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FOREIGN TRADE

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SPECIAL REPORT

Redefining Regional Economic Layout

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http://www.ccpit.org

Lifestyle

ON STAGE

Indian Music and Dance Show

Time: 2010/1/29-2010/1/31
Venue: Beijing Exhibition Theater
Price: RMB 80/180/280/380/480/680/880
Ticket Package:1000 KAHI AEG LAGE Music Suite
Tel: 400-610-3721; 010-6417 7845 (English)

Ballet: The Lady of the Camellias

Time: 2010/2/3-2010/2/9
Venue: NCPA-Opera House
Price: RMB 180/280/480/680/880/1080
Presenter: The Hamburg Ballet
Tel: 400-610-3721; 010-6417 7845 (English)

Being adapted from literary masterpieces has always been the tradition of ballet; meanwhile, it has also become a challenge to ballet. Literature not only offers ballet rich nutrition but also makes ballet's standing point more difficult to settle, thus those famous dramatic ballets that could become a history must come from masters, and John Neumeier, the choreographer of *Lady of the Camellias*, is the best testimony.

Lady of the Camellias vividly portrays the characters' psychological world and skillfully depicts the dramatic plot, and it could be named the classic of dramatic ballet. The excellent arrangement makes full use of dance and stagecraft, which gives spectators a satisfied enjoyment. In Act I, Manon Lescaut, another famous courtesan, appeared on the stage and projected the tragic destiny of courtesans; the dance in this scenario not only presents the excellent choreography

but also vividly and in an unexpected way depicts the characters' psychological struggle and subtle change, and gives spectators a double shock on vision and heart.

Meanwhile, the unique stage design also contributes to the ballet's perfection. It not only has the luxurious aristocratic court but also includes the simple white space, which in a stage-oriented way presents to the spectators the huge contrast and strong contradiction between truth and illusion, reality and imagination, dream and recollection, hope and despair that appeared in the ballet, and directly touches the softest part of the human heart.

Dance Drama: Sound of Yunnan

Time: 2010/2/3-2010/2/5
Venue: Poly Theatre
Price: RMB 180/280/480/680/980/1280
Tel: 400-610-3721; 010-6417 7845 (English)

Every stone, every leaf, and every drop of water can make a sound, they are not simulative, but the sound of the true nature.

The Sound of Yunnan is the recent work by renowned choreographer Yang Liping, who is well-known at home and abroad for her peacock dance impersonation and ethnic Dai dancing, with music mainly based on percussion and choreography led by Yang Liping. It's another successful show after Yang's dance sensation "Tibetan Riddle" and "Dynamic Yunnan". For the best performance, Yang and her accompanies spent nine months searching various types of instruments and collecting different types of the sound of nature.

Irish Tap Dance Riverdance Beijing Tour 2010

Time: 2010/2/5-2010/2/11
Venue: Beijing Exhibition Theater
Price: RMB 180/280/380/480/580/680/880/980/1280/1680
Package price: RMB 1600 (RMB 980*2) / RMB 2000 (RMB 1280*2) / RMB 1400 (RMB 880*2)
Tel: 400-610-3721; 010-6417 7845 (English)

Composer: BELL WHELAN
Producer: MOYA DOHERTY
Director: JOHN MCCOLGAN

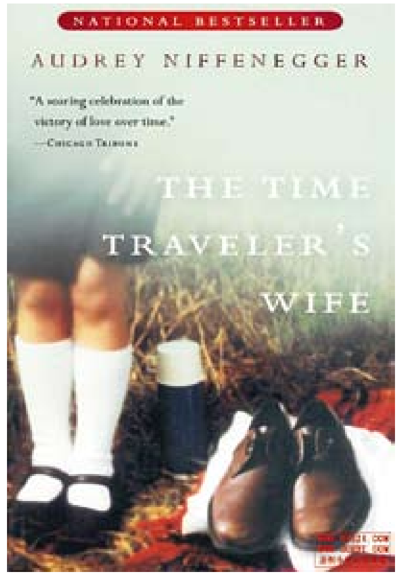
Riverdance is a theatrical show consisting of traditional Irish step dancing, notable for its rapid leg movements while body and arms are kept largely stationary.

Riverdance continues to be performed all over the world, albeit in a diminished format and in smaller venues than hitherto. Current productions are geared towards smaller theatres, whereas past productions have been performed in large theatres and arenas. Sets have therefore been simplified and some numbers contain fewer performers than in past productions (such as those seen on the Live from Radio City and Live from Arena Geneva DVDs). For example, current touring productions of the show have 20 dancers in the finale, "Heartland", whereas 24 were used in the original Dublin show and 32 were used in the arena shows.

BEST-SELLER

The Time Traveler's Wife

By AUDREY NIFFENEGGER



A dazzling novel in the most untraditional fashion, this is the remarkable story of Henry DeTamble, a dashing, adventuresome librarian who travels involuntarily through time, and Clare Abshire, an artist whose life takes a natural sequential course. Henry and Clare's passionate love affair endures across a sea of time and captures the two lovers in an impossibly romantic trap, and it is Audrey Niffenegger's cinematic storytelling that makes the novel's unconventional chronology so vibrantly triumphant.

An enchanting debut and a spellbinding tale of fate and belief in the bonds of love, The Time Traveler's Wife is destined to captivate readers for years to come.

Review

This clever and inventive tale works on three levels: as an intriguing science fiction concept, a realistic character study and a touching love story. Henry De Tamble is a Chicago librarian with "Chrono Displacement" disorder; at random times, he suddenly disappears without warning and finds himself in the past or future, usually at a time or place of importance in his life. This leads to some wonderful paradoxes. From his point of view, he first met his wife, Clare, when he was 28 and she was 20. She ran up to him exclaiming that she'd known him all her life. He, however, had never seen her before. But when he reaches his 40s, already married to Clare, he suddenly finds himself time travelling to Clare's childhood and meeting her as a 6-year-old. The book alternates between Henry and Clare's points of view, and so does the narration. Reed ably expresses the longing of the one always left behind, the frustrations of their unusual lifestyle, and above all, her overriding love for Henry. Likewise, Burns evokes the fear of a man who never knows where or when he'll turn up, and his gratitude at having Clare, whose love is his anchor. The expressive, evocative performances of both actors convey the protagonists' intense relationship, their personal quirks and their reminiscences, making this a fascinating audio.

 — *This text refers to the Audio CD edition.*

From Publishers Weekly

The Guernsey Literary and Potato Peel Pie Society (Random House Reader's Circle) (Paperback)

By Mary Ann Shaffer & Annie Barrows

Review

The letters comprising this small charming novel begin in 1946, when single, 30-something author Juliet Ashton (nom de plume Izzy Bickerstaff) writes to her publisher to say she is tired of covering the sunny side of war and its aftermath. When Guernsey farmer Dawsey Adams finds Juliet's name in a used book and invites articulate — and not-so-articulate — neighbors to write Juliet with their stories, the book's epistolary circle widens, putting Juliet back in the path of war stories. The occasionally contrived letters jump from incident to incident — including the formation of the Guernsey Literary and Potato Peel Pie Society while Guernsey was under German occupation — and person to person in a manner that feels disjointed. But Juliet's quips are so clever, the Guernsey inhabitants so enchanting and the small acts of heroism so vivid and moving that one forgives the authors (Shaffer died earlier this year) for not being able to settle on a single person or plot. Juliet finds in the letters not just inspiration for her next work, but also for her life — as will readers. (Aug.)

 — *This text refers to the Hardcover edition.*

From Publishers Weekly

"Traditional without seeming stale, and romantic without being naïve" (San Francisco Chronicle), this epistolary novel, based on Mary Ann Shaffer's painstaking, lifelong research, is a homage to booklovers and a nostalgic portrayal of an era. As her quirky, loveable characters cite the works of Shakespeare, Austen, and the Brontës, Shaffer subtly weaves those writers' themes into her own narrative. However, it is the tragic stories of life under Nazi occupation that animate the novel and give it its urgency; furthermore, the novel explores the darker side of human nature without becoming maudlin. The Rocky Mountain News criticized the novel's lighthearted tone and characterizations, but most critics agreed that, with its humor and optimism, Guernsey "affirms the power of books to nourish people during hard times" (Washington Post).

 — *This text refers to the Hardcover edition.*

From Bookmarks Magazine

Lifestyle

FILM

ANCIEN RÉGIME & WORLD FOR WORK

In January, the French Cultural Centre invites you to go back in time with a selection of films takes place during 'Ancien' Régime, the period between the end of Renaissance to the French Revolution; & in February presents a selection of French films about the world of work in various aspects: alienating or liberator ...

FRENCH CULTURAL CENTRE

French films with Chinese (and sometimes English) subtitles

Ticket price: RMB 20 (Students: RMB 10)

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

Free entrance on Monday

More information: www.ccfpekin.org

Fanfan la Tulipe

France, 2003

97 min

Director: Géeard Krawczyk

With: Vincent perez, Pénelope Cruz

Genre: Adventure, Comedy, Romance

In this 2003 remake of the classic 1952 French film, Fanfan la Tulipe is a swashbuckling lover who is tricked into joining the army of King Louis XV by Adeline La Franchise, who tells Fanfan that by doing so, he will eventually marry one of the king's daughters.

Sunday 31/01 – 17:00

Vatel

France, 2000

103 min

Director: Roland Joffé

With: Gérard depardieu, Uma Thurman, Tim Roth

Genre: Biography, Drama Français, sous-titré chinois

In 1671, with war brewing with Holland, a penniless prince invites Louis XIV to three days of festivities at a chateau in Chantilly. The prince wants a commission as a general, so the extravagances are to impress the king. In charge of all is the steward, Vatel, a man of honour, talent, and low birth.

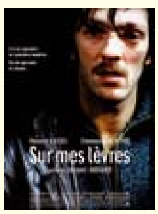
Saturday 30/01 – 19:30

Little Nothings

France, 1992 95 min **Director:** Cedric Klapisch
With: Fabrice Luchini, Daniel Berlioux, Marc Bergman
Genre: Comedy

Lepetit, an ambitious and determined man, is named the new CEO of a department store. His mission is to improve the store's financial position. He decides that the human factor will be his catchword and introduces new methods, which he also applied to himself. But tensions slowly arise between members of the staff.

Saturday 06/02 – 17:00 **Wednesday 10/02 – 19:30**



Sur mes lèvres

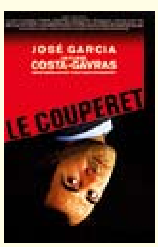
France, 2001 115 min **Director:** Jacques Audiard

With: Emmanuelle Devos, Vincent Cassel

Genre: Drama, Thriller

Young secretary Carla is a long-time employee of a property development company. Loyal and hardworking, first to arrive and last to leave, Carla is beginning to chafe at the limitations of her career and is looking to move up. But as a 35-five-year-old woman with a hearing deficiency, she is not sure how to climb out of her humdrum life. Into her life comes Paul Angeli, a new trainee she decides to hire. Paul is 25 years old and completely unskilled, but Carla covers for him when the need arises because of his other qualities - he's a thief, fresh out of jail and very good-looking.

Friday 05/02 – 19:30 **Sunday 07/02 – 17:00** **Friday 12/02 – 19:30**
Saturday 20/02 – 19:30 **Sunday 21/01 – 17:00**



The Ax

France, Spain, Belgium, 2005 122 min

Director: Costa-Gavras

With: José Garcia, Karin Viard, Ulrich Tukur **Genre:** Thriller

The thirty-nine years old executive Bruno Davert has been working for fifteen years in a paper company. After a merging operation with a Romania's company, he is fired in a downsizing. While unemployed for two years, Bruno loses his self-esteem and sanity and his family loses the middle-class lifestyle without cable television, Internet and regular consumption. He concludes that there is too much competition in his sector for a few job positions and decides to literally eliminate his competitors, killing those more qualified than him.

Sunday 07/02 – 15:00 **Sunday 21/02 – 19:30** **Friday 26/02 – 17:00**

ART & GALLARY

Asian Landmark — Toyota Art Project

Producer: Jiang Ruxiang, Qiu Chenfeng

Chief Curator: Xia Jifeng

Artists: Cui Jie, Dong Wensheng, Fei Jun, Han Lei, Hung Tunglu, Huang Wenhai, Jiang Chongwu, Li Hui, Li Qing, Qi Jiaming, Qin Yufen, Shi Jinsong, Su Wenxiang, Laurens Tan, Wang Luyan, Wu Xiaojun, Wang Yaqiang, Yu Bogong, Zhu Jinshi, Zheng Lu

Dates: 16 January 2010 – 28 February 2010

Venue: Iberia Center for Contemporary Art, E06, 798 Art Zone, No.4 Jiuxianqiao Road, Chaoyang District, Beijing

Iberia Center for Contemporary Art in collaboration with Beijing CN Management Consulting Company will launch a brave new initiative "Asian Landmark — Toyota Art Project" in the first month of 2010.

The global financial storm triggered by the U.S. subprime mortgage crisis is reshaping the economic, political and cultural patterns world-wide; meanwhile it offers an opportunity for renovation. Amidst the strong influence keenly felt in the gradually integrated Asia economy and culture, a brave new challenge and even an enormous opportunity emerge hand-in-hand with crisis, especially in China, a country undergoing drastic social changes.

The integration of Asia economy exerts a counterforce against the controlling power of the occident over the world market. Though the structure of economic and political systems in Asia is far from complete, the high-speed economic growth in China has been fueling the increasingly active trade and investment in Asia economy. Despite of the different stages Japan, South Korea and China are going through, their respective changes have put the entire East Asia into a common "critical structural transformation". Basically from a cultural point of view, the course of modernization in Asian countries displays a similarity to that of the occident. The entry of overseas capital has brought about an inevitable influence on the criterion of cultural values in Asia, including the most modernized Japanese society. Nevertheless, the value system based on the occidental criticism of modernity obviously cannot meet the cultural needs of oriental countries undergoing a radical change at the moment. This suggests the end of an era when Asian modernization has to follow the trends of the development of western civilization. More and more Asian countries begin to reposition their national legacy in a new context of social structure and mentality in a search for the origin of the Asian spirit, of the humanity, and of the art.

The formation of economic and cultural modernity in China has entered a stage of restructuring and reform. Comparing with the occidental countries, the time-span for individuals and corporations in China to accumulate wealth is relatively shorter and it happens in a more drastic way. The failure of the construction of the ethics of wealth to catch up with the accumulation of wealth results in a psychological rupture in Chinese society. In contrast with the rapid growth of individual wealth, the new Chinese rich failed to engage with the social responsibilities and cultural obligations; the fortune makers - entrepreneurs always find themselves in a moral conflict between the profit-making and sentimental concerns, and between the private and public interests. The obstruction blocking the wealth redistribution channels in the overall social institutions creates difficulty for many companies to build a compatible corporate concept and culture.

The above observation leads to the consensus that what we need is the balance between the growth of economy and the development of culture and a connection bringing together both the constructive force of private capital and the redemptive power of contemporary art so as to build a healthy market environment for culture and complete the construction of a self-contented art institution. In return, culture provides coordinate efforts for the renewal of corporate concept and image in favor of a more humanitarian management model and spirit. This is the intention of the present initiative "Toyota Art project".


Li Hui
The Soul Released by Sensibility
Laser, smog, fabric, stainless steel
225×180×700cm 2009


Han Lei
The Ukiyo-e Toyota Theater
Color wood-carving, video
150×106cm 2009


Zheng Lu
The Eastern Sea and a Crab
Sculpture Stainless Steel
200×120×60cm 2010


Li Hui
Motor—Inherent Danger Installation
Acrylics, LED lamp, stainless steel
240×50×50cm 2008


Laurens Tan
De Guo Qie Guo: Cultural Retail Booth Installation for Ji Du You Xian (Design drawing)
Installation
Animation loops, art objects, merchandising, wood, plastic 1200×1100×280cm 2009


Hung Tunglu Spiritual Installation
Fiberglass reinforced plastic, motor, stainless steel, machine installation, LCD
220cm (diameter) × 150cm (height) 2007

2010
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24 In 2009, the Chinese government approved planning for 9 regional development zones, including plans for the Taiwan Strait West Bank Economic Zone, the Guanzhong-Tianshui Economic Zone, the Jiangsu Coastal Region, the Tumen River Region and Yellow River High-efficient Ecological Economic Zone, among others.

38 Situated in the river valley along the lower part of Xiang River, Changsha is the capital city of Hunan Province. The recorded history of Changsha can be traced back 3000 years.

42 While we criticize the irregularity by Siemens and other multinational companies, we should know how they reconstruct compliance system, and what we can learn from them.

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2010 Wenzhou International High-end Property Exposition
2010年温州国际高端物业展览会

Cooperation Media

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Bi-Weekly Watch

Foreign trade: 13.9% ↓ in 2009

China's foreign trade in 2009 dropped 13.9 percent from a year earlier to US$2.21 trillion and its trade surplus last year slid 34.2 percent year on year to US$196.1 billion, according to figures released on January 10 by the General Administration of Customs (GAC).

In breakdown, China's exports in 2009 stood at US$1.2 trillion, down 16 percent from in 2008, and imports reached US$1.01 trillion, down 11.2 percent from a year earlier, said the GAC.

In December 2009, monthly trade amounted to US$243 billion, which represented a year-on-year increase of 32.7 percent and a month-to-month rise of 16.7 percent.

Last month, China's exports were worth US$130.7 billion, up 17.7 percent from a year earlier. December's imports hit record monthly high to reach US$112.3 billion, up 55.9 percent from the same period of 2008, according to the GAC. *(Xinhua)*

Industrial output: 11% ↑ in 2009

China's industrial output is expected to post an annual 11 percent rise this year, buoyed by the government's stimulus packages, Minister of Industry and Information Technology (MIIT) Li Yizhong said on December 21.

Li said at a two-day conference in Beijing that industrial output development would ensure the 8 percent growth of the country's GDP the government had projected for this year.

The industrial output moved into double-digit growth in June, up from the 3.8 percent in the first two months of the year. The first 11 months saw the rise at 10.3 percent from a year ago.

The stimulus packages the government adopted to combat the global financial crisis had eased production difficulties for enterprises and reversed the decline of industrial growth.

"The recovery base has been gradually consolidated and the macro economic policies will still be in place to boost the economy next year," Li said. "The growth pace is necessary, achievable and appropriate. We will not set the target too high", he added.

However, he warned against "blind optimism" as the industrial recovery was mainly supported by government investment and bank loans rather than private investment, which posed challenges. *(Xinhua)*

Deposit reserve requirement ratio: 0.5% ↑

The People's Bank of China (PBOC), the central bank, announced on January 12 to raise the deposit reserve requirement ratio by 0.5 percentage points from Jan. 18 this year.

The ratio at small financial institutions such as the rural credit cooperatives would remain unchanged to support the agriculture sector, the PBOC said in a statement. This is the first time that the PBOC adjusted the ratio of deposit that lenders are required to set aside since the end of 2008 and the first increase for the ratio since June of 2008.

The PBOC has cut the bank reserve requirement ratio for four times in the second half of 2008 to stimulate growth as the global financial crisis started to weigh on the economy. *(Xinhua)*

Fiscal revenue: 11.7% ↑ in 2009

China's 2009 fiscal revenue was estimated at RMB 6.85 trillion (just over US$1 trillion), an increase of 11.7 percent over a year earlier, Finance Minister Xie Xuren said on January 10.

Xie also said the budget of public investment in 2010 from the central government was likely to stand at RMB 992.7 billion, up RMB 572.2 billion from the 2008 budget.

With it, the Chinese central government would fulfill the target of adding RMB 1.18 trillion for public investment in the time period between the fourth quarter of 2008 and 2010.

It is estimated that in 2009, the central government allocated about RMB 924.3 billion for public spending, up RMB 503.8 billion from the 2008 budget.

China rolled out a massive investment plan worth RMB 4 trillion in November 2008 to cope with the international financial crisis, which broke down to RMB 1.18 trillion from the central government and RMB 2.82 trillion from local governments.

According to the original plan, the RMB 1.18 trillion from the central government included RMB 104 billion in the fourth quarter of 2008, RMB 487.5 billion in 2009 and RMB 588.5 billion in 2010.

It is believed that as new investment on public projects in 2009 surpassed the original budget of RMB 487.5 billion, the budget for 2010 was reduced from the original RMB 588.5 billion to RMB 572.2 billion. *(Xinhua)*

Annual central rural work conference opens in Beijing

China's annual central conference on rural work, which would set the tone for next year's agricultural and rural development, opened here on December 27.

As China's economic recovery continues, the meeting is expected to study policies and measures to improve coordinated development between urban and rural areas and reinforce the basis for the development of agriculture and rural regions.

The annual conference is the highest-level meeting on rural work at which the Chinese government maps out policies and measures for next year's development of agriculture and rural regions.

China's grain yield this year is expected to increase and hit a record high, according to the Ministry of Agriculture (MOA). The MOA had forecast that grain yield this year could surpass last year's 525 billion kilograms, and it would be the fifth consecutive year of high grain yield.

Earlier this month, attendees of the Central Economic Work Conference agreed that China would enhance efforts next year to promote agriculture development, strengthen produce supply to the market, and expand rural demand.

It was agreed that the government would strengthen rural policies to increase farming-related subsidies, increase incomes of farmers, and expand demand in rural areas. Infrastructure construction in rural areas, including reinforcing of large and mid-sized reservoirs, irrigation facilities, improvements to the power grid, and road construction, would be stepped up, according to a statement from the conference. *(Xinhua)*

Agricultural products prices remain stable amid icy weather

China has maintained a good order in its agricultural products wholesale market since a snowstorm hit the country's northern areas on January 7.

Prices for the agricultural products such as vegetables, pork, and eggs in some major cities including Beijing, Tianjin, Wuhan and Changsha increased following the snowstorm, but they began to decline as transportation resumed after the temperature rebounded.

The ministry has devoted continuous efforts to the anti-disaster work, including restoring the damaged greenhouses and guiding farmers in improving plant management measures, so as to ensure steady production and supply of the agricultural products. *(Xinhua)*

New pension scheme aims to provide security to farmers

Social security workers have begun a massive door knocking campaign to enroll farmers in a pioneering pension scheme in China's Jilin and Fujian provinces.

The government-subsidized pension scheme is aimed at improving the lives of China's estimated 800 million rural people and narrowing the urban-rural wealth gap. Under a plan by the Ministry of Human Resources and Social Security, the scheme is expected to expand across the country gradually every year.

Rural people aged 16 and above can open pension accounts at local social security bureaus. In Jilin, a rural resident can choose from five pension levels. Each higher level costs RMB 100 more a year. Government subsidies from RMB 30 to RMB 50 will be added into the account at each level.

When the holder reaches 60, the monthly pension will be the amount of money in his account divided by 139 plus a government subsidy of RMB 55 and bank interest.

An account with deposits of RMB 100 annually for 15 years will be worth RMB 70 a month on retirement at 60. The holder will receive about RMB 113 a month with deposits RMB 500 a year over the same period.

We wish to cover as many people as possible by setting the lowest level at RMB 100, which is affordable for most farmers. For those who are already 60 or above, they can receive the RMB 55 monthly subsidy even if they do not put any money into the account.

"Farmers in Jilin had an annual income of RMB 4,500 per capita in 2008. The pension would be enough for them to get by. In contrast, the old pension plan, which had no subsidy, provided way too little," Luo said. The account requires contributions for at lease 15 years or the pensioner will only receive the RMB 55 monthly government subsidy.

The new schemes also aim to encourage villages, companies, charity funds and other organizations to subsidize pensioners. But specific measures and incentives are yet to be determined as the authorities gain experience from the trial operations.

The State Council passed a plan in September last year to implement the new pension plan in 10 percent of Chinese cities, counties and districts as the state assumes greater responsibility for supporting the elderly farmers who live 71 years on average and account for more than 60 percent of China's 1.3 billion population. *(China Daily)*

Shanxi coal shortages the consequence of small mine closures - industry insider

Some thermal power plants in central China's Shanxi Province have faced coal shortages after the closure of small coalmines in the province last year, a senior industry insider told Interfax on January 11.

"The large-scale closure of small coalmines in Shanxi has resulted in a shortage of coal supplies. In 2009, Shanxi only produced around 640 million tons of coal, as compared with its peak annual level of 800 million tons", Li Jianwei, the director of Shanxi Power Industry Association, said.

Li said that below-average temperatures this winter has also increased power consumption in Shanxi and contributed to the coal shortage among some local thermal power plants.

Taiyuan No.1 Power Plant, a large thermal power producer in Taiyuan, Shanxi's capital city, now only has coal inventories sufficient for two days of consumption due to the shortages, local media reported. At present, Taiyuan No. 2 Power Plant has only 20,000 tons of coal inventories, far below its healthy level of 100,000 tons.

"The Shanxi government recently asked large local coal firms to quickly expand their production levels to help ease the supply shortages. Hopefully this will work," Li added.

Shanxi started shutting down small coalmines in late 2008 as part of an effort to improve efficiency and reduce the incidence of coalmine accidents. Over the past year, coalmines with annual production of less than 300,000 tons have been closed which in turn have raised average annual coal output per coalmine from 300,000 tons to over 1 million tons. To date, the number of coal firms in Shanxi has been reduced from the original 2,200 to 130, according to statistics released by the Shanxi government last week.

Nevertheless, Shanxi has paid a heavy price for the shut down of the small coalmines now that Inner Mongolia Autonomous Region has replaced Shanxi as China's top coal producing region in 2009.

Shanxi's economic development has also been materially affected by the reduction in coal output. Its gross domestic product (GDP) only rose by 0.5 percent year-on-year over the first three quarters of 2009, ranking the province among the worst performing regions in China over the period. *(INTERFAX-CHINA)*

China to push for further coal industry consolidation

The Chinese government is pushing for greater consolidation of the country's coal industry following the success of similar programs around China, especially in Shanxi Province, state media reported on Jan. 6.

National Energy Administration (NEA) Deputy Director Wu Yin said at a press conference on Jan. 5 that the agency has submitted a report to the State Council that suggests that the country quicken the pace of consolidation, Shanghai Securities News reported.

Some regions have already proposed consolidation plans for their own local coal industries. Tan Yicheng, head of the State-owned Assets Supervision and Administration Commission in Shandong Province, has said that the province will help create several "giant companies" this year and further reduce the number of province-owned companies from 30 to fewer than 25. He emphasized that the provincial government will push for the restructuring of coal companies this year.

Chen Liang, a coal industry analyst with Ping'an Securities, told Interfax that the coal industry consolidation in Shandong Province has been listed on the provincial government's agenda.

In Shanxi, the government has helped reduce the number of local coal companies from 2,200 to 130 at present. The province now has giant coal firms, each with more than 1 million tons of annual production capacity, and three local coal producers with more than 50 million tons of annual production capacity each, according to statistics released at the NEA press conference. In addition, the number of coalmines in the province has fallen from 2,600 to 1,053.

However, the push toward consolidation has left some wondering if coal prices will be driven up. Li Jianwei, the head of the Shanxi Electric Power Association, told Interfax that coal industry consolidation has eliminated numerous small-scale coalmines, leaving fewer coal suppliers for the province's power plants. This may be the reason why annual coal contract negotiations are proceeding much smoother than last year's talks.

"Power plants know that they have to sign the contracts quickly with large state-owned coal producers because they have fewer opportunities to get coal elsewhere," Li said. *(INTERFAX-CHINA)*

Cold weather strains Beijing's natural gas supply

The volume of natural gas consumption in Beijing Municipality is now close to the city's maximum supply capacity due to the colder-than-expected winter, state media reported on Jan. 9.

From Nov. 1 to Jan. 7 this year, Beijing consumed a total of 2.48 billion cubic meters of natural gas, up 26.5 percent year-on-year, state-run Xinhua news agency said.

Following heavy snowfall and a cold spell, Beijing's daily natural gas consumption on Jan. 3 climbed to 47.51 million cubic meters, the highest level in 11 years.

The record daily consumption volume is already close to Beijing's maximum daily natural gas supply capacity of 52 million cubic meters, according to the report.

The Beijing municipal government said it is closely monitoring the situation and promised to prioritize residential gas consumption when necessary, Xinhua said.

The China National Petroleum Corp. (CNPC), the country's largest oil company, vowed to supply Beijing with no less than 49 million cubic meters of natural gas a day during the winter season.

Beijing's natural gas supply comes from the Shaanxi-Beijing Natural Gas Pipeline that links with China's second largest oilfield, Changqing Oilfield, which covers five western provinces and autonomous regions including Gansu, Shaanxi, Shanxi, Ningxia and Inner Mongolia. CNPC is the operator of Changqing Oilfield. *(INTERFAX-CHINA)*

After a decade of work, Tibet's environment shows new promise

Ten years ago, it was impossible to boil an egg in Tibet. The lack of oxygen in the air made the boiling point of water too low for proper cohesion of the yolk and egg white. But years of replanting forests and grasslands have restored oxygen into the air, and Tibetans now enjoy hard-boiled eggs every day.

The Chinese government has paid unprecedented attention to the ecological construction and environmental protection of Tibet over the past decade, pouring in 6.7 billion yuan (US$981 million) into the region as part of its China Western Development Plan. The policy covers 12 western provinces and regions of China, including Tibet, and aims to bring the areas in line with the more developed eastern China.

Qiangba Puncog, chairman of the Tibet Autonomous Region, said the region has benefited the most from the plan.

Forests and grasslands are spreading across Tibet like wildfire. Since 2004, the government has re-grassed 41.93 million mu (2.8 million hectares) and re-seeded 10.76 million mu (713,333 hectares) of forest in the region. Tibet also has the highest ration of nature reserves in China – one-third of its 1.2 million square kilometers are protected.

Green economy has become popular on the Qinghai-Tibet Plateau. All projects in Tibet are strictly valued on environmental impact. Such protection has kept industry and development relatively low.

"Our industrial added value only accounts for 8 percent of our GDP," Qiangba Puncog said. But he noted they also have low carbon emissions. The region even gave up its gold dust mining industry "to better protect Tibet's ecological environment," Qiangba Puncog said. The region no longer mines for iron sand, either.

Qiangba Puncog also defended the Qinghai-Tibet Railway, calling it an "ecological line." Completed in 2006, the railway was the first to connect the Tibetan plateau with inner China. "Constructors put great efforts in environmental protection," Qiangba Puncog said. "Vegetations around the roadbed were first replanted and then restored. Routes are left for animals by building elevated tracks."

Qiangba Puncog said protecting Tibet's ecology benefits not just Tibet, but the entire country and continent, as well. Tibet's arctic climate makes it sensitive to climate change, which causes temperatures to rise before most other places in China and Asia. It also has a strong impact on the rest of the country's climate and environment. As the "water tower" of Asia, Tibet is the cradle of Asia's seven main freshwater rivers, including China's Yellow and Yangtze rivers.

The State Council approved 15 billion yuan (US$2.2 billion) last February to create a state ecological security shelter zone on the plateau by 2020. *(China.org.cn)*

China to establish emergency environmental management system

China is speeding up construction of a system for environmental management to handle emergent environmental incidents, an official said on December 30.

It was revealed by Zhang Lijun, Vice Minister of Environmental Protection, when he addressed a meeting on the ministry's priorities in the upcoming year.

In the year of 2010, environmental protection authorities at all levels should focus on the handling of mass disturbances triggered by environmental pollution such as water and soil pollution, and reduce the harm that pollution bring to people as much as possible.

The environmental protection authorities will also conduct a two-year nationwide campaign to investigate all pollution source threats, which will gradually form a dinamic environmental management system, according to Zhang.

Finally, the authorities will strengthen monitor and surveillance on environmental security in Shanghai and Guangzhou to ensure that China could hold a clean World Expo and Asian Games in 2010. *(Xinhua)*

UNEP lauds China's contribution to green economic development

The United Nations Environment Programme (UNEP) has hailed China's contribution to the promotion of bio-diversity and green economic development.

"China has been an active participant in the 'billion tree' campaign that UNEP together with Wangari Maathai and IQRAF the World Agro Forestry Centre located in Nairobi launched a few years ago, and China itself planted 2.6 billion trees to contribute to that in recent time," Angela Cropper, UNEP Deputy Executive Director told Xinhua in an exclusive interview on January 6.

"That contribution allowed the program to achieve the objective of at least one tree for every living person on earth before the Copenhagen meeting began," Cropper said.

Meanwhile, China is committed to a very high percentage of renewable energy in its energy mix. "It is a leader in the development of technology for the wind turbine industry, for example, so it has a lot of technological opportunities because of its vast scale," she said.

The year 2010 is the international year for bio-diversity designated by the United Nations, and UNEP is determined to take the opportunity to conduct a large program to promote bio- diversity and arouse global awareness, Cropper said.

"As a part of that program, we are also trying to work with governments and communities to see how we can manage our ecosystems better, so that they can be sustained and we can get the range of services we get from them indefinitely into the future," she said. UNEP will also call on more countries to gradually transform to green economic development paths and provide them with relevant supports.

"We have been doing a lot of work on that, assessing the potential for jobs, for income, for livelihoods and so on within an approached economic development that does not degrade the environment as much as the present approach does, and we will be trying to expand them to more countries," she said. *(Xinhua)*

Property sales slump in Beijing

Government measures to curb property prices could be having the desired effect here in Beijing; sales slumped in the first two weeks of the year.

The number of residential units yet to be completed, in pre-sale stage, that was sold, was down 64 percent from the same period last month, while sales of second-hand homes plunged about 73 percent. Buyers are now back to a wait-and-see mood, as they wait for any further government efforts to deflate property bubbles.

Since late last year, the central government has taken a series of measures to prevent house prices from soaring. Prices began to rise from February last year, hitting an 18-month high nationwide in December. *(cctv)*

Hainan housing sector booming

A recent State Council decision to transform Hainan into a top travel destination over the next decade has injected new vigor into real estate on the island. But with most purchases being speculative in nature, many units are bought but not occupied. And that has prompted concerns of unhealthy growth in the market.

China's decision to develop Hainan Province into a top international tourism destination has given the property sector a big boost. The island is seeing an increasing number of home buyers.

Ms Wang, home buyer from Changchun, said, "The weather in Hainan is good for people from the northeast. But prices in Haikou are to high now, so we've come to Qionghai instead."

Su Wu, Property developer of Qionghai City, said, "We've got lots of interested buyers from Beijing. If I have to describe our clients, I would say they are like supermarket customers. All the people in the property sector have the same feeling. Too many people are calling us for information. They are buying houses as if they are buying vegetables. "

Mr Su Wu says, the average property price in QiongHai was only 2,000 yuan per square meter in August last year. But now, the price has jumped to 6,000 yuan per square meter. Many unfinished projects have already been sold.

Property developers say, nearly 80 percent of the buyers in Hainan are from outside. Many buyers fear if they don't act quickly enough, they could end up with limited options.

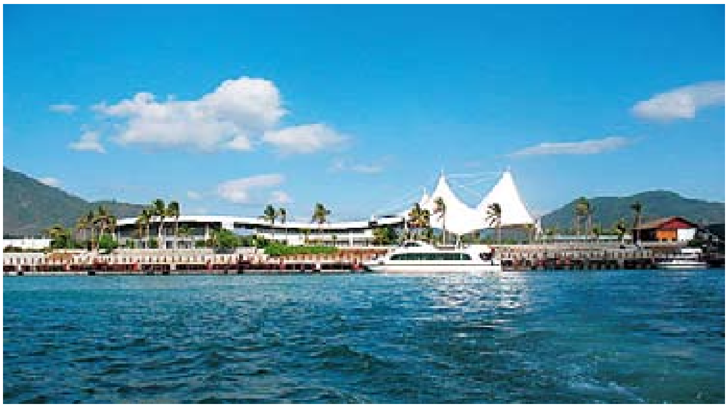
Zhang Xiaoyi, general manager of SH Pinghai Investment Co LTD, said, "In the early 90s, China did not have a clear vision for Hainan's development, and there wasn't much demand. The region mainly relied on planned economic development. But after 20 years, the region's growth has been strongly supported by the economic sector. The country also has very good GDP growth, and people's daily lives have also improved. So there is a huge demand for developing the province. "

There is no doubt that Hainan has the best coastal resources for property buyers. But analysts still worry that speculators could leave region with too many empty pre-owned properties. Figures show, that some parts of the province are selling more than ten new houses every day. They fear Hainan could sell all its new homes before the Chinese New Year, which could lead to unhealthy development in the region's housing sector.

