasted seeds and nuts, agricultural products, various wine, beverage, coffee, tea, etc

Add: No.6 Building, Jiangsu Productivity Promotion Center, No.189, Longpan Road, Beijing, 210042

Tel: 86-25-85291898

Fax: 86-25-85403715

Web: www.new-exhibit.com

E-mail: marker@new-exhibit.com

The 11th China (Dongguan) International Footwear Machinery & Material Industry Fair

Duration: March 5-March 8, 2010

Venue: Guangdong Modern International Exhibition Center (GDE)

Frequency: Yearly

Tel: 86-21-6304519-277

Fax: 86-21-64181136

Add: Room 1005 West Building Jinyulan Square No.1 Dapu Road, Shanghai, 200023

E-mail: fengyi@xt-sh.com

Jewelry, Watches and Clocks, Glasses

2008 China (Shenzhen) International Gold, Jewelry & Jade Exhibition

Duration: February 28-March 2, 2010

Frequency: Yearly

Venue: Shenzhen Convention & Exhibition Center

Sector: gem, jade, pearl, diamond, etc

Add: Room 1151-1153, China Hotel Commerce Tower, Liuhua Road, Guangzhou

Tel: 86-20-86660158

Fax: 86-20-86677120

E-mail: info@cmpchina.com

Macao International Clock & Jewellery Exhibition

Duration: February 28- March 2, 2010

Frequency: Yearly

Deadline for Application: January 30, 2010

Venue: Convention and Exhibition Center The Venetian Macau

Exhibits: Jewellery, Diamond, Switzerland Clocks, etc.

Web: www.macaunjewelryfair.com

Tel: 852-34282626

Fax: 852-31050036

E-mail: info@macaujewelry.com



Entertainment, Film and TV Programs, Leisure

The 10th China (Wuhu) International Tourism Commodities Exposition

City: Wuhu

Venue: Wuhu International Convention and Exhibition Center

Sector: tourism, travel articles, craftworks, gifts

Founded in: 2000

Frequency: Yearly

Host: CCPIT, China Tourism Association, China Light Industry Machinery Association

Organizer: CCPIT Anhui Sub-Council, Anhui Province Tourism Bureau, Wuhu Municipal People's Government

Address: F7, Block C, Weiji Tower, Zhongshan Road, Wuhu

Postcode: 241000

Tel: 86-553-3820057

Fax: 86-553-3820057

Web: www.ccpitwuhu.com

Project Manager: Wang Fangbao

China Xiamen Sporting & Leisure goods Fair & China Xiamen Fitness Equipment Show

Date: March, 2010

Frequency: Yearly

Founded in: 2004

Venue: Xiamen International Conference & Exhibition Center

Sector: sports, recreation products, body-building equipments

Web: www.sgfxm.com

Add: Room 1102, Building 11, Puli Garden Plaza, No.199, Bailuzhou Rd., Xiamen, 361004

Tel: 86-592-2233066

Fax: 86-592-2229093

E-mail: info@sgfxm.com

2010 South-East Asia (Guangxi) International Sports&Leisure& Tour Exhibition

Duration: March 17- March 19, 2010

Venue: Nanning International Convention & Exhibition Centre

Address: Room 210, Industry Plaza, No.49, Jianzheng Road, Nanning, Guangxi, China

P.C.: 530023

Tel: 86-771-5657698 5657311

Fax: 86-771-5657311

E-mail: cvexpo2007@126.com

Toys, Gifts and Craftwork

Hong Kong Toys & Games Fair 2010

City: Hongkong

Venue: HK Convention and Exhibition Centre

Duration: January 7-January 10, 2010

Host: Hong Kong Trade Development Council

Tel: 00852-2584-4333

Fax: 00852-2824-0249



Medical Care, Health Care

China Medical Appliance (Shandong) Expo

Date: March, 2010

Frequency: Yearly

Venue: Jinan Shungeng Convention & Exhibition Center

Add: No.182, Werier Road, Jinan, 250001

Tel: 86-531-82076576

Fax: 86-531-82075676

E-mail: Ccpit_zgq@jn.gov.cn

China International Adult Toys & Reproductive Health Exhibition (ADD/China Adult-Care Expo)

Duration: March 8-March 10, 2010

Frequency: Yearly

Venue: Shanghai International Exhibition Center (INTEX)

Sector: adult toys, reproductive healthcare products, medical treatment apparatus, videos & CDs

Add: 6, Beisanhuan East Road, Beijing, China, 100028

Tel: 86-10-84600368

Fax: 86-10-84600767

E-mail: overseas@ciec.com.cn

International Medical Equipment Design & Technology Exhibition and Conference China (MEDTEC CHINA 2010)

City: Shanghai

Venue: Intex Shanghai

Sector: Assembly Equipment and Production Machinery, In Vitro Diagnostic Devices, Precision Technology, Medical Electronics, Raw Materials for Every Application, Packing & Sterilization Equipment, Plastics/Disposable Devices and Diagnostic Equipment