Xia Feng, analyst of China Institute for Reform & Dev't, said, "One of the reasons that has pushed up Hainan's property prices is the increasing number of home buyers from other cities. Many people prefer the tropical atmosphere here, especially the elderly. They have savings, and the island can be a good choice. Besides, it's not just Hainan that is suffering from rising house prices. There is room for further price increases, but the growth rate is too fast now."

Analysts say, it's dangerous for there to be more than 10 percent of properties vacant in the housing market. But the number has already reached over 30 percent or more in some projects in Sanya.

Xia Feng said, "There are too many empty houses. One of the reasons is because there is too much speculation in the market. Once demand starts falling, housing prices will fall. This will cause huge losses for speculators."



Analysts say it's reasonable for the region to launch macro control measures to prevent too much speculation in the real estate market. And tightened market controls could stop the region from having housing bubbles. Since the country is turning the island into a premium travel destination, they believe the region's property sector will become healthier in 2010. *(cctv)*

Shenzhen home sales slump in January

In Shenzhen, sales of second-hand homes have also fallen sharply so far this month. Last week saw transaction volumes drop below 1,700 units, down 70 percent from just a week before.

But it's the opposite for prices and sales of office buildings and commercial properties. These have more than doubled. Industry insiders say the lull in residential properties follows a frantic rush into the market at the end of last year with demand naturally falling off with the start of the New Year. In fact average housing prices in the city remain unchanged. As in Beijing, it's a wait-and-see attitude for most, with analysts expecting a pick up in second-hand housing sales in March. *(cctv)*

Capacity of China' s steel enterprises shift to oversea collectively

Entering in 2010, China's steel enterprises still face with great challenge, on one hand, they are deadlocked in the iron ore negotiation, one the other hand, they should eliminate the obsolete capacity with the country' s industry policy.

Recently it is reported that some large-scaled steel enterprises of China began to shift the capacity to the iron ore producing areas in a bid to cope with the current state. Experts of China Iron & Steel Association (CISA) analyzed that it is a big trend that China' s steel firms shift capacity to overseas, even principals of steelmakers believed that it is the latest policy to deal with the monopoly of the oversea ore giants.

Although the iron ore price negotiation is still serious, Huang Tianwen, chairman of China Steel (CSC) said as the global ore deposits are found and exploited, the demand and supply of iron ore is relieving. Huang believed that the capacity of steel enterprises to iron ore producing areas will weaken the dependence of China on iron ore suppliers of Vale, Rio Tinto and BHP Billiton.

Reporters learned that CSC is establishing a JV enterprise with Indian firm, which is set to develop iron ore mines, but it will expand to ore processing and steel mills' establishment according to the plan. Except CSC, Baosteel and WISCO also set up steel mills in Brazil and etc..

According to the information, presently WISCO has constructed eight branch firms in Japan, German, Australia, India and US. With the plan, the branch firms of WISCO will reach to 10-12 units oversea till 2010. Except large state-owned enterprises, small steel firms also tend to shift capacity to oversea.

It is learned that private enterprises have set the small-scaled production line in India. Besides, the steel firms who shift capacity to oversea prefer to iron ore producing areas, such as Brazil, Australia and etc..

To shift capacity to oversea can be regarded as a makeshift of China steel enterprises which passed domestic policy of steel industry.

Since 2003, the state issued measures to restrict China steel enterprises' capacity. On May 14 of 2009, Ministry Industry and Information Technology (MIIT) released notice about curbing the fast growth of steel production which is taken as the most serious order by the industry.

It is no doubt that steel industry is listed to be the main target to suppress the capacity, while capacity shift to oversea can pass the policy and continue expanding. Insiders of Shougang revealed that the acquisitions and mergers will be the tendency in the steel industry, which is a means for enterprises to be strong. Xu Lejiang, chairman of Baosteel also said repeatedly that in the future ten years, the production core of global steel firms will shift to developing and emerging countries and the scale development will become the tendency, added the competition of steel industry will spread from enterprises to the whole supply and industry chain. *(MetalBiz)*

Steel industry turns losses into profits on revitalization plan

China's steel industry gradually got out of the bottom in 2009; Domestic demand increased; steel production came back to grow again; steelmakers' benefits presented improvement, showed by the new statistics released by Ministry of Industry & Information Technology (MIIT) on Jan 12. A better situation comes out since the releasing and actualization of the revitalization plan in steel industry, news carried on Shanghai Securities News The statistics suggested that steel outputs recovered swiftly in 2009, driven by the state's policy package. The crude steel output hit the record high in Aug; and the production level reached 600million tpy in Jun-Oct, when steel price rebounded largely. It's estimated that China would produce 565m tons of crude steel in 2009, up 13% y-o-y.

Steel price presented two rounds of sharp fluctuations in 2009, presenting a "W" contrail. Domestic steel price composite index went 107.2 at the end of Dec, 2009, up 3.8 percent y-o-y. Under the situation, the general benefit of steel industry improved. Till the end of Nov, China's large and medium-size mills accumulatively realized 44.8b yuan of profit, though showed a y-o-y 62 percent decline. MIIT noted that the state raised steel product export rebate for three times, decreased the related export tariff and advanced the tariff for primary products in 2009. By the action of the above-mentioned adjustment, the steel export straightened up since Jun, 2009 and showed m-o-m growth for 7 straight months. Sun Yong, an analyst of Galaxy Securities expected steel export would continue the recovery and post at 30m ton in 2010, occupying 4 percent of the total outputs. The net export of steel products was expected to be 11m tons in 2010.

In addition, MIIT noted that the revitalization plan also boosted the merge & acquisition in steel industry in China. Baosteel signed to buy in Ningbo Steel on Mar 1; Shougang inked agreement to regroup Changzhi Steel; Shandong Steel and Rizhao Steel came to the regrouping agreement on Sep 6. These M&A improved the industrial centralization up by 2 percent. *(Mysteel.com)*

Auto market to push steel demand up 12% in China

China's booming auto market demand may push steel demand in the country by 12% this year, lifting the prices of iron ore, according to Bloomberg report, citing an industry expert.

Domestic crude steel consumption may increase to 606 million metric tons in 2010, following a 14% gain this year to 541.4 million tons, said Luo Wei, a Shanghai-based analyst with China International Capital Corp. Benchmark contract prices for iron ore, used in steelmaking, may rise 15% to 20%, he said.

Steel prices in the country have risen 10% from last year's Oct. 15 low as manufacturers and traders deplete stockpiles and mills raise prices because of rising costs. Automobile and property sectors would be the big engines to drive up steel demand in 2010, the expert said in a report.

China's auto demand will have "high growth rates" this year, and there's "good prospects" for home appliance demand as the Chinese government boosted rural sales with its stimulus spending, Baosteel, the largest Chinese steelmaker, said.

The steel price revival will hamper China's ability to bargain contract iron ore prices paid to Rio Tinto Group, BHP Billiton Ltd. and Vale SA. Prices may jump 14% in 2010 to the second-highest on record, according to Bloomberg News. *(Gasgoo.com)*

China's auto sales in 2010 may reach 15 mln units

China's auto output and sales this year are expected to rise about 10% to 15 million units, Xinhua News reported on January 11, citing an industry official.

In 2010, the Chinese government will continue to support the auto industry, which is seen as a pillar of the national economy, said Dong Yang, executive vice president and secretary general of the China Association of Automobile Manufacturers (CAAM).

Vehicle sales in China last year surged 46.2% to 13.6 million units, boosted by tax cuts for small cars and subsidies for clean new vehicles. The record sales in China coincided with the lowest sales of 10.4 million light vehicles in the U.S. since 1982.

China's auto market is expected to retain the world's No. 1 position this year and exceed sales in the U.S. by at least two million vehicles. But it probably won't repeat last year's strong sales.

A scaling back of government stimulus may precipitate a slowdown. One year ago China halved (to 5%) the sales tax on cars of 1.6 liters or smaller. But this year, buyers will pay 7.5% instead of the 5% rate.

Auto sales in China over the past 15 years have grown an average 16.7% annually, the official said. Sales in 2008 totaled 9.4 million vehicles, up 6.7% from a year earlier. *(Gasgoo.com)*

China's automakers to raise production 13% this year

Strong car sales in China last year pushed the auto market to number one spot in the world. And 2010 looks set to continue that rosy trend, with carmakers confirming that they're upping production by as much as 13 percent to cope with intense demand.

Beijing Yayuncun Auto Market, the largest auto market in northern China, is still seeing as many customers as it did last year. Despite a hike in purchase tax for smaller cars, many buyers are still keen to drive home a new car before the spring festival.

A car buyer said, "I want to buy a car for family use. The hike in purchase tax means paying about a thousand yuan more, acceptable to me."

Since the beginning of the year, many auto dealers have adjusted their prices, and the market is seeing a decline in overall prices. That has countered a hike in taxes.

A dealer said, "Car prices have gone up 2,000 yuan since last year. But the average price is still down one to two thousand yuan."

Last year China adopted various measures to stimulate auto consumption. 7 million cars with engine sizes below 1.6 liters were sold, up 71 percent compared to the previous year. At the same time, measures to encourage auto sales in rural areas by providing subsidies for replacing old cars with new ones will further boost demand.

Guo Yong, manager of Beijing Yayuncun Auto Market, said, "Demand will keep growing this year. So supply will still fall short of demand in the short term."

Meanwhile, many automobile manufacturers plan to raise production by more than 10 percent, as they look forward to strong sales for the year. The Shanghai Automotive Industry Corporation plans to produce and sell 3 million vehicles this year, up 13 percent. While FAW group is also upping production by 13 percent.

Zhou Wenjie, Vice General Manager of Dongfang Auto, said, "Auto makers are optimistic about this year's auto market. We hope to maintain 10 to 15 percent growth."

According to the China Automobile Industry Association, growth in the auto industry will stay high until 2020. The total number of vehicles will go up from 67 to 150 million. High growth areas will move from eastern China to central and western regions. *(CCTV.com)*

Chinese carmaker back at Detroit auto show

China's carmakers are becoming regular fixtures at international auto shows, and China's BYD Auto Inc. is back in Detroit for the second year in a row.

BYD,which stands for "Build Your Dreams," is displaying its e6 battery-powered electric sedan at the North American International Auto Show this week and hopes to sell it in the U.S. later this year.

BYD is one of China's most ambitious carmakers, proclaiming at last week's show preview for media that it aimed to become China's No. 1 automaker by 2015–and the world's biggest by 2025.

About half a dozen Chinese automakers, including Shanghai Automotive Industry Corp., BYD Auto, Geely Automobile Holdings and Chery Automobile, have the ambition and potential to develop the capabilities to produce vehicles that can be sold anywhere in the world, analysts say.

This year, BYD is the only Chinese carmaker staging a full display at the Detroit show.

Many industry and financial experts view it as one of China's most promising contenders. In 2008, U.S. billionaire Warren Buffett invested $232 million in BYD, taking a 10 percent stake.

BYD is a newcomer to the car business–and it doesn't look like a threat to the likes of Toyota Motor Corp. today. But Michael Dunne, president of Hong Kong-based Dunne & Co., notes BYD already competes successfully on the international stage as a manufacturer of laptop and cell phone batteries.

BYD branched out into car making in 2004, and has expanded quickly, selling 450,000 vehicles last year. Its technology has attracted high-level attention: In 2009, Germany's Volkswagen AG said it was exploring cooperation with BYD in battery technology.

Although some other Chinese carmakers did not return this year to the Detroit show, that's not because their industry is retrenching.

Analysts say some Chinese automakers are adjusting their strategies, either to focus on their surging domestic market or to improve their capabilities by acquiring brands from cash-squeezed global automakers.

"China will compete in global markets," Kevin Wale, president of General Motors Co.'s GM China, said, "It's not a question of if, but when." *(Detroit News)*

China Mobile says vice chairman being investigated

China Mobile Ltd, the world's biggest phone company by subscribers, said on December 28 its deputy chairman is under investigation for unspecified offenses. Zhang Chunjiang is being investigated "due to suspected serious personal violations," the company said in a statement issued through the Hong Kong stock exchange, where its shares are traded. It gave no details.

Zhang is vice chairman and an executive director of the company. Zhang joined China Mobile in May 2008 after serving as chairman of China Netcom Ltd, a fixed-line carrier that was merged with another phone company in an industry overhaul last year. He also is a former director of the telecoms department of the Chinese ministry that oversees the industry.

China Mobile reported a profit of RMB 83.9 billion (US$12.3 billion) for the first nine months of this year but said earnings growth was slowing due to competition. The company says it has 518 million mobile accounts. *(Xinhua)*

Motorola plans 5-6 smartphones in China this year

"In China, we've already launched two models last month, and there will be another one very very shortly, and probably another four or five later," John Gherghetta, Corporate Vice President and General Manager of Mobile Devices Business, told reporters in Seoul.

Motorola is betting on smartphones after losing market share to rivals for more than two years and has reorganized its mobile business around developing phones running on Google's Android operating system. Gherghetta was speaking at a news conference for the launch of its 'MOTOROI' smartphone in South Korea, to be offered by SK Telecom.

The new model has a bigger camera and more media features than its Droid model sold in the United States, according to Motorola. "There will be a version of this phone in China in the first half," Gherghetta said. He declined to identify which Chinese operator would offer the new model. Spiros Nikolakopoulos, Vice President of Mobile Devices in charge of Asian and international retail distribution, said Motorola was planning "at least" 20 models across the world this year, "probably four to five in every country."

Motorola executives also said it was open to developing devices with other platforms, such as Microsoft's Windows Mobile. Partner China Mobile in October said it would introduce eight smartphone models from Motorola this year using a lower-cost platform called OPhone. Worldwide factory shipments of smartphones are expected to rise about 28 percent in 2010, according to iSuppli. *(Reuters)*

China Mobile will introduce 4G Network later this year

Later this year, China Mobile will be the first in the world to introduce their 4G mobile communications network. On January 17, it was announced that China Mobile plans to introduce their 4G mobile communications network at the Shanghai Expo held in May. Once it is introduced, they plan to provide a trial test for users from May to October. It is uncertain at this point if the service will be a success.

3G mobile communications networks are established in numerous countries worldwide, but China will be the first country to introduce a 4G network service. However, many countries are planning to follow up with this new service soon.

China Mobile's 4G mobile communication network uses a 4th generation system known as TD-LTE (Time Division - Long Term Evolution). This is an upgraded version of the 3rd generation system known as the TD-SCDMA. It has been announced that the transmission speed of TD-LTE is 20 times faster than the 3G communication network. *(koreaittimes)*

ZTE supports aid efforts into Haiti

ZTE Corporation ("ZTE"), a leading global provider of telecommunications equipment and network solutions, today announced that it has delivered solar-powered handsets and its GoTa trunking system to the Haiti government to provide much needed communication equipment needed for aid efforts for the victims of the earthquake that hit Haiti on January 14. The Company has confirmed that its 11 employees stationed in Haiti are safe and in a healthy condition. ZTE has contacted the employees' families to keep them informed of the current situation.

Immediately after the disaster, ZTE established a disaster response team to work with its Haiti office to develop and provide a relief program for Haiti's earthquake victims. The team is focused on providing expert communication infrastructure advice and is composed of ZTE's executive vice presidents and technical experts.

With the local electricity and power infrastructure destroyed by the earthquake, priority was given to provide solar-powered handsets that could be effectively used by relief agencies on the ground. The first batch of 1500 ZTE's GSM solar mobile phones were dispatched to Haiti from Jamaica in the morning of January 15, 2010.

Furthermore, in response to the local government and communication operators needs, ZTE will also provide the Haiti government its 8900 Series 800MHz GoTa digital trunking base stations and temporary-use mobile diesel engines. The company has shipped the first batch of 300 GoTa terminals as part of the disaster relief program to help the local community with important telecommunication needs.

Previously, ZTE also donated its GoTa equipment for China's Sichuan May 12, 2008 earthquake, where it played an outstanding role in the relief program. According to ZTE, their 11 employees stationed in Haiti were out shopping during the earthquake and thus escaped from the disaster unharmed. The company stressed that the safety of their overseas employees is of paramount importance. Moreover, ZTE expressed that they would coordinate with the Chinese Embassy, the local government in Haiti, peacekeeping forces as well as the local operators to participate in on-going earthquake relief services. *(C114)*

Zhejiang branded product fair unveiled in Macao

The opening ceremony of the Zhejiang's China Time-Honored Brands and Zhejiang Macao Branded Products Fair 2010 were held here on January 15, where various products from China's Southeastern province were exhibited.

More than 4,000 items of long-established and famous brands will be exhibited at the three-day fair by 110 enterprises from the Zhejiang province, and the products on display covered five diverse areas, including Chinese traditional medicine and health care, food and beverage, general merchandise, cultural arts and crafts, tea products and art.

The fair will further enhance the trade, economic and cultural exchange between Macao Special Administrative Region (SAR) and Zhejiang province, said Jin Yonghui, director-general of department of commerce of Zhejiang.

He also said that the objective of hosting this event in Macao is to learn from the SAR's trade and economic experience, in a bid to deepen Macao and Zhejiang's business and economic exchange and cooperation.

Aside from the fair, a photo exhibition and a Zhejiang product center was also unveiled on the same day, which were all parts of the 2010 Macao-Zhejiang Week, a business promotional event organized by the provincial government of Zhejiang. *(Xinhua)*

TCL starts to build $3.6 bln 8.5G LCD production line

China's top appliance maker TCL on January 16 started building a 8.5-generation LCD production line in the southern city of Shenzhen to meet the rising demand for flat-screen TVs. The plant, in which TCL and Shenchao Technology Investment Company each hold a 50 percent stake, involves an investment of RMB 24.5 billion (US$3.6 billion). It covers an area of 600,000 square meters.

The fund includes RMB 10 billion from TCL and Shenchao, bank loans and also investment from domestic TV makers and overseas LCD panel producers, the two investors said. The plant has a full capacity of 14 million LCD panels per year with an estimated output value of RMB 16.9 billion (US$2.48 billion).

Its initial phase is expected to be put into operation in August 2010 and start mass production at the end of 2011. The second phase will start mass production one year later. TCL, founded in 1981, sold 14.28 million color TVs globally last year. Shenchao Investment, owned by the Shenzhen government, runs businesses including investment in projects related to integrated circuits and flat screens. *(Xinhua)*

E-book sales to explode in China

Chinese hi-tech firm Hanwang Technology said it expected shipments of its e-book readers to increase 400 percent this year, as demand for the portable reading device grows both domestically and overseas, the *China Daily* reported on January 7.

The company plans to sell 2 million e-book readers this year as compared with 500,000 in 2009, the newspaper quoted Liu Yingjian, president of Hanwang as saying. According to research firm Display Search, China's e-reader sales will grow from 800,000 units in 2009 to 3 million units this year, accounting for 20 percent of global e-reader sales, the newspaper said.

Hanwang claims to control 95 percent of China's e-book market, and 20 percent of its products were sold abroad, mainly in Russia, Italy and Spain. According to Liu, foreign revenue will make up 40 percent of Hanwang's total revenue this year, as it provides a cheaper alternative to Amazon's popular Kindle e-book reader. Amazon, Sony and Samsung are currently the world's top producers of e-book readers, yet none of their products are officially available in China, partly due to the lack of support from domestic telecom carriers and opposition from copyright holders, the newspaper said. *(Xinhua)*

S Korea's Samsung Electronics reports highest quarterly sales ever in Q4

South Korea's Samsung Electronics Co. on January 7 reported the highest quarterly sales ever in the fourth quarter last year.

The world's largest maker of memory chips and flat screen TVs said its consolidated fourth-quarter sales is expected to reach a record 39 trillion won (34.5 billion U.S. dollars), up 18.2 percent compared with 33 trillion won (29.2 billion U.S. dollars) over the same period of 2008.

The previous record was set in the third quarter of 2008 at 35. 9 trillion won (31.7 billion U.S. dollars). However, the company saw its consolidated fourth-quarter operating profit drop 12.5 percent to 3.7 trillion won (3.3 billion U.S. dollars) from 4.23 trillion won (3.7 billion U.S. dollars) in the third quarter. Samsung Electronics started disclosing quarterly earnings from last July and it plans to reveal its fourth-quarter report later this month, the Yonhap news agency said. *(Xinhua)*

Taobao.com to team up with Hunan TV for television business

China's biggest online retailer Taobao.com plans to set up a joint venture with broadcaster Hunan Television, in a move to expand its portfolio beyond online shopping, the China Daily reported on December 30.

The new company, with a total investment of RMB 100 million (US$14.64 million), will produce TV programs related to online shopping and launch a new channel for selling products through the online retailer, said the newspaper.

"The joint venture is our attempt to combine the Internet and television, and find a new way to develop both, " Jack Ma, founder and CEO of Alibaba Group, the parent company of Taobao.com, was quoted as saying. The company has joint forces with Wasu Digital TV Corporation Ltd.earlier this month to develop a TV-based shopping channel, which is expected to be launched in the first half next year, according to the newspaper.

"Taobao.com. is trying hard to reach more potential customers by covering different media platforms," Cao Fei, an analyst with research firm Analysys International, was quoted as saying. Taobao.com now has 180 million registered users, accounting for almost half of the 380 million Internet users in China. *(Xinhua)*

Shandong will foster 14 ten billion Yuan textile clusters

China Linen Textile Industry, Ltd. a China-based company engaged in the production and sale of linen yarn and various types of linen fabric, announced today that its wholly-owned subsidiary, Heilongjiang Lanxi Sunrise Linen Textile Industry Co. Ltd., has signed a contract with an Italian company to deliver approximately 1.4 million meters of semi-bleached linen fabric. The contract is valued at approximately $3.05 million. The first shipment will occur in December 2009 and continue through five total shipments to be completed in May 2010.

Tanny Tex S.R.L., based in Prato, Italy, is a leading seller and distributor of linen and knitted fabrics in the northern Italian region. China Linen Textile provides the entire Tanny Tex inventory of linen products and has serviced the Italian company for five years.

Mr. Gao Ren, chairman and chief executive officer of China Linen Textile Industry, stated: "We have enjoyed a productive and growing relationship with Tanny Tex for five years, and this year's order showed an increase of 10% over the same period last year. Tanny Tex is continuing to expand its business, which will result in higher production and sales for China Linen Textile in 2009 and 2010. This large order demonstrates our commitment to producing the highest quality fabrics and the speed and efficiency of our production process." *(CTEI NEWS)*

Intertextile to take place during hottest fashion seasons

The 2010 edition will feature a preview of the latest products, design and information in the world of apparel fabrics and textile related products. More importantly, the business platform will offer access to the best buyers from some of China's largest apparel related manufacturing metropolitans such as Shandong, Jiangsu, Hubei, Hebei and Henan, which are all located in close proximity to Beijing.

China's luxury market continues to expand

The mass population in China provides huge market potential for zuppliers of all kinds fabrics. According to the World Luxury Association, China has surpassed the US luxury market and is the second largest one after Japan, spending over US $8.6 billion on luxury brand name products in 2008. This massive consumer spending is predominantly male-driven, with international apparel brands dominating the menswear sector, resulting in a market rich with opportunity for high-end fabric suppliers, especially cottons and wools.

China's luxury good consumer also mainly belong to the 20–40 age group, meaning that luxury spending will no doubt continue to rise. In fact, experts predict that China will overtake the Japan luxury market within the next five years.

Not only is international luxury brand consumption on the rise in China, but also more and more domestic luxury brands are trying to move up the value ladder by adopting imported textiles, design and technology.

Concurrent events offer crossover of potential buyers

The fair's location in Beijing presents apparel fabrics and textile related suppliers a perfect opportunity to reach out to quality buyers in this region. The city is well known for it's successful shopping environment, with retail sales exceeding US$37 billion in the first half of this year, according to the Beijing Commission of Commerce.

Intertextile Beijing (30 March - 1 April 2010) also takes place during the region's hottest fashion seasons, and runs concurrently with China International Clothing and Accessories Fair (CHIC) from 28 - 31 March 2010 and Yarn Expo Spring from 31 March - 2 April 2010.

Free shuttle bus service will be provided for all three events.

Messe Frankfurt has two special incentive offers when exhibitors sign up for Intertextile Beijing 2010. *(Messe Frankfurt)*

China issues larger cotton import quotas for 2010

China, the world's largest cotton consumer, has issued the first batch of 1.89 million tonnes of cotton import quotas for 2010, as it aims to ease supplies ahead of an expected low domestic harvest. Of the total amount, a quota of 1 million tonnes of cotton could be imported according to a sliding tariff rate, while imports of 894,000 tonnes would be taxed at a fixed 1 percent, said the China Cotton Association on its website (www.china-cotton.org).

The amount was in line with market expectations following the recovery of textile production, while China's own cotton production was projected to fall short of demand by about 2 million tonnes. "Many mills have been active signing import contracts, not only from the United States, but also from India," said one cotton trader with an international trading house.

China expects its cotton production to fall by more than 10 percent this year from last year's 7.5 million tonnes. Beijing has been releasing cotton from state reserves this year to cover demand from textile mills, which have seen export growth slow most of the year amid the global financial crisis. China, the world's largest buyer, imported 1.31 million tonnes of cotton in the first 11 months of the year, a fall of 33 percent from the year-ago period, official Customs figures showed. *(Reuters)*

World's highest airport planned in Tibet

China will set a new record for the world's highest airport with an airport planned at an altitude of 4,436 meters, the regional civil aviation director announced on January 12.

Xu Bo, director of the Tibetan Branch of the China Civil Aviation Administration, said the airport, planned for Nagqu Prefecture, would be 102 meters higher than Bamda Airport in Tibet's Qamdo Prefecture, which has been the world's highest airport since its completion in 1994.

Xu Jian, director of the Nagqu Committee of Development and Reform, said construction of the airport had been included in the Tibet's development plan. The committee was working on site selection for the airport.

"The airport construction is planned for 2011 with a construction period of three years. It is expected to cost 1.8 billion yuan (263 million US dollars) and cover an area of 233 to 266 hectares," he said.

He said this airport, the sixth in Tibet, would be named Nagqu Dagring Airport, after the area of its expected location.

Xu said all of Tibet's six prefectures would have an airport on its completion.

"The civil aviation network in Tibet has taken shape. The objective for the next stage of development is to open direct air routes from Tibet to south Asian countries," he said.

Nagqu, about 300 km from Lhasa, capital of Tibet, is located in the center of the Qinghai-Tibet Plateau. The predominantly Tibetan populated prefecture has a population of 400,000.

Nagqu was chosen to host the largest logistics center in the plateau region, which began operations in August last year.

"With the airport, Nagqu, which is also on the Qinghai-Tibet railway line, is expected to become the center of an economic hub in the plateau region," said Tan Yongshou, commissioner of Nagqu Prefecture. *(Xinhuanet)*

China to see 29 mln travel by air during Spring Festival

Airlines in China are expected to carry close to 29 million passengers during the Spring Festival holiday period, which falls on Feb. 14 to Feb. 21. this year, according to the General Administration of Civil Aviation of China (CAAC) on January 8.

The air passenger flow totaling 28.94 million will be 12.5 percent more than last year's same period, the busiest time for transport companies as many Chinese rush back home for family reunions.

The administration urged airline companies to make proper arrangements of flights, in a bid to ensure a smooth passengers flow and transportation of important goods for the holiday.

It also asked the airline operators to pay close attention to the weather condition and airline operation and improve contingency plans in case of flights delays. *(Xinhuanet)*

High-speed rail network set to take global lead

China is well on its way to becoming the high-speed railway capital of the world, with 33,000 km of these railways currently under construction and about 70 projects slated to launch this year.

By the end of 2012, China's high-speed railway is expected to account for half of the world's total length.

Currently, 2.1 trillion yuan ($300 billion) worth of rail construction projects are under way.

In the next three years, 26,000 km of new lines, including 9,200 km of high-speed lines, will be put into operation to ease the pressure on the country's overburdened rail network, said Liu Zhijun, Minister of Railways.

China's dominance in the high-speed railway market is remarkable, said Yang Hao, professor in railway transport with Beijing Jiaotong University.

"No matter the length of high-speed railways, or the operation speed of our high-speed trains, China now dwarfs other countries," Yang said.

Though many of the advanced technologies used in high-speed railways were imported from France, Japan and Germany, "China has learned them fast, and China also has its advantage in industrial integration", he said.

By 2013, 800 bullet trains will be churned out to zip through the cities at a speed of at least 250 km/h, the minister said. Also, a new-generation high-speed train, which insiders said is built to run up to 380 km/h on the future Beijing-Shanghai high-speed link, is also expected to roll off the production line and complete comprehensive tests this year, he said.

The country should also clinch more deals in the global railway market this year, the minister said.

This is the first time the goal is put into the minister's annual work report, which reviews achievements in the past year and sets new goals for next year.

Liu urged various railway enterprises to go out as a whole to establish and promote China's rail standards and forge its rail brand.

"Based on our technology and industrial integration advantages, we should try to boost international cooperation this year," he said.

China launched its first 350 km/h high-speed railway between Beijing and Tianjin in August 2008 before the Beijing Olympics. Late last month, China's first long-distance high-speed rail, the 1,068-km Wuhan-Guangzhou railway, was also put into operation.

So far, State leaders and delegates from more than 100 countries have visited the Beijing-Tianjin high-speed rail, and many have expressed interest in cooperating with China to build high-speed rail.

Last year, China signed memoranda of understanding with several countries, including the United States and Russia, in high-speed rail cooperation.

Experts said China stepping ahead of these countries in developing low-emission high-speed railways could help it attract potential partners.

The cooperation is also "never one way", as both sides can benefit from the cooperation, Yang said. *(China Daily)*

Culture industry in booming dev't in 2009

Despite 2009 being the year of the Great Recession, it was a good 12 months for China's culture industry. With banks upping loans to this sector, it not just kept pace with overall economic growth, it topped expansions in GDP in the first five months of the year.

TV producer Li Gongda has a great deal to be happy about, with productions by his company, "Lotus Lantern Prequel" and "Pigeon Whistle", getting good ratings across the country. Also, the company has managed to get 15.5 million yuan in loans from the Bank of Communications to help them fund filming for the year.

Li Gongda, Producer of Beijing Tianxingji Flim & Culture Broadcasting said "A zero-mortgage loan is actually a recognition of the value of the culture industry. I think this is significant."

Zhang Xin, GM of Retail Credit Management Department, BOC (BJ Branch) said "We have issued 369 million yuan of loans to 20 companies. As a result, some medium and small-sized cultural companies have developed very fast."

By the end of last year, several domestic financial institutions such as Bank of China and China Minsheng Bank had provided hundreds of billions of yuan in loans to culture-oriented companies, easing the usual problems with financing.

In the first five months of last year, the culture industry grew at 17 percent, faster than the expansion of both GDP and the service industry. Last year, the culture industry in Shandong province exceeded 100 billion yuan. While in Jiangsu, that sector has maintained a close to 30 percent growth rate in four consecutive years.

Liu Yuzhu, Director of Cultural Industry Department, Ministry of Culture said "2009 was a transition year for development in this industry. With overall economic development, demand for culture has also grown. With the help of central and local governments, we expect continued strong development."

2009 has seen the sale of 6 billion yuan of film tickets, an increase of 40 percent year on year. The news publishing industry has also seen its output hitting 1 trillion yuan last year, up 20 percent year on year. Also last year, the State Council issued a revitalization scheme for the culture industry, the first time development in this sector has been recognized as strategically important. *(cctv)*

China's publishing industry reaching out

China's publishing industry experienced a fruitful year of stepping onto the global arena. In 2009, China realized its "going-out" strategy, which encourages Chinese publishers to export more book copyrights abroad in a bid to promote Chinese culture.

In the New Year, the General Administration of Press and Publication drafted a proposal concerning the development of China's publishing industry. It says that the administration will back more and more domestic publishing enterprises to break into the overseas market.

January 4th was the first working day after the New Year holiday, and the staff of the Foreign Language Teaching and Research Press were busy working on editing a 50-episode television series that teaches foreigners how to speak Chinese. The series will be aired in 45 European countries in February.

In 2009, the Foreign Language Teaching and Research Press collaborated with a dozen internationally renowned publishing enterprises, such as Oxford, to publish more than one hundred Chinese language teaching materials.

The annual Frankfurt Book Fair, which took place from October 13th through the 18th in 2009, is a fitting example to illustrate. *(cctv)*

Shaolin Temple goes commercial

When people think of temples, they usually associate them with religion and culture. But China's famous kung fu shrine in Henan Province has become a hot business topic, eliciting both surprise and criticism.

The 1982 movie Shaolin Temple, starring Jet Lee, introduced the ancient temple to a modern worldwide audience. In restoring the kung fu shrine, many quickly realized its commercial value. But the fabled monastery was not a public topic until Shi Yongxin became its youngest abbot in 1999. He began to run Shaolin as a brand, including setting up a movie-making company, developing a Shaolin hygienic drink and opening an online shop.

His most recent controversial move was to act as an agent for other temples in the country. Shi Yongxin was then named by the media Shaolin Temple's CEO. The rumor that the Shaolin Temple would soon be listed first appeared in the press five years ago. The latest version, which has been denied by the local government, is that the temple will go public in 2011 in a joint-venture with China Travel Service Hong Kong.

The so-called Shaolin CEO has not commented on the reports. But one clue as to his attitude can be found in a statement he made in 2008. At the time, he said that the Shaolin Temple will never be listed, because speculative transactions violate the tenets of Buddhism, and that in any event the Shaolin Temple has enough capital. *(cctv)*

China to continue promoting inbound, outbound investment

The Chinese government will continue encouraging outbound investment while attracting foreign investment in 2010 for "stable and relatively fast" growth of the country's economy, a government official has said.

Outbound investment, or "go-global" strategy, should aim at making use of overseas resources, market and advanced technologies, so as to help facilitate development of China's domestic economy, Zhang Xiaoqiang, vice minister in charge of the National Development and Reform Commission.

The remarks were made at a conference held in Beijing on foreign investment on December 11. In the first three quarters of 2009, China saw its investment overseas at US$32.87 billion, up 0.5 percent year-on-year, according to the Ministry of Commerce (MOC).

The country would also continue to attract foreign investment, he said. "Social stability, huge potential market and low cost of productive resources are still advantages for foreign investment," he said.

The country would see more advanced technologies and talents from foreign countries and foreign investment would better serve the structural reform of the country's economy.

Zhang said the government would stress national economic security while seeking to increase foreign investment. "We have to properly handle new challenges and situations when further opening sectors, including finance and telecommunications." *(Xinhua)*

Economic stability boosts CIC

China Investment Corporation (CIC), the nation's US$300 billion sovereign wealth fund, may gain more than 10 percent from its investments last year on the back of the global financial market and economic stability, a source close to the fund said.

"Though the total financial return is not yet fixed, the fund expects to report an annual return better than last year," said the source, speaking on condition of anonymity.

It was reported in August last year that the fund's net profit grew 6.8 percent to reach US$23.1 billion in 2008, thanks to hefty gains in its domestic investment arm made from major listed State banks. However, the value of its global investment portfolio fell 2.1 percent during the same year.

However, the source denied that the fund had such a plan. Railway investments usually do not yield high returns and the process would be "quite complicated", the source said.