Founded in: 2005

Frequency: Yearly

Host: CCPIT Shanghai Sub-Council, Canon Communications LLC

Organizer: E21 Magicmedia Co., Ltd

Address: Room 307, No.28, Jinling West Road, Shanghai, China, 200021

Tel: 86-21-63870211

Fax: 86-21-63853791

Contact Person: Xuandong Cheng

Web: www.medtecchina.com

Email: chengxuandong@cpitsh.org

2010 The 8th Medical Appliance Technology Equipment (East China) Exhibition

Duration: February 26-February 28, 2010

Frequency: Yearly

Venue: Xuzhou International Convention & Exhibition Centre

Address: Room 234, 2rd, Xuzhou International Convention & Exhibition Centre

P.C.: 221008

Tel: 86-516-83873366/83873055/83200789/83876758

Fax: 86-516-83200058

E-mail: stzl-888@163.com



The 10th Northwest Medical Apparatus (Lanzhou) Expo

Date: March 2010

Frequency: Yearly

Venue: Lanzhou Municipal Sports Exhibition Hall

Web: www.yfexpo.com

Tel: 86-931-8113839/2937036/13088737023

E-mail: gsyafei_show@sina.com

Agriculture, Fishery, Animal Husbandry, Horticulture

2010 Zhuzhou Green Superior Special Products Exposition and the Spring Festival's Goods Purchase Meeting

Duration: January 18, 2010

Venue: Middle-South Hall of Zhuzhou Shifeng District

Add: 2F Changsha Hongxing International Convention & Exhibition Center, Zhongyi Rd, Changsha 410016, Hunan, China

Tel: 86-731-2886968

Fax: 86-731-2886967

Web: www.difuchina.com



2010 Chongqing Western China International Agricultural Products Fair

Date: January 9-January 12, 2010

Frequency: Yearly

Year of the first event: 2003

Venue: Chongqing International Convention and Exhibition Center

Exhibits: agricultural production bases, agricultural products processing enterprises, agricultural products dealers, agricultural materials distributors, agricultural machinery manufacturers, buyers of agricultural products

Web: www.qqcg.com

Host: Ministry of Agriculture, People's Government of Chongqing

Organizer: Chongqing Agriculture Committee

Add: 27 Floor, Dihaomingdu, Chenjiaping, Gaoxin District, Chongqing, China, 400039

Tel: 86-23-68670183

Fax: 86-23-89088396

Email: 66094955@qq.com

Contact Person: Zheng Xudong

China International Fishing Supplies Trade Exhibition 2010

Date: February 24-February 26, 2010

Frequency: Yearly

Venue: China Int'l Exhibition Center

Address: Room 1518 Huayuelong Building District Beijing, 100043

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Love Creation

= Money Industry

Love
and Money

By Alice

On Nov 25, 2009, the magnificent “Love & Money-50 Years of Creative Britain” was opened for the first time at the 2nd China Trade in Services Congress was hosted by MOFCOM and Beijing Municipal Government and with sponsorship and patronage by UKTI, the British Embassy to China and BBC Worldwide.

Hu Jingyan, the director of the Department of Trade in Services of MOFCOM, Chris Wood, the Deputy Ambassador of the British Embassy, together with other governmental delegates and business representatives from both countries, attended the influential symposium. Many world-known creativity celebrities and masters, including Christine Losecaat, senior consultant of creative industry of UKTI, Paul Priestman, founder of Priestmangoode of the premier design agent in the world, Daryl Arnold, CEO & father of Profero, a leading global digital ad giant, Zhang Guoli, GM of BBC Worldwide in charge of China market, constitute the mission of British creative industry, and more than heads from 100 “Key Cultural Exporters of National Name-Brands” of Chinese creative industry attended the congress and made it a festive gatherings.

After the magnificent “Love & Money-50 Years of Creative Britain” was opened for the first time at the 2nd China Trade in Services Congress, UKTI held an introductory briefing of British creative industry, a press conference of UK-China cooperation in creative industry and an advanced roundtable for promoting UK-China trade in services.

The “Love & Money-50 Years of Creative Britain” is an epitome and representation of top-ranking products and services of British creative industry in the past 50 years. In the global market of fierce competition, the international enterprises need to take advantage of the creative capacity and fruit of individual and social sectors, so as to create market value, which is a successful model of business mode set by British creative industry. The “Love & Money-50 Years of Creative Britain” is a multimedia based documentary of UKTI for introducing blooming British creative industry to foreign countries, and which shows the leading products and services of Britain in the field of creative industry in the world in the past five decades. The publicity has coverage of ad, architecture, design, fashion, movie, cartoon & animation, performance art and publishing industry.

Many scenes familiar with Chinese audience are included, such as the 3rd Airport Terminal of Beijing Capital International Airport

designed by Norman Foster, Harry Potter by J.K. Rowling, Millionaire the blockbuster of Oscar Award directed by Daniel Boyle, the Planet Earth produced by BBC



Worldwide, the Oscar winner of Wallace and Gromit produced by Aardman Animation, and etc. The quite sense of the documentary shows perfect combination of creative design and business hit, which is a successful apotheosis of the business mode of British creative industry.

Presently, China is enjoying the most rapid growth in creative industry in the whole world, and Chinese government and enterprises are actively accelerating and improving the level of trade in services for other countries. As one of the most dynamic markets of creative industry, the United Kingdom has established the classical demonstration of sustainable



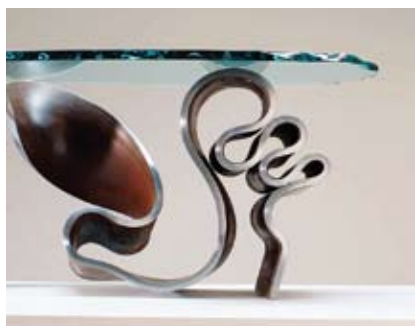
and innovative development all the time, and British creative industry is characterized by strong foothold of persevering in traditional and professional services, so that provide diversified creative products and services for clients from all over the world. With ample human resources of creativity and established industrial mechanism and mature & advanced concepts, the enterprises and professionals from the creative industry of both countries will be benefited in terms of long and stable partnership, so as to create a new economic impetus and make more contribution to global creative industry.

The originality, delicacy and professionalism of British creative industry and the ambitious international competition of Chinese name-brands are solid basis for UK-China cooperation in the new century.

As commented by the deputy ambassador from British Embassy to China, that “we’re pleased that MOFCOM and Beijing Municipal Government hold this profoundly meaningful “Love & Money-50 Years of Creative Britain” at the 2nd China Trade in Services Congress, which is a landmark of a new epoch of UK-China cooperation in creative industry.”

British creative industry is a legend of sustainable and innovate development from foundation, and which persists in the traditional and professional strong points, so that render powerful creative and business partnership for overseas countries.

According to Paul Priestman, CEO of Priestman Goode, who has signed a design contract with China Sifang Locomotive Corporation Limited, Paul said “Our work in the transportation field has taken us into a global competitive forum and by working with leading manufacturers such as Airbus and Sifang, we are able to influence the design of future planes and trains in lots of different markets. We are constantly seeking opportunities in new sectors and markets to ensure that our team have new creative challenges and that we are able to transfer the expe-



rience and skills we gain working in such diverse sectors.”

The British creative industry is in itself of broader international view and more influence, which fully embodies British social structure, national culture, international communication, strong conservation of international talents and attraction. says Paul Garside, Director Nissan Design Europe “Nissan’s Design Centre is developing vehicles at least four years before they go on sale in various continents, so it was crucial to select a city which gathers forward thinking, multi-cultural professionals from various industries. Comprising an eclectic array of inspirational fashion, architecture and culture, London appeared as the natural location for Nissan Design Europe by offering cutting edge trends to stimulate our innovative designers”.

Steve Macallister, MD Sales and Distribution, BBC Worldwide: “The UK produces truly outstanding television content. As the programs in ‘Love & Money’ show, they travel the globe, breaking down geographic, political and social boundaries, delighting audiences everywhere. In taking these programs out to the world, the television distribution industry offers an unparalleled platform to showcase and foster the UK’s most creative talent, whether that’s in front of the camera or behind it.”

The TV ‘Wild China’ co-produced by BBC Worldwide and CCTV wins many Emmy Award titles and tremendous commercial success, which is authorized copyright to more than 50 countries through BBC Worldwide. So far, China has been experienced the most rapid development in global creative industry, and Chinese government and enterprises are actively accelerating and promoting the level of creative industry. As to UK, one of the most important and vigorous creative industrial markets in the world, the ample individual creativity is deeply

rooted in native society and culture and featured by novelty, wisdom and proficiency. By favorable cooperation of innovative and friendly creativity, the leaders, experts team, enterprises and scientific pioneers of British creative industry, they’ll produce numerous delighted development fruits in global interdisciplinary co-operation field.

According to Christine Losecaat, the senior adviser of creative industry of UKTI, “Love & Money – 50 Years of Creative Britain is an exhibition that celebrates the successful combination of commerce and creativity. It is this combination that makes the UK creative sector an economic force as well as being a significant contributor to global culture” says Christine Losecaat, Curator and Creative Industries Adviser to UK Trade & Investment.

With unceasing development and demand of creative industry in China, UKTI will be dedicated to intensifying UK-China cooperation, and the world will see numerous brilliant creative activities at the 2010 Shanghai Expo. To conclude, UK-China cooperation in creative industry will certainly create a better future. ©

Links

UK Creative Industries

The UK market sells creativity to the world: exports totaled approximately £16 billion in 2006, which is 4.3 percent of all UK exports. The UK has the largest Creative Industries sector in the EU. In 2008, it comprised an estimated 157,400 businesses. Businesses and consumers have a voracious appetite for UK Creative Industry products and services: in 2006, the UK Creative Industries accounted for 6.4 per cent of UK Gross Value Added (GVA).

The likely most feverish business soon Aurora of Prosperity Ahead, Cultural Creative Industry Needs Patience



By Yan Manman

Cultural creative industry is another buzz phrase in the economic circle in China recently aside from the “new energy industry”. With the Planning for the Revitalization of Cultural Industry coming out, it aroused hot debate and much concern from all walks of life. And the 4th China Beijing International Cultural & Creative Industry Expo further boosts the growth drive in this burgeoning industry. However, it is an emerging industry in China anyway, for some of its unique features from the traditional matured industries, the development of this industry still needs exploration. The fund-raising, the feasible value chain, the optimal profitability mode as well as the appropriate policy support actually are all being groped by different agents.

Where to seek funds

VC's apprehension

At present, most of VCs are still not so willing to shower money upon this industry since at the current stage it is still not so easy to reap money from this field. The reporter learned from the International Forum on the Development of Cultural and Creative Industry in China that there are several reasons.