CIC, which was set up to manage the nation's swelling foreign exchange reserves, accelerated its investment drive after the second quarter of last year, when it was widely believed that the worst of the global downturn had passed. The fund diversified its investment strategy by shifting from investing in financial firms to energy and resource-related companies.

Lou Jiwei, chairman of the fund, said earlier that such a strategy was aimed at hedging risks brought by growing expectation of inflation and the purchasing of financial products.

More than US$10 billion of the fund was poured into nine investments last year, mostly in energy and resource-related sectors. This compares with the US$8.7 billion and US$4.8 billion it invested in 2007 and 2008 respectively, according to investment statements released by CIC.

After the initial embarrassment of heavy losses on investments on Wall Street, the fund appeared to have turned around successfully through making a string of overseas investments in energy and resource-related sectors and streamlining its management team.

In late November last year, the fund invested HK$5.5 billion in China's leading green energy supplier GCL-Poly and spent US$400 million to become the cornerstone investor of Longyuan Power Group, Asia's second largest power producer.

CIC's massive investments in US financial giant Morgan Stanley and Blackstone soured in 2008 when the global financial crisis was at its worst. *(China Daily)*

China encounters growing trade protectionism charges from EU

The EU initiated seven new trade remedy investigations last year on Chinese exports.

It is said, citing the Ministry of Commerce (MOF), that the figure was one more than the previous year, accounting for over 50 percent of the cases the region launched worldwide.

The cases included aluminum wheels, scanners and ironing boards exports, the newspaper said. A statement of MOC said that high unemployment rate might have forced European industries to resort to protectionism.

China and the EU need to engage in more frequent dialogues and work together to identify win-win solutions in the current financial climate, said Cheng Yongru, a division director at the Bureau of Fair Trade of MOF. *(Xinhua)*

China to open first three pilot consumer financing companies

China's banking regulator on January 6 approved the establishment of the country's first three consumer financing companies, which are scheduled to be started in Shanghai, Beijing and Chengdu, according to the financial services authority in Shanghai.

The Bank of China, Bank of Beijing, and Bank of Chengdu are the promoters of the three pilot consumer financing companies, which are expected to offer personal loans to finance purchases of durables without taking deposits, said sources from the financial service authority of Pudong New Area, Shanghai.

China Banking Regulatory Commission (CBRC) issued in May, 2009, a draft rule on the establishment of consumer financing firms, in an attempt to further spur the country's domestic consumption. *(Xinhua)*

Commerce minister stresses RMB stability

China's Commerce Minister Chen Deming said on January 7 the stability of the Chinese currency contributes to the recovery of the world economy while voicing concerns over the strength of the U.S. dollar.

"The Chinese government has stated on many occasions it will keep the exchange rate of the yuan, or Renminbi, basically stable," said Chen during a visit to the Turkish capital Ankara, adding "We feel that is an important support and contribution for the world economy, which is undergoing a crucial period of recovering."

An unstable currency of China, whose trade volume accounts for about 10 percent of the world's total would have a great impact on the global trade, Chen told a joint press conference with Turkish State Minister for Foreign Trade Zafer Caglayan.

China's major trade partners have complained about an undervalued yuan, which they said give price advantages for Chinese exports. The yuan has gained more than 21 percent against the greenback since the currency was unpegged from the U.S. dollar in July 2005.

Chen said China will press ahead with reforms for a controllable, freely floating Renminbi exchange rate, while reiterating China's concerns about the value of the U.S. dollar.

"Recently we're more concerned about whether the U.S. dollar can maintain its stability and strength, as China holds a large amount of U.S. dollar-denominated bonds," said Chen.

China is the biggest holder of U.S. Treasury securities, with its holdings totaling US$798.9 billion in value as of the end of October 2009, according to U.S. Treasury data.

Caglayan said the two sides had discussed the possibility of using local currencies in bilateral trade and China's purchase of Turkish bonds. Chen said China is experimenting with Renminbi settlement with countries which have relatively balanced bilateral trade with China and that the practice will be expanded and promoted after maturing.

China announced in December last year it would start allowing Renminbi settlement of international accounts on a trial basis.

The government announced last month it would increase the number of pilot cities carrying out yuan settlements in foreign trade from the current five, namely Shanghai, Zhuhai, Guangzhou, Shenzhen and Dongguan, to help export companies avoid foreign exchange rate fluctuations.

In those pilot cities, Chinese enterprises have the right to decide on their own whether they use the yuan or the U.S. dollar in settlement, said Chen. China and Turkey saw their trade surge from about 1 billion U.S. dollars in 2000 to about US$12.6 billion in 2008, but Turkey witnessed a huge trade deficit with China.

China will further encourage Turkish companies to sell products to China and Chinese enterprises to invest in Turkey to reduce the imbalance. Chen Deming arrived at Ankara on a four-day visit to Turkey and will go to Istanbul on January 8. *(Xinhua)*

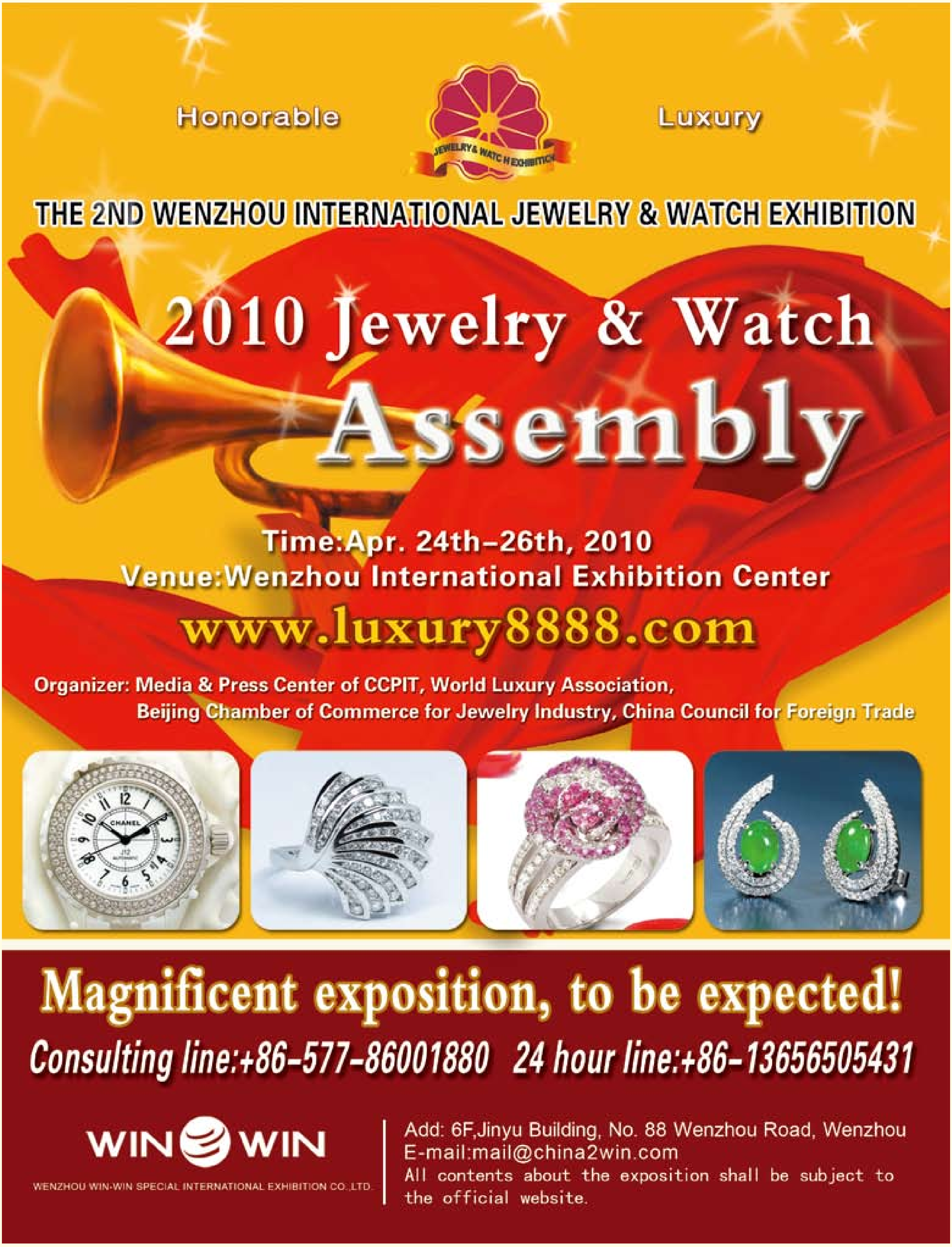
Central bank reaffirms moderately loose monetary policy, moderate credit growth in 2010

The People's Bank of China, the central bank, reiterated on January 6 that it would maintain a moderately loose monetary policy in 2010 and improve the focus and flexibility of the policy according to new circumstances.

The monetary policy in 2010 would aim to maintain a stable and relatively rapid rate of economic growth, improve the economic structure and manage inflation expectations, the central bank said in a statement on its website after the conclusion of its annual work conference from Jan. 5-6.

"We must continue our efforts to sustain a stable and relatively fast rate of economic growth and stabilize prices and effectively manage inflation expectations," the central bank said.

"It is still too early to change the present monetary policy as the recovery is still not solid enough," said Li Yang, deputy director of the Chinese Academy of Social Sciences. "A too-early exit would mean losing what we have achieved," he added. *(Xinhua)*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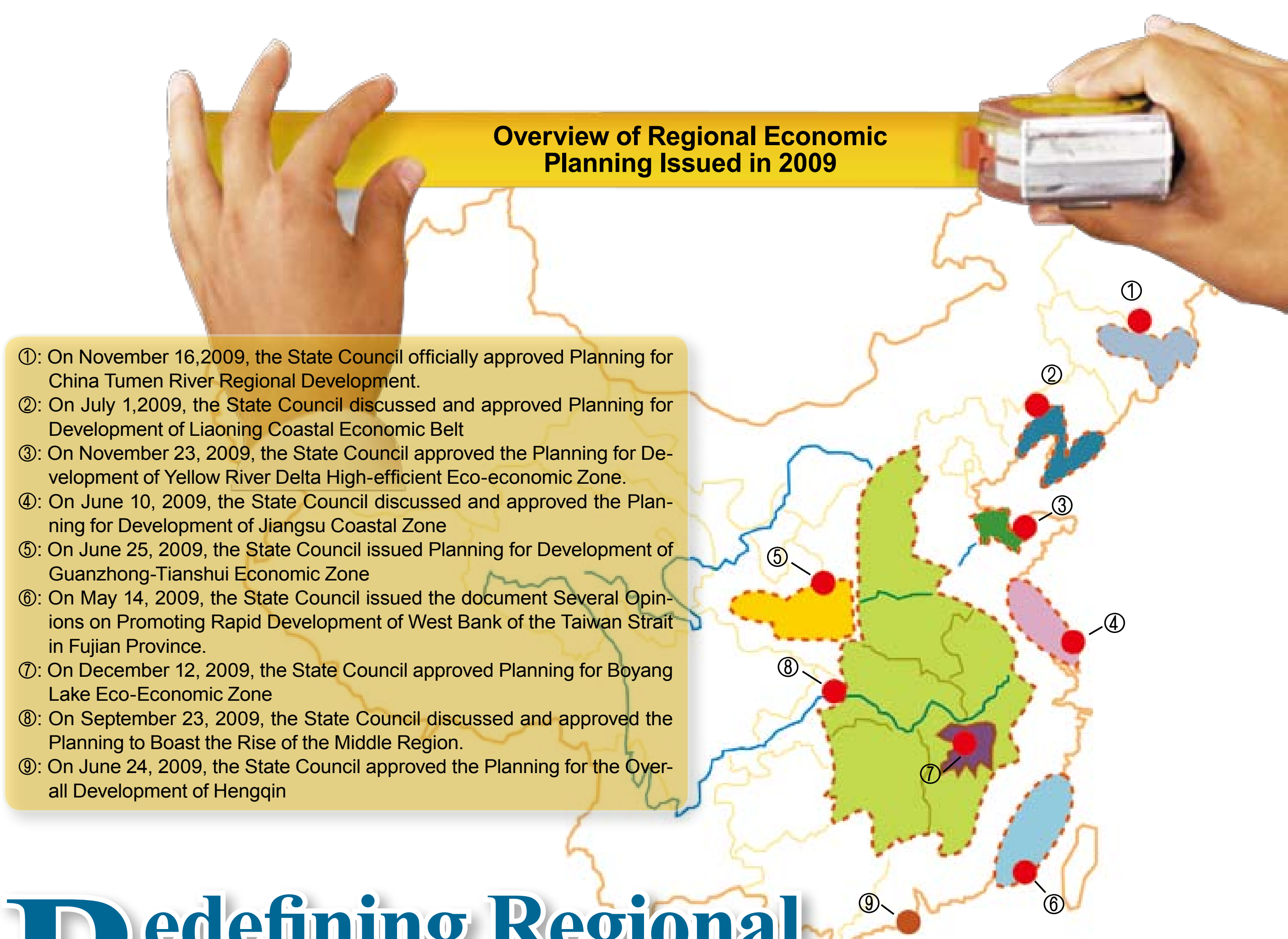


Redefining Regional Economic Layout

By Yan Manman

In 2009, the Chinese government approved planning for 9 regional development zones, including plans for the Taiwan Strait West Bank Economic Zone, the Guanzhong-Tianshui Economic Zone, the Jiangsu Coastal Region, the Tumen River Region and Yellow River High-efficient Ecological Economic Zone, among others. It was a rare moment in Chinese history for the government to issue so many regional economic development plans at the same time. The new regional economic layout has come into being gradually, with the Yangtsz River Delta, Pearl River Delta, Beibu Gulf, Circum-Bohai-Sea Region, West Bank of the Taiwan Strait, Northeast China, along with the Middle Regions and Western Regions, all featuring unique development strategies based on their different advantages and resources.

There's talk that China's economy is on the verge of great change. The unbalanced development model of the past is coming to the end, and the new model is ready to take its place. Different from the unbalanced development in the eastern regions, which featured economic hotspots or line-shaped highlights over the past 30 years, the next 30 years will showcase a new layout with a dynamic and balanced economic grid , aimed at liberalizing local production factors, and easing various structural constrictions, as well as narrowing the gaps between rural and urban areas and among different regions.

In the new regional economic layout, resource endowment and regional advantages in different areas will be re-evaluated by the market, and the excessive allocation of production factors to eastern areas will be broken through. The new trend will require the regions to play to their respective advantages, whether they be natural resources or geographic location, to obtain more say and more bargaining power which can further facilitate their development.

In addition, the labor force market would also see obvious changes — the flow of labor would change its direction and regional differences in the cost of labor would also narrow gradually. With the rising cost of manufacturing and living, economic growth in the eastern areas would unavoidably move into the slow lane, thereby the appeal of the metropolis would slowly fade away. Given the profit-driven nature of large capital investments, it is possible for capital, technology and the labor force in eastern areas to move to inland areas. After the reshuffling of the comparative advantages in these areas, different resources in society, including the flow of labor, funds, goods, technology, and information, all would see reorganizing and reallocation on a great scale, according to market principles. It would bring another unprecedented shift in economic interests, as well as new structural adjustments and industrial integration, which in turn would mean new opportunities for all the participants.

For all the potential benefits, the substance of these plans ultimately depends on how the local governments define their focus and implement the planning. This issue *China's Foreign Trade* will share and analyze each regional development strategy.

Tumenjiang Delta, New Drive for Chinese Economy

By Li Tai, Guo Liqin

District of Tumenjiang, or Tumen river area is described by Japanese Takeo Touma as strategic center of "Japan Sea Rim Economic Zone" for five economic regions (Japan the Far East region of Russia, North and South Korea, and the Northeast region of China). As the typical example of international regional cooperation, the idea of Tumenjiang area development has lasted for nearly 20 years with the fluctuations of international politics.

On August 30th of 2009, the State Council issued the "Planning outline of Cooperation and Development in Tumenjiang River Region—Taking Changchun-Jilin-Tumenjiang as the Opening up and Development Pilot Zone". It is finally admitted in November 2009, a signal of implementing the master plan to drive China's economy and the world as a whole.

This planning outline is the strategy to improve the opening up level of border regions, an important step to further the revitalization of old industrial bases in Northeast China. Concurrently, the idea of "Japan Sea rim" in Japan dates back to the 1960s. The rapid changes in this area during the last one to two years have pushed this idea to the front and moved it from being a mere master plan toward realization. An example is the "Tumenjiang Development Master Plan" which now frequently appears in the newspapers.

Overview of Tumenjiang Delta and master plan

Tumenjiang, Tumangang in Korean, is the international river 516 km in total length, which flows along the border at the mouth of this river, with the Chinese territory lying about 15 kilometers upstream. Tumenjiang area lies in the key centers of northeast Asia economic zone and Japan Sea Rim Economic Zone whereby China, North Korea and Russia connect, through river, China, Russia, North Korea, South Korea and Japan tied. Due to the geographical triangle composed by China's Huichun, Korea Rason and Russia ga sang, it is claimed as "golden Delta".

In 1992, proposed by United Nations Development Programme, five contiguous countries with adjoining boundary (China, Russia, North Korea, South Korea and Mongolia) jointly initiated the Tumenjiang Area cooperation and development project. In December, 1995, three countries (China, Russia, North Korea) inked three legal document including agreement on establishing coordination committee on developing Tumenjiang Area, China, Russia, Korea, Mongolia and South Korea signed the agreement on establishing Tumenjing economic zone and coordination committee on Northeast Asia development and the understanding memo of Tumenjiang economic zone and Northeast Asia environmental codes. It is the signal that international cooperation on Tumenjiang Area has come into the phase of implementation. According to the agreement of the Eighth UNDP Tumenjiang Area Project Development Meeting held in 2005, the nations involved unanimously extended their period of collaboration to 2015, paving the way for increased cooperation between them, which upgrade regional economic cooperation of gross Tumenjiang Area.

The master plan covers the key area of Tumenjiang Delta, which is Changchun of Jilin Prov-

ince, some other area of Jilin province and Yanbian Korean Autonomous Prefecture (we simply put it as Changchun-Jilin-Tumenjiang), this plan can also exert its effect on the surrounding area such as Liao Ning province, Hei Longjiang province and Inner Mongolia Autonomous Region. The area of Changchun-Jilin-Tumenjiang is 73 thousand square kilometers, 39% of Jilin province. It has a population of 10.9 million, accounting for 40% of the Jilin Province with half of Jilin province's economic aggregate.

The map also implies the strategic status of Changchun-Jilin-Tumenjiang. First and foremost, it is the only one in China that had been approved by the state for the implementation of development and opening up of a border area. Besides, the region of Northeast Asia is defined as "China's gateway to Northeast Asia" and "economic and technology cooperation platform". Currently, the GDP of northeast Asia taking up 1/5 of the world economy is the area with most developing potential. Last and not least, For a long time, the region of Northeast China especially Jilin Province has been left behind with a lower degree of outward-oriented economic development. But now it is defined as the new drive for Northeast China's economy since its geographical location of other two provinces in the area: Heilongjiang province and Liaoning province.

Harmonious development of the area

Through a recent updated article from the governmental website of Jilin province, we can infer the great stimulation of this ratified master plan. With the approval, the Jilin Provincial Committee and the People's Government of Jilin Province have stipulated a series of action plans, including shipping out via port, establishing comprehensive bonded area, strengthening infrastructure constructions not only consolidate the existing correlated road-sea cargo transportation routes, but forming tri-dimensional, convenient and fast traffic network; creating new industrial bases with core competitiveness, successfully hosting the Northeast Asia Investment and Trade Expo while pushing forward the construction of international and interprovincial industrial cooperation parks and development zones; pushing forward the innovation of financial services, to actively usher in institutions in such spheres as finance, security and insurance, etc., to open the first batch of venture fund experimental units, and to tone up financial services; strengthening cooperation in science and technology as well as education and introduction of talents so as to provide scientific and intellectual support for the construction of Changchun-Jilin-Tumenjiang regional development and opening-up pioneer zone.

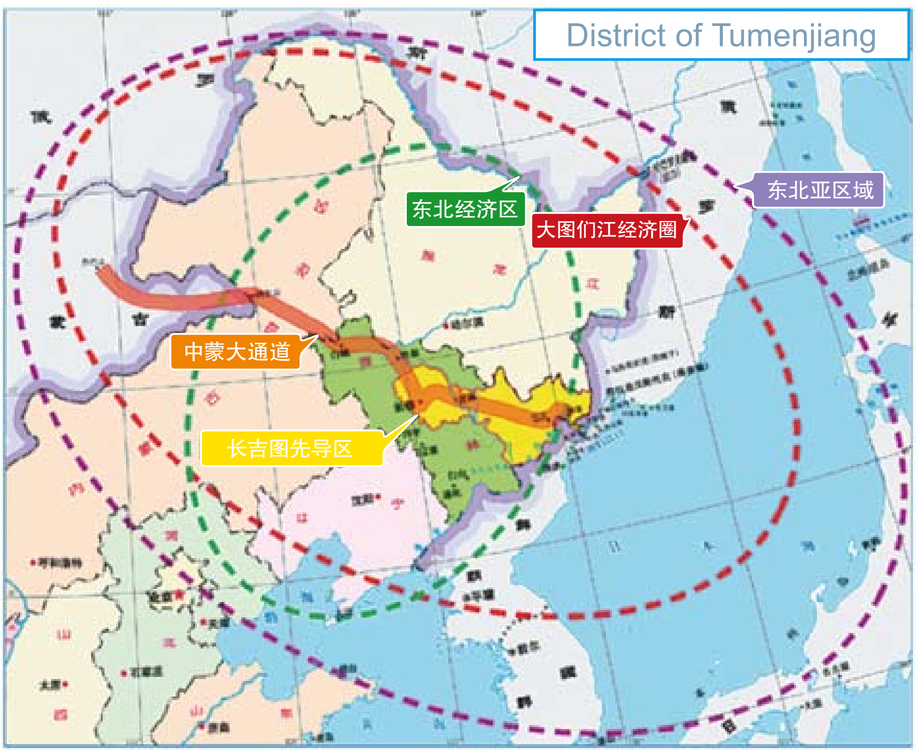
In this area, there are many good harbors such as Chongjin, Vladivostok, Rajin, Sonbong, Nakhodka, and Vostochny, all in the vicinity of the golden delta. In other words, the master plan intends to develop this area as the center of the Japan Sea Rim by combing resources in the Far East region, the labor force of China and North Korea, and the capital and technology of Japan and South Korea.

Different voices

Tumenjiang area involves many countries and historical issues. It is still strongly doubted by some problems. For one thing, the basis for the development is still not as sound, Tumenjiang area is located in the remote place in China, North Korea and Russia with small population, lagging market and economy, as well as shabby infrastructure. Besides, it is difficult to coordinate sharing interest between China, Russia and North Korea.

Taking the Yanbian Korean Autonomous Prefecture's need for navigation rights as an example, due to the historical reason, without international navigation rights, China cannot exit to the Japan Sea from its territory. Therefore, Jilin and Heilongjiang in Northeast China don't have an exit to the sea, and products from both provinces are shipped from Dalian. Dating back to the 17th century, China constructed a port upstream at Hunchun during the 17th century. International shipping lines opened during the 1920s and 1930s, and China shipped products to Niigata on the Japan Sea coast, Wonsan, Pusan, and Nagasaki. The trading volume was quite significant; however, because of World War II, the Korean War, and the eventual deterioration of Sino-Siviet relations, the mouth of the river has been kept closed.

Therefore, Tumenjiang River became the only water route on the Chinese mainland that flows into the Sea of Japan for long time. According to a report from Beijing Review, the Yanbian Korean Autonomous Prefecture has achieved access to the sea via some ports in Russia and North Korea and developed cargo and passenger transportation services to Japan and South Korea, through the gradual international cooperation in the Tumenjiang Area within years. However, these services are still greatly restricted by factors such as the fussy procedures of Customs clearance.



(Li Tai, Researcher with Economic Information Center)

Five Points in One Line

——Liaoning Costal Economic Zone

By Audrey

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

Liaoning Port: construct a real shipping center in Northeast Asia

Liaoning Province has the industry base with the longest history in China, and also 2.290-kilometer-long coastline, taking 12% of the whole in China. Along the coast line, there are six cities, Liaoning, Yingkou, Jinzhou, Huludao, Panjin and Dandong, while there are cities 50 km or so away from the shore, and port clusters as Liaoning Port, Yingkou Port, Jinzhou Port, Huludao Port and Dandong Port. Liaoning Port has great advantages listed as follows: a. the largest port in Northeast, b. broad economic inner-land as backup, c. the leading role in "five-point in one line" coastal economic zone plan, d. the container throughput for foreign trade from Liaoning Port takes 90% of the whole in Northeast, d. cargo advantages in containers for foreign trade, in ro-ro passenger ship and petroleum products transportation. Liaoning Port takes a strategic position in the "five-point in one line" plan for the reasons as follow. First, Liaoning Port is located at the south end of Northeast. Second, the city has an export-oriented economy, so there is a great need for foreign trade containers and the tourism industry will be helpful to attract foreign capitals. Third, the land transport in Northeast is perfect, with most cargos transported by road and railways, which determines that there will be a close relation between Liaoning and Northeast.

New engine for economic revitalization in Northeast and recovery in mainland

Port plays a so important role in Liaoning Province. First, in the competition among ports, the one with broad inner land will gain great advantages. Second, the inner land economy, coastal industries and logistics system around the port will support the development of port clusters. With a developed and powerful port, industries will be attracted and gather in the coastal area, then achieve the target of forming industrial clusters and goods distribution centers and integrating the labor factors. With the ports' driving, the revitalization in Northeast could move on smoothly. Liaoning Northeast Asia Shipping Center is a combination of distribution center and transfer center for inner land market, radiating the three provinces in Northeast and spreading to the whole Northeast Asia. In order to secure a long-term development for the coastal industrial cluster, we have to choose a new industrialization way, give priory to new industries and the subsidiary industries, add more value-added to the products, form clusters of new industries and company groups and improve the industry structure. Meanwhile, we should extend the industry chain and develop further processing of raw materials. Under the principal of unified planning, coordinated development, complement each other and win-win cooperation, the isolated administrative region should be joined together to realize integrated economic development in coastal area, forming a port cluster centering on Liaoning Port, supported by Yingkou, Jinzhou, Huludao and Dandong. Besides, the link between ports and road, railway, storage and other nodes of the logistics chain, to reduce the logistics costs and modernize its service.

Industrial cluster will create industrial zone

The "five points in one line" coastal economic zone will show features of industrial clusters. In the background of economic globalization, the clustering in Liaoning coastal area is more and more evident, and its positive influence to regional competitiveness is also increasing. The coastal area in Liaoning forms a kind of competitive advantage, meaning "coastal advantage", during the process of industrial clustering. Boosted by this advantage, through specialized market and industrial transferring mechanism, the coastal industries relocate and gather in the coastal area, forming an economic community. Liaoning coastal industrial cluster has a high level of openness, and the cluster there is the result of flow of global elements and relocation and gathering of industries. To Liaoning, the process of coastal industrial clustering often means a process of mechanical innovation, so Liaoning will embrace another chance of development. After the Development Plan went public, both competition and cooperation became the cause for industrial clustering, which is good for the ports, as it can build up competitive advantage for regional industrial zone, and then improve the competition and upgrading in Liaoning. The industrial cluster in Liaoning will bring more energy and power to the economy in Liaoning Province.

Yellow River Delta Faces a Historic Opportunity

By Li Zhen

China's State Council has endorsed the Development Plan of an Efficient Eco-Economic Zone at Yellow River Delta. The plan is meant to create a more ecologically sustainable economic zone along the river delta.

According to Shandong provincial governor Jiang Daming, the Yellow River Delta development should focus on ecological civilization construction target, highlight the theme of efficient ecological economy, in the greater efforts on their comparative advantage in the development of circular economy at the forefront in improving the ecological environment, in the promotion of regional integration the development of exploration and innovation, to achieve speed, structure, and efficiency, economy, society, resources and the environment in harmony River Delta to explore the development of new models.

Two targets have been set about the area, namely an "efficient eco-economic zone" with the economic and social development compatible with the capacity of the resources and environment by 2015; and a national "efficient eco-economic zone" featuring strong economic growth, an excellent environment and generally prosperous life by 2020.

The Yellow River Delta is located in metropolitan Beijing, Tianjin and Shandong Peninsula junction with Tianjin Binhai New Area which covers a land area of 26,500 square kilometers, stretching across Dongying, Binzhou, Weifang, Dezhou, Zibo and Yantai in China's East Shandong province. This area is one sixth of Shandong's land area and has a population of 9.85 million. The plan emphasizes the development of four cities near ports: Dongying, Binzhou, Weifang and Laizhou.

The delta is home to more than 533,000 hectares of less developed land and one million hectares of shallow sea area. It is rejuvenated by an average of 1,000 hectares of new land created annually by deposited silts carried by the Yellow River. In 2008, the Yellow River Delta region accounts for the province's GDP accounts for more than 15%. By 2015, the region will exceed RMB 930 billion.

Over the years, development and construction of the Yellow River Delta has always been widespread attention at home and abroad. Back in the last decade of the 20th century, the Yellow River Delta Development was listed as one of the two cross-century projects by Shandong provincial government. In the new century, "Development of the Yellow River Delta and efficient ecological economy" has been an important goal included in the national "Eleventh Five-Year" plan.

Great potential lies in the development of the Yellow River Delta. Considering the scarcity of freshwater resources, it is required that the development of the Yellow River Delta can only take the "develop while protect, and protect while develop" path, to explore the new development models.

National position about the Yellow River Delta Economic Zone and its efficient ecological function is: give full play to the resources and geographical advantages, relying on Shandong, Tianjin and Hebei, Bohai Sea, facing the Northeast Asia, co-ordinate economy, social and eco-integrated development, and built the country's major ecological and economic efficiency demonstration zones, special industrial bases, reserve land resources development zone and the Bohai region's key growth area.

Two steps are needed to achieve the development goal in the Yellow River Delta.

First, by 2015, per capita GDP more than doubled than that in 2008. Constant improvement of the ecological environment, energy-saving emission reduction achieved remarkable results; industrial structure was further optimized, circular economic system has basically taken shape; to perfect the infrastructure, water use efficiency support capabilities, and significantly improved; public service capacity has been strengthened, and people's quality of life increased dramatically.

Second, by 2020, human and nature live in harmony, ecological environment and economic development highly integrated, sustainable development capability has been markedly enhanced, ecological civilization construction has made remarkable achievements to create more competitive and modern eco-industrial system. Try to be the first to build economic prosperity, beautiful environment, and rich life of the state-level high-efficiency ecological economic zone.

Infusing Energy into "Jiangbei" Area

——Insight into Jingsu Costal Area Plan

By Guo Liqin

Traditionally, Chinese people regard Jiangsu as a rich area with long-lasting elegant culture manifested with typical picture of small bridge, flowing brook and graceful young lady. However, it is not the whole picture. "We Jiangsu province is divided into two parts: north Jiangsu and south Jiangsu" said Miss Xu who denied to show name and her hometown is Suzhou city, where the art of gardening is worldwide renown, "when I was a little girl, my mom always scared me with the words that don't cry, Jiangbei (short term for North Jiangsu) Wideman will catch you, and I would stop crying. Actually, it has the same effect with the big wolf will come."

It is not a strict geographical classification but a sub consciousness that deep into the local people's mindset. However, this subconscious classification of Jiangsu province show the huge economic divide between the two areas in one province.

The State Council, China's Cabinet, on June 10 2009, announced a plan to boost coastal regions of east China's Jiangsu Province, where growth has long lagged behind some other parts of the booming province, according to the report by Xinhua.

China would boost the economy of three selected cities, accelerate infrastructure such as power grid and transportation, step up the fishing output in the region, and strengthen exploration of the muddy coast, partly by reclaiming land from the sea in a scientific way, according to the plan.

The plan is aiming to build the region into a traffic hub, a coastal industrial base, a good place to live as well as potential development zones as the area abounds in land reserves and mud flat. The State Council executive meeting chaired by Premier Wen Jiabao marked the long-debated coastal development strategy of Jiangsu finally written into the version with national strategic level. Will this stimulating plan really boost the Jiangbei economy and changes the mindset of "Jiangbei" area?

A strategy to establish the transportation hub

Coastal Jiangsu, led by cities of Lianyungang, Yancheng and Nantong, is an important part of the Yangtze River Delta, According to the executive meeting of the State Council.

Lianyungang City is also the start point of the Europe-Asia rail line that goes through west China before finally reaching Rotterdam of the Netherlands. Development of the region would help boost the country's less developed middle and western areas, and enhance cooperation with Central Asia, Europe and Northeast Asia, according to a statement issued after the meeting. Meanwhile, another plan was issued to further develop the culture of China's ethnic minorities.

State Council executive meeting pointed out that China's coastal Jiangsu Province is located in the coastal areas along the Yangtze River and along the Longhai - Portland New Line three main axis of the distribution of productive forces intersection region, the Yangtze River Delta is an important component of the unique geographical advantage, the land reserve resources rich in the important strategic position. Under the new situation in the coastal Jiangsu to expedite the development of the Yangtze River Delta region for industrial upgrading and enhance the overall strength and improve the productivity of the national coastal areas and promote the development of the central and western regions, between China and Central Asia, Europe and the Northeast Asian countries exchange and cooperation is important.

A strategy to upgrade the new energy

Special reference to the meeting, it is necessary to promote the advanced manufacturing and producer services development, positive development of wind power and nuclear power as the mainstay of the New Energy and Industry, according to an analysis from Beijing Virtue of Brainpower Consulting Co., Ltd.

In other words, it will focus on the construction of an important integrated transport hub, along the new industrial base, it is important to reserve resources Land Development Area and a beautiful ecological environment, people's lives Livable affluent area, will be built along coastal regions in Jiangsu in eastern China's important economic growth.

Jiangsu Province is the largest energy consumption province and long lack energy Experts said that the new energy industry is of the Jiangsu's most important coastal industries. Jiangsu coast were high hopes in the planning, will be built into the new, Jiangsu Province, an important energy base and building a large number of wind power generation, liquefied natural gas for power generation, nuclear power and other new energy projects.

Integrating "Jiangnan" and "Jiangbei"

The meeting stressed that to accelerate the development of coastal areas of Jiangsu should give full play to comparative advantages, to speed up the construction of the new Eurasian Continental Bridge and the promotion of the East Sea beach bridgehead rational development.

Professor Zhang Haohan, vice president of the Academy of Social Sciences, Chinese Academy of Social Sciences Research Center of China's urban development in the Yangtze River Delta regional, director of the Center for joint research believe that the coastal development strategy of Jiangsu is also an important aspect of the integration of the Yangtze River Delta. From Nantong to Pudong, the radiation force will be to transfer the majority of the northern region with proliferation of tasks. Despite not remarkable strategic position, Lianyungang is bridgehead of Asia and Europe along the Longhai Railway, Jiangsu coastal area.

Sleeping Hengqin Wakes up

By Rose Yan

With the Planning for Overall Development of Hengqin approved by the State Council of China On June 24 2009, Hengqin was officially lifted to be China's third state-level New Area after Shanghai's Pudong and Tianjin's Binhai. A new page would take on in the coming years.

Hengqin island, largely undeveloped and three times the size of Macau, now under the jurisdiction of the city of Zhuhai of Guangdong province, bordering Macau, is likely to gain a major makeover as a resort paradise, featuring golf courses, theme parks, water sports, hiking trails and other tourist attractions.

Positioning and vision for Hengqin

According to the Planning, Hengqin Island will become a sample zone for exploring new co-operation between Guangdong, Hong Kong and Macao under the "One country, two systems" policy, a pioneering zone for deepening reform and opening up and scientific and technological innovation, and a new platform for accelerating industrial upgrade in the western Pearl River Estuary area. Customs clearance will be expedited and a Guangdong-Hong Kong-Macao integrated development will be accelerated through Hengqin Island.