Neil Shen, Founding Managing Partner of Sequoia Capital China, said that the film industry, though growing at an astounding speed in recent

years, is still lacking a complete value chain. According to him, in the cultural creative industry, one is not allowed to focus singly on production. In the film industry, the reality is one out of ten films invested makes money. One film the investors invest to produce makes profit doesn't mean profitability of the next. The investors need somewhat certainty and stability. Therefore, Mr. Shen said that what they were trying to do was building a complete value chain.

Liu Xiangming, media veteran in China, previously the Publisher and Editor-in-chief of CEOCIO China Magazine, threw up a question: “Unlike other traditional industries based on capital, technology or even natural resources, which could run quite smoothly as there is a mature structure, in the cultural creative industry, many are closely related to

the people, so to speak based on people. A good mode or a good team would bring sustainable development. However, people are flowing, not fixed, and or it could said that people are not sustainable. So be the institutional investors make sustainable money is really a question.” A key figure may influence the success of one enterprise which just reminded me of the earthquake of Caijing Magazine owing to the personnel change. That’s also one reason why the big institutional investors seldom put money in this field. In the words of Andrew Yan, CEO of SOFT-BANK Asia Infrastructure Fund (SAIF), the media is deeply associated with the individual. There are more than 20,000 media companies, 90% of which are individual ownership in Beijing enterprise. It is really hard for the individual ownership enterprises to obtain the investment from the institutional investors.

VC’s another concern is the government’s role. What they want is the environment the government creates for the growth of this industry, but not the direct participation in the industry. What they worry is too much regulation from the government and the coordination of different departments in this industry as well as the efficiency of the government’s decision making.

Ask government for money

Long Xiaowen, Director of Beijing Cultural and Creative Industry Promotion Center, indicated that from 2006 till now, Beijing has appropriated the special funds of RMB 2 billion for cultural and creative industry, RMB 500 million each year. The key fields that the government supported include culture and art, publishing, film and TV play production, curio trade, tourism, creative design, ads & exhibition etc with one or two as a key supporting industry every year. In the last two years, the emphasis is put on the animation and online games. Next year Beijing government would implement investment guide funds. The government would invite tenders publicly and then the bid winner joins the guide funds to

incorporate investment companies to invest in the cultural and creative industry. The government does not control the stocks and also not run for the purpose of making profit. The investment institutions like the VC are required to invest in the cultural and creative industry first and have at least registered capital of RMB 50 million. Meanwhile, they must have senior managers who have over 5-year professional experience in investing in culture-related industries.

Since the government plans to propel the development of this industry, the guide funds are certain to follow, which is in no doubt the good news for those cultural SMES that really have creative ideas or high-tech, with great potential to grow.

The era of content as king not come yet

According to Neil Shen, Beijing Fleet Entertainment Co.,Ltd they invested is making the transition. In the past, what they believed is content is king. However, the advertising industry may not hold a quite large enterprise. It is not easy to rake money by depending solely on the sale of the content. Whether TV play or movie, both in the same way, are difficult to be sold at good price, too. Therefore, they are making a trial in Fleet Entertainment, hoping to make it some kind of life style or some products. There is really a good momentum.

In Neil Shen’s words, the era that the content is king doesn’t come yet. Content has many forms to be shown out, and the creative content could be industrialized in the future, which would create greater values.

Hugo Shong, Founding General Partner of IDG Capital, also expressed that his very interest was how to integrate the traditional show business and publication, etc whatever to the internet digital publishing, which was the largest space for development.

With great potential, aurora of prosperity ahead

Admittedly, the cultural and creative industry is still at the start-up stage, lagging behind from some developed countries. For example, the largest export program in the America is Boeing plane, and the following up is Hollywood’s movies. However, Andrew



Anyway, the golden time not come yet, all the businesses still need patience.

Yan said at the Forum that in China, the revenue of the film added by TV plays industry just equal the total income of the China Mobile’s short message business. China, with more than 1.3 billion population, breeds a huge market. The start-up phase and the yet unmarked market both indicate the great potential for the businesses to explore. The gold mine is still not discovered yet.

Besides, the government’s policy would be more and more favorable for the development of this industry. The coming out of Planning for Revitalization of Cultural Industry, the reform of the media-related undertaking institutions oriented by the market as well as the preferential policies of local areas will all provide impetus for the taking off of this industry.

It should be noted that the government is gradually relaxing the regulation on media, though a little bit slowly. For example, the separation of production and broadcasting undoubtedly would bring inestimable impact on the industry.

Whatever, it is indisputable that cultural and creative industry in China has great potential for growth. Borrowing Neil Shen’s words, “The aurora is ahead. Huayi Brother’s hundredfold PE ratio can happen to many companies in the future in this industry and the cultural and creative industry is likely to be the most feverish business then.”

“At the start-up stage for the enterprises in the cultural and creative industry, the foremost thing is not capital, but originality and thinking.” Said Chairman and Managing Director of Beijing Huajiang Culture Development Co., Ltd. ©



SUPPLY INFO

2009 China Market Suppliers List

Company Name: Quanzhou Dason Imp&Exp Trading Co., Ltd

Company Profile: Quanzhou Dason Imp & Exp Co Ltd owns bag and shoes' factory, which is a firm specializes in various bags and shoes.

We are in the bag lines for more than 15 years with around six-thousand-square-meter modernization building, which including development, sample room, workshop, store, cutting room and so on. The production capacity is around 30,000 bags.

The bags we are specialized in are school bags, travel bags, laptops, climbing bags, duffle bags, drawstring bags, belt, and backpacks and so on. They are popular in Europe, North America, Middle East and other areas.