The Planning put forward the vision for the development of Hengqin. It is to develop Hengqin into an open, energetic, intelligent eco-island. According to the blueprint, Hengqin Island will achieve RMB 120,000 per capita GDP by 2015, which will be raised to RMB 200,000 by 2020. The population is expected to increase to 120,000 by 2015 and 280,000 by 2020. Industries will focus on business services, leisure, tourism, education, and research and development as well as high technology.

In addition, under the Planning, development of more than half of the island's landmass of 106 square kilometers will be prohibited, making it an eco-friendly patch.

Four key industries given priority

First, a regional business service base for Guangdong, Hong Kong and Macao will be built. Making the best of Hong Kong's status as an international finance, trade and information centre, efforts will be made to strengthen Macao's role in international trade, encourage Hong Kong and Macao business service to stretch towards Hengqin Island, which will focus on information, outsourcing, business and trade, and make Hengqin a regional business service base that first serves Hong Kong and Macao in the western Pearl River Estuary. It will provide displaced development service for the western Pearl River Estuary and Chinese mainland.

Second, a world-level holidaymaking base supporting Hong Kong and Macao will be built. High-quality holidaymaking and tourism projects will be developed and a package tourist route featuring the three areas will be created.

Third, a regional scientific and educational research and development platform will be built. Taking advantage of Hong Kong and Macao's technological and educational resources, technological co-operation and exchange between the three areas will be intensified with priority given to research, development and design, education and training, and cultural and creative endeavors. Hengqin will become a regional innovation platform to service Hong Kong, Macao and the Chinese mainland, boost Macao's traditional industries and improve the independent innovation.

Finally, a state-level hi-tech industrial base combining Hong Kong and Macao's competitive edges will be built. Zhuhai's higher-learning resources and technical support of the software and aviation industrial park and technology strength in the Pearl Rive Delta will be utilized to attract intellectual-intensive manufacturing industry in Hong Kong and Macao and the PRD to expand production on Hengqin Island, notably electronics and information, biopharmaceutical, new energy and environmentally friendly technology and aviation under CEPA with source areas in Hong Kong and Macao.

Striving for the goal

In December 2009, while Hengqin New Area was unveiled, four major projects were also launched, including the RMB 10 billion ($1.46 billion) Hengqin municipal infrastructure project, the RMB 12 billion ($1.76 billion) multiple combined supply gas-engine generator project by China Power Investment Corp, the RMB 10 billion ($1.46 billion) Chime-Long International Ocean Resort and the RMB 38 billion ($5.56 billion) Shizimen Central Business District (CBD).

According to Niu Jing, director of Hengqin New Area Administrative Committee, multiple projects with investment up to RMB 70 billion in infrastructure construction, tourism, education and business service etc had all been started, which were the pioneer for the further comprehensive development of Hengqin.

The multiple combined supply gas-engine generator project by China Power Investment Corp, the first regional gas-engine project in China, will supply the whole island with heating and hot water through byproduct heat of its generator, and supply air conditioning and steam through the hot water. The steam can also be used for sea water desalinization up to the standard of medical purified water. Therefore, boilers, air conditioners and heaters are not necessary on the island in the future, according to an official from the management commission.

Gan Lin, Secretary of the CPC Zhuhai Municipal Committee set a timetable for Hengqin's development: visible changes in one year, achievements in three years and significant changes in five years.

Guanzhong-Tianshui Economic Zone Approved to Shore up Shaanxi Economy

By Li Zhen

As a move to facilitate economic development, China's State Council approved the Guanzhong-Tianshui Economic Zone Development Plan to turn the country's north-western region as a base for advanced high-tech and agriculture industries by 2020.

This will be the third economic zone in the north after Sichuan's Chengyu economic zone in the centre and Guangxi's Beibu gulf economic zone in the south, with the aim of becoming an engine to boost the economy under the Great Western Development Strategy.

According to the plan, comprehensive economic power of Guanzhong-Tianshui Economic Zone will have a new stride. By the year 2020, its economic output should have taken over one third of the total in the whole north-western China, with doubled per capital regional GDP, great enhancement of urban and rural residents' income and significant improvement of self-developing ability.

"Development of Guanzhong will be focused on high-tech, equipment manufacturing, aerospace industry, mechanized agriculture and tourism industry," said Shaanxi province's governor Yuan Chunqing. He said the economic zone is in an area in the western region with the most intensive intellectual resources and sound industrial base.

The Guanzhong-Tianshui region covers an area of over 50,000 square metres and is home to more than 60 percent of Shaanxi province's population, generating 68.5 percent of the provincial GDP and 26.9 percent of that of the north-western region.

To implement the plan, real actions should be taken to fulfill programs and promote development. The plan unfolds a magnificent blueprint for Shanxi province. On implementing the plan, efforts should be made to promote creativity on system and institution, and form a supporting system which is favorable for the development of economic zones. It is highly necessary that government departments and municipalities should continue to deepen reform, feasibly shift government's functions, propose concrete measures on supporting economic zone's development based on research, and practically carry on the support policies on comprehensive coordinated reform, key programs planning, finance and taxation, finance, investment, land, environmental protection, talents and overall planning between urban and rural areas, given by the Country in the Plan.

Shaanxi is one of the important bases for equipment and manufacturing industries. Through recent development, the province now has already formed a comprehensive manufacturing industry system which includes professional equipment, manufacturing, national defense, aviation and aerospace industries.

Guanzhong's industries include information technology (IT) and electronics, biochemical, and modern agriculture, and it is home for 30 percent of national aero engineering research and development (R&D) and production capability.

The aviation industry in Shaanxi province is listed as number one in China and it is also the only province with two enterprises that can produce complete planes. Currently, Shaanxi is carrying out many major projects involving the coal chemical, petroleum chemical and electrical power industries.

To realize the development goal, a series of measures must be introduced to cope with various adverse factors brought by the financial crisis. Under the impact of the financial crisis, Shaanxi province has met great difficulties since the latter half of last year. Following the requirements of "rapid, powerful, targeted and practical", we earnestly carried out and implemented the package policy and measure set by the central government for ensuring economic growth. As side influences of the financial crisis on economy still exist, industrial structure adjustment should be accelerated and the construction of key programs should be emphasized during the implementation of the plan, to inject new energy to the economic development.

"In 2008, the energy chemical industry base north of Shaanxi province produced 24 million tonnes of crude oil, 10 billion cubic metres of natural gas, 200 million tonnes of raw coal," according to Yuan.

The region is to be developed into an important energy provider and coal chemical industry base. "While boosting the high technology industry and building a world-class technology park, we will integrate Xi'an and Xianyang city into an international metropolitan to attract tourists," said Yuan.

Xi'an, which is the ancient Chang'an, had been capital city of China in 13 dynasties, with more than 30,000 cultural and historic sites to attract tourists.

Elaborating on the development plan for Tianshui, Gansu province's vice governor Feng Jianshen said Tianshui city is to boost the manufacturing, agriculture and tourism industries and will also build more infrastructure.

The infrastructure includes highways connecting Tianshui to Baoji, Dingxi, Pingliang and Longnan cities and railway connecting Baoji, Tianshui and Lanzhou and an airport for Tianshui city. Tianshui will also be developed into modern logistics centre and processing centres for green agriculture products.

SPECIAL REPORT

Middle Region to Embrace Golden Time

By Yan Manman

On September 23, Premier Wen Jiabao chaired the State Council's executive meeting, which discussed and passed the Planning to Boost the Rise of Middle Region, which set the goals for the middle region of significantly increasing the level of economic development, further strengthening the developing vitality, remarkably enhancing the sustainable development capacity and making new progress in building a harmonious society by 2015.Institutional investors reckoned that this strategy of boosting the rise of middle region would provide great opportunities for the middle regions. In terms of the regional economy in China, Changjiang Securities insisted that the middle region is the biggest opportunity in the real economy, which is of great significance for China to smoothly ride out the economic crisis.

It is noted in the Planning that the six provinces in central China are major grain production bases, energy and raw material bases, equipment manufacturing bases and an integrated transport hub, playing an important role in the economic and social development. Datong Securities analyzed that the middle region would enjoy some unique edges.

Growth pole of the middle region

The emphasis in boosting the rise of the middle region is to accelerate the promotion and development of the Wuhan Metropolitan Circle, Changsha-Zhuzhou-Xiangtan city cluster, Poyang Lake Eco-Economic Zone, Yangtze-bordered Anhui city belt and Shanxi-Shaanxi-Henan Yellow River Triangle Zone and thus form new economic growth pole. In these zones, Wuhan Metropolitan Circle and Changsha-Zhuzhou-Xiangtan city cluster especially have unique position and function and would be the growth bud for the development of the middle region. The former plays a core role in Hunan's economic and social development, with the area accounting for 29.7% of that of Hunan Province, and its population 39.3% of the total population in Hunan. Likewise, the latter is the nucleus of the Hubei's economy, with area covering 31.1% of Hubei Province and population occupying 51.2% of Hubei's total population.

Transportation and logistics to gain more favor

The middle region is the hub to connect the east and west, south and north of China and is also the convergent area of the industrial belts in every direction. Objectively it enjoys the geographic advantage of developing large market and propelling the flow of the resources. The development of waterway, highway as well as the railway all matter the function of the transportation throughout China and thus the overall economic and social situation, playing an important strategic role. At present, the artery network comprised of the three main north-south lines of Beijing-Jiulong, Beijing-Guangzhou and Datong-Zhanjiang and three main west-east lines of Lanzhou-Lianyungang, Xiangfan-Chongqing and Hangzhou-Zhuzhou. In 2008, the mid and long term railway network planning was adjusted, making clear the goal that by 2020, 16,000 km of railway will be added and the total mileage of the railway in the middle region is over 34,000 km.

At present, there are 13 passenger railways and intercity railway under construction, with the total mileage near 4,000 km. 12 major interregional linking way and intraregional project are also being built, with the total length close to 2000 km. In addition, 12,000 km of railway is expected to be started construction this year, with the total investment up to RMB 750 billion. Most of the project will be finished in 2012. It is predicted that 7.5 million jobs will be created, 25 million tons of steel and 1500 million tons of cement will be consumed. Furthermore, these projects will push the development of a series of industries including equipment manufacturing industry, metallurgy and IT, etc. The construction and improvement of the transportation would bring long-term investment opportunity for the infrastructure construction and transportation industry. With the development of the transportation network in the middle region, the logistics is also expected to rise.

Further urbanization driving growth of engineering and consumer goods sector

The urbanization level in the middle region is relatively low, only 39% in 2007, far lower than that of the eastern region and northeastern region. As a region with greatest economic development potential, with the implementation of the Planning to Boost the Rise of the Middle Region and the national strategy of expanding the domestic demand, the middle region is bound to grow into the transportation and logistics center and production center and thus the urbanization will be increased rapidly. The urbanization would drive the development of project engineering, building materials industry and construction project and real estate development etc. And the increase of the population in urban areas in the middle is very likely to propel the expansion of shopping stores and supermarkets, etc.

Catch the ball of industry transfer from the east

The eastern region is accelerating the transfer of some industries, which offers some opportunities for the development of the middle region. After 30 years of development, some industries in the eastern coastal area has already stepped into the mature stage or even into the decline stage. The comparative advantages being lost, these industries have to be transferred to other areas. The middle region, with its advantage in geographic position, market and resource, possesses great edge in receiving the transferred industry. At the end of 2007, the Ministry of Commerce issued the *Opinion on Supporting the Middle and Western Region to Take over the Processing Trade*, defining 9 cities as the key recipients including Wuhan, Nanchang, Ganzhou, Chenzhou, Xinxiang, Jiaozuo, Hefei, Wuhuo and Taiyuan, which are all located in the middle area.

The Yangtze River Delta currently homes China's 70% textile industry, 80% garment manufacturing industry and 90% processing trade, and now there is an obvious trend of industry transfer. With its geographic position advantage, the middle region becomes the first choice for the destination of the foreign investment and the transfer of the labor-intensive industry in eastern area. In the six provinces of middle regions, An Hui initiatively blend into the development of Yangtze River Delta and bears the very advantage in receiving the transferred industry from the Delta. An Hui planned to take equipment manufacturing, raw materials industry, textile industry and high-tech industry as the major transfer industry. Similarly, Hunan also enjoy advantages in taking over the transferred industry from Pearl River Delta.

Q&A on Beibu Gulf

By Alice

China-ASEAN FTA, the world's largest free trade area in terms of population took effect on January 1, 2010, covering 13 million square kilometers and 1.9 billion people. Over 90 percent of the commodities traded between China and the six original ASEAN countries, including Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, now enjoy no tariffs from 2010. As a window to ASEAN countries, Beibu Gulf Economic Zone is in more limelight since the new year.

Q: What is Beibu Gulf Economic Zone?

A: In 2008, the central government has approved China's first international and regional economic cooperation zone in Guangxi in late February. The construction of the Beibu Gulf Economic Zone began in 2006. With the approval, the Beibu Gulf Economic Zone will be formally incorporated into national development strategies. Beibu Gulf Economic Zone is China's first and only regional and international economic cooperation area.

Q: Where is Beibu Gulf Economic Zone?

A: The Beibu Gulf Economic Zone refers to the area around the provincial capital of Nanning, coastal cities of Beihai, Qinzhou and Fangchenggang; and the inland cities of Yulin and Chongzuo as its east and west wings. Total area is 42,500 square kilometers, with a coastline of 1,595 kilometers. The gulf area commands a strategic location of convenient sea access in China's south west, and also serves as a natural convergence point for China-ASEAN trade and economic cooperation.

It is not only the most easily accessible passageway to the outside world in southwest China and a strategic place to sustain southwest development but also an international channel, bridge and platform for China-ASEAN cooperation and exchange. Its strategically favorable location and great potentials promise an excellent perspective for development.

The Beibu Gulf Economic Zone is also positioned as a regional and international economic cooperation area, the first of its kind in China. A regional co-operative ini-

trade and build a regional international base of logistics in Nanning. With the support of border trade, cross-border shopping and processing driven by export, it will set up a bonded area of business logistics. By enhancing cooperation with top enterprises of logistics at home and abroad, it will develop third-party logistics, speed up the construction of electronic ports and establish the service system of logistics network connecting ASEAN countries, the east part and west part of China and the Pearl River Delta.

2. The Zone will introduce various financial institutions, cultivate businesses of banking, insurance, securities, futures and trust, set up a number of new investment companies, explore the possibilities to establish industrial investment funds, encourage the development of venture investment enterprises, make the best use of direct financing, speed up the restructuring and reform of medium and small banks, and construct a modern financial service system so as to build Nanning into a regional international financial center.

3. The Zone will increase the capacity of post communication and telecommunication, promote E-business and E-administration, and develop the industries of geographical information and cartoons. It will improve hardware for information service and integrate the software at the same time, accelerate applications of information technology and turn itself into a comprehensive and professional regional international service center of information exchange between China and ASEAN countries so that it can provide information of business investment, finance, port transportation, product quality, inspection and quarantine, tourism, labor, science and technology, culture etc.

4. It is important to organize China-ASEAN Expo and China-ASEAN Business and Investment Summit in a unique and more efficient manner so as to better develop the exhibition industry with better brands and marketing styles. The exhibition business in Guangxi, with its features, will integrate conventions, festivals, performances and contests so that it better interacts with tourism and business trade.

5. The Zone, with the guiding and regulating policies, will restructuring the commodity housing so as to meet different needs of residents. It will speed up the construction of economic housing and housing of low rentals to meet the housing needs of low-income residents.

6. The Zone, with the excellent tourist cities as support, will bring its characteristics into full play and build the Zone into a regional international tourist destination and a center for tourism promotion. It will improve the tourist product system and develop tourist products of ecological tours, health and sport tours, hot-spring holiday tours, river and ocean cruises, golf tours, island tours, self-driving tours and leisure holiday tours. With the national 4A tourist resorts and scenic spots, in addition to enhanced tourist infrastructure and public service, the Zone will foster excellent tourist products and construct the tourist circle along the gulf.

tiative entitled "Pan Beibu Cooperation" has been launched to integrate the economies of China with the neighboring southeast Asian countries, including Vietnam, Malaysia, Singapore, Indonesia, the Philippines and Brunei.

Q: What is the role of Beibu Gulf Economic Zone played?

A: Beibu Gulf Economic Zone, locating in the southwest, south and central-south of China and facing southeast Asia, is to interconnect east and west parts of China and serve as an important passageway, bridge and platform to promote cooperation and exchange between China and ASEAN countries, furthering China's opening up and achieving common development in the region. The goal is to turn the Zone into bases of logistics, business and trade, processing and manufacturing and information exchange so as to support the strategic development in southwest China and become a major international economic cooperation region which is highly open to the outside world, strong in its radiation to neighboring areas, harmonious and ecologically sustainable.

Vision of the Economic Zone is to become the regional hub for logistics, business services and information, serving China's south west and ASEAN countries. Key industries to be developed in the Zone include petrochemicals, iron and steel, aluminum, marine works, pulp, biomass energy, and food processing.

Q: What are the major service industries in Beibu Economic Zone?

A: 1. With its favorable location and deep water ports, Beibu Gulf Economic Zone endeavors to develop ocean transportation and speed up the construction of bonded logistics system in the cities and areas along the coast.

The Zone, with China-ASEAN Expo as a platform, will make great effort to develop international goods and service

Tianjin Binhai, Set Sail

By Yang Wei

Profile

Tianjin's Binhai New Area (TBNA) lies in the economic belt of Bohai Rim Region and the juncture of the city group of Beijing, Tianjin and Hebei province. The area is adjacent to Beijing, facing North, Northeast and Northwest China on its back, with a vast hinterland. It is the important hub linking China and the world, the south and the north and the east and the west within the nation. As the nearest east starting point of Eurasia land bridge, TBNA is the most crucial outlet to the sea for the neighboring inland countries, becoming an important window for China to take part in the economic globalization and regional economic integration.

With a planned area of 2270 square kilometers, TBNA has a coastal line of 153 kilometers and a population of 2.02 million. TBNA has a rather favorable ecological environment and abundant natural resources and wetlands of 700 square kilometers. There are still 1200 square kilometers salt and alkali wasteland remained for development and the verified reserves of oil reach over 10 billion tons and those of natural gas reach 193.7 billion cubic meters.

Key industries

TBNA consists of nine functional zones namely Advanced Manufacturing Zone, Airport-based Industrial Zone, Binhai High-tech Industrial Development Zone, Seaport-based Industrial Zone, Nangang Industrial Zone, Seaport Logistics Zone, Coastal Leisure & Tourism Zone, Sino-Singapore Tianjin Eco-City and Central Business District. In addition, Tianjin Port, whose throughput ranks 5th in the world also locates here.

TBNA has formed its dominant industries including electronics and information, oil and marine chemical industry, auto and equipment manufacturing, modern metallurgy, bio-technology and modern pharmaceutics, new materials, new energy resources and food processing, etc., with a remarkable ability of relevant services. The infant advantageous industries such as space and aviation, and headquarters economy are rising to power. The fast development has emerged concerning the modern service industries, such as finance, logistics, exhibition, service outsourcing, etc.

TBNA boasts the comprehensive trade port, of which the throughput ranks top 6 in the world and an international air freight center of North China. It is also in possession of the functional zones, including the national level development area, the free trade zone, the coastal high-tech zone, Dongjiang Bonded Seaport Area, Tianjin Sino-Singapore Eco-City, the bonded logistics zone, the airport logistics industry area, and the export processing zone, etc. Therefore, the economic function

areas enjoy distinct advantages.

In December of 2009, the Ministry of Commerce (MOC) released the list of the best investment environment throughout China, and Tianjin Economic Development Area (TEDA), a part of Advanced Manufacturing Zone, stood proudly on the top from 53 state–level economic and technological development zones, for the 12th year in a row. TEDA was also listed by the United Nations Industrial Development Organization (UNIDO) as one of the country's most dynamic areas. Boosted by large scale projects such as the "big rocket project" and Great Wall Motor's plant, the development area's GDP grew at a year-on-year rate of 21.4 percent by the end of October, 2009.

TBNA has built a multi-layer innovation system of science and technology. The entrepreneurial center for scientific and technological talents has taken its initial scale. A series of policies have been carried out to foster and attract a large number of senior talents proficient in international advanced technologies and modern management experiences. TBNA boasts 33 national, provincial and ministerial project centers, 80 technological and R&D centers of enterprises, 41 R&D centers with foreign investment, 52 post-doctoral working stations and 9 venture capital organizations.

TBNA enjoys a favorable ecological environment, boasting over 700 km^2 water and wetland and 1200 km^2 saline-alkali land to be developed. The area is abundant in the resources of petroleum and natural gas. The amount of explored oil in Bohai Sea totals over 10 billion ton and the national gas reserves reach up to 193.7 billion m^3, rendering the district a tremendous development potential.

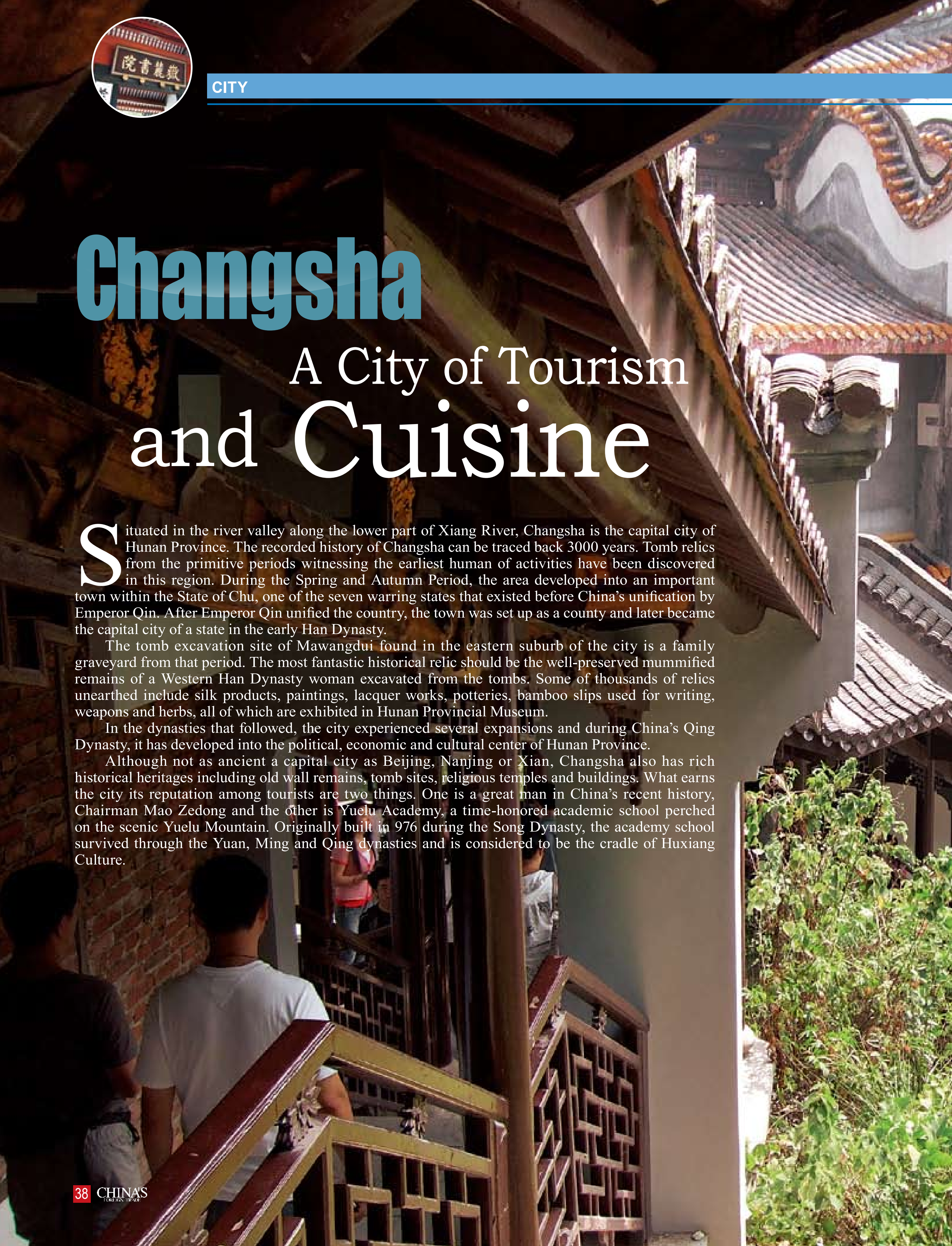
Tianjin Sino-Singapore eco-city is the first one in the world, which is built and developed by joint efforts of two countries. It is setting a good example for the sustainable development of other cities in China and even in the world. The eco-city also offers an international platform as regards the eco-theoretical innovation, the application of energy conserving and environmentally friendly technologies and the demonstration of advanced eco-civilization, providing a model for various forms of international cooperation in China's future.

As a new special zone, TBNA enjoys exceptionally favorable policies. On March 13, 2008, the State Council gave approval of the Overall Plan to Launch Pilot Comprehensive Supporting Reforms in TBNA to help the area to take significant steps to launch pilot reforms concerning 10 aspects, including enterprise restructuring, and reforms of science and technology system, foreign economic system, financial innovation, land managerial system, management system of urban and rural areas, rural system, social fields, resource conservation and environmental protection, etc.

New movement

On November 9, 2009, State Council of China officially approved to adjust the Tianjin Binhai New Area administrative divisions, marking the Binhai New Area administrative system started. State Council agrees to establish a TBNA administrative district, to replace the original Tanggu District, Hangu District, Dagang District. The new TBNA People's Government will be located in the Newport Street.

Experts comment that, the adjustment to the administrative divisions of TBNA will promote its management system and implement national development strategies.



Changsha

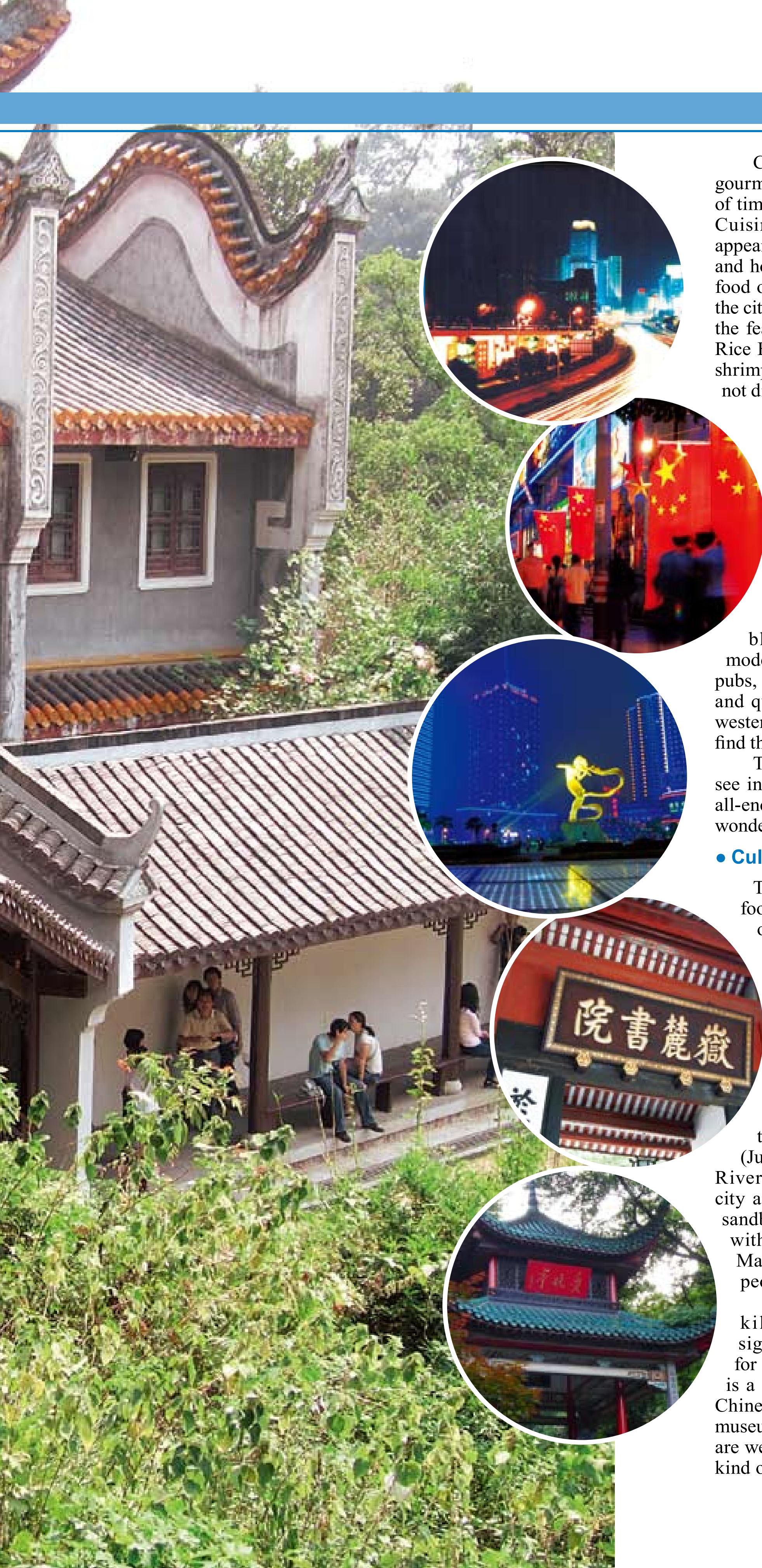
A City of Tourism and Cuisine

Situated in the river valley along the lower part of Xiang River, Changsha is the capital city of Hunan Province. The recorded history of Changsha can be traced back 3000 years. Tomb relics from the primitive periods witnessing the earliest human of activities have been discovered in this region. During the Spring and Autumn Period, the area developed into an important town within the State of Chu, one of the seven warring states that existed before China's unification by Emperor Qin. After Emperor Qin unified the country, the town was set up as a county and later became the capital city of a state in the early Han Dynasty.

The tomb excavation site of Mawangdui found in the eastern suburb of the city is a family graveyard from that period. The most fantastic historical relic should be the well-preserved mummified remains of a Western Han Dynasty woman excavated from the tombs. Some of thousands of relics unearthed include silk products, paintings, lacquer works, potteries, bamboo slips used for writing, weapons and herbs, all of which are exhibited in Hunan Provincial Museum.

In the dynasties that followed, the city experienced several expansions and during China's Qing Dynasty, it has developed into the political, economic and cultural center of Hunan Province.

Although not as ancient a capital city as Beijing, Nanjing or Xian, Changsha also has rich historical heritages including old wall remains, tomb sites, religious temples and buildings. What earns the city its reputation among tourists are two things. One is a great man in China's recent history, Chairman Mao Zedong and the other is Yuelu Academy, a time-honored academic school perched on the scenic Yuelu Mountain. Originally built in 976 during the Song Dynasty, the academy school survived through the Yuan, Ming and Qing dynasties and is considered to be the cradle of Huxiang Culture.



Changsha people boast to be the best gourmand of China and here people spend a lot of time eating. Xiang Cuisine is one of the Eight Cuisines in China and has a fine and delicate appearance and a hot and sour taste and the heavy and hot taste is an equal competitor to the spicy food of Sichuan. Street dining and restaurants in the city make every visitor's mouth hot. No matter the featured snacks, "Stinky Tofu" and "Sisters' Rice Balls" in Huogongdian or the famous spicy shrimps at Nanmenkou, delicious local food will not disappoint any guests.

Changsha people are also renowned for their acting and have created various traditional folk art performances of their own including the local operas, storytelling, drum opera, acrobatics and other dramatic styles. Everyone can feel their hospitalities and enthusiasm by their vigorous dances.

Today, most of the entertainment houses in the city present dynamic and entertaining performances featuring a blend of the traditional essence and the modern flare. Dotted with all sorts of bars and pubs, Jiefang Xilu has its own styles. Romantic and quiet bars, dynamic show bars, teahouses, western style restaurants. People of all ages can find their ideal place to spend their leisure time.

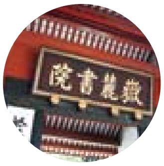
There are still some classic cultural sights to see in Changsha, although it is not a city that is all-encompassing when it comes to heritage and wonder.

● Cultural relics

The famous Yuelu Academy, located at the foot of the scenic Mt. Yuelu on the west bank of Xiangjiang River, is a must-see attraction in the city. It has a history of more than one thousand years. Either for its glorious past as a reputed feudal academic school in ancient times, or for being the site of Hunan University today, Yuelu Academy is a place in the city that both tourists and students like to visit.

A walk across the No. 1 Bridge over the Xiangjiang River, just opposite the Yuelu scenic area is the Long Island (Juzi Zhou). In midstream of the Xiangjiang River, it runs almost the entire length of the city and gets the name for its long and narrow sandbank. Today, a scenic park has been built with a marble monument in the middle with Mao's inscriptions and it is a good place for people to escape the summer heat.

The village of Shaoshan, over 100 kilometers south-west of Changsha is a significant place for Chinese Communists for it was home to Chairman Mao Zedong. It is a good place to learn more about this great Chinese man. The old houses where he lived, a museum, a monument and other memorial spots are well preserved in the scenic area and create a kind of solemn atmosphere. Chinese come to pay






their respects here during the memorial days.

● Historical sites

The most fantastic historical relic should be the well-preserved mummified remains of a Western Han Dynasty woman excavated from Mawangdui Han Tombs. The remains have lasted over more than 2000 years and the skins are still stretchy. Thousands of unearthed relics include silk products, paintings, lacquer works, potteries, bamboo slips used for writing, weapons, herbs, and so on. These are all exhibited in Hunan Provincial Museum.

At the very north end of the city near the No. 2 Xiangjiang Bridge is a Buddhist temple called Kaifu Temple. It was originally built in 927 and is featured in the typical Chinese Buddhist temple architectural style.

There are several parks in the city including Wangyue Park, Southern Suburb Park, Xiaoyuan Park to the east of the city center near the railway station and a zoo near the provincial museum.

● Hunan cuisine

Hunan Cuisine, also known as “Xiang” Cuisine is renowned as one of the Eight Cuisines of China. It is features a fine and delicate appearance together with a hot and spicy flavor. The chefs cut the vegetables into fascinating shapes and patterns and use them to create a handsome assortment of cold dishes. Each dish tells its own story.

Like China’s southwestern Sichuan Province, the major part of the Hunan Province is a lowland area with relatively high humidity. Therefore, as with the people of Sichuan, the local people have developed the habit of eating capsicum to combat the humidity and induce a feeling of coolness. Hunan Cuisine has a hot and strong savor. Typical of this cuisine is the famous seasoning called Liuyang Lobster Sauce. This is a kind of bean sauce made with pepper and capsicum that is often added to dishes to create a hot flavor.



Featured Hunan Specials Three-Boxed Birds

This name may seem a little strange and doesn’t tell the story clearly. It was said that in 1920s, an official’s wife had a stubborn headache and a doctor suggested that she buy a sparrow, a pigeon and a black-bone hen as ingredients for a Chinese herbal medicine soup. The doctor first put the small sparrow into the pigeon and then put the pigeon into the black-bone hen, hence the name three-boxed birds. Then the boxed birds were steamed with herbs for a long time and the finished dish comprised both the soup and meat for eating. The story doesn’t say whether the lady’s headache was cured or not. However, the dish became popular in the country.



Crisp sesame duck

A duck is fried in peanut oil until its skin turns golden. Spicy seasonings and sesame oil are then added to the fried duck. The finished duck is cut into pieces and made into assorted cold dishes. It is crisp, tender and has a savory taste.