We get to start to develop the shoes line in 2000. Every month, we make the new designs around ten styles for our customers. Like the casual shoes, hiking shoes, garden shoes, Eva shoes, wheel shoes, leather shoes, slippers, sandals and so on.

Contact Person: Janice
Tel: 0086-595-68238555
Fax: 0086-595-68238829
Post Code: 362000
Email: janice@qzdason.com
Website: www.qzdason.com

Company Name: Quanzhou Yifeng Trading Co., Ltd

Company Profile: Quanzhou Yifeng Import & Export Co., Ltd is located in the Quanzhou City, Fujian Province, China. Backed by years of experience, our main business scope covers bags, shoes, garments, textiles and their accessories. Thanks to their competitive price, fashion, comfort, and quality, our company's products are attracted by countless customers including the Africa, European, America, Middle East, Japan, Korea, Southeast Asia and etc.

Moreover, with excellent after-sales service and timely delivery, we have won a good reputation and cred-

ibility from customers. It is our pleasure to work together with our customers to develop new products and explore international markets on the basis of mutual benefits for both sides. For further information on our series of products, please feel free to contact us with your detailed inquiries.

Contact Person: Miss Tracy
Tel: 0086-595-28006622
Fax: 0086-595-28006611
Post Code: 362000
Email: best2009@yahoo.cn

Company Name: Quanzhou Eubon Imp. & Exp. Co. Ltd

Company Profile: Quanzhou Eubon Imp. & Exp. Co., Ltd is specialized foreign trade companies which concentrate on develop, manufacturing and distribution of sport and leisure garments, baby and children's garments as well as bags.

Eubon is a young but vigorous company with a professional team working for it; its members are only 27 years old on average, and a 8 years experience in the line. Eubon has applied with advanced OA systems which enable them to keep easy track of work, from the very beginning of sampling to delivery to customer, thus they can always provide quick solutions to whatever challenges that may arise during production. Eubon wins a good reputation with its strong exploring ability, good faith, reliable delivery and good quality.

Contact Person: Owen Lin
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Fax: 0086-595-28120069
Post Code: 362000
Email: owen@eubon.cn
Website: www.ecorsports.com

Company Name: Fujian ChoiceSet Bags & Accessories Manufacturing Co., Ltd

Company Profile: Our company Fujian ChoiceSet Bags & Accessories Manufacturing Co., Ltd. is located in Huinan Industrial Area, Quanzhou City, China, featuring more than 300 products, our

catalog has almost everything you need, from Backpacks, Beach Bags, Brief Cases, Bum Bags, Cooler Bags, Cosmetic Bags, Drawstring Bags, Handbags, Purses, Wallets, Sports Bags etc.

All types of material including leather, PVC, Neoprene, Nylon, Polyester & PU etc... All material is BS EN71, Phthalate norms, dye tested for compliance. Full branding capabilities including artwork origination, printing, and embroidery foil & embossed. We nearly have 400 workers, which are divided into 9 production lines. We offer good bags products with competitive price, reliable quality, prompt delivery and efficient service. We warmly welcome you to cooperate with us so as to create a beautiful tomorrow and build up long-time business relations with equality and mutual benefit.

Contact Person: Ms. Phoebe
Tel: 0086-595-27807588
Fax: 0086-595-22548386
Post Code: 362122
Email: sales@choiceset.com
Website: www.choiceset.com

Company Name: Fuzhou Pingchi Imp & Exp Trading Co., Ltd

Company Profile: Our factory is specialized in producing of various sport shoes for more than 10 years. Covering an area of 2,500 square meters and with 230 workers, our factory has 20 cutting lathes, 130 sewing machines and 2 molding lines. We produce all kinds of sport shoes, such as bowling shoes, golf shoes, basketball shoes, football shoes, running shoes, hexing boots and so on.

The considerate service will be offered and a prompt reply is promised within 24 hours and the normal samples could be presented within 7-10 days. The orders could be finished within 30 days after your confirming of the samples.

Contact Person: Ansen
Tel: 0086-591-87559630
Fax: 0086-591-83784637
Post Code: 350025
Email: sales6@pingchi.net
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Vital Contents of China's Foreign Trade in 2009

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Marco-economy	Agriculture
Chemical	Light Industry
Textile	Auto
Energy	Transportation
Finance	Culture

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Sign A Contract

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Go to Zhongguancun

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Action! Local CCPITs!

POLICY

Fiscal Policies Amid the Global Downturn

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Labor Contract Law Vs. Employment

FAIRS & EXPOS

INDUSTRY

Time to Build Our Own Ship

EXCHANGE

China-Egypt, Closer in Crisis

Investing in Japan? Statistics Speak

Brands & Channels

UPDATE

Im/Ex in Feb Continues to Fall

RULE

Detailed Rules for Implementing the Interim Regulations of the People's Republic of China on Business Tax

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No.7

BI-WEEKLY WATCH

Figure	Agriculture
Energy	Chemical
Steel	Auto
Light Industry	Textile
Electronics	Transportation
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Finance	Investment

SPECIAL REPORT

Benefit from Trade Protectionism?