Non-Yolk eggs with mushroom

No one will be surprised by a plate of eggs with a mushroom soup. However, when you try it, you will find the tender eggs have no yolk inside and the delicious soup will melt in your mouth. The chef makes a tiny hole in the bottom of the eggshells and removes the eggs. Then the egg white with a prepared chicken soup and salt are put back into the shells again and cooked. The most delicate of these will have a smooth cover and tender taste.

Spicy chicken cubes

This is probably the most typical local dish. It was said that the one who hasn't eaten this dish equals is one who has never eaten Hunan Cuisine. Simply stir-fry the chicken dices with pepper, capsicum, vinegar, over high heat. The finished dish should have a bright color and spicy flavor. It is easy to describe, but very hard to cook.

Fried stinky tofu

Don't be scared away by the word "stinky" in its name, although it does not smell very good and has an awkward appearance, it tastes quite pleasant. The outside is crisp with a little salty savor and the interior is tender. It was said that Chairman Mao Zedong tried this snack when he visited the city in 1958.

Sisters' rice balls

These are a kind of rice balls with fillings of meat or sugar. The meatballs have mushroom pieces, meat, and spring onions inside and are made into the shape of pomegranate while the sweet balls have the fillings of sugar, dates, meat and sweet-scented osmanthus and often resemble a peach. On the day of happy events, the two are presented in contrasting colors to create a happy atmosphere.

—— **Edited by Li zhen**

Strengthen Business Compliance Operation

——Enlightenment from reconstruction of Siemens compliance system

By Wang Zhile

In 1980s when I studied in Germany, I visited Siemens Museum of Siemens, in order to get an understanding of the development history of Siemens, this century-old brand. I have always studied transnational corporations assuming Siemens is an important benchmark. Two years ago, Siemens was caught in commercial bribery, which made I wondered how such a large-scale and century-old brand could commit that big corruption. After the case was settled in 2008 in the United States, I consider why Siemens had this irregular operation and how it dealt with the irregularities, against the background of globalization. In June last year, I visited Siemens headquarter in Germany, and had a talk with compliance department of Siemens China when returned to Beijing. Meanwhile, we visited ten plus other multinational companies to learn their experiences and practices in compliance.

We should pay attention to the irregular operation cases of multinational companies in China

According to a document issued from US Justice Department on December 18th 2008, Siemens case involved three subsidiaries in China, one transmission group, a transportation group and a medical group. And Siemens was fined 1.6 billion US dollars because of the bribery case, with more than 20 senior executives dismissed from office, some even affixed criminal responsibility.

Besides this case, we traced other cases. From the websites of US Department of Justice and US SEC, we collected irregular cases in China of 12 multinational corporations. Recently, there was a case that had a large influence, meaning the CCI commercial bribery case, which involved nine of top state-owned enterprises in China. The case was reported later on Chinese media. Learned from US SEC, there are still seven or eight companies under investigation, such as ABB, Daimler, Nokia, StatoilHydro and other famous companies. Some cases involved Chinese companies. Media in China revealed a number of other companies in China that were suspected of commercial bribery cases. For example, due to suspicion of commercial bribery, both giving and accepting bribery, Rio Tinto got several employees in Shanghai office arrested. It is said that an executive in Coca-Cola responsible for advertisements distribution accepted bribes of RMB 10 million. Unilever is the latest case. According to media reports, the company took a leak in Chinese customs system, and brought products of the same raw materials but different tariff numbers into China, making use of the lower tariffs (below its supposed tariff of 35%) on such products. In these years, the company is said to have had an accumulated tax evasion of more than 3 million US dollars.

So many cases appeared should cause our attention. Siemens was founded in 1847, and the corruption case would shame Siemens. Commercial bribery case of bother multinational companies had hurt themselves greatly, too. Transnational companies were supposed to play an exemplary role for standardized operation, but now they set a bad example in commercial bribery. These behaviors will have a very negative effect in China. Therefore, we believe that relevant governmental departments and public media should severely criticize such illegal operation, including Siemens and other companies.

At the same time, though some multinational corporations had problems in compliance indeed, we have found that in general transnational corporations in China are doing good compliance management, and some companies with those compliance problems have had a profound rectification. US Department of Justice gave a high comment on Siemens' reconstruction of compliance system, by saying that Siemens "has carried out remedial and clean-up measures with extraordinary efforts and built the most advanced and ultra 'super-class" compliance system". Judging from the experiences on reconstruction of compliance system presented by Siemens, it is no doubt that US Department of Justice made such high marks. Siemens had a very deep rectification and measures were suitable. So, while we criticize the irregularity by Siemens and other multinational companies, we should know how they reconstruct compliance system, and what we can learn from them.

Enlightenment from experiences of Siemens' reconstruction of compliance system due to commercial bribery cases

I think we should actively follow the trend of strengthening corporate compliance management. According to our investigations, the global companies in recent years are strengthening corporate responsibilities, focusing on social responsibility and environmental responsibility in last two years, and recently on anti-bribery and strengthening corporate compliance. For example, United Nations and OECD issued important documents on this, and various governments also introduced regulations to prevent corrupt practices in foreign countries and regions. The US Foreign Corrupt Practices Act is forceful, and we can learn from it. In such circumstances, we should study the development trend of global business. Why transnational companies have such a trend against the background of globalization, it is really worthy of our attention.

What does compliance mean? We believe that compliance has both broad and narrow meanings, with the broad meaning including various laws and regulations and regulatory requirements enterprises should obey, including these on social problems, environmental issues, anti-corruption, anti-monopoly, anti-fraud, etc. But it is the narrow meaning of compliance that we are discussing, meaning anti-commercial bribery. In my opinion, these compliance problems with transnational corporations coming up in recent years are in fact revealing the problems with transnational corporations in commercial bribery and irregular operation on their way for a global development. It is very useful for our Chinese companies, because I think Chinese enterprises are facing a serious compliance management challenges.

Facing the global trend of fighting against commercial bribery and strengthening compliance operation, Chinese enterprises that are going international will certainly be affected. First, foreign-funded enterprises in China are facing challenges from compliance operation. The international trend to curb commercial bribery is extending into China, and multinational companies in China will encounter more difficulties, as Chinese corporate culture is quite different from European and American cultures, meaning Chinese place great attention on relationship, and they often give presents to each other to maintain and strengthen the relation. So, when China is moving to market-oriented economy, this corporate culture together with unspoken rules under a not mature market economy creates a gray area. Therefore, the operation in China faces a challenge, referring to whether complying with the under-table rules, or with laws and regulations. Complying with laws and regulations will certainly break under-table rules, and meeting under table rules is surely corrupt laws and regulations. In this way, foreign-funded enterprises in China are now facing great challenges, particularly at the time when China has a more and more regular operation and becomes stricter with compliance problems, after 30 years of reform and opening up.

Second, going-out Chinese enterprises will also need to meet requirements for compliance operations. If Chinese enterprises brought domestic under-table rules into international markets, they would possibly be caught in irregularity cases, which would cause a weakened competitiveness of the enterprises and a negative impact to the country. Basing on an Internet search, there is a timely updated blacklist from World Bank, which includes the names of enterprises involved in fraud and bribery cases. These companies are prohibited in a certain period from undertaking projects funded by World Bank. Now there are still four Chinese enterprises on the blacklist, and they are China Geo-Engineering Corporation, China Road and Bridge Corporation, China State Construction Engineering Corporation and China Wuyi Company Limited. If one company is suspected of fraud and bribery, it would not be able to undertake World Bank related projects. If other enterprises follow World Bank, the company will lose more businesses. And there are already cases of companies being held of criminal responsibilities. A few years ago, president of Singapore branch of China National Aviation Fuel Group Corporation was sentenced to imprisonment of four years and three months and a fine of more than 1 million RMB, on the charge of violating local laws and regulations.

Third, commercial bribery has become a major barrier for the development of Chinese businesses. The importance of compliance lies in that, if there is a serious compliance problem, one company may be forced to close down. Such as Sanlu Milk Powder Incident and Delong Case, these are examples of closure of enterprises due to compliance problems. And there are many more such cases.

After 30 years of reform and opening, the development of Chinese enterprises have come to a new level, and they have turned away from irregular operation to regular operation, entering a new era of compliance operation. If enterprises want to develop a larger and stronger and a long term business, they must be compliant; it is easier to become bigger and stronger relatively, but it harder to stay long, as those long established enterprises are all compliant companies.

Therefore, we suggest that Chinese enterprises should begin the third upgrade from now on. Chinese companies have made great progresses in hardware, and they have many factories and equipments of world-class. Meanwhile, they also made progresses in systems, corporate management and group management. Even if they are following mature systems, they are now more proficient in imitation. However, we still fall far behind in concept. Our businesses are going global, and it is a problem that whether we have known the concept of commitment to global responsibility and to social environment of such comprehensive responsibility. The first and foremost responsibility at present is whether compliance can be achieved. So I say our enterprises need a third upgrade.

To the grim challenge of compliance operation and compliance risks, how should we respond? I have a few suggestions as follows.

First, multinational companies should set examples for Chinese enterprises in compliance operation.

Transnational corporations face challenges of compliance operation in regions where the market economy environment is not standardized yet. Transnational corporations should not only set up models, but also assist Chinese enterprises in compliance and establishing compliance concepts and mechanism. This means that there is great potential for multinational companies to contribute to the compliance in China. Here we propose three responsibilities: one is the primary responsibility, compliance operation; one is the overall responsibility, social environment responsibility highlighted a few years ago; the third is global responsibility, referring to the responsibility not only in their home country, but also the country hosting their operation. The 12 cases here we show, including Siemens' case, revealing that transnational companies are doing well at home (including the United States), but really bad in developing countries, so I think multinational corporations should bear this global responsibility.

Second, local enterprises in China should turn compliance challenge into compliance opportunities.

We should learn from the experiences and lessons of Siemens and other global companies, and place compliance as a primary corporate responsibility. Like Siemens and other multinational companies, top executives should directly take responsibility for compliance operation, a specialized compliance management department and team should be established, and compliance management system be improved. Prevention, monitoring and positive response are three important links to have a true corporate compliance system. In this sector, the experiences of Siemens are worth learning.

During the survey, we found that a group of Chinese companies are doing well in compliance. Real estate industry is possible to encounter compliance problems, as there are many companies to get lands in an illegal way. However, there are companies, such as Vanke, Gemdale and other listed companies, which are doing quite well in compliance, by insisting on market competition, and no commercial bribery. There are also central enterprises (for example, CNOOC) setting good examples, who have specific laws compliance department to manage compliance. It is worth mentioning that China financial industry in particular. This industry has China Banking Regulatory Commission and China Insurance Regulatory Commission that are committed to compliance management and have issued compliance management guidelines. Chinese banks and insurance companies now are leading the compliance in China, and they have set up detailed compliance management systems. At the same time, we should also be alert that there are many companies with problems, some even with more serious issues than Siemens. So I think Chinese enterprises should seize the opportunity, turning compliance challenge to compliance opportunities.

Third, Governments should boost compliance operation through compliance administration.

In my opinion, governments have duties on corporate compliance operation. We suggest governments to place curbing commercial bribery and boosting compliance opinion as important tasks. Why, because commercial bribery is an important source of social corruption. If commercial bribery can not be stopped, the fight against corruption would be difficult to win. We used to crack down on corrupt officials, but neglect enterprises that give bribery.

We should promote corporate compliance as an important channel to curb commercial bribery, and punish the evil and encourage the good. We can learn from foreign practices and punish irregular behaviors of enterprises, even restricting them on market access. We can introduce a blacklist of illegal enterprises, to list the enterprises involved in bribery or other irregular issues, and to restrict them on market access. Moreover, we should China Insurance Regulatory Commission's and China Banking Regulatory Commission's valuable practices, and issue relevant guidelines to encourage corporate compliance. The governments should draw lessons from international experiences, and promote compliance administration. Now that many irregular behaviors of enterprises are related to irregular governmental administration are combined, the governments should be open, fair and impartial.

Besides, we should strengthen international cooperation and boost global fighting against commercial bribery. On this issue, Chinese government should have its own voice, not to wait till others criticize us for irregularities. In fact there are many enterprises in China that are doing well in compliance, so we'd better sum up and learn from their experience.

(Author: Head of Beijing New Century Transnational Company Research Institute)

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We should pay attention to the irregular operation cases of multinational companies in China

According to a document issued from US Justice Department on December 18th 2008, Siemens case involved three subsidiaries in China, one transmission group, a transportation group and a medical group. And Siemens was fined 1.6 billion US dollars because of the bribery case, with more than 20 senior executives dismissed from office, some even affixed criminal responsibility.

Besides this case, we traced other cases. From the websites of US Department of Justice and US SEC, we collected irregular cases in China of 12 multinational corporations. Recently, there was a case that had a large influence, meaning the CCI commercial bribery case, which involved nine of top state-owned enterprises in China. The case was reported later on Chinese media. Learned from US SEC, there are still seven or eight companies under investigation, such as ABB, Daimler, Nokia, StatoilHydro and other famous companies. Some cases involved Chinese companies. Media in China revealed a number of other companies in China that were suspected of commercial bribery cases. For example, due to suspicion of commercial bribery, both giving and accepting bribery, Rio Tinto got several employees in Shanghai office arrested. It is said that an executive in Coca-Cola responsible for advertisements distribution accepted bribes of RMB 10 million. Unilever is the latest case. According to media reports, the company took a leak in Chinese customs system, and brought products of the same raw materials but different tariff numbers into China, making use of the lower tariffs (below its supposed tariff of 35%) on such products. In these years, the company is said to have had an accumulated tax evasion of more than 3 million US dollars.

So many cases appeared should cause our attention. Siemens was founded in 1847, and the corruption case would shame Siemens. Commercial bribery case of bother multinational companies had hurt themselves greatly, too. Transnational companies were supposed to play an exemplary role for standardized operation, but now they set a bad example in commercial bribery. These behaviors will have a very negative effect in China. Therefore, we believe that relevant governmental departments and public media should severely criticize such illegal operation, including Siemens and other companies.

At the same time, though some multinational corporations had problems in compliance indeed, we have found that in general transnational corporations in China are doing good compliance management, and some companies with those compliance problems have had a profound rectification. US Department of Justice gave a high comment on Siemens' reconstruction of compliance system, by saying that Siemens "has carried out remedial and clean-up measures with extraordinary efforts and built the most advanced and ultra 'super-class" compliance system". Judging from the experiences on reconstruction of compliance system presented by Siemens, it is no doubt that US Department of Justice made such high marks. Siemens had a very deep rectification and measures were suitable. So, while we criticize the irregularity by Siemens and other multinational companies, we should know how they reconstruct compliance system, and what we can learn from them.

Enlightenment from experiences of Siemens' reconstruction of compliance system due to commercial bribery cases

I think we should actively follow the trend of strengthening corporate compliance management. According to our investigations, the global companies in recent years are strengthening corporate responsibilities, focusing on social responsibility and environmental responsibility in last two years, and recently on anti-bribery and strengthening corporate compliance. For example, United Nations and OECD issued important documents on this, and various governments also introduced regulations to prevent corrupt practices in foreign countries and regions. The US Foreign Corrupt Practices Act is forceful, and we can learn from it. In such circumstances, we should study the development trend of global business. Why transnational companies have such a trend against the background of globalization, it is really worthy of our attention.

What does compliance mean? We believe that compliance has both broad and narrow meanings, with the broad meaning including various laws and regulations and regulatory requirements enterprises should obey, including these on social problems, environmental issues, anti-corruption, anti-monopoly, anti-fraud, etc. But it is the narrow meaning of compliance that we are discussing, meaning anti-commercial bribery. In my opinion, these compliance problems with transnational corporations coming up in recent years are in fact revealing the problems with transnational corporations in commercial bribery and irregular operation on their way for a global development. It is very useful for our Chinese companies, because I think Chinese enterprises are facing a serious compliance management challenges.

Facing the global trend of fighting against commercial bribery and strengthening compliance operation, Chinese enterprises that are going international will certainly be affected. First, foreign-funded enterprises in China are facing challenges from compliance operation. The international trend to curb commercial bribery is extending into China, and multinational companies in China will encounter more difficulties, as Chinese corporate culture is quite different from European and American cultures, meaning Chinese place great attention on relationship, and they often give presents to each other to maintain and strengthen the relation. So, when China is moving to market-oriented economy, this corporate culture together with unspoken rules under a not mature market economy creates a gray area. Therefore, the operation in China faces a challenge, referring to whether complying with the under-table rules, or with laws and regulations. Complying with laws and regulations will certainly break under-table rules, and meeting under table rules is surely corrupt laws and regulations. In this way, foreign-funded enterprises in China are now facing great challenges, particularly at the time when China has a more and more regular operation and becomes stricter with compliance problems, after 30 years of reform and opening up.

Second, going-out Chinese enterprises will also need to meet requirements for compliance operations. If Chinese enterprises brought domestic under-table rules into international markets, they would possibly be caught in irregularity cases, which would cause a weakened competitiveness of the enterprises and a negative impact to the country. Basing on an Internet search, there is a timely updated blacklist from World Bank, which includes the names of enterprises involved in fraud and bribery cases. These companies are prohibited in a certain period from undertaking projects funded by World Bank. Now there are still four Chinese enterprises on the blacklist, and they are China Geo-Engineering Corporation, China Road and Bridge Corporation, China State Construction Engineering Corporation and China Wuyi Company Limited. If one company is suspected of fraud and bribery, it would not be able to undertake World Bank related projects. If other enterprises follow World Bank, the company will lose more businesses. And there are already cases of companies being held of criminal responsibilities. A few years ago, president of Singapore branch of China National Aviation Fuel Group Corporation was sentenced to imprisonment of four years and three months and a fine of more than 1 million RMB, on the charge of violating local laws and regulations.

Third, commercial bribery has become a major barrier for the development of Chinese businesses. The importance of compliance lies in that, if there is a serious compliance problem, one company may be forced to close down. Such as Sanlu Milk Powder Incident and Delong Case, these are examples of closure of enterprises due to compliance problems. And there are many more such cases.

After 30 years of reform and opening, the development of Chinese enterprises have come to a new level, and they have turned away from irregular operation to regular operation, entering a new era of compliance operation. If enterprises want to develop a larger and stronger and a long term business, they must be compliant; it is easier to become bigger and stronger relatively, but it harder to stay long, as those long established enterprises are all compliant companies.

Therefore, we suggest that Chinese enterprises should begin the third upgrade from now on. Chinese companies have made great progresses in hardware, and they have many factories and equipments of world-class. Meanwhile, they also made progresses in systems, corporate management and group management. Even if they are following mature systems, they are now more proficient in imitation. However, we still fall far behind in concept. Our businesses are going global, and it is a problem that whether we have known the concept of commitment to global responsibility and to social environment of such comprehensive responsibility. The first and foremost responsibility at present is whether compliance can be achieved. So I say our enterprises need a third upgrade.

To the grim challenge of compliance operation and compliance risks, how should we respond? I have a few suggestions as follows.

First, multinational companies should set examples for Chinese enterprises in compliance operation.

Transnational corporations face challenges of compliance operation in regions where the market economy environment is not standardized yet. Transnational corporations should not only set up models, but also assist Chinese enterprises in compliance and establishing compliance concepts and mechanism. This means that there is great potential for multinational companies to contribute to the compliance in China. Here we propose three responsibilities: one is the primary responsibility, compliance operation; one is the overall responsibility, social environment responsibility highlighted a few years ago; the third is global responsibility, referring to the responsibility not only in their home country, but also the country hosting their operation. The 12 cases here we show, including Siemens' case, revealing that transnational companies are doing well at home (including the United States), but really bad in developing countries, so I think multinational corporations should bear this global responsibility.

Second, local enterprises in China should turn compliance challenge into compliance opportunities.

We should learn from the experiences and lessons of Siemens and other global companies, and place compliance as a primary corporate responsibility. Like Siemens and other multinational companies, top executives should directly take responsibility for compliance operation, a specialized compliance management department and team should be established, and compliance management system be improved. Prevention, monitoring and positive response are three important links to have a true corporate compliance system. In this sector, the experiences of Siemens are worth learning.

During the survey, we found that a group of Chinese companies are doing well in compliance. Real estate industry is possible to encounter compliance problems, as there are many companies to get lands in an illegal way. However, there are companies, such as Vanke, Gemdale and other listed companies, which are doing quite well in compliance, by insisting on market competition, and no commercial bribery. There are also central enterprises (for example, CNOOC) setting good examples, who have specific laws compliance department to manage compliance. It is worth mentioning that China financial industry in particular. This industry has China Banking Regulatory Commission and China Insurance Regulatory Commission that are committed to compliance management and have issued compliance management guidelines. Chinese banks and insurance companies now are leading the compliance in China, and they have set up detailed compliance management systems. At the same time, we should also be alert that there are many companies with problems, some even with more serious issues than Siemens. So I think Chinese enterprises should seize the opportunity, turning compliance challenge to compliance opportunities.

Third, Governments should boost compliance operation through compliance administration.

In my opinion, governments have duties on corporate compliance operation. We suggest governments to place curbing commercial bribery and boosting compliance opinion as important tasks. Why, because commercial bribery is an important source of social corruption. If commercial bribery can not be stopped, the fight against corruption would be difficult to win. We used to crack down on corrupt officials, but neglect enterprises that give bribery.

We should promote corporate compliance as an important channel to curb commercial bribery, and punish the evil and encourage the good. We can learn from foreign practices and punish irregular behaviors of enterprises, even restricting them on market access. We can introduce a blacklist of illegal enterprises, to list the enterprises involved in bribery or other irregular issues, and to restrict them on market access. Moreover, we should China Insurance Regulatory Commission's and China Banking Regulatory Commission's valuable practices, and issue relevant guidelines to encourage corporate compliance. The governments should draw lessons from international experiences, and promote compliance administration. Now that many irregular behaviors of enterprises are related to irregular governmental administration are combined, the governments should be open, fair and impartial.

Besides, we should strengthen international cooperation and boost global fighting against commercial bribery. On this issue, Chinese government should have its own voice, not to wait till others criticize us for irregularities. In fact there are many enterprises in China that are doing well in compliance, so we'd better sum up and learn from their experience.

(Author: Head of Beijing New Century Transnational Company Research Institute)

Too Hot? Too Cold?

By Stephen Green

Economic outlook

China's economy will likely start 2010 with double-digit GDP growth, a booming infrastructure build-out, a tightening labour market, and increasing worries about inflation. However, concerns about the global recovery and about what will happen when the stimulus package ends mean policy makers will be hesitant to tighten. We expect growth to moderate during the year as consumer spending grows steadily but investment growth slows.

One of the big unknowns in making economic forecasts for 2010 is just how many more infrastructure projects will start. The CNY 4trn (USD 580bn) stimulus package announced in October 2008 was meant to last two years. However, it only includes projects in which the central government is financially involved. Tens of thousands of projects financed by local governments and banks started in 2009 – and project growth was still running at some 40% y/y at the time of writing. While the central government moved to start curbing over-capacity in some manufacturing-heavy sectors in September 2009, it has not yet moved to control infrastructure projects. At the beginning of 2010, banks will also start lending aggressively again, which will unleash another wave of projects. Thus, H1-2010 is likely to see lots of new projects. Given the huge amount of activity that began in Q2 and Q3-2009, by the middle of 2010, we expect to see an erosion of the year-on-year investment growth numbers.

Standard Chartered Research Forecasts: China

	2009	2010	2011	2012
GDP (real % y/y)	8.5	10.0	9.0	8.0
CPI (% y/y)	0.1	3.5	3.0	2.0
Policy rate (%)*	5.31	5.85	5.85	5.31
CNY-USD*	6.82	6.70	6.50	6.30
Current account balance (% GDP)	7.0	5.2	4.9	4.0
Fiscal balance (% GDP)	-3.0	-2.0	-0.5	-0.5

* *end-period*

Source: Standard Chartered Research

We forecast Q1-2010 real GDP growth at 11% y/y, slowing to 9.5% by Q4 and 10% for the year.

With CPI inflation likely to remain below 4% y/y for most of 2010, the central government will probably delay significant monetary tightening. However, we foresee a couple of rate hikes in Q1 and Q2 as the central government battles to maintain control of inflationary expectations. At these levels, however, rate hikes will have little substantive effect. We expect year-on-year CPI inflation to top out in Q2-Q3, and to average 3.5% for the year.

The lack of significant tightening will put continued upward pressure on home prices. The risk of inflating a bubble clearly exists. Prices in some first-tier cities – including Shanghai, Shenzhen, and Beijing – rose by 30-40% in 2009. Second-tier cities may be next. That said, the sector will see increased supply starting in Q2 as projects start to pre-sell – and prices may be more volatile than they were in 2009. Banks may well be guided away from lending to the real-estate sector at some point in 2010 if prices continue to head upwards. At some point – perhaps in 2010, perhaps later – the southern city of Shenzhen could introduce a property tax on an experimental basis (we understand that the system is ready). This would be a great way for municipalities to raise a steady stream of income and thus reduce their dependence on selling lots of land, which results in messy urban sprawl. Rolling out such a tax nationwide, though, will take years given the extent of the data needed, as well as likely protests from developers and urbanites.

Financial issues

Total government debt may now stand at more than 80% of GDP. The big unknown is how leveraged local government-controlled companies are. Researchers at the Ministry of Finance (MoF) informally estimate that local governments now have around CNY 8trn (USD 1.2trn) worth of debt. The number could be considerably bigger.

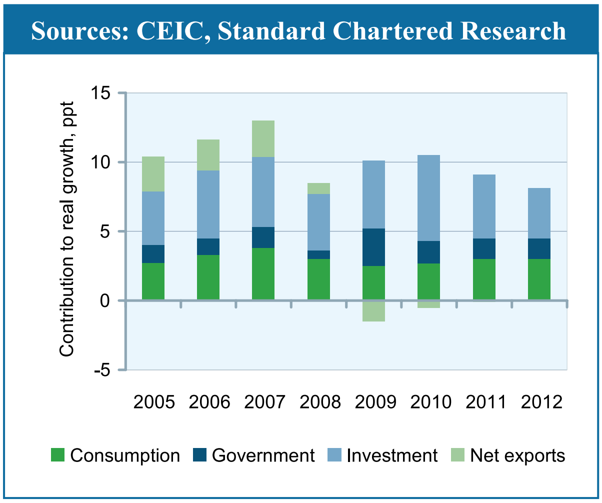
Given these companies' lack of profits, as well as endemic corruption, these debts will show up as bad bank loans at some point (three to five years out, most likely). The problems will be worse at city commercial banks and credit co-operatives, where risk management systems are still immature. While resolving this will be messy, the government should be able to prevent a systemic crisis by recapitalising the banks and rural credit co-operatives with, say, USD 500bn worth of FX reserves (or other public resources). Of course, this is not a free lunch for the economy – ultimately, household wealth will be used to stabilise the system. However, the authorities should be able to muddle through.

Policy

The Chinese yuan (CNY) will be a huge focus of attention in H1-2010 as the market waits for Beijing to de-peg from the dollar, again. We do not expect anything significant to happen before Chinese New Year (mid-February), given that some 50-100mn migrant workers will return home for the break and that the government will not want to cause them extra worry. At some point in Q2-Q3, Beijing will likely de-peg and then return the CNY to the gradual appreciation path it followed between 2006 and H1-2008. There is some discussion in Beijing of implementing a policy of appreciation against a basket of currencies and allowing greater flexibility. But we believe this is more likely to happen in 2011-12, when the global outlook is clearer and the domestic economy is on a steadier footing. We forecast the CNY at 6.70 against the USD at end-2010.

Where China's growth comes from

At its Economic Work Meeting in December 2009, the



Sources: CEIC, Standard Chartered Research

Party will likely decree that its main job for 2010 is, in addition to containing inflation, restructuring the economy. Faced with the global slowdown, China threw resources at infrastructure. While the government offered some subsidies to buyers of white goods and increased spending on health and education, the majority of the stimulus went into infrastructure. Many local economists became despondent about policy choices which further embedded the old growth model (as the chart below shows, investment has become even more important). 2010 will hopefully be the year when the leadership focuses on the medium term.

Among other things, a strong restructuring agenda needs to include: (1) opening up leading services-sector companies to private competition; (2) introducing more CNY flexibility, and thus appreciation; (3) liberalising interest rates to give savers higher rates of return; (4) unveiling a clear and fully funded healthcare reform plan; (5) introducing a property tax and constraints on land sales; (6) leasing out more rural land (and paying farmers properly for it); (7) allowing retail energy and utility prices to reflect costs; (8) forcing state firms to pay dividends into the budget; (9) reforming the household registration system to give rural migrants access to urban services; and (10) simplifying regulations.

(Author: Head of Research, Standard Chartered Bank (China) limited)

"I Won't Invest in China's Real Estate"

——Can Behavioral Economics Save the Capital Bubble?

By Guo Liqin

"I cannot see clearly when the real estate bubble in China will burst. However, there is certainty that housing prices will swiftly fall, and China can learn the lesson from the 1980s' real estate market in Japan" said Professor Robert.J.Shiller, "I don't want to put my judgment as a foreigner on the Chinese people, however, the housing price is obviously too high in some big cities. My suggestion is that since income is in an overall downward trend, the housing price should be much lower. Although income will grow as time goes by, the value of Chinese houses should not reach that of London and New York for another 20 to 30 years. Currently, the soaring housing price in China is like a bubble. Personally, I will definitely not buy or invest in property in China."

These are Professor Shiller's comments from the annual forum "Capital bubble and financial monitor" held on December 13 and jointly organized by the Hanqing Advanced Institute of Economics and Finance, and the School of Finance at Renmin University. It was quite interesting to see the discussion between Professor Shiller and his colleagues Zhu Ming, Ph.D. Deputy Governor of the People's Bank of China, Huang Ming, professor of Finance, and Xie Ping, General Manager from China SAFE Investments Ltd, together with the host of the forum Chen YuLu, vice president of Renmin University.

Regarded as an idealist and a traitor to classic economic principles, Professor Shiller delivered his keynote speech titled Rational Regulation: Asset Bubbles and Financial Innovation, Professor Shiller asserts that the main reason behind the financial crisis, dating back to early 2008, is a speculative bubble. He explained and analyzed the bubbles in current real estate, stock and oil markets using Behavioral Economics. He compared these speculative bubbles to the impulse of gambling, the same type of irrationality that creates and then blows the bubbles bigger and bigger, the bursting of which will lead to economic fluctuation. Take a real estate bubble as an example, people are always concerned about limited land resources and the growing population, which causes the real estate market to rise on the nervousness of people, and in turn affects the housing price. Currently, however, the rebound of the housing price is strange to economists since the available data does not support the increase. Likewise, the craze of investors is the main reason for stock market bubbles, where the fever and emotion are driven by uncertain rumors. Dr. Shiller repeated the importance of rumors, citing the example of a sharp rise in the price of capital which led to more rumors and reversely boosted the price of capital. "Rumors are the real thing pushing the factors behind economic development." He finally told the audience about the influence of consumer confidence on the economy and the right attitude to have towards the financial crisis.

His speech then received comments from the other members of the forum. Mr Chen Yulu said “I believe Professor Shiller said the right thing, however, some of what he said is not true. It is true that during the last 6 years, Chinese real estate has grown in an unhealthy way due to macro regulation policies. However, it is wrong because, if a Beijing man didn’t purchase a flat in the last few years and instead followed Professor Shiller’s words, it would be a huge loss for him since he cannot afford the skyrocketing prices now. Despite all these the fluctuation of the Chinese housing price in 2009, which we call the first year of post-crisis, is a showcase of the Chinese economy. The conflict has already been pushed to the climax. Some economic sages have claimed that if China continues to ease its monetary and fiscal policy, then the real estate market in 2010 will be on the verge of collapse.”

Mr. Huang echoed this idea, “the property industry is very huge in China since it represents a great amount of capital, as well as employment and stimulation to the whole economy. In my point of view, the housing price of population-intensive cities in China, like many Asian countries, is difficult to fall. The reasons are as follows: first, China is in a steady process of urbanization; second, Chinese culture has a special preference for real estate; third, there are limited investment opportunities in China due to the control over foreign exchanges and lack of reliable financial products mix, investing in real estate is like gambling to many people. Fourth, weak transportation systems in many big Chinese cities have pushed up the housing price in many city centers.” He also said that the best measure the government could use to hit venture investments on real estate would be to launch a property tax in China, where the tax is currently zero, which is rare in most countries.

He pointed out that based on Professor Shiller’s speech, the biggest lesson that China should learn is to improve communication between the regulatory bodies of government and academia. “Our regulators have too much control in the qualification of IPOs and the amount of financing they receive; there is weak regulation on insider trading, affiliate transactions, and exposing the fake information of listed companies. For instance, it is very ironic that many investment banks based in China sell many extremely complicated financial derivatives from western banks to the Chinese people.”

Mr. Zhu Ming, with a sense of humor, asserted that Professor Shiller’s theory cannot explain many realities in China. “For instance, ” he pointed at a chart in Professor Shiller’s PPT, “the housing price in the Untied States went straight down starting in 2007, while it is interesting to see that the Chinese housing price has continued with an upward trend during the crisis. I can go further and say that even in an era when the Chinese consumer confidence index is at the bottom, the housing price is still climbing.”

Notwithstanding, as Mr Chen pointed out, we are stepping into an era with four features: first, the global economy will show a slow recovery trend after rebalancing; second, the global financial market will move into a low leverage era; third, global macroeconomic management will enter an epoch when the G20 and new IMF jointly function; fourth, China is a developing country in rebound, so it will definitely adopt the government-oriented chasing-model economy, face the severe conflicts between the traditional and the modern, between fairness and efficiency. Can Behavioral Economics—a new theory that still hasn’t been written in a textbook—save the capital bubble? We hope so but doubt remains.

Robert J. Shiller, who’s widely published book Irrational Exuberance is an analysis and explication of speculative bubbles, with special reference to stock markets and real estate. This book was published in the early 2000. Two months later, the prophecy laid out in his book came true: the dotcom bubble in the burst which caused the sharp fall of the U.S. stock market, and led to global economic recession.

He is the Arthur M. Okun Professor of Economics, at the Department of Economics and Cowles Foundation for Research in Economics at Yale University, and the Professor of Finance and a Fellow at the International Center for Finance at the Yale School of Management.

Official Antimonopoly Website Opens

By Guo Liqin

China’s antimonopoly law website opened in December 19, 2009. Netizens can log in at http://www.antimonopolylaw.org to see the update information of in-depth anti-monopoly law theory and case studies, according to the organizer.

This website bases its think tank on the law school and economic school of Renmin University of PRC, University of Bonn of Germany, Hitotsubashi University of Japan. Established by Yang Dong, associate professor in law School of Renmin University, it is part of China Civilian law website launched by Professor Wang Liming.

The website mainly release the information about anti-monopoly law forum, anti-monopoly law case studies, international competition law, special column on economics and anti-monopoly, etc. Besides, it will also provide the updated academic activities; study forum and online survey to experts, students, and those who are interested in anti-monopoly law.

Among all these activities, anti-monopoly forum column mainly releases the word version of speeches delivered by high officials and sages in the field. Anti-monopoly cases column publishes the updated international legislation and implementation of anti-monopoly law. Besides, columns of financial supervision law, Financial Holding Company Law, investment law, law of insurance and commercial banks, corporate law and Fiscal and Tax Law will supplement the theme of website.

Im/Ex in December 2009:
Witnesses Strong Pickup

On January 10, 2009, General Administration of Customs of the People's Republic of China released the profile of China foreign trade import and export in December 2009 and the whole twelve months of this year. The statistics from customs show that, the total import and export value for 2009 is US$2207.27, falling 13.9% from 2008, but slightly increase from 2007. Among the total value, the yearly export reaches US$1201.67 billion, 16% drop year-on-year, while the yearly import US$1005.6 billion, 11.2% decrease year-on-year. Finally, the yearly balance of trade surplus reaches US$196.07 billion, 34.2% drop year-on-year.

The statistics from customs also show that, China's foreign Trade appears strong growth. The total import and export value for December amounted to US$243.02 billion, 32.7% increase year-on-year, 16.7% growth month-on-month. Among the total value, the monthly export reaches US$130.73 billion, the fourth highest monthly export value in history, 17.7% increase year-on-year, 15% growth month-on-month, while the import US$112.29 billion, also a historical high, 55.9% increase year-on-year, 18.8% growth month-on-month. (See Table 1)

Table 1 Brief on China's import and export in Dec. 2009

Unit: Billion USD

Item	December		Jan. – Dec.	
	Absolute Value	Increase ±%	Absolute Value	Increase ±%
Total Import and Export Value	243	+32.7	2207.3	-13.9
Total Export Value	130.7	+17.7	1201.7	-16.0
Total Import Value	112.3	+55.9	1005.6	-11.2
Import and Export Balance (surplus is +; deficit is -)	18.4	-	196.1	-

• Note: The figure for the value of total import and export, total export, and total import after the seasonal adjustment is 31.5%, 16.1%, and 55.4% separately in terms of year-on-year increase; While the figure for the month-on-month increase is 6.7%, 5%, and 8.7%, respectively.

Due to the international financial crisis, China's foreign trade experienced a consecutive fall since November 2008, and shows the sign of recovery in March 2009, and the trend became stable in August 2009. After that, the total import and export value started to pick up in November, and showed strong pickup in December, as manifested in rapid growth in year-on-year and month-on-month increase in both import and export. Among them, the monthly import value hit the historical record, and the monthly export value also listed the forth highest in history, which show the rapid recovery of China's foreign Trade. Meanwhile, the sharp growth in import value is a symbol not only that the simulative policy has exerted its effect, but the internal demand is strong. It helps the recovery of the whole world's economy. (For more detail, see Table 2, Chart 1 &2)

Table 2 Brief on China's import and export from Jan. to Dec. 2009

Unit: Billion USD

Month	Item	Absolute Value	Increase ±%
Jan.	Total Import and Export Value	141.79	-29.1
	Total Export Value	90.39	-17.5
	Total Import Value	51.41	-43.1
Feb.	Total Import and Export Value	124.93	-25.0
	Total Export Value	64.86	-25.7
	Total Import Value	60.07	-24.1
Mar.	Total Import and Export Value	162.02	-20.9
	Total Export Value	90.29	-17.1
	Total Import Value	71.73	-25.1
Apr.	Total Import and Export Value	170.73	-22.8
	Total Export Value	91.94	-22.6
	Total Import Value	78.80	-23.0
May	Total Import and Export Value	164.13	-25.9
	Total Export Value	88.76	-26.4
	Total Import Value	75.37	-25.2
Jun.	Total Import and Export Value	182.57	-17.7
	Total Export Value	95.41	-21.4
	Total Import Value	87.16	-13.2
Jul.	Total Import and Export Value	200.21	-19.4
	Total Export Value	105.42	-23.0
	Total Import Value	94.79	-14.9
Aug.	Total Import and Export Value	191.7	-20.6
	Total Export Value	103.7	-23.4
	Total Import Value	88.0	-17.0
Sept.	Total Import and Export Value	218.94	-16.2
	Total Export Value	115.94	-20.1
	Total Import Value	103.01	-11.4
Oct.	Total Import and Export Value	197.54	-10.7
	Total Export Value	110.76	-13.8
	Total Import Value	86.78	-6.4
Nov.	Total Import and Export Value	208.2	+9.8
	Total Export Value	113.7	-1.2
	Total Import Value	94.6	+26.7
Dec.	Total Import and Export Value	243	**+32.7**
	Total Export Value	130.7	**+17.7**
	Total Import Value	112.3	**+55.9**

Chart 1 Monthly comparison of China's export value between 2008 & 2009

Unit: Billion USD

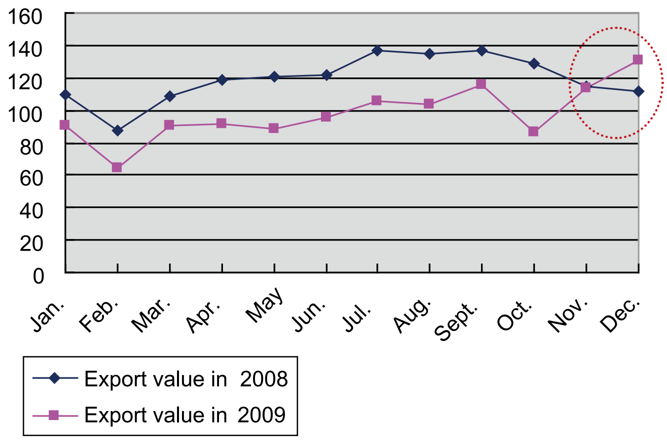
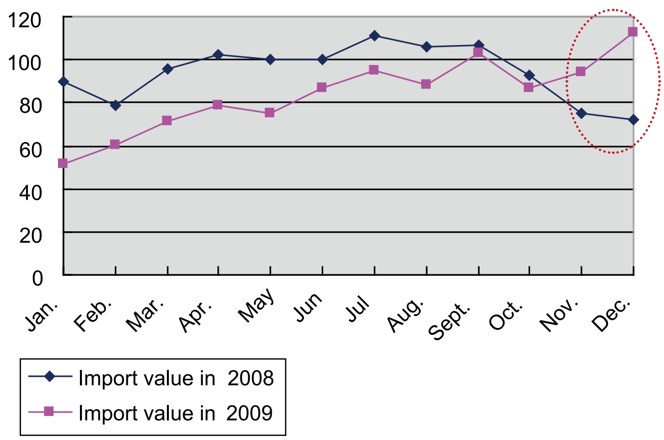


Chart 2 Monthly comparison of China's import value between 2008 & 2009

Unit: Billion USD



Trading partners

During 2009, E.U., U.S., and Japan remain the top 3 as China's trading partners. (See Table 3) In this period, the bilateral trade volume between China and E.U. amounted to US$364.09 billion, falling 14.5% y-o-y. Sino-American bilateral trade value was US$298.26billion, 10.6% decline y-o-y. China's trade volume with Japan in 2009 accounted for US$228.85 billion, 14.2% decrease y-o-y.

Table 3 Bilateral trade value of China's top trading partners in Jan.- Dec. 2009

Unit: Billion USD

Rank	Partner	Dec.	Jan. – Dec.	Increase ±% yoy
1	EU	37.83	364	-14.5
2	US	31.75	298.26	-10.6
3	Japan	25.54	228.85	-14.2
4	ASEAN	25.95	213	-7.9
5	Hong Kong	20.80	174.95	-14.1
6	South Korea	16.67	156.23	-16.0
7	Taiwan	11.88	106.23	-17.8

Looking into in December 2009, the local government made great effort to boost outward demand and exportation. According to the statistics, in December only, the monthly import value of Guang Dong province hit US$39.97 billion, increasing 23.5% y-o-y, 15.2% growth month-on-month; the monthly export of Jiangsu province, Shanghai city and Zhejiang province all exceeds US$1 billion, the figures are US$20.35 billion, US$15.21 billion and US$13.61 billion, increasing 17.6%, 23.8% and 14.3%, respectively. At the same time, the monthly import value of Shandong province, Fujian province and Beijing Municipal city is US$8.09 billion, US$5.71 billion and US$5.01 billion, a year-on-year increase of 15.3%, 23.2% and 6.5%, respectively, and a month-on-month increase of 7.4%, 20.6% and 10.1% respectively.

Export & Import mix

Export

According to the statistics, among the products we export in 2009, China has made export tax rebate policy adjustment for 7 times consecutively involving US$676.02 billion worth of goods, falling 16% year-on-year.

Among others, the export of labor-intensive products was better performed than the average 16% decrease this month. See Table 4.

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

Unit: Billion USD

Commodities	Export value	Increase ±% yoy
Apparels and accessories	105.7	-11
Textile yarn & fabric	62.16	-8.4
Footwear products	28.17	-5.7
Plastic Products	16.58	-12
Trunk and Bag	14.82	-9.2
Toys	6.2	-10

In the same period, Chinese exports of mechanical and electronic products accounted for US$78.05 billion, 26.9% increase year-on-year.

Import

In terms of China's import commodities, main bulk import increased variously in terms of volume.

Among them, iron ore was imported 630 million tons, 41.6% increased yoy. The average import price was US$79.9/ton, 41.7% drop. 200 million tons of crude oil was imported by China in this year, 13.9% growth yoy. The average import price was US$438/ton, 39.4% fall. China's import of soy beans had increased by 13.7% yoy, reaching 42.55 million tons in 2009, with average import price of US$441.5/ton, 24.3% decrease.

Meanwhile, from January to December 2009, China imported 419 thousand units of automobiles and vehicles 2.8% increased year-on-year.

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

Cross-strait Financial Cooperation Brings New Chances for Banking Industry

By Tony Phoo

- China mainland and Taiwan signed a Memorandum of Understanding on banking industry supervision and cooperation recently
- It has great values to Taiwan banking industry which is annoyed by thin profits for long
- Taiwan-capitalized banks will have rights to carry out more financial services in Greater China Region
- Meanwhile, it is helpful to boost Taiwan towards the middle-term target of growing into regional trade and financial center

The relationship cross the Strait stays stable. Recently, Hu Jintao, president of PRC, and Lian Zhan, former vice-president of Taiwan and former president of Kuomintang, met in Singapore. And it is reported that both sides had a discussion and formally signed this long-waiting Cross-Strait Economic Co-operation Framework Agreement (ECFA). Not long after that, it was learned that both sides cross the Strait signed a MOU on banking industry supervision and cooperation. The signing of this MOU starts the negotiation on mutual-opening of banking and financial services industry cross the Strait.

Obviously, it has a positive influence on banking and finance industry in Taiwan, bringing a chance for Taiwan-capitalized financial institutes to enter China Mainland market, one of the fastest rising capital markets in the world, and to provide more integrated financial services to customers in Greater China Region. What's more important, cross-Strait banking and financial services cooperation has important meaning on Taiwan's realizing the target of an important regional financial and trade center. With understanding of the potential opportunities, risks and challenges in China Mainland, finance industry in Taiwan will benefits from the normalization of cross-strait relations.

New increase policies needed for Taiwanese banks

It has been a long time for the overcrowded banks in Taiwan facing challenges on improving and maintaining competitiveness. Due to the fierce competition in Taiwan, banks in Taiwan are being annoyed by the low rate of return and low profits. Compared with banking industry in Singapore and Hong Kong, the industry in Taiwan seems to have shortages in every aspect (as seen in Table 1). In 2008, Taiwan-capitalized banks had a average weighted return on equity was 2.47% only, while the top three banks in Singapore topped 10%, and major banks in China Mainland had a return rate even higher than 20%. Thus, if they are allowed to enter the Mainland, banks and financial institutes in Taiwan would have an improved profitability and return rate. And they may have a good return from continuously expanding mainland economy, as they are actively exploring business opportunities in Greater China Region.

Table 1 Comparison of Taiwan, Hong Kong and Singapore banking industry index

	Taiwan	Hong Kong	Singapore
Share of Finance industry in GDP (%)	10.0	15.0	11.0
Share of assets under the management of this industry	64	595	728
Market share by top five banks	37	76	73
The share of employees in the industry	4.0	5.5	6.0

Source: Standard Chartered Bank Global Research Center

Take Taiwan's advantage in geography and culture

However, even when there are new market opportunities, Taiwan-capitalized banks are directly competing with the local banks in China mainland, as the former are not comparable with the later in assets size and operation network. Therefore, Taiwan-capitalized banks should fully play their special advantages, as Taiwan is close to Fujian and Zhejiang crossing the Strait, and they have a close cultural relation (see Picture 1). Taking the tailwind of fast developing economy in Pearl River Triangle, Hong Kong, which is geographically close to the Triangle, has greatly improved its position as a regional financial center.

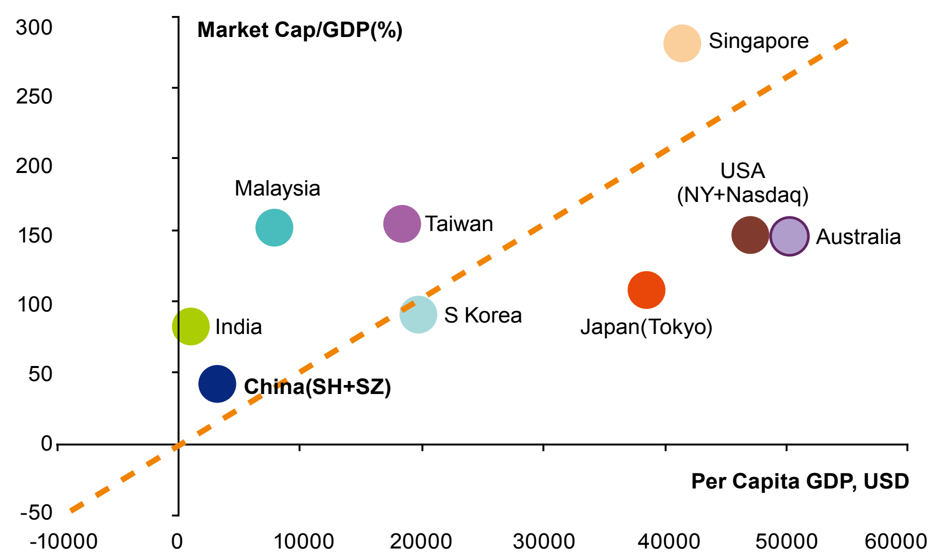
In 2008, Fujian and Zhejiang had a total population of about 86 million, nearly four times of that in Taiwan, a little smaller than that (96 million) in Guangdong Province, where Pearl River Triangle locates. At that time, the two provinces had a total GDP of about 500 billion US dollars, 1.3 times of that of Taiwan and equaling to that of Guangdong. What's more important, recently China mainland government agreed Fujian to speed up the construction of economic zone at Western bank of Taiwan Strait, in order to boost the economic and trade cooperation between Taiwan and the southeastern coastal region, which will create great opportunities for Taiwanese financial institutes, who in turn provide financial services to 50,000 Taiwan-capitalized enterprises and more than one million Taiwanese in China mainland.

Figure 1 The geographic and cultural advantages of Taiwan

China mainland capital market has a great potential

Before we consider whether Taiwanese financial institutes can gain long and short-term benefits from cross-strait economic and trade cooperation, we should evaluate the potential for growth of mainland financial market compared with other markets. Depth is an important index to evaluate the potential for growth of a financial market, meaning the ratio between the scale of an economic entity size and the market value of finance industry in this economic entity (see Picture 2). Developing a financial market's depth usually benefits growing economies, and families can have more investment chances, while enterprises can find more financing channels, improving capital allocation efficiency and risk management. From this point of view, with an upgrading industrial chain in the mainland, mainland capital market has great potential for growth. Besides, in-depth development of mainland financial market will bring chances for Taiwanese banks.

Figure 2 Mainland finance market with great potential for growth



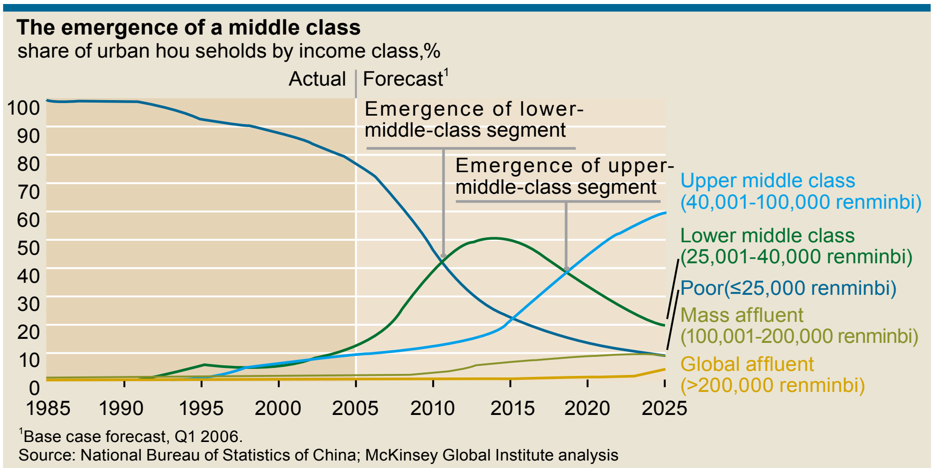
Source: World Federation of Exchange

Growing middle class in China mainland

With a rapid economic growth in China, now China is playing an increasingly important role in the world, bringing Taiwan more opportunities. In the past decade, China enjoyed a high-speed economic growth of 9% per year. As China has a low labor cost, abundant natural resources, and the government carries out a series of favored policies to attract foreign investments, direct foreign investments increased fast, becoming an important driving force for Chinese economy. Over the past ten plus years, foreign-capitalized enterprises in China developed quickly, bringing an increasing population of middle class. According to the estimation from McKinsey Global Institute, basic middle class first grows, referring to those with an annual household income of 25,000 to 40,000 RMB. The institute predicts that basic middle class will account for nearly half of total urban population in China. Since then, top middle class will grow. The so-called top middle class refers to those with an annual household income of 40,000 to 100,000 RMB. By 2025, this group will account for 60% of urban population (see Figure 3).

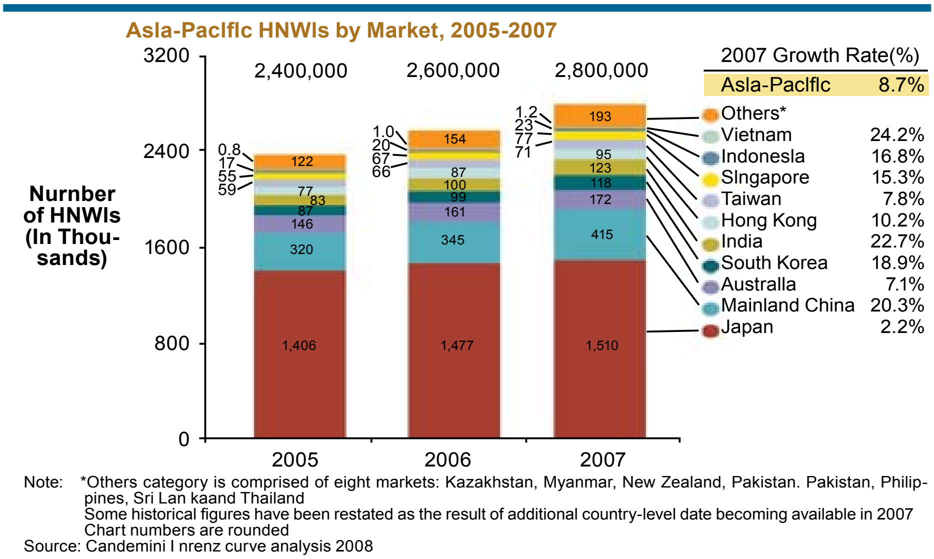
According to McKinsey Global Institute, urban families in China will form the largest consumer market in the world. What's more important, top middle class is mainly consisted of younger people, who usually have a high education and higher. Generally speaking, this group is more skilled in finance and therefore more likely to accept new investment products. Their importance to banks and other financial institutes (whether local or foreign) will increase. This growing group of young people with economic power is bringing great opportunities and a bright future for the banks doing businesses in China.

Figure 3 The fast-growing middle class



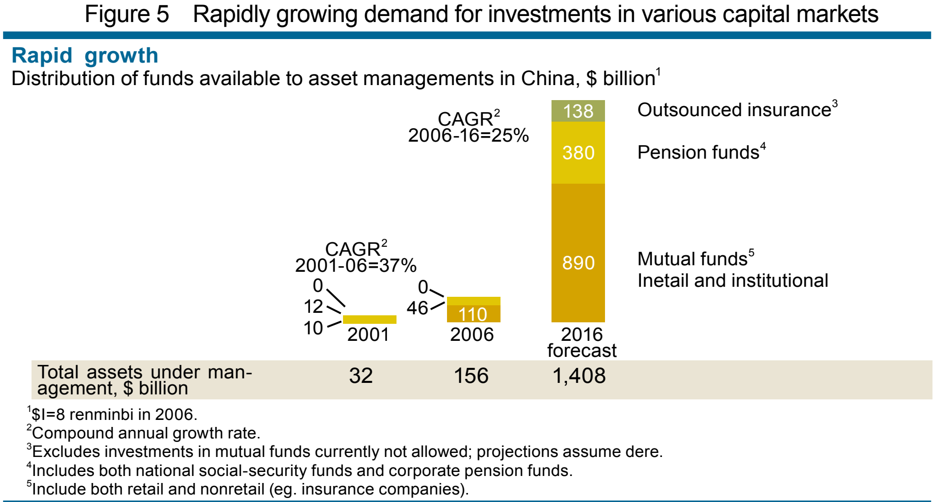
Source: "The value of China's emerging middle class" — The Mckinsey Quarterly, 2006

Figure 4 Fast-growing wealth management market



Source: 2008 Asia-Pacific Wealth Report

Figure 5 Rapidly growing demand for investments in various capital markets



Fast-growing wealth management market

Joining in this expanding mainland wealth management market is likely to bring benefits more quickly. According to "2009 Asia-Pacific Wealth Report" joint-issued by Capgemini and Merrill Lynch Global Wealth Management recently, in 2007, high net worth individuals (with US dollars or financial assets of more than one million US dollars) in China totaled 415,000 (see Figure 4), taking a share of 20% in the whole in Asia, following Japan and ranked the second. Meanwhile, China has the highest growth rate of high net worth individuals in the world. Just in 2007, the growth rate was higher than 20%, almost triple the average (8.7%) in Asia-Pacific and fourfold of global average (6.0%). Of particular importance is that the study indicates banks and other financial service companies will get great potential profit opportunities, especially those financial enterprises with professional advantages in equity investment, real estate and fixed income field.

Another study of McKinsey also had similar findings. The study pointed out that the market value of mainland assets management industry is expected to grow at an annual rate of about 25%. In 2016, the value is expected to reach nearly 1.4 trillion U.S. dollars from about 156 billion in 2006 (see Figure 5). The study concluded that, as the population of wealthy in China mainland increases, demand for investments, pension and insurance will drive the growth in assets under management. Asset Management will become the fastest growing financial services in mainland, and is expected to attract a considerable amount of foreign investment. Meanwhile, the study also assessed the potential demand of mainland investors from low-interest deposits and cash accounts into stocks, bonds, funds and insurance products.

Opportunities from pension management

In addition, Taiwan financial

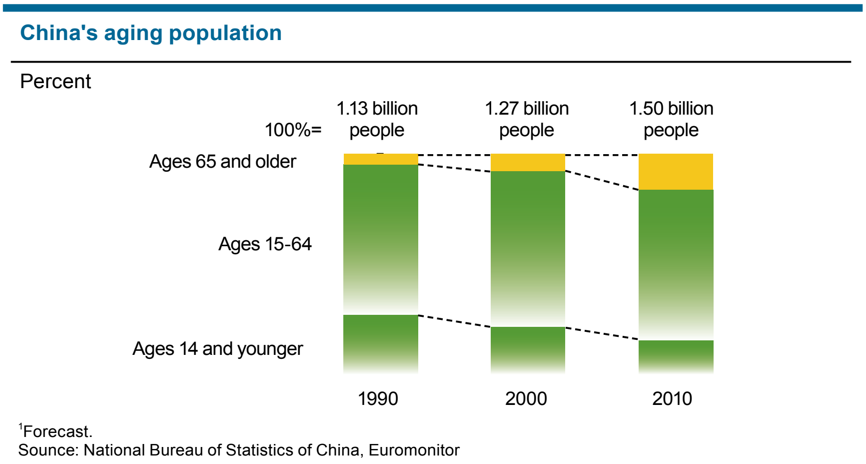
services industry may also benefit from rising demand for pension management. According to the data from China National Bureau of Statistics, till 2030, the population of 65-year-old and over will take a share of 16%, jumping from 7.0% in 2000 (see Figure 6), which will impose a heavy social security burden on Chinese government , especially when family planning policies taken into account. Therefore, the public sector and individuals will be in an urgent need of professional pensions management, giving reputable foreign financial companies lots of opportunities.

Business opportunities from mainland enterprises' going out

Many companies in China mainland have accumulated a large amount of money in recent years' rapid development, including these state-owned enterprises. And many of them are intended to go out and integrated into global economy, which can create chances other than bank retail services. Going out of China mainland enterprises is the result of Chinese governments' favor policies (for example, in consideration of the long-term development, looking for raw material supplies in the global market), on one hand. However, the overseas expansion – especially for the banks and insurance companies – is increasingly driven out of commercial considerations. Setting up overseas branches helps financial companies from China mainland to obtain expertise in IT industry, product management, risk management, customer service and other areas.

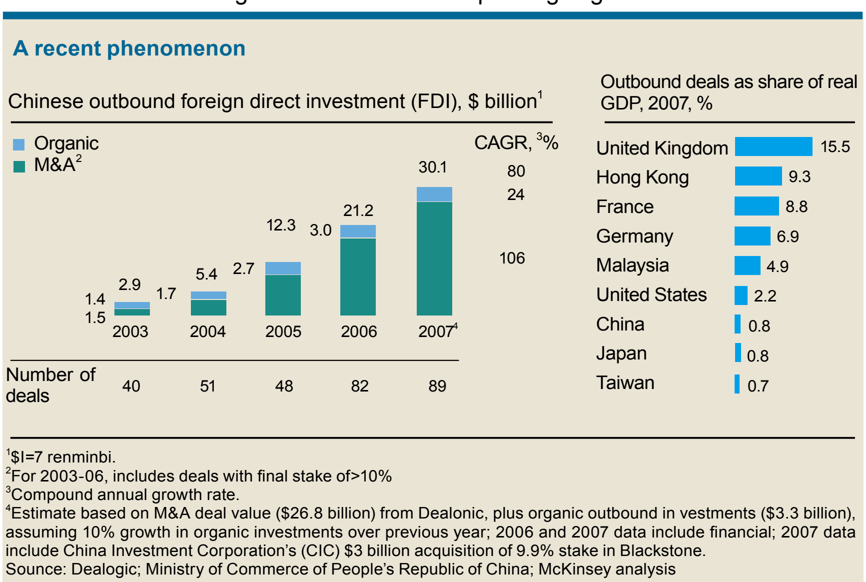
According to a data provider DeaLogic, overseas investment from Chinese enterprises in 2007 totaled about 30 billion US dollars, tenfold of that (3 billion US dollars) in 2000, but was still much lower when compared with many developed economic entities (see Figure 7). With more Chinese enterprises to go international for further growth, particularly at the time when many Western companies just experienced the current global financial crisis, these enterprises will have an increasing demand for services in international mergers and acquisitions, private equity, venture capital management, etc.

Figure 6 Market opportunities by aging population in China



Source: China National Bureau of Statistics, Euromonitor

Figure 7 Mainland enterprises going out



A step towards an important regional trade and financial center

Also, entering this expanding financial services market in China mainland is in accord with Taiwan's target of becoming an important regional trade and financial center. A number of studies have shown that, in addition to infrastructure, human resources, a sound institutional framework, accessing to a potential market is also necessary to be a successful financial center, like Hong Kong and Singapore.

However, achieving this goal will face many difficulties, especially when considering Shanghai that is targeting at a regional financial center, too. Hong Kong and Singapore, the two relatively mature financial centers, are far away ahead of Taiwan, and their sizes and importance are continuing increasing. For example, basing on the rising market in China mainland, China Hong Kong gains a great potential for growth for its financial sector. Nevertheless, as mentioned above, Taiwan's unique geographic and cultural advantages might help to narrow the gap. For example, Taiwanese have relations with many provinces in China mainland and speak a language near mandarin, unlike the local residents in Hong Kong who most come from Guangdong Province and are talking Cantonese. These relative advantages are helpful for Taiwan financial service companies to expand in China mainland, and also access to a long-term development with the broad business network of Taiwan-capitalized enterprises there.

(Author: Standard Chartered Bank (Taiwan) Limited)

Investment Projects in Henan Province

Project Name
The investment promotion project for the standard workshops construction in Luoshan industrial zone
Project Implementation Institution
Luoshan investment promotion bureau
Total Investment
USD 8.4 million
Project Description
Exploit land of 500mu to set up a standard workshop for the rent. Of machinery&spin& electron.etc
Contact
Li Jin 13607600166 86-376-2129758

Project Name
Annual butchering & processing capacity of 800 thousand pigs project in Huangchuan
Project Implementation Institution
Huaibin development and reform commission
Total Investment
USD 17.2 million
Project Description
To set up a production line with an annual butchering & processing capacity of 800 thousand pigs and a 2000T refrigerator
Contact
Liu Wei 13507616288 86-376-3931656

Project Name
The project of Cement grinding station with annual production capacity of 10 million Tons
Project Implementation Institution
The bureau of Censorship of Gushi
Total Investment
USD 5.6million
Project Description
Build yard and warehouse for Semi-finished products, Mixed materials. Set up two production lines and some related facilities.
Contact
Cheng Zongxin 13905644269

Project Name
The project of the Gushi Huaxing wood company
Project Implementation Institution
The bureau of Censorship of Gushi
Total Investment
USD 4.2million
Project Description
To set up a 8000 m^2 standard workshop, to build 4 production lines of advanced wood floor, annual production capacity of 2000 stere of wood floor
Contact
Peng Yuanhu 15839740675

Project Name
The formaldehyde project of the Henan Southern wood Group Xinsheng Chemical co., Ltd
Project Implementation Institution
The bureau of Censorship of Gushi
Total Investment
USD 2.24 million
Project Description
To set up a 1000 m^2 standard workshop, to build a production line of formaldehyde, annual production capacity of 20,000T of wood floor
Contact
Sui Chenghai 13865766789

Project Name
The project of the road link Gushi and Hu-Shan expressway
Project Implementation Institution
The bureau of communication of Gushi
Total Investment
USD 25.17 million
Project Description
To build a road linking Gushi and expressway, 30 miles in length
Contact
Zhang Xinjian 13603979920

Project Name
The project of the Logistics Center and the deep processing of the subsidiary agricultural
Project Implementation Institution
Gushi commissariat and oil co,.ltd
Total Investment
USD 5.45 million
Project Description
To build a stringent specification grain stored facility, and make it become a integration grouping with purchase&store&marketing&transit&processing
Contact
Tian Xiangdong 13937661206

Project Name
The construction of the standard workshops in Huaibin industrial zone
Project Implementation Institution
Huaibin development and reform commission
Total Investment
USD 13.98 million
Project Description
To set up a 100,000 m^2 standard workshop and when it finished it can be rent for the business.
Contact
Ma Huaijiang 13782933059 13782933059

Project Name
The extension of the reeling production line in Huaibin
Project Implementation Institution
Huaibin development and reform commission

Total Investment
USD 9.65 million
Project Description
The Jin Huai He Industry and Trade Company is located in Huaibin, and its main industry is reeling production
Contact
Ma Huaijiang 13782933059 13782933059

Project Name
The project of the crane locomotive factory in Shangcheng
Project Implementation Institution
Shangcheng development and reform commission
Total Investment
USD 2.8 million
Project Description
This factory located in Shangcheng industrial zone, it's main product are steel structure& lifting machine& construction machinery.etc
Contact
Yang Chuanyou 86-376-7348180 13803766890

Project Name
The production project of the one millionT carbonyl and dimethyl ether
Project Implementation Institution
Xixian development and reform commission
Total Investment
USD 11.18 million
Project Description
To set up a production line of the production capacity of 600,000T carbonyl and a production line of the production capacity of 400,000T dimethyl ether
Contact
Chen Zhengjiang 86-376-5851123

Project Name
The Chushandian Reservoir project In Huai River
Project Implementation Institution
Xinyang development and reform commission
Total Investment
USD 713.28 million
Contact
Liang Chengguang 86-371-6278321

Project Name
The project of the Xinyang New Technology Industrial Park
Project Implementation Institution
Xinyang development and reform commission
Total Investment
USD 13.98 million
Project Description
To set up a new science&technology and industry park on the lands about 200~300mu
Contact
Shi Wentao 86-376-6278276

Project Name
The Xinyang NM Organobentonite project
Project Implementation Institution
Xinyang development and reform commission
Total Investment
USD 13.98 million
Contact
Shi Wentao 86-376-6278276

Project Name
The Xinxian Camellia plant and oleum tsubaki product exploitation project
Project Implementation Institution
Henan Lingrui Health Products Co.,Ltd
Total Investment
USD 13.79 million
Project Description
Plant the camellia and product the oleum tsubaki capsule
Contact
Zhang Ming 86-376-2969888

Project Name
Project of processing cooked food products.
Project Implementation Institution
HuaYin Group
Total Investment
USD 16.4 m^2 million
Project Description
It is planned to process poultry products of 6000 tons of smoked food, toasted food, fried food, and bittern food annually.
Contact
Lei Shubing 13939716687

Project Name
Project of processing 400,000 tons of feed
Project Implementation Institution
HuaYin Group
Total Investment
USD 6.53 million
Project Description
It is planned to process 200,000 tons of duck feed and 200,000 tons of chicken feed.
Contact
Lei Shubing 13939716687

Project Name
Project of building HuaYing Industry City
Project Implementation Institution
HuaYin Group
Total Investment
USD 3.80 million
Project Description
HuaYing Industrial City covers an area of 9.6km^2, and the first-phase project is 5000mu(1mu≈666.7 m^2).
Contact
Chen Xinsheng 13939799635

Project Name
Extension project for comprehensive processing of 300,000 tons of refined rice and its byproducts
Project Implementation Institution
Huangchuan Xuechi Cereals and oils Co., Ltd.
Total Investment
USD 24.6 million
Project Description
It is planned to process 300,000 tons of refined rice, 8000m2 of compound building materials and 100,000,000pcs of environmental protection table wares.
Contact
Huang Ruiming 13737699139

Q&As as for Foreign Business Practice in China

Q: I'd like to consult you what the meaning of category of encouragement and category of restriction is. Whether the category of encouragement foreign investment industries can all be approved if they are qualified while certain quota shall be imposed on the category of restriction ones according to the state's policies and regulations, and whether there are judicial interpretations?

A: Article 6 of the Provisions on the Guidance of Foreign Investment Directions provides that where they are qualified for the following conditions, the foreign investment projects shall be listed as the category of restriction ones: (1) possessing backward technical level; (2) going against saving resources and improving ecologist environment; (3) embarking upon prospecting and exploitation of specified minerals of which protective mining is prescribed by the state; (4) being the gradually open industries by the state; and (5) other situations prescribed in laws and administrative regulations. Article 12 herein prescribes that the existing examination and approval rights for foreign investment projects shall be examined and approved by the development plan departments and economic and trade departments for filing in accordance with the nature of projects; and the contracts and the articles of association of foreign investment enterprises shall be examined and approved by the department of foreign trade and economic cooperation for filing. Among them, foreign investment projects of the restriction category below quota shall be examined and approved by the corresponding competent departments of the People's governments of the provinces, autonomous regions, municipalities directly under the Central government and separately planning cities and simultaneously reported to the higher competent authority and industrial competent authority for filing. The approval rights of such kind of projects shall not be delegated to lower levels. The gradually open foreign investment projects in the area of service trade are subject to relevant provisions of the state for examination and approval. The foreign investment projects related to quota and license shall first apply to the department of foreign trade and economic cooperation for quota and license and the foreign investment projects with the approval procedures and measures separately prescribed in laws and administrative regulations shall be subject to the provisions.