Protectionism: Past, Present & Future

Economy Stimulating Needs No Protectionism

Protectionism: Drinking Poison to Quench Thirst

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Guiyang, The Forest City

POLICY

Bonds Issued to Bail Local Governments out

The Progress, Challenges and Countermeasures of the Labor Contract Law

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Canton Fair, World Festival

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CPPCC Members Talk about the Shanghai

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Preparation Briefing Meeting for Shanghai

FAIRS & EXPOS

GLOBAL

Forecast of China's Economic Growth to Reach 7.5% in 2009

EVS25, Calls for Sustainable Mobility Revolution
Sino-UK Advanced Engineering Cooperation Set off

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Sugar and Alcoholic Fair Closed in Chengdu

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Seeking Chance in the Crisis

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Extensive Dialogues and Cooperation

LOCAL

Huangshan, Approach to Internationalization
Lijiang: From Brand to Strength

RULE

Circular of the State Administration of Taxation on Revising the Quoted Clauses of Laws and Regulations in Several Regulatory Documents on Value-added Tax

Measures for the Administration of Prohibited and Restricted Import of Technologies

SUPPLY INFO

No.8

BI-WEEKLY WATCH

Figure	Agriculture
Mining	Environment
Auto	Steel
Chemical	Textile
Electronics	Transportation
Investment	Finance
Culture	WTO

SPECIAL REPORT

Call for Textile Economic Recovery
Trade Statistics: Cotton Yarn & Fabric in Feb.
Textile Industry: Stimulus Plan Laid out as It Suffers

Colorful Yarn, Beautiful Picture

No Cross, No Crown

— China's Garment Brands in Economic Crisis In or Out?

China Textile "Going Out",

— Egypt, Opportunity for China Textile

Textile Exhibition Calendar 2009

Invest in Textile in Western China?

CHINESE TIPS

Market Research

CITY

Chengdu, the Land of Abundance

EXHIBITION

Art of Innovation — Auto Shanghai 2009

WORLD EXPO

Expo Promotion Week Starts in Tokyo

FAIRS & EXPOS

EMBASSY

Mexico Wants to Attract Chinese Tourists

CCPIT

Vice-chairman Wang Jinzhen Meets with John Frisbie, President of the US- China Trade Commission and the Delegation

EXCHANGE

China Cooperation: East and West
Shenyang City to Host Asian Aerospace Congress

GLOBAL

New Phase Between China and France
G20: More Action to Shore up Global Economy

UPDATE

Im/Ex in March Witnesses Recovery Signal

RESEARCH

Winning in Global Value Chain:
A Shifting Strategy of Chinese Companies

RULE

Circular of the Ministry of Commerce on Further Improving Examination and Approval of Foreign Investment

No.9

BI-WEEKLY WATCH

Figure	Agriculture
Steel	Electronics
Textile	Light industry
Chemical	Environment
Transportation	Health
Finance	Investment
Culture	WTO

SPECIAL REPORT

Shipbuilding Industry, Ready to Sail

Expecting A Brighter Future?

Diagnosis of Dry Bulk Shipping Market

"E-Hub" for International Shipping

China's Port Industry: Competitiveness First!

INDUSTRY

2008 China Port Top 25

CITY

Xi'an, the Eternal City

FAIRS & EXPOS

EXHIBITION

COTM 2009 Beijing, For Travel and Tourism

SIAL China 2009, Boosting International Food Trade

EXCHANGE

Canton Fair, Goes Well Despite Slowdown

Fruits Proves Confidence

China Business Delegation Visits U.S and Canada

A Lake Dream in Asia

GLOBAL

IBF Launched in China

France Welcome Chinese Business Delegation

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Shandong: Garlic Export Situation and Measures to Expand Exports

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FDI Fell Down in Q1 of 2009

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Investment Projects in Western China

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China's Banking Reform in Progress

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China's Tough Road to Economic Recovery

CCPIT

China-Costa Rica Entrepreneurs Conference Successfully Held

WORLD EXPO

The Seventh Conference of the 2010 Shanghai World

Exposition National Organizing Committee held in Beijing

RULE

Circular on Several Issues concerning Tax Policy for Supporting the Development of Cultural Enterprises

SUPPLY INFO

No.10

BI-WEEKLY WATCH

Figure	Agriculture
Auto	Steel
Chemical	Textile
Light Industry	Electronics
Transportation	Environment
Investment	Finance
Culture	Health

SPECIAL REPORT

Chinese Opportunity for Outbound Investment?

Wang Chao: Vast Opportunities for "Going-out" Enterprises

Figures from State Administration of Foreign

EXCHANGE

Suggestion from NRDC for China Overseas

INVESTMENT

Tax Policies and the "Going-out" Strategy

Hong Kong-Ideal Access For Mainland Enterprises

Giant Hugs in Bad Times

Duesseldorf: An Attractive City for Investments in Germany

CITY

Suzhou, Paradise on Earth

INVESTMENT INFO

Investment Projects in Western CHINA

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How to Deal with the Profits of State-owned Companies?