Q: What laws and regulations shall be followed by foreign investors while making investment in China?

a. If they invest in establishing a company in China, what applications shall be submitted by foreign investors? To what departments?

b. What labor laws shall be followed by foreign investors if investment is made in China?

c. What laws and regulations shall be observed by foreign investors if capital is transferred to foreign accounts?

d. What laws and regulations shall be followed by foreign investors if investment is to be stopped?

A: Firstly, you shall refer to the Catalogue for the Guidance of Foreign Investment Industries to decide whether investment industries are permitted or not and then go through handling in the commercial department by the type of enterprises to be established in accordance with the Detailed Rules for Implementing the Law of the People's Republic of China on Foreign-Invested Enterprises, the Regulations for the Implementation of the Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures and the Rules for the Implementation of the People's Republic of China on Chinese-foreign Cooperative Enterprises respectively.

Secondly, the Labor Contract Law of the People's Republic of China shall be followed.

Thirdly, the Regulations on the Foreign Exchange System of the People's Republic of China and the Notice of the State Administration of Foreign Exchange on the Relevant Operating Issues Concerning the Improvement of the Administration of Foreign Direct Investment shall be followed and the State Administration of Foreign Exchange shall be consulted for specific information.

Fourthly, related laws in the first question and the Guiding Opinions of the General Office of the Ministry of Commerce on Dissolution of Foreign Investment Enterprises and Liquidation by Law shall be simultaneously.

Q: If the scale of the fixed-assets of a foreign-invested enterprise exceeds that of the original investment amount due to purchase of equipment with business profits for expanding production capacity, does the enterprise need to alter its registered capital and the total amount of investment? Whether the failure of alteration of the registered capital and the total amount of investment will have any impact on the policies applicable for the foreign-invested enterprise?

A: According to the relevant interpretations of the Interim Provisions of the State Administration of Industry and Commerce on the Proportion of Registered Capital and Total Amount of Investment of Sino-Foreign Joint Venture, please refer to the actual situation of your company first and you do not need to alter the registered capital if the original proportion does not exceed. The alteration, if necessary, shall comply with the relevant articles of the Detailed Rules for the Implementation of the Law of the People's Republic of China on Foreign-invested Enterprises or the Regulations on the Implementation of Law of the People's Republic of China on Sino-Foreign Joint Venture. Please go through alteration procedures with local administration for industry and commerce.

hàn yǔ xiān cí

汉语鲜词

Fresh Chinese Expressions

1 嘛去? má qu

◎ **Means:**

What are you up to? It's the expression short for 干嘛去 (gàn má qu), but 干(gàn, means do) is often omitted in daily language, especially in northern part of China. It's used as greeting when two friends meet each other, but it's not necessary to answer it seriously. Because people who asked this question don't really want to know where are you going, just a way to say' Hi', or 'Good morning', 'Good afternoon'.

◎ **Example:**

Frank: Morning Jane, 嘛去?

Jane: Hey Frank, I am just going for a walk./ I am going to shopping.

2 别价 bié jie

◎ **Means:** No, not like this; don't be that way.

◎ **Example:**

Jane: Hurry up! I am going to be late for work! I will have to go first!

Jim: 别价, just 1 minute! I don't have a car and you have to drive me to work!

3 包在我身上 bāo zài wǒ shēn shàng

◎ **Means:** Leave it to me

It literally means wrapped it on me. Means I will take the job, or I will get it done. It is used as a promise or guarantee to complete something.

◎ **Example:**

After a huge dinner party, the wife said to the husband, "Honey, can you help me with those dishes?" The husband said, "No problem, 包在我身上! "

4 求人不如求己 qiú rén bù rú qiú jǐ

◎ **Means:** I would rather do it by myself, than to ask others for help.

◎ **Example:**

Tom was assigned to translate an industrial research report from English to Chinese. He thought he won't be able to finish the job on time, so he asked Mike to help him with some. But mike's translation was crap. Tom sighed and said, "求人不如求己. It would have been better if he have done all of it by himself."

5 不得了了 bù dé liǎo le

◎ **Means:** something extreme happened.

It's often used as an attention gatherer. It goes with both good and bad news to emphasize on how important the matter is. 了here is a polyphone, pronounced as liǎo and le, respectively.

◎ **Example:**

There is fire drill going on in Steve's dorm, Steve rushed out before he realized that Christ is still in the shower. He said, "不得了了! I have to get him out! Help!"

6 太阳从西边出来了 tài yáng cóng xī biān chū lái le

◎ **Means:**

The sun rises from west is an unnatural thing. Comparatively, it also refers to things that doesn't happen often or out of ordinary.

◎ **Example:**

The husband normally watches basketball when he is back home, One day, the wife came home from work and saw the husband was cooking in the kitchen. She cried out, "Wow, 太阳从西边出来了!"

7 你又涮我! nǐ yòu shuàn wǒ

◎ **Means:**

The expression literally means "You boiled me up again!". It actually refers to situation where you got ditched by friends and feel angry about the change of plan.

◎ **Example:**

Tom and Jerry arranged to meet for dinner at 6:00 pm, but Tom called her at 5:50 pm that he was too busily occupied with work and could not to come. It was the 3rd time Tom failed to show up. Jerry got angry and shouted in a very pissed off tone, "你又涮我! "

8 怎么不早说? zěn me bù zǎo shuō

◎ **Means:** Why didn't you say so earlier?

It is usually used when a better suggestion is proposed after something already happened. Sometimes it is used to shift responsibility and blame onto others.

◎ **Example:**

Steve and Christ planned to go on a trip on Wednesday, but something came up, Steve couldn't make it on Wednesday. Christ said, "怎么不早说, I have already booked the tickets!"

9 等着瞧 děng zhe qiáo

◎ **Means:**

The expression literally means "Wait and see". Someone refuses to admit his loss uses this expression in order to save face. It could mean a rematch. Also shows that the speaker might revenge and win next time.

◎ **Example:**

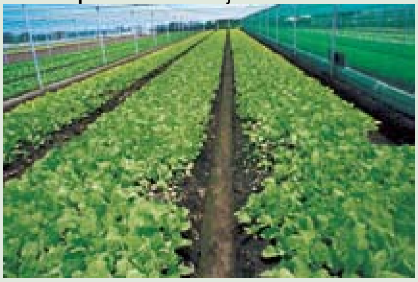
Steve lost at a pool game to Christ. After the game, Steve said, "等着瞧, I will win the next round."

China Fairs & Expos

Agriculture, Fishery, Animal Husbandry

2010 Anhui (International) Livestock Feed Trade Fair &Livestock, Poultry and Aquatic Product Breeding and Processing Technology and Equipment Exhibition

Date: March 5-March 7, 2010
Venue: Hefei Gymnasium
Exhibits: feed materials, feed additives, feed products, etc
Tel: 86-551-664086
Fax: 86-551-2678744
Email: chuangbo6666@126.com
Contact person: Wei Juanjuan



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

2010 "Solar Rain" Cup China (Linyi) the 4th Solar Energy Spring Exhibition

Date: March 3-March 5, 2010
Frequency: Yearly
Venue: Linyi International Mall Conference & Exhibition Center
Exhibits: solar energy water heater, flat-panel solar energy collector, etc
Add: Tongxin Building, No.79 Shichang Avenue, Weihai, Shandong, China, 200060
Tel: 86-631-5866178
Fax: 86-631-5867567
Email: tynsq@163.com

Furniture, Household Decorations, Woodwork Floor Decorations

2010 SIGN CHINA

Date: March 2-March 5, 2010
Venue: Chinese Export Commodities Fair
Exhibits: outdoor spray painting, photography equipment, spray painting consumables, ink, instant sticker, cold lamination PVC films, etc
Add: Rm 1306, Full Tianhe Business Tower, No.4 Huating Road, Linhe East Road, Tianhe, Guangzhou, Guangdong, China, 510620
Tel: 86-20-38106261
Fax: 86-20-38106200
Web: www.signchina-gz.com
Email: sign@trustexhibition.com

2010 The 3rd International Garden, Outdoor Furniture and Leisure Products Exhibition

Date: March 4-March 7, 2010
Frequency: Yearly
Exhibits: outdoor furniture, garden series, etc
Venue: Qingdao International Convention Center
Add: 23 Floor, Building A, Jinyu International Building, 48 Wangjing Wwest Road, Chaoyang District, Beijing, China, 100102
Tel: 86-10-51298656
Fax: 86-10-64787582

Machinery, Machine tools

The 14th China Guangzhou International Industrial Control Automation and Instrumentation

Date: March 4-March 7, 2010
Venue: Chinese Export Commodities Fair Pazhou Complex
Exhibits:fluid power transmission, mechanical transmission, air compressing technology, etc
Web: www.fuyang.com.cn

2010 China (Guangzhou) International Power Transmission and Control Technology Exhibition

Date: March 4-March 7, 2010
Venue: Chinese Export Commodities Fair Pazhou Complex
Exhibits: fluid power transmission, mechnical transmission, air compressing technology, etc
Add: Rm 3104, Tianjunge, No.365 Tianhe Road, Tianhe District, Guangdong, China, 510620
Tel: 86-20-38823660
Fax: 86-20-38823677
Email: info@fuyang.com.cn
Web: www.fuyang.com.cn

Mould

2010 China Tangshan International Machine Tool Mould Technology Exhibition

Date: March, 2010
Venue: Tangshan International Conference and Exhibition Center
Exhibits: machine tool, tool and accessories, automation control, etc
Add: 308, No.8 Qingnan Rd, High-tech Zone, Tangshan, Hebei, China
Tel: 86-315-3851865
Fax: 86-315-3851865
Email: china_imef@126.com

Hong Kong Fashion Week for Tangshan International Machine Tool Mould Technology Exhibition

Date: March, 2010
Venue: Tangshan International Conference and Exhibition Center
Exhibits: machine tool, tool and accessories, automation control, etc
Add: 308, No.8 Qingnan Rd, High-tech Zone, Tangshan, Hebei, China
Tel: 86-315-3851865
Fax: 86-315-3851865
Email: china_imef@126.com

Auto tools and Fittings

2010 Guangzhou International Automobile Mannufacturing Technology & Equipment Exhibition

Date: March 3-March 5, 2010
Venue: Guangzhou International Convention & Exhibition Center (Pazhou Complex)
Exhibits: automobile parts processing equipment and technologies, automotive mold, molding process manufacturing equipment and technology, etc
Add: No.5, Huacheng Road, Zhujiang New City, Tianhe, Guangzhou, Guangdong, China, 510620
Tel: 86-20-38691733
Fax: 86-20-33297932
Email: 1030497877@qq.com

2010 China (Guangzhou) International Automotive Aftermarket Industry and Services Exhibition

Date: March 3-March 5, 2010
Venue: Guangzhou International Convention & Exhibition Center (Pazhou Complex)
Tel: 86-21-64271916
Fax: 86-21-54864556
Email: 84653438@163.com

2010 China (Guangzhou) International Automobile Decoration Supplies Exhibition

Date: March 3-March 5, 2010
Venue: Guangzhou International Convention & Exhibition Center (Pazhou Complex)
Tel: 86-21-64271916
Fax: 86-21-54864556
Email: 84653438@163.com

Transportation, Logistics, Storage

2010 Guangzhou International Auto Repair, Maintenance, Testing Equipment & Technology Exhibition

Date: March 3-March 5, 2010
Venue: Guangzhou International Convention & Exhibition Center (Pazhou Complex)
Tel: 86-21-64271916
Fax: 86-21-54864556
Email: 84653438@163.com

2010 China (Guangzhou) International Modified Auto Show

Date: March 3-March 5, 2010
Venue: Guangzhou International Convention & Exhibition Center (Pazhou Complex)
Tel: 86-21-64271916
Fax: 86-21-54864556
Email: 84653438@163.com

2010 The 5th Guangzhou (Guangzhou) International Auto Electronics and Car Radio/CD/DVD Product Exhibition

Date: March 4-March 6, 2010
Venue: Chinese Export Commodities Fair Pazhou Complex
Exhibits: communication and navigation system, car radio/CD/DVD, safety electronic product, etc
Add: Rm 302, Block B, Lianming Commercial Center, No.20 Songbai East Street, Guangzhou, Guangdong, China, 510405
Tel: 86-20-86374869
Fax: 86-20-86374257
Web: www.84t.cn/dz
Email: bestguangzhou@163.com

2010 The 2nd Guangzhou International Auto Products Trade Fair

Date: March 8-March 10, 2010
Venue: Chinese Export Commodities Fair Pazhou Complex
Exhibits: auto inner and exterior decoration, auto maintenance products, auto premium products, modified parts and environment protection product, studio equipment, auto electronics and communication, etc
Add: Rm 511, Block A, Lianming Commercial Center, No.20 Songbai East Street, Guangzhou, Guangdong, China, 510405
Tel: 86-20-86374869
Fax: 86-20-86374257
Email: bestguangzhou@vip.163.com

Chemical Industry

2010 Southeast Asia (Guangxi) International Industrial Equipment Manufacturing Expo

Date: March, 2010
Venue: Guangxi Exhibition Hall
Exhibits: information-based manufacturing, power station new energy equipment, metals and metallurgical equipment, machine tools & dies, coal mining machinery, industrial automation instruments and meters, metal processing, forging machinery, auto poarts maker, surface processing and coating, security products, etc
Add: Rm 306 Chemical Industrial Building, 49 Jianzheng Road, Nanning,Guangxi, China, 530023
Tel: 86-771-5604159
Fax: 86-771-5623906
Web: www.nnrghz.com.cn

Glass, Ceramics, Plastic, Rubber

The 10th China Xiamen International Stone Fair

Date: March 3-March 6, 2010

Venue: Xiamen International Conference & Exhibition Center
Tel: 86-592-5959614
Fax: 86-592-5959611

Environmental Protection and Water Processing

2010 China (Zhengzhou) Artificial Environmental Science and Technology Fair

Date: March 5-March 7, 2010
Venue: Zhongyuan International Exhibition Center
Exhibits:refrigeration equipment and technology, heating equipment and technology, etc
Add: Rm 1500, Heli Building, No.300 Nanyang Road, Zhengzhou, 450012
Tel: 86-371-63870177
Fax: 86-371-63876053
Email: xfx360@126.com

Information Technology, Network, Communication, Broadcast

2010 China Tangshan International Metalworking Industry Exhibition

Date: March, 2010
Venue: Tangshan International Conference and Exhibition Center
Exhibits: machine tool, tool and accessories, automation control, etc
Add: 308, No.8 Qingnan Rd, High-tech Zone, Tangshan, Hebei, China
Tel: 86-315-3851865
Fax: 86-315-3851865
Email: china_imef@126.com

Electrical Apparatus, Heating, Air-conditioning

The 7th Guangzhou Auto Air Conditioning and Refrigeration Technology Exhibition

Date: March 4-March 6, 2010
Venue: Chinese Export Commodities Fair Pazhou Complex
Exhibits: whole vehicle air conditioning system, auto air conditioning accessories, auto air conditionging product, refrigeration equipment, etc
Add: Rm 511, Block A, Lianming Commercial Center, No.20 Songbai East Street, Guangzhou, Guangdong, China, 510405
Tel: 86-20-86374869
Fax: 86-20-86374257
Email: bestguangzhou@vip.163.com

Preparation for 2010 Shanghai Expo in final stage

Preparations for the World Expo 2010 Shanghai China were going according to plan, and construction of most pavilions was nearly complete, said an official on the executive committee for the event in Beijing on January 18.

Yang Xiong, Deputy Director of the Executive Committee for Shanghai Expo and also Vice Mayor of Shanghai, made the remarks at a press conference organized in Beijing by the State Council Information Office, just 103 days ahead of the 2010 Shanghai Expo opening, saying the preparation work was in the final stages.

A total of 192 nations and 50 international organizations worldwide have confirmed their participation in the Expo to date. All of the mainland's 31 provinces, autonomous regions and municipalities, along with Hong Kong, Macau and Taiwan will also participate. "Meanwhile, more than 220 countries and international organizations have confirmed to join the Expo Shanghai Online, giving users a great Expo experience over the Internet," said Yang.

According to Yang, 90 percent of the pavilions' construction work was complete. Of the 42 pavilions built by foreign countries, 80 percent had started decorating. The coordinators were making efforts to enhance all services, ensuring security and food safety, as well as good traffic flow, said Yang. Tourists would be warmly looked after. Shanghai Expo will run from May 1 to October 31, 2010, and the number of the expected visitors will total 70 million, according to a document posted at the website of the Expo. As of January 17, more than 18 million tickets had been sold.

Organizer pledges every convenience for visitors

Visitors to the World Expo will find everything available on site, ranging from free drinking water to food, toilets and shelters.

The organizer has put visitors' every need into consideration with a visitor-oriented approach, Shanghai Executive Vice Mayor Yang Xiong told a press conference hosted by the Information Office of the State Council in Beijing on January 18.

There will be 95 drinking fountains at the site, allowing visitors to get water every 100 meters, Yang said. More than 8,500 individual toilets will be built, 20 on average for each thousand visitors if daily visitor flow reaches 400,000. Mobile toilets will also be set up to avoid long queues, Yang noted.

The catering area for every 1,000 visitors will be 240 square meters, compared with the 109 square meters at Aichi Expo in 2005. Visitors can find snacks within a five-minute walk. Enough shelters against sun and rain will also be installed, given Shanghai's sizzling temperature in July and August, according to Yang. He revealed that some major pavilions may extend their openings after the Expo because they are too small for "a large number" of visitors. For example, the China Pavilion can only receive 50,000 visitors daily, while the estimated daily visitors will reach 400,000 on average, he said. "Opinions are being canvassed on the issue." Yang said 42 buses will transport visitors inside the Pudong zone of the Expo site, which will cover a route of 2.4 kilometers. The interval between buses will be no longer than one minute.

Luxury yachts for Expo guests

Two yachts donated by a Zhejiang-based boat maker will be used to transport visitors during the coming World Expo. The organizer signed a cooperation deal with Dongchang Yacht Production Co Ltd on January 17 and named the two boats with an "Expo" prefix.

The three-deck pleasure boats cost 30 million yuan (US$4.39 million) in total. One is 15 meters long, while the other is 23 meters. They have KTV rooms, restaurants, sauna rooms and cinemas, said Que Qingcheng, Dongchang's chairman.

Huang Jianzhi, deputy director general of the Bureau of Shanghai World Expo Coordination, said the two boats will meet the high-end demands of Expo visitors. Safe management will be put as a priority, he noted.

Hu: Go 'all-out' for Expo

President Hu Jintao on January 15 called on the Chinese people to pool their strength and resources to ensure the Shanghai World Expo is a success. With just 106 days to go before the World Expo opening on May 1, Hu visited the Expo site during an inspection tour in Shanghai.

"Hosting the World Expo is not only a significant event for Shanghai, but also for the whole nation," he said, noting it was both the responsibility of Shanghai and the whole country to hold a successful Expo.

He urged Shanghai to make "all-out efforts" to efficiently complete the preparations and be a good host. He asked central government departments and local governments to take initiative and make concerted efforts in supporting the event. The organizing committee should use its lead role to push forward on key points of preparation, he said. Hu put forward six requirements for the Expo's preparatory work:

To ensure the Expo's infrastructure building and exhibition arrangements are completed on time; To ensure sound service and logistics; To fully guarantee security; To do a good job of foreign affairs work, including receptions of international guests; To ensure efficient and effective publicity work; and to create a civilized, happy and peaceful atmosphere.

Hu said though the Expo was a big challenge, he believed it would be a "successful, brilliant and memorable" event with the support of the Chinese people, especially the contributions of Shanghai officials and residents. The Expo, which is expected to receive 70 million visitors, will last from May 1 to October 31. So far, 35 of the 42 self-built foreign pavilions have started interior decoration and exhibition arrangement, and 11 joint pavilions have been completed, according to the organizing committee.

Lecture promotes World Expo in Shaanxi

Shanghai Library Director Wu Jianzhong gave an Expo-themed lecture in Shaanxi Library yesterday afternoon, as part of the Expo promotion week in the northwestern China province.

Wu, also counselor for the Expo's theme development, elaborated on World Expo's history, its role and significance, and introduced the main content of Expo 2010, which will open on May 1 in Shanghai.

In his lecture, the director demonstrated the glamour and implication of the world event through multimedia presentations, creating a mesmerizing effect among the audience.Wu also answered audiences' questions on how to participate in the Shanghai World Expo.

The lecture, which attracted nearly 500 people, was repeatedly interrupted by warm applauses. The lecture was also broadcast live throughout the province's prefectures and counties. It was estimated that more than 100,000 people watched the video broadcasting of the lecture.

Expo lecture educates Hubei public

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Chinese provinces settle in Expo

China's Hebei and Anhui provinces launched their exhibition plans yesterday at Expo site, as more than one third of China's provinces have unveiled their blueprints for the World Expo Shanghai 2010.

Each of the 31 provinces and municipalities on the mainland has an exhibition area of 600 square meters in the China Pavilion, where visitors can learn about Chinese history and culture tradition, said Chen Xianjin, deputy director general of the Bureau of Shanghai World Expo Coordination.

Hebei Pavilion would display achievements of its history, economy, social development and technology in a half-transparent fancy space, said Zhao Fenglou, director of the World Expo Office of Hebei Province.

Anhui Pavilion will be a magnificent hall of knowledge offering the past, the present and the future of the flourishing province, said Wen Haiying, deputy governor of Anhui Province.

Shaanxi aimed to build a structure in the Tang Dynasty (618-907 AD) style which will lead visitors on a journey through time to explore the history and prosperity of Chang'an, the ancient capital of the Tang Dynasty, and today's Xi'an, Shaanxi's capital.

Since last December, Shanghai, Guizhou, Hainan, Hunan, Henan, Chongqing, Zhejiang, Ningxia and Tibet have started decorating their space within the China Pavilion.

Charming Hebei has fantasy pavilion plan

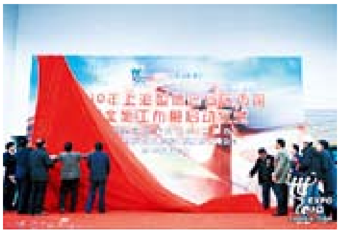
Hebei Province unveiled its provincial pavilion design, whose theme is "Charming Hebei," on January 16 in Shanghai. The 600-square-meter pavilion is a semi-transparent space full of fantasy colors. Its exhibition is arranged in five huge "cubes," demonstrating the province's ambitions and its geographical advantages as it is close to Beijing, Tianjin and Bohai sea.

Among the five cubes, three are "theme pavilions." In the first theme pavilion, visitors can see the historical origin of Hebei and Beijing, the Chinese capital which is mostly surrounded by the province. The second exhibition will show the development of solar energy, low-carbon technology and other new innovations in the northern Chinese province.

In the third theme exhibition, visitors will see a "dialogue" between heroes in 1976 Tangshan earthquake and Haibao, the Expo mascot. More than 240,000 people were killed in the 7.8-magnitude Tangshan earthquake, but persistent Tangshan people rebuilt a whole new city on its debris with help pouring in from around China, including Shanghai. Hebei exhibition organizers want to show the great economic achievements as well as their people's strong will through this part of pavilion.

Chen Xianjin, deputy director general of the Bureau of Shanghai World Expo Coordination, Xiong Xunlin, deputy director of the office heading preparations for the China Pavilion and Zhao Fenglou, director of the World Expo Office of Hebei province attended the launching ceremony.

"Hebei had undergone a lots of exploration and innovations in history. The pavilion would share these valuable changes with the visitors," Chen said. "I hope we would see a perfectly built pavilion to successfully reflect Hebei people's wonderful ideas."



CCPIT and FNCIC Signed MOU on Cooperation

On December 30, Mr. Yu Ping, Vice President of CCPIT met and entertained the Nepal's entrepreneur delegation headed by Mr. Nepal, Premier of Nepal. The members of the delegation were all important entrepreneurs in Nepal, including the chairmen of Nepal Industrial Union, Federation of Nepal Chamber of Industry and Commerce (FNCIC), Nepal-China Industrial and Commerce Association and Nepal Chamber of Commerce as well as the representatives from the industries of banking, insurance and hydroelectricity and other significant industries. After the meeting, Mr. Yu Ping and Mr. Slasar, Chairman of FNCIC, signed Memo of Understanding on cooperation between CCPIT and FNCIC. Mr. Pandey, Financial Minister of Nepal witnessed the signing ceremony. FNCIC is sort of chamber of commerce incorporated by the Nepalese companies which have business contact with their Chinese counterparts. The signing of the MOU was of great significance for further promoting the cooperation between CCPIT and Nepal's business circle and developing the reciprocal trade relations between the two countries. CCPIT once signed MOU on cooperation with FNCIC in 2002 and kept good relations with multiple commerce associations in Nepal

On the same day, Mr. Wan Jifei, President of CCPIT also held talks over strengthening economic and trade cooperation with Mr. Pandey and the entrepreneur delegation. Representatives from Export-Import Bank of China, Huawei Corp. Sinohydro Group, CCPIT Electric Power Industrial Branch, China International Travel Service, Bank of China etc attended the talk. During the talk, Mr. Wan invited Mr. Pandey and the Nepal's enterpreneurs to participate in the China-South Asia Business Forum 2010.

Mr. Pandey said that Nepal hoped to strengthen and expand cooperation with Chinese entrepreneurs in the fields of hydroelectric sector, infrastructure construction, tourism and agriculture etc. He also remarked that Nepalese government would extend great welcome to Chinese companies for investing in Nepal and would also offer many trade facilitation measures.

The 6th CEFCO Successfully Concluded in Xi'an

The 6th China Expo Forum for International Cooperation (CEFCO) jointly held by CCPIT, UFI, IAEE and SISO was successfully concluded at the Renmin Square, Xi'an on January 16. People from the world's convention & exhibition industry, businesses, and experts gathered together in the time-honored city to discuss the common concerns and interests, with confidence, tolerance and creativity.

The theme of the CEFCO was "New Industry Growth with Confidence". Adhering to the theme of "Opening-up, Cooperation and Win-win", the participants discussed deeply the development of convention and exhibition industry under crisis and exchange ideas on revitalizing the industry in two plenary sessions. Bai Lichen, Vice Chairman of CPPCC, Wan Jifei, President of CCPIT, Yuan Chunqing, Governer of Shaanxi Province, Hu Mingfeng, President of UFI, etc attended and addressed the conference.

Mr. Bai Lichen remarked that cooperation and innovation was the only way to develop the expo industry and resist the crisis. The Shanghai World Expo was certain to lift the expo industry in China to a new high. The expo industry in China was at a crucial time for development, which was the common opportunity for the expo industries in China

and the world. Mr. Wan Jifei expressed that as long as the macro economy kept in good momentum, the expo industry in China was expected to recover rapidly. China has stepped up to the rank of large expo industrial nations with 5 expo industrial belt formed already. There was great potential for the development of China's expo industry. Mr. Yuan Chunqing introduced the development of expo industry in Shaanxi Province and also pointed out that with the implementation of Guanzhong-Tianshui Economic Zone Development Planning approved by the State Council, Shaanxi would gain rapid development,which would be sure to provide more favorable and wider space for the development of expo industry in Shaanxi.

At the conference, CCPIT released the Annual Report on China's Exhibition Industry 2009. Meanwhile, InterExpo2010 was staged along with Shanghai Expo promotions in Shaanxi.

Over years of development starting from Beijing, Guangzhou, Shanghai, Chengdu and Nanjing, CEFCO has become a brand for the world's convention & exhibition industry. With over 2000 participants from more than 30 countries and regions, CEFCO has achieved a lot in economic cooperation, cultural exchanges and other fields. The National Development and Reform Commission, the Ministry of Commerce, the Bureau of International Expositions, the Association of the German Trade Fair Industry and related ministries and organizations have given active support to the forum. promoti Over years of development starting from Beijing, Guangzhou, Shanghai, Chengdu and Nanjing, CEFCO has become a brand for the world's convention & exhibition industry. With over 2000 participants from more than 30 countries and regions, CEFCO has achieved a lot in economic cooperation, cultural exchanges and other fields. The National Development and Reform Commission, the Ministry of Commerce, the Bureau of International Expositions, the Association of the German Trade Fair Industry and related ministries and organizations have given active support to the forum.

Study on Subjects
of Basic Medical Insurance in Urban Areas of China

By Li Wenpei

The legal relationship of medical insurance refers to relationship of rights and obligations among subjects of medical insurance, namely relationship of rights and obligations formed among the insurer, the applicant, the insured and the beneficiary of medical insurance due to payment of medical insurance premiums and management and supervision of medical insurance fund. Only if the range of the insured serving as the subject of rights in such legal relationship, namely the insurant enjoying basic medical insurance, is defined can the legal relationship of basic medical insurance be better adapted to and values and goals of legal system of basic medical insurance be realized.

The all- people health insurance

The whole people health insurance will generally remind most of people of the free medical care system adopted in UK, employment of doctors and other providers of medical services by the government and governmental ownership and management of hospitals and other medical facilities. Although the system in Canada is very different from that in UK, the government must guarantee that every citizen medically insured. However, to construct the medical insurance system for all people has been a goal which must be realized with effort even for countries where the state –guaranteed medical insurance is not adopted. The U.S. president Truman once promoted all-people medical insurance with great effort. An important promise made by Bill Clinton during his first presidential election was to establish all-people health insurance. The current U.S. president Obama put forward to promote a medical insurance reform of the maximum coverage in U.S. history to assure that every U.S. citizen enjoys high-quality and inexpensive medical insurance and every citizen regardless of status of income or employment affords the medical insurance and enjoys excellent medical welfare to realize "Let all diseased citizens to afford medical treatment".

The range of the insured of disease insurance in countries all over the world has been slowly enlarged. Generally, the insurance was first adopted in a few places and then nationwide, first for a few occupational sectors and then throughout all occupational sectors, first for people earning wages and then for non-wage earners and all people, first for employees and then for families of employees. The range is closely related to not only levels of social and economic development of a country but history of development of disease insurance as well. Although all-people medical insurance has not been adopted by all countries, to allocate existing limited medical resources in a reasonable manner on basis of social needs to provide assurance of medical rights to citizens as many as possible has been a goal to be realized with effort by all countries.

Article 45 of Constitution of the peoples Republic of China prescribes that "Citizens of the People's Republic of China have the right to material assistance from the state and society when they are old, ill or disabled. The state develops social insurance, social relief and medical and health services that are required for citizens to enjoy this right." It means that all citizens of the People's Republic of China have the right to enjoy the medical insurance equally. However, the level of basic medical insurance should adapt to levels of economic and social development. All-people medical insurance is not applicable to China due to its conditions. It is very difficult to realize all-people medical insurance even by the economically developed countries. So, considering conditions of China, the basic medical insurance system for urban areas of China should keep covering areas as many as possible to enable as many urban residents as possible to enjoy the basic medical insurance. Article 3 of Social Security Law (draft) prescribes that "The social insurance system should be widely inclusive, basically secured, horizontally diversified and sustainable", which transforms the principle of Broad Coverage into a basic law of a country.

Principle of Broad Coverage for basic medical insurance in urban areas in China

Principle of Broad Coverage for basic medical insurance in urban areas in China should be viewed in terms as follows. First, the principle of Broad Coverage is based on Low Level. The level of basic medical insurance must adapt to level of development of the productive force in primary phase of socialism. Levels of basic medication, basic technology related to diagnosis and treatment and basic medical facilities and services should comply with levels of economic and social development. Low Level means that level of medical insurance must be subject to economic conditions of a country and must not exceed the bearing capacity of a country, business or individual. That's to say, Low Level means that to set up basic medical insurance system for urban areas of China must be based on primary phase of socialism of China and to determine a reasonable level of basic medical insurance according to bearing capacity of a country, business and individual and to reasonably determine contents of medication and scope and standards for items of diagnosis and treatment under basic medical insurance. Next, Broad Coverage is to cover urban residents in basic medical insurance as many as possible and define payment standards on basis of money raised by "adjusting expense to income". That's to say, Broad Coverage refers to participation in basic medical insurance by all urban residents including the business, the government agency, the government-sponsored institution, the social organization, the privately –run non-business, the owner and employees of urban privately -owned economic organization, employees from the aforesaid organs and other urban residents.

Determination of range of applicants for existing medical insurance in urban areas

The mode of management before generally was linked to the ownership structure and management of household registration of personnel of an organ due to the administrative system of the planned economy, so participation in insurance is restricted for many people. To expand and adjust scope of applicants for basic medical insurance in urban areas appears a must due to new attempts like reform of ownership system, diversification of ownership system and population mobility.

The State Council issued Decision of the State Council on Establishing the Urban Employees' Basic Medical Insurance in 1999. Labor security departments at all levels have been making great effort since the Decision was issued so that the basic medical insurance system has been initiated and adopted in almost all areas nationwide under overall planning. Number of persons participating in the basic medical insurance nationwide had reached 94m by the end of 2002. However, there are considerable urban people who should have participated in the medical insurance have not been covered by the basic medical insurance, receiving no effective insurance of basic medical care. It has exerted unfavorable influence on operation of new systems and even social stability. In order to further expand coverage of urban employees' basic medical insurance, the general office of Ministry of Labor and Social Security issued Notice about Further Expansion of Coverage of Basic Medical Insurance in Urban Area in 2003. Both the Decision and the Notice has provided instructive opinions on expansion of scope of people participating in basic medical insurance, particularly the Decision which has some legal force. However, it is urgent to establish legislation rules for social insurance, perfect structure and content of laws and regulations, gradually expand coverage of social insurance and establish the system of social insurance law which adapts to actual needs because of low level and low efficiency and effect of legislation.

Article 19 of Social Insurance Law (draft) prescribes that "Basic medical insurance includes employees' basic medical insurance, urban residents' basic medical insurance and new-type rural cooperative medical care." Based on Article 19, the basic medical insurance covers employees from governmental agencies, social groups, businesses, government-sponsored institutions and privately –run non-businesses, employees from privately -owned industrial and commercial businesses, urban self-employed, non-full-time workers and other urban residents. Based on Article 21 of Social Insurance Law (draft), the government will subsidize the medical insurance for people in living difficulty and the urban unemployed. It is thus clear that coverage of basic medical insurance in urban areas is rather broad so that most of urban residents can become subjects of basic medical insurance in urban areas under the system formed by Social Insurance Law(draft) . However, overall planning and allocation of funds is adopted on basis of prefecture-level city or county and funds mostly come from the employer and the individual instead of government for the existing basic medical insurance in China, which leads to rather large gap of the basic medical insurance for different areas. It is difficult to solve problems of medical insurance for some special social groups particularly the disadvantaged minority through existing medical insurance system. It is necessary to make further discussion for them.

Several special subjects of medical insurance

Employees from township enterprises

In our opinion, the employee from township enterprises should become the subject of basic medical insurance in urban areas. First, there is not a clear line between township enterprises and urban enterprises. For example, although some enterprises are called township enterprises in name, they are registered and operate in urban areas. For another example, employees of township enterprises come from both rural and urban areas. For another example, ownership of township enterprises is diversified. Township enterprises and enterprises classified by ownership like state-owned enterprises, collective enterprises, foreign-funded enterprises and individually funded enterprises have many things in common in terms of operation and management. Thus, employees from township enterprises should be covered by the basic medical insurance for urban areas, which will be helpful for safeguarding rights of workers from township enterprises and sustainable development of township enterprises. Township enterprises have been increasingly developed, having basic production and circulation of commodities as other kinds of enterprises but just in rural areas. Operation and management of human and material capitals of township enterprises are increasingly modernized. It is necessary and feasible to cover employees from township enterprises in basic medical insurance.