Positive Effects From Shrinking Investment

RESEARCH

China's Banking Reform in Progress (Part II)

FAIRS & EXPOS

WORLD EXPO

Expo Countdown Kicks off

CCPIT

CCPIT Meet with Delegation from Sino-Britain Trade Association
China-Spain Investment & Trade Seminar Held in Barcelona

GLOBAL

Navigating the Changing Economy
Japanese PM Taro Aso Visited Beijing
EU-China Focus on Economic and Trade High-Level Mechanism

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April, Another Recovering Month for Im/Ex

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Business Dispute

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Being A Chinese, Behave Patriotic even Overseas

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Interview with Sun Bingzhong, and His Sunmart

A Decade Miracle: Wuxi Sunmart

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Measures of the General Administration of Customs of the People's Republic of China for Implementing the Regulations of the People's Republic of China on Customs Protection of Intellectual Property Rights

No.11

BI-WEEKLY WATCH

Figure	Agriculture
Energy	Chemical
Steel	Auto
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Electronics	Transportation
Science	Health
Finance	Investment

SPECIAL REPORT

Electronic Information Industry: Calls for Upgrade and Reform

Encounters & Responses Trade Protectionism
An Overview of the Electronic Information Industry in 2008

Countryside, Rocky Road for Home Appliances

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Huangshan, The Magical Mountain

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China's Export, Still Tough Road Ahead

IMF: More Funding, More Reforming

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Then and Now

Strong Renminbi Policy & the Coming of Age of China's Outward FDI

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WORLD EXPO

Haibao to "Tour" the World

CCPIT

The Chinese Products Promotion Week (Europe), also the 2nd China-EU Cooperation Forum on Economy and Trade held in Hague

EXCHANGE

CHITEC, Innovation Changes the World
Chengdu, The Next Destination for International Conferences

GUIDE

Guide to Application, Transaction and Administration for Duty Reduction or Exemption
Guangzhou Cuxioms Guide to Clearance of Import/Export Goods

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Shaanxi Impressions

RULE

Measures of the General Administration of Customs of the People's Republic of China for Implementing the Regulations of the People's Republic of China on Customs Protection of Intellectual Property Rights (Part II)

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Make A Call (I)

SUPPLY INFO

No.12

BI-WEEKLY WATCH

Figure	Agriculture
Energy	Chemical
Environment	Steel
Auto	Electronics
Light Industry	Textile
Transportation	Culture
Investment	Finance

SPECIAL REPORT

Light Up the Light Industry

Light Industry Feels the Pinch

Warning: Export Sharp Decline

Beverage Company: Hotter Competition in Summer

Shoes and Toys: Victims of Anti-Dumpling

Yiwu, China's Brand in Small Commodity

Ways of Light Industry Development

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Mt. Changbai, The Northeast Diamond

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New Round of Petroleum Products Price Adjustment

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Im/Ex Difficulty Lasts in the First 5 Months

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WORLD EXPO

US Pavilion Position Paper on Sponsorship Released

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Overview of FDI in China

Finance and Foreign Exchange

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Zeebrugge Port, New but Modern Comer in China Biz

Sino-Russia Trade, Bearing Confidence in Crisis

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The 20th HTF Gained Hard Wins
Should CSR Be Ignored Due to the Economic Crisis?

The 4th Annual "A Legend of the Future China's Leading Enterprises of Tomorrow Award" Was Launched

Chinese Artists Presented on UN Public Servants' Day

2010 Para Games of Asia Slated For December 2010

RULE

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

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No.13

BI-WEEKLY WATCH

Figure	Agriculture
Energy	Chemical
Environment	Steel
Auto	Transportation
Light Industry	Textile
Finance	Investment
Science & Technology	WTO

SPECIAL REPORT

More Reasons to Love Shanghai

International Financial Centers Delta in China

Financial Hub? Be Patient!

Aim to International Shipping Center

Nonstop Flight Links SH&NY

A Gateway to Chinese Market

Tasty Business, Wine & Beverage

VOICE

This Is "My City"!

WORLD EXPO

"Walking into the World Expo" Exhibition

opens in Beijing

Talking to Mr. Loscertales

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China Calls for Overhaul of International Monetary System

Global Economic Crisis in TCM Concept

Business Confidence Survey 2009

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Iron Ore Talks, A Prolonged Race

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Ningxia, A Place of Wonders

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Fight Along With the WTO

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World Financial Leaders Met in Beijing

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Helping IDPs of Pakistan in Action

Protecting Copyrights on the Internet

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New Labor Contract Law: Not A Nightmare to Foreign Companies in China

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No.14

BI-WEEKLY WATCH

Figure	Agriculture
Energy	Chemical
Steel	Auto
Electronics	Textile
Health	Culture
Finance	Investment
Transportation	WTO

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China's Economy in H1:

Better Performed Yet Uneasy to Say Upturn

Outlook from China Q2 Data

Learn from South Korea

Sino-EU Trade, New Measures for 2009

Economists Concern about China's Reform and Revitalization

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Im/Ex Shrinking Slow Down in June

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Qinghai, The Green Sea

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Local Confidence – Global Opportunities

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Virtual Waterless Port:

"Bring the Port Forward"

CCPIT

China-Liberia Investment and Trade Forum Held

WORLD EXPO

Construction Started on US Pavilion

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EMBASSY

London 2012 as Springboard for Chinese Enterprises

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Seeking China Capital for Investment in Iran Oil Refining

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The 8th National Congress of Returned Overseas Chinese and Their Families Convened in Beijing
New Legal Platform for Intellectual Property in China

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Take A Taxi I

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Regular Workflow of the Customs on the Supervision and Control over the Import & Export Goods

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Provisions on Administration of Provision of Financial Information Services in China by Foreign Institutions

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No.15

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Figure	Agriculture
Energy	Chemical
Steel	Auto
Environment	Textile
Light Industry	Tourism
Finance	Investment
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SPECIAL REPORT

China's Overseas M&A in Global Economic Crisis

Focus on Transnational Corporations and Global Economic Revival

M&A in Mittal Steel Case

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Chinese M&A, Opportunities & Risks

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Dunhuang, the Pearl on the Silk Road

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What's Behind the Hype of Decoupling?