College students

Thse days, 45.7m of people in the U.S. including 1.7m of college students have no medical insurance. Most of the college students who have no medical insurance are burdened with debts because of payment for college education. Massachusetts Student Mandate Act prescribes that students enrolled by all higher education institutions must have medical insurance. "Both full-time students and non-full-time students attending all public higher education institutions or other independent higher educational institutions in Massachusetts must participate in QSHIPs"

In October 2008, the general office of the State Council issued Instructive Opinions about Covering College Students in Trial Adoption of Basic Medical Insurance for Urban Residents, deciding to cover college students in trial adoption of basic medical Insurance for urban residents. College students mentioned include full-time undergraduate students, three-year college student and graduate students receiving common higher education at all types of full-time common higher education institutions(including private colleges) and scientific research institutes(hereinafter referred to as "colleges and universities") . In detail, college students' cost for hospitalization, outpatient services and serious disease treatment will be handled through the basic medical insurance for residents in urban areas where schools are located according to territorial principle and college students will payment and enjoy corresponding treatment according to local rules, receiving treatment which must not be lower than treatment for local urban residents. Meanwhile, routine medical services for college students must be provided continuously according to existing rules for convenient and timely treatment for college students. Many provinces and cities have formulated detailed measures for operation and preparation for basic medical insurance for all college students have been developed orderly after promulgation of Opinions to guarantee insurance participation by students admitted in 2009 and other students.

Off-farm workers

In accordance with Decision of the State Council on Establishing the Urban Employees' Basic Medical Insurance and Interim Regulation on the Collection and Payment of Social Insurance Premiums, businesses and their employees should be included in collection and payment of basic medical insurance. Off-farm workers employed by businesses are not ruled out by the Regulation. Besides, Some Opinions on Solving Problems Facing Off-farm Workers and Notice about Special Expansion for Starting Off-farm Workers' Participation in Medical Insurance have clear provisions for off-farm workers' participation in medical insurance. In March 2009, the State Council promulgated Opinions of the CPC Central Committee and the State Council on Deepening Reform of Medical and Health System, which clearly prescribes that transfer and continuity of basic medical insurance relationship will be handled actively by focusing on off-farm workers migrating to urban areas in the future to properly solve problems of basic medical insurance for off-farm workers. According to Opinions, off-farm workers who have signed the labor contract and have established stable labor relationship with businesses must be covered in urban employees' basic medical insurance on basis of definition of responsibility of the employer for payment of insurance premium according to the state rules and other off-farm workers must participate in the new-type rural cooperative medical care provided at the place of registered residence or the urban residents' basic medical insurance at the working place according to actual conditions.

As one of UN organs, International Labor Organization aims at expanding social insurance measures and protecting living and health of workers. To fight against employment discrimination is one of core labor standards determined by International Labor Organization. On August 28 2005, the standing committee of the National People's Congress approved Ratifying the Discrimination (Employment and Occupation) Convention, 1958. As a fundamental treaty of International Labor Organization, Ratifying the Discrimination (Employment and Occupation) Convention, 1958 forbids any discriminating act including depriving or undermining equal opportunities or treatment in terms of employment and occupation based on social standing. Household register system in China has seriously hindered right of off-farm workers to enjoy equal employment opportunities and treatment. Rules of International Labor Organization on international migrant workers will exert beneficial influence on China's decision making.

In order to assure treatment of off-farm workers' diseases or non-work-related injuries, rules for off-farm workers' participation in basic medical insurance have been formulated locally nationwide. For example, Provincial Measures for Participation in Basic Medical Insurance by Migrant Off-farm Workers in Beijing (hereinafter referred to as "Provincial Measures") were implemented in 2004. According to Measures, employers must handle procedures of participating in basic medical insurance in Beijing and pay relevant fees for hired migrant off-farm workers, which is important means for implementing requirements of the State Council and Ministry of Labor and Social Security, safeguarding legal rights and interests of migrant off-farm workers in Beijing and an important measure for handling medical expenses of migrant off-farm workers during employment in Beijing. What deserves to be mentioned is Article 89 of Social Insurance Law(draft) which clearly prescribes that "Rural residents working in urban areas will participate in social insurance in accordance with this law." It not only provides legal foundation for participation in basic medical insurance in urban areas by off-farm workers but brings good news to off-farm workers nationwide.

Retirees and unemployed persons

The answer to whether retirees or unemployed persons must be covered by basic medical insurance in urban areas should be affirmative. As retirees made great contractions to a country and society and brought advancement of society, the basic medical treatment provided to them is a return of enormous social wealth they created in the past. As the elderly will meet more risks of suffering from diseases than the young, to cover retirees in basic medical insurance to enable them to have dependable resources may greatly encourage young people to work and pay insurance premium with greater enthusiasm. Unemployed persons and persons with low-level incomes should be covered in basic medical insurance. According to Regulations, laid-off employees' basic medical insurance premium will be paid by the re-employment service center by 60% of average salary of employees for the prior year locally, which can be interpreted as that unemployed persons and low-income workers should be covered in basic medical insurance. Unemployed persons and low-income workers have much weaker financial capacity for risks of diseases than high-income people. To rule them out of scope of basic medical insurance is very unreasonable and will not display superiority of socialism. Only if unemployed persons and low-income workers are covered in scope of medical insurance can goals and significance of basic medical insurance be realized. The social insurance should be a social and economic promise to the recipient of the insurance, particularly unemployed social members.

Disabled revolutionary servicemen

According to Decision of the State Council on Establishing the Urban Employees' Basic Medical Insurance, medical treatment for disabled revolutionary servicemen above Grade II will not be changed and medical expenses of disabled revolutionary servicemen above Grade II will be handled through original fund channels and managed by social insurance organs on separate accounts. Shortage of payment for medical expenses will be handled by local people's government. According to rules of Ministry of Labor and Social Security and Ministry of Finance, where policemen have work-related injury or disability which is rated as Grade II or higher by the civil authority or the injury and disability appraisal organ designated by the civil authority, the policemen will enjoy same medical treatment as disabled revolutionary servicemen above Grade II.

To broaden coverage of medical insurance must depends on emancipating ideas in terms of system and polices, advancing with the times, getting rid of management guidelines for uniform and overall planning under planned economy system establishing people-oriented service philosophy, formulating medical insurance policies which adapt to different levels of income, different levels of payment for medical treatment and different medical requirements. How to cover as many people in basic medical insurance in urban areas as possible by legal means is a topic requiring further exploration.

(Author: Lecturer of Law Department, China Institute of Industrial Relations)

Measures for the Administration on the Establishment of Partnership Business by Foreign Enterprises or Individuals in China has been adopted at the 77th executive meeting of the State Council on August 19, 2009, and shall come into effect as of March 1, 2010.

Measures for the Administration on the Establishment of Partnership Business by Foreign Enterprises or Individuals in China

▶Article 1 For the purpose of regulating the establishment of partnership business by foreign enterprises or individuals in China and facilitating foreign enterprises or individuals to invest in China in the form of partnership to expand foreign economic cooperation and technical exchanges, the Measures herein shall in accordance with the Partnership Business Law of the People's Republic of China (hereinafter referred to as the Partnership Business Law) be formulated.

▶Article 2 The establishment of partnership business by foreign enterprises or individuals in China in the Measures herein refers to the establishment of partnership businesses by 2 or more foreign enterprises or individuals, and foreign enterprises or individuals and Chinese natural person, legal person and other organizations in China.

▶Article 3 The establishment of partnership business by foreign enterprises or individuals in China should abide by the Partnership Business Law, other relevant laws, administrative regulations and rules and related industrial policies for foreign investment.

The legitimate rights and interests of foreign enterprises or individuals shall be protected by law while establishing partnership businesses in China.

China shall encourage foreign enterprises or individuals with advanced technologies and management experience to establish partnerships in China to boost the development of the modern service industry and other industries.

▶Article 4 The currency utilized by foreign enterprises or individuals for contribution should be the foreign currency that can be freely exchanged as well as the Renminbi earned by law.

▶Article 5 In the event of the establishment of partnership business by foreign enterprises or individuals in China, the representatives designed or the agent jointly entrusted by the whole copartners should apply to the local industrial and commercial administration authorized by the administrative department for industry and commerce under the State Council (hereinafter referred to as the enterprise registration organ) for registration of establishment.

The documents prescribed in the Measures of the People's Republic of China for the Registration of Partnership Enterprises and the explanation qualified for the industrial policies for foreign investment should be submitted to the enterprise registration organ while applying for establishment registration.

In the event approving to register, one enterprise registration organ should simultaneously notify the information related to registration to the competent commerce department at the same level.

▶Article 6 In the event the registration for partnership enterprises set up by foreign enterprises or individuals in China (hereinafter referred to as foreign investment partnership enterprise) alters, they should apply for alteration to the enterprise registration organ by law.

▶Article 7 In the event one foreign investment partnership enterprise is dismissed, liquidation should be done in accordance with the Partnership Business Law, and the liquidator should handle the cancellation of registration in the enterprise registration organ by law within 15 days upon the end of liquidation.

▶Article 8 In the event foreign copartners withdraw from one foreign investment partnership enterprise while the enterprise continues to operate, application for alteration should be filed to the enterprise registration organ according to law.

▶Article 9 In the event one foreign investment partnership enterprise alters or cancels registration, the enterprise registration organ should simultaneously notify the information involved in altering or canceling registration to the competent commerce department at the same level.

▶Article 10 In the event the Measures herein fails to provide for the other administrative issues for the registration of one foreign investment partnership enterprise, it should be subject to the Measures of the People's Republic of China for the Registration of Partnership Enterprises and relevant provisions of the state.

▶Article 11 The establishment of partnership enterprises by foreign enterprises or individuals in China involves such issues as financial accounting, taxation, foreign exchange, customs and personnel entry and exit, it should be handled according to relevant laws, administrative regulations and relevant provisions of China.

▶Article 12 In the event foreign enterprises or individuals join while Chinese natural person, legal person and other organizations set up partnership enterprises in China, it should be subject to relevant provisions in the Measures herein and go through the enterprise registration organ for the application for registration alteration.

▶Article 13 In the event the establishment of partnership enterprises by foreign enterprises or individuals in China involves the investment project that shall be checked and approved by the government, approval formalities for investment project shall be handled according to relevant provisions of China.

▶Article 14 In the event China has other provisions for the establishment of partnership enterprises by foreign enterprises or individuals in China with investment as the main business, it should be subject to the provisions.

▶Article 15 The establishment of partnership enterprises by the enterprises or individuals from Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan should be subject to the Measures herein.

▶Article 16 The Measures herein shall come into effect as of March 1, 2010.

The State Council of the People's Republic of China
November 25, 2009

In order to further transform the government functions and promote the reform of the administrative system, the relevant issues in examining and administering some foreign-invested enterprises in the service industry are hereby notified as follows.

Circular of MOFCOM on Relevant Issues Concerning Examination and Administration of Part of Foreign-invested Enterprises in Service Industry by Provincial Commercial Authorities and National Economic and Technological Development Zones

Commercial authorities of provinces, autonomous regions, municipalities directly under the Central Government, separately planning cities, sub-provincial municipalities and Xinjiang Production and Construction Corp., national economic and technological development zones and the border economic cooperation zones,

In order to further transform the government functions and promote the reform of the administrative system, the relevant issues in examining and administering some foreign-invested enterprises in the service industry are hereby notified as follows:

▶ **I.** The setting up and changing of foreign-invested enterprises of the encouraged and permitted categories involving total investment less than USD100m and of the restricted category involving total investment less than USD50m as prescribed in the Guiding Catalogue for Foreign Investment Industries in the following industries are thereafter examined and administered by the commercial authorities of provinces, autonomous regions, municipalities directly under the Central Government, separately planning cities, sub-provincial municipalities and Xinjiang Production and Construction Corp., and national economic and technological development zones:

(I) Chinese-foreign equity and contractual joint venture medical institutions;

(II) Auction enterprises;

(III) Books, newspaper and periodicals distribution enterprises;

(IV) Chinese-foreign contractual joint venture audio and video products wholesale enterprises;

(V) Foreign-invested non-oil and gas mineral prospecting enterprises; and

(VI) All kinds of non-oil and gas mineral exploration enterprises.

▶ **II.** The power for examining and approving the foreign investment M&A cases is divided according to the amount of transactions in the M&A cases. The M&A cases in the encouraged and permitted categories involving an amount of transactions less than USD100m, and in the restricted category involving an amount of transactions less than USD50m are examined and approved by the provincial commercial authorities and national economic and technological development zones.

▶ **III.** The provincial commercial authorities and national economic and technological development zones shall strictly implement the market access responsibilities according to the provisions of the Provisional Measures for Administering Chinese-Foreign Equity and Contractual Joint Venture Medical Institutions, the Auction Administration Measures, the Administrative Measures for Foreign-Invested Book, Newspaper and Periodical Distribution Enterprises, the Administrative Measures for Chinese-Foreign Contractual Joint Adventure Audio and Video Products Wholesale Enterprises, the Administrative Measures for Foreign-Invested Mineral Prospecting Enterprises, the Opinions on Further Encouraging Foreign Investment in Prospecting and Exploration of Non-Oil and Gas Mineral Resources, as well as relevant laws and regulations of the country and relevant policies.

The examination and approval of Chinese-foreign equity and contractual joint venture medical institutions by provincial commercial authorities and national economic and technological development zones shall acquire the permits from the Ministry of Health; where changes happen in such matters of Chinese-foreign equity and contractual joint venture medical institutions as the establishers (cooperation parties), the names, the category, the number of beds, the address of practice, the medical treatment items, the term of cooperation and the term of preparation for establishment, prior permits shall also be acquired from the Ministry of Health; for establishment and changes of foreign-invested books, newspaper and periodicals distribution enterprises and audio and video products wholesale enterprises, the document of approval by the General Administration of Press and Publication is necessary; for establishment and changes of foreign-invested non-oil and gas mineral prospecting enterprises and exploration enterprises, the opinions of the department in charge of state land and resources of the same level shall be solicited before the examination and approval; for foreign-invested auction enterprises, the document of approval for auction operation by the provincial department in charge of auction industry is necessary; when the document of approval and the certificate of approval for foreign-invested enterprises is issued, the online records to Ministry of Commerce shall be carried out through the foreign investment examination, approval and management systems and the national management information system in the auction industry.

▶ **IV.** The changed matters of the foreign-invested enterprises in the above-mentioned industry shall be examined and approved by the provincial commercial authorities and national economic and technological development zones according to law be reference with this Circular.

▶ **V.** The provincial commercial authorities and national economic and technological development zones shall report the problems during the examination and administration to the Ministry of Commerce in time. If any examination and approval is against the law, the Ministry of Commerce shall give criticism by circular depending on the circumstance.

▶ **VI.** This Circular enters into force as of the date of promulgation.

Ministry of Commerce of People's Republic of China
May 4, 2009

2010 China Market Suppliers List

Company Name: Desire Star (China) Tea Industrial Co., Ltd.
Company Profile: Desire Star (China) Tea Industrial Co., Ltd. was founded in Oct 2001,it is a key provincial industrialized agricultural producer which engages in the cultivation, manufacture, production, sales, research of the oolong tea (especially in Wuyi Rock-essence Tea), green tea, jasmine tea, black tea etc. From the beginning of company history, "based on agriculture, promoted by technology, growing with tea industry, develop together" is the soul of management, and it keeps the mind of "Inheriting the history, Promoting the tea industry" as its destiny. It owns scientific tea base & cooperation organization, and exertion of making use of the advanced technology in the organic cultivation industrialization.

With the registered capital 109 millions, 66.05 millions of permanent assets, and 156.49 millions of annual earning, we have owned tea garden 7500mu, and cooperating garden 13200mu which benefits 5152 farmer families.
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Email: wuyistar@wuyistar-tea.com
Website: www.wuyistar-tea.com

Company Name: Xiamen Haojiang Imp & Exp Co., Ltd
Company Profile: Haojiang is professional food manufacturer of raw materials to collect north & south fruits and vegetables. Enterprise is headquartered in Nanan, Quanzhou.

Chenggong cooperative mode of management insisting on going in "enterprise + the base + peasants" " provided with own fields specially plant Of Francs Green bean and Sweet corn, follows Ideas of "resolve to start an undertaking, revitalize the country of the Enterprise", establishes quality control idea of "only better not to have it best".
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Website: www.chenggongfood.com

Company Name: Sinotyre International Group Co., Ltd
Company Profile: Sinotyre International Group Co., Ltd is located in Qingdao city, Shandong province which is biggest rubber industry area of china. As one of the professional tire company, we take high quality and excellent service as basic principle.

Our product range include PCR, LTR, TBR, LTB,TBX, OTR, AGRICULTURAL TIRE, INDUSTRIAL TIRE, SOLID TIRE, MOBILE-HOME TIRE and ATV TIRE. Our products got the certificates of DOT, ECE, CCC etc and have been selling in more than 50 countries and regions, such as Middle east, Africa, Europe, Southeast Asia, Latin America, the U.S.A, etc.
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Email: demi@sinotyre-group.com
Website: www.sinotyre-group.com

Company Name: China Golden Eagle Group Co., Ltd
Company Profile: China Golden Eagle Group Co., Ltd being one of the leading manufactures of hardware in the world is a market-oriented and engineering-driven company. Whose products are mainly exported to Asia, South America, Europe, Africa, Australia, North America, Argentina, Egypt, Ireland IE, Austria, Australia, Paraguay, Palestine, Brazil, Belgium, Poland, Denmark, Germany, Russia, Ecuador, France, Philippines, Finland, Columbia Korea, Netherlands, Canada, Czech Republic, Kuwait, Croatia, Romania, Malaysia, United States, Peru, Morocco, Mexico, South Africa, Norway, Portugal, Japan, Sweden, Switzerland, Slovakia, Thailand, Turkey, Venezuela, Ukraine, Uruguay, Spain, Greece, Hong Kong, Singapore, New Zealand, Hungary, Iraq, Iran, Israel, Italy, India, United Kingdom, Chile and so on. The annual turnover reaches to about USD 3,050,000 every year.

The Company covers an area of 60.000 square meters, and has a dedicated team, which includes 85 development engineers, production specialists, quality control engineers, and 500 skilled workers. As a professional Hardware manufacturer, its main production is as follow: ATV, dirt bike, pocket bike, go-carts, sport products, power tools, and leisure goods.

The company has passed ISO 9001 quality system certifications. And all products have passed EPA, EEC, CE, TUV and GS certification. With well-equipped facilities and excellent quality control system throughout all stages of production, we are able to guarantee all customer satisfaction and meeting the market need.

We are committed to persistently develop, manufacture novel-designed and high quality hardware, and most importantly with affordable price, to satisfy its customers worldwide. Our company is your reliable partner in the hardware world.
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Company Name: Gorobike Carbon Composite Industrial Co., Ltd
Company Profile: Gorobike Carbon Composite Industrial Co., Ltd is a top carbon fiber bike manufacture, which gathers research, production and sales as a whole. Our company provides carbon bicycle frames (MTB and road track, TT), forks, rims, handles, saddles, endbars, stems, and so on.

Merits of our products: No.1–safety: smoothness, no inner wrinkle of carbon fibre. Wrinkle is fatal to bicycle's rigidity. NO.2–Lighter weight. NO.3–front triangle moulded in one time, less agglutination, more powerful. NO.4–agglutination position is shaped in moulding time, not shaped by machine work, this way can avoid breaking the carbon fibre. NO.5–stairway agglutination, to make agglutination surface larger. NO.6–distribute joint of fibre in average to enhance intensity by avoiding stress concentration. NO.7–reasonable price

Please contact us freely and we will help your business a lot!
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Company Name: China Xinjiang Bozhou Middle Asia Travel & Trade Co., Ltd.
Company Profile: China Xinjiang Bozhou Middle Asia Travel & Trade Co., Ltd. established in 2000.The company deal with the process and export of Christmas trees and arts.Integrated import/export trade freight agent and tourism. The company annual import and export commerce volume could reach to 90 Million American dollars and the products are exported to more than 50 countries.

Company has branches and offices not only in inland China, as Beijing, Guangzhou, Suifenghe, Manzhouli, Wengzhou and so on but also in abroad, such as Russia, Kirghizstan, Azerbaijan and Australia. Our company sincerely welcome the friends both home and abroad to consult with us and we will provide you warmest services.
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Company Name: Xiamen China-Commercial Trade Import & Export Co., Ltd
Company Profile: We manufacture and supply tents, tent, camping tents, outdoor tents, dome tents, family tents, cabin tents, bungalow tents, beach tents, canopy tents, truck tents, lover tents, 2 persons tents, 3 persons tents, 4 persons tents, 5 persons tents, 6 persons tents, 7 persons tents, 8 persons tents, 9 persons tents, 10 persons tents, 11 persons tents, 12 persons tents, 4 seasons tents, 3 seasons tents, trailer tent, army tent, military wall tents, round military tent, hunting tents, wedge tents, army surplus tents, hike tents, fishing tents, awnings tents, tourist tents, festival tents, party tents, canvas tents, mountain tents, waterproof tents, picnic tents, garden tents, pop-up tents, two second tents, Tipi tents, kid tents, roof top tents, circus tents, Lightweight tents, Caravan awnings, 3 rooms tents, 2 doors tents.
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Company Name: Zhanjiang Kangnian Rubber Products CO. Ltd.
Company Profile: Zhanjiang Kangnian Rubber Products CO. Ltd. is one of the largest and most famed corporations located in west Canton, a coastal city - Zhanjiang, where is the unique birthplace of nature latex in China.

The Co. covers 16,000 sqm, has factories of its own & a vast of staffs with wealthy field experience and advanced facilities that applied steam lining work procedure for both processing and quality control.

Kangnian engages in researching, developing and selling her products include light equipments of sport and latex related outfits for health care purpose, such as soft expander, Yoga products etc. which obtained National patent for manufacture & sale. She is officially authorized to own her right for import & export trade; products have been sold out to European countries and U.S.A. as well as the rest of the world.

In the spirit of unification & innovation, Kangnian firmly observes its operation principle of striving for betterment, is cordially willing to have you as her cooperators or partners to develop a common promising future.
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Website: www.kangnian.com.cn

Company Name: MinDong ShengYuan Electromechanical Co., Ltd.
Company Profile: It is located in famous China MinDong Engine City-the city zone of Fu'an Fujian. Its traffic is very convenient, and environment is so beautiful. Our company occupies 3600m^2 with abundant strength and skill base. We produce all kinds of generators, electromotor, SY series gasoline gene-sets and pump professionally. Our products move off in the national market and export to the international market, and trusted by the customer.

It is a modern enterprise with generator, motors and electric pumps as its main products, and the establishment of modern enterprise system as its goal. It strictly carries out ISO9001-2000 management system and tries to create first -class product bands. It has strong technical forces, and its products include 20 series and regions as Southeast Asia, the Middle East, Africa, America, etc.
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Fax: 86-593-6580911
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Email: pump@minsun-motor.com
Website: www.minsun-motor.com

Company Name: Fuzhou Changhua Power machinery Co. Ltd
Company Profile: We are professional electric machinery manufacturer in china, which specializes in producing diesel and gasoline engine, diesel and gasoline generator, as well as diesel and gasoline water pump. Our company has obtained ISO9001 certification and Chinese national CCC certification; most of our products now have passed CE certification. Our products have been exported to more than 30 countries and regions, mainly in Europe, Southeast of Asia, America and Middle East.
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Company Name: Himin Solar Energy Group Co., Ltd
Company Profile: Himin Group is a large limited liability company integrating R&D, manufacturer and marketing. The company has approx. 330 hectare in land area, 5000 staff members in Dezhou operation and more than 50000 employees nationwide. The company was among the top 30 private enterprises in terms of taxation, one of top 5 of influential brands of household electric appliance across the country and the exclusive "Chinese famous Trademark" in solar energy industry and its brand was valuated of RMB5.1 billion Yuan.

The Group has recently undertaken on four national projects under 863 Plan, owned nearly 200 patents, established independent intellectual property system and entered into photovoltaic, Winpin energy-saving glass, solar energy integration building and other fields to produce solar water heater, vacuum heat collection tubing, large solar energy water heating system.
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(Source:www.chinamarket.com.cn)

Member List of Council of China's Foreign Trade

Honorary Chairmen:

Wan Jifei Chairman of China's Council for the Promotion of International Trade

He Guangwei Former Director General of China National Tourism Administration

Li Kenong Vice Minister of General Administration of China Custom

Consultants:

Shi Guangsheng Vice Director of Financial and Economic Committee of NPC's Standing Committee
Former Minister of the Administration of Foreign Economic and Trade Cooperation

Gan Ziyu Vice Director of Financial and Economic Committee of NPC's Standing Committee
Former Vice Director of National Development and Reform Commission

Yu Xiaosong Consultant of China's Council for the Promotion of International Trade
Former Chairman of China's Council for the Promotion of International Trade

Chairman of the Council:

Zhang Wei Vice Chairman of China's Council for the Promotion of International Trade

Executive Vice Chairman:

Wang Shousong Chairman of Wang's Corporate Group, Holland

Vice Chairmen: (Names in Alphabetical Order)

Cai Xiyou General Manager of China International United Petroleum & Chemicals Co., Ltd.

Cai Tianzhen Chairman of Titan (Holdings) Ltd.

Cao Heping Chairman of SKALA Investment Co., Ltd

Cao Weide President of IMC Shipping (China) Co., Ltd

Cheng Yong Chairman of Glee Int'l Holdings Inc., Former Director of Int'l Association of Lion Club

Chen Chengxiu Chairman of Daching Holdings, Ltd

Chen Renai Chairman of Jinghua Trade Company, Societa Montagnora dei Servi Ass,
China-Italia per le aree Marittime

Chen Xianchi General Manager of Beijing Hua Mao Industry and Trade Co., Ltd

Chen Hanzhong Chariman of Chenshi Trade Group Ltd, Spain

Chen Xiaoping General Manager of Haining Hongyang Group Ltd.

Chen Wenyue CEO of ASIAEP BERHAD

Dato' Sri Joseph Chong Managing Director of Westmont Power Ltd.

Dato' Lim Hock San Managing Director of LBS BINA Group Berhad, Malaysia

Deng Tengda CEO of International Trade Co., Ltd, Singapore

Ding Jiayan Chairman of Guohuo Group Co., Ltd.

Dong Rui'e Chairman of Western Meral Products Co.,Ltd

Eddie Ching Chairman of Ternary Technologies PTE. Ltd

Feng Shaoyu Chairman and Executive President of Hongkong Aon Asia Group

Feng Minghui Chairman of Jincheng Investment Co., Ltd.

Gao Kecheng Chairman of Jibao Enterprise Development (Singapore) Co., Ltd

Geng Jian Chairman of F&J Int'l Group / Shanghai F&J Investment and Management Co., Ltd

Gong Liming Chairman of Li-Ming Gong Enterprise Ltd.

Gu Deming Director of Japan-Sino Chamber of Commerce

Guo Dong Chairman of Guostar Group Ltd., Uganda

Han Qiangchou Managing Director of Muhibbah Engineering Cambodia Co., Ltd.

He Chaoqiong Managing Director of Shun Tak Holdings Limited

He Jinsheng President of e-Phone Group (USA)

He Manguang CEO of Asian Products (HK) Co., Ltd.

Hong Guiren Wijayakusuma Group Coal Mining and Power Station
Indonasia-China Cooperative Investment

Hu Jieguo Chairman of Nigeria Golden Gate Group of Companies

Hu Zhiqiang Chairman of Foster, Andrew & Co., Inc.

Hu Anhua Chairman of Neonlite Electronic & Lighting (HK) Ltd.

Huo Zhenyu Director of Fok Ying Tung Group Hong Kong

Huang Jinyi Chairman of the board of Pacific Plywood Holdings Ltd.

Huang Guozhong President of Wee Boon Ding Group, Malaysia

Huang Junjie Chairman of Ericorps Group

Huang Zhiyuan Chairman of Sinar Mas Group-APP China

Huang Tianwen President of Sinosteel Corporation

Huang Yihong Chairman of Qin Jia Yuan Media Services Company Litmited.

Jacky Chen Chairman of Thailand Council for the Promotion of Economy and Trade of Small and Medium-Sized Enterprises

Jiang Lili President of Eco-Tek Holdings Limited

Jiang Qingde President of Sumber Mas Group, Indonesia

Jiang Qifeng Chairman of SBC Bank, Singapore

Jiang Zuyun Chairman of Sonic Group Co., Ltd Hong Kong

Jorge Mora Asia-Pacific President of Veolia water

Lu Dehua General Manager of Prime International Conference Exhibition

Li Hexun President of Tetra Pak China Ltd

Li Houlin Executive President of Hong Kong Hiersun International Diamond Organization

Li Jinyou Managing Director of County Height Holdings, Malaysia

Li Jiafu President of Majestic Group Int'l Ltd

Li Songzhi Chairman of Myanmar International Business Promotion Centre

Li Xinzhu Chairman of Trade Manufacturing Ltd.

Liang Gongbi Chairman of Orient Int'l Group, Ecuador

Liang Jiaqiang President of Transpac Capital PTE Ltd., Singapore

Lin Xinping Chairman of Nines (USA) Corp.

Lin Guoguang Chairman of Greatwall Group S.R.O, Czech

Lin Dexiang Chairman of GITI Tire (China) Investment Co., Ltd.

Lin Jindan Chairman of LINNS INVESTMENT CPTY. LTD, Namibia

Lin Xuming Chairman of Hong Kong Minhoong Group Ltd.

Lin Lisheng Chairman of Thaihua Rubber Public Company Ltd.

Lin Jianzhong Chairman of eBiz Anywhere Technologies Ltd.

Lim Chee Oun Executive Chairman of Keppel Corporation Ltd., Singapore

Liu Zhengchang Chairman and General Manager of Columbia Group, Indonesia

Liu Jianmin Chairman of Empire Capital Group, Hong Kong

Liu Shaorong Chairman and Executive President of Baltrans Holdings Ltd

Lv Tongshun Managing Director of Thai Village Overseas PTE. Ltd.

Mimy Mock de Fung Chairman of General Committee of Sino-Venezuela Trade, Industry, Agriculture and Tourism

Ouyang Riping Chairman of the board of DaTong Group (West Africa)

Qi Xianjin Executive Consultant of Puente China Espana. S.L.

Qiu Dachang	Vice Chairman & Executive President of Far East Development Co., Ltd
Shen Qinhua	Chairman of Head Force Development Ltd, Hong Kong
Shi Huamin	Chairman of Beauty Bond Holdings Ltd. Chairman of China General Chamber of Commerce in Brazil
Shi Zhenyuan	Chairman of Kingsland Enterprises, Inc. / Agusan Plantations, Inc.
Shu Xin	Chairman of Canadian China Chamber of Commerce
Shu Rongbin	President of Shanghai Waigaoqiao (Group) Co., Ltd.
Sun Ziyu	Managing Director of China Harbor Engineering Company Ltd
Tang Chai Yoong	Chairman of Kumplan Langkawi Resorts, Malaysia
Wu Changwen	Chairman of The East investment Group Co., Ltd, Italy
Wu Duanjing	Vice Chairman of New Lakeside Holdings Limited
Wu Huiquan	Chairman of Fusion Int'l Holdings Ltd
Wang Huankai	Chairman of Depar H, Hungary
Wang Huizhen	Managing Director of Wang Xinxing Co., Ltd.
Wang Jiahou	Chairman of the Dynasty, Italy
Wang Jiayi	Chairman of Yi Ni Int'l, New Zealand
Wang Jiaming	Chairman of Canada Ebridge International Ltd.
Wang Qiandong	President of Suntec City Development PTE. Ltd.
Wang Qinghai	General Manager of Shougang GroupCouncil of China's Foreign Wang Shufang Chairman of Chinese Committee of Golden Coast, Australia
Wang Renqing	Chairman of Aims Financial Group, Australia
Wang Yong	Chairman & General Manager of Yongyuan Group, Burma
Wang Zhanhua	Managing Director of Global One Headwear Co., Ltd. Hong Wu Shuqing Chairman of Hong Kong Executive Committee of World Trade Centre Vice Chairman of Beijing Air Catering Ltd
Wu Xiaobin	Chairman of LOXCO., Ltd
Wu Yingmei	Executive Director of Kowloon Motor Bus Co., Ltd. Managing Director of Roadshow Co., Ltd
Xiao Dexiong	Chairman of Tw Fok Holding Co., Ltd
Xie Futian	Chairman of Green World Holdings Ltd.
Xu Zili	Chairman of the Board of Directors of Supermercado Sun Miu Ltd.
Xu Wenbo	Executive Director of Macau Huan Yu Group Holdings Co., Ltd
Xu Li	Chairman of the board of Nankai Transport International (HK) Co. Ltd.
Xu Jianguang	President of Qianyu Crystal Art Developing Co. Ltd
Xu Zhiming	Chairman of Yuemei Group
Xue Baojin	President of Beijing Smart Garments Co., Ltd.
Yao Junwen	Chairman of Russia Yujia Group
Yang Jinhua	Chairman of King Far B.V., Holand
Yang Luming	Managing Director of Danchen Group of Companies
Yi Chunyu	Vice President of TCL Overseas Marketing Ltd.
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You Kaicheng	Chairman & General Manager of Binhtien Imex Co., PTE. Ltd.
Yun Weisheng	Chairman of Board of Directors of Foodstar Holdings PTE, Ltd.
Zhao Hui	Manager of Wuhu Cigarette Factory, Anhui Province
Zhang Weizhi	Chairman of Hacau-Taiwan_Portugal Chauber Of Commerce
Zhang Liqun	Great Will Inv. Co., Ltd
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Zhang Jianwei	President of Sino-trans Limited
Zhang Qingxin	President of Chongqing Wijaya Reality Ltd.
Zheng Weicai	Executive Director of Malaiya Flour Mills Berhad
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Chen Mingzong	Chairman of Intan Group Indonesia
Yang Chisheng	Chairman of China Audit Certified Public Accountants Ltd.
Zheng Jingxin	Chairman of Tee The Sdn Bhd Malaysia
Cen Shunguo	General Manager of Inversions Nueva China
Zhang Dongxiao	Chairman of REDAS, Singapore

Directors: (Names in Alphabetical Order)

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Cha Meilong	Managing Director of CHA Textiles
Chen Caiji	Chairman of PT. Gunung Garuda Brazil
Chen Dan	Managing Director of Leawell International Ltd
Chen Ming	Chairman of FORWARD Group Logistics Companies
Chen Guangdi	Mang Gai International Golf Committee of Vietnam
Chen Liqun	General Manager of Asia Satellite Telecommunications Co. Ltd
Chen Gongwei	Executive Director of Weili International Investment Holdings Co., Ltd
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Hu Zhimin	Chairman of Woo Investments Group
Huang Biyun	Chairman of Huada Industry and Trade Development Co., Ltd
Kang Yonghua	Chief of the Delegates of Frederick W. Hong Law Office
Li Guoqiang	Chairman of Nuovo Collection
Lin Jiashui	Executive Chairman of Unimech Group
Ma Zhongli	General Manager of Taching Petroleum Co., Ltd
Ma Jianbo	Chairman of Zhenghua International Trade Co., Ltd, Thailand
Guo Kongfeng	Chairman of Hilmar Trading PVT Ltd.
Jiang Xing	Director of Lippo China Resources Ltd.
Song Yuhong	General Manager of Sumplus Enterprises (PVT) Ltd
Sun Jianxi	General Manager of Xi'an Dagang Road Machinery Co., Ltd
Shao Chuanwei	Chief Director of Information and Technology Division, Phillips Electronics (Hong Kong) Co., Ltd
Tang Lei	Head of Public Affair & Government Relationship, Shanghai eBay China
Teng Yunpeng	Beijing Walson International Property Rights Agent Co., Ltd
Wang Anlun	CEO of Ascott Group
Wang Junqin	Chairman of J.K. Wong Inc.
Xuan Guangri	General Manager of Yiwu Yana Imports and Exports Co., Ltd
Yang Xiangdi	Chairman of Wuxi Baile Leather Products Group Corperation
Zhao Zhiming	Chairman of Chow Kim Lin Group SDN. BHD.
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