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Wan Jifei Met Szumski, the Polish Ambassador

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Five Points in One-line Strategy

Liaoning Coastal Economy: Cross-Regional Belt Economy

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ROK Pavilion to Get Glamour

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Feel Pressure Under China's Anti-monopoly Law?

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Never So Important

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

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Take A Taxi II

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Figure	Agriculture
Energy	Chemical
Steel	Auto
Electronics	Textile
Health	Transportation
Finance	Investment
Culture	WTO

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Goals: New-Energy & Low-Carbon

Low Carbon Economy: A Sustainable

Economic Development Model

Opportunities for A Low Carbon Future

China's Hydroelectric Power in Trouble
EMC Program, Emergency!

The CDM: How Could China Utilize It to

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China's Environmental Protection Industry:

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EU No "Plan B" Beyond Copenhagen

Veolia, Violet in China

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Sharing Diversity & Innovation

Promising Medicated Diet

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Canada Finance Minister: Welcome China's

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Analysis on China-ASEAN FTA Preferential

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Im/Ex Rebound Continues in July

Operation of the National Real Estate Market from Jan. to July, 2009

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Senior UNESCO Official Discusses Expo Exhibition

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AUTO SHOW

Zhongxing Pickup Show

COVER STORY

Legend of Pitaya

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No Business Is Safe

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Uneasy Road To Abroad
Exploring the Right Path to Success
Global Champions in Waiting
Hopes in the Crisis
CCOIC Rejects US Special Protective Case on Chinese Tires
“Going out” Calls for Role Models
MOC: Trade Friction with EU on the Rise, Negotiations Go First
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China – The end of the “V”

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A Kungfu Tea Ceremony
Travelers Connected to 12 Major Cities Via
One Easy Stop in Taiwan

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Summer Davos: We Have Confidence in China's Economy
Audi cars Sponsored to Summer Davos

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Investing in Georgia? Starting Small

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Fly Your Own Kite High

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Build A Milestone for the Great Wall

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Tink's Secret in Shanghai

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Coca-Cola's Acquisition Over Huiyuan Juice

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Provisions on Administration of Provision of Financial Information Services in China by Foreign Institutions

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Figure	Energy
Environment	Steel
Auto	Transportation
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Guangdong: Make It through the Hard Times
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Guangzhou, The Southern Gateway

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The Pursuit of Excellence

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Congratulatory Messages for 60th Anniversary of the Founding of PRC

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The Press Conference for the 7th China Auto International (Chile & Peru) Exhibition Tour Held

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Pittsburgh G20 Meet Must Vow to Keep the Torch of Global Recovery Burning

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Invest In Karnataka

Closer Cooperation in the Energy Sector with Dutch

China Playing Important Role in Steadying

World Economy, Zoellick Says

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Figure	Agriculture
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Steel	Auto
Transportation	Chemical
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More Understanding in Need

An Extravagant Lesson

Counter-measures of China's Export Enterprises under the Status of Anti-dumping

Take the Pulse of TCM in Western Countries

No TRT's Overseas Success without GAP and GMP

To Fail or to Succeed, It Is A Question

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Set Out, Chinese Auto's Latin-American Tour!

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Russia's China Year Embraces Chinese Auto to Russia

Chinese Car Is Great! Says Syria

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Heat Up Vietnam's Market

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Challenges and Opportunities for China's Auto Industry Amid Crisis

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The Path to Globalization

Developing Chinese Heavy Truck Industry

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Can *Pleasant Goat and Big Big Wolf* Save China's Animation Industry?
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China's Cultural Industry Development in Governments' Eyes

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Qufu: The Hometown of A Great Sage

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"Consumption Degrading" Era, Really Coming?

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Cultural Industry Related Investment Projects in Shunyi District Beijing

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60 Years of China's Foreign Trade

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Rethinking of the Fundamentals of International Law

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Danish delicacies served during Expo

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SCO Business Forum Wrapped Up in Beijing

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I Love China, I Love Indonesia

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China in Overcapacity Exacerbating?
Internal Innovation, The Hard Core
A Pause for China's Cement Industry
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Though Different Dreams, Same Bed Anyway
Clean Energy Cooperation Steering in Fast Track
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Curbing Industrial Overcapacity?

Chinese, Algerian Enterprises Seek to Expand Business Cooperation

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China-Russia Enterprises' and industrial Cooperation Promotion Committee Holding Meetings in CCPIT

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诚征来稿, 优稿优酬

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《中国对外贸易》(英文)杂志是一本创刊于1956年的国际经贸类品牌期刊,集专业性、商业性、高效性于一体,主要面向外经贸领域的政府官员、专家、学者、各国驻华使(领)馆和相关机构人士、国内外企业界理层、经营界人士等,读者遍及全球。

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China's Foreign Trade is a semi-monthly magazine in English on economics and foreign trade. It combines recent business news with the opinions of various industry experts. Since its debut in 1956, *China's Foreign Trade* has been an important bridge for the promotion of international cooperation, economic exchange and foreign trade between China and the world.

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