法兰德斯中国商会 FCCC VCKK

FLANDERS-CHINA CHAMBER OF COMMERCE
VLAAMS-CHINESE KAMER VAN KOOPHANDEL

NEWSLETTER | 14 JANUARY 2013

FCCC ACTIVITIES

Invitation China 2.0: New opportunities for Belgian industry and meeting with the Belgian consuls-general in Shanghai, Guangzhou and Hong Kong – 30 january 2013, 17h00 – Antwerp

Delaware Consulting, De Wolf & Partners and Moore Stephens Verschelden, in collaboration with the Flanders-China Chamber of Commerce (FCCC) and the Benelux Chamber of Commerce in Shanghai (BenCham), are organizing a presentation and debate on “China 2.0: New opportunities for Belgian industry”, followed by a networking reception attended by the consuls-general of Belgium in China. The event will take place on Wednesday, 30 January 2013 at 17h00 at Havenhuis, Entrepotkaai 1, 2000 Antwerp.

What will drive foreign business in China in 2013? The situation is changing, with a new leadership, new priorities and new rules, so come and listen directly to the people at the forefront of business in China and hear what the consuls-general of Belgium and some of the leading Belgian companies in China have to say about the fresh opportunities for Belgian industry there.

This event will also mark the launch of the BenCham Starter Kit for China, which contains everything you need to know about setting up and growing your business in China. The valuable information in the starter kit was written by experts currently living and working there.

Programme:

17h00-17h30: Welcome & Registration

17h30-17h45: Introduction by Mr Philippe Snel, Chairman BenCham in Shanghai

As Shanghai Chairman of the Benelux Chamber of Commerce in China, Philippe Snel will describe the ever-shifting business context in China and explain how BenCham is helping Belgian companies. To this end, BenCham has launched a starter kit with practical insights and guidelines for doing business in China, based on the rich experiences of the other Benelux companies in China.

17h45-18h30: China 2.0 Panel Discussion

Wherever there are challenges, there are opportunities. What is China 2.0 and what does it mean to all of us?

A roundtable discussion with:

• Andries Verschelden, Partner and leader Global China Desk, Moore Stephens Verschelden China

• Cathy Buggenhout, Consul-General of Belgium in Shanghai

• Bert Van Genechten, Managing Director, Delaware Consulting China Shanghai-Suzhou

• Stefaan Vanhooren, President, Agfa Graphics, Member of the Executive Committee, Agfa-Gevaert Group

• Geert Roelens, CEO Beaulieu

18h30-18h35: Opening of the reception by Stefaan Vanhooren, Vice Chairman, Flanders-China Chamber of Commerce

18h35-20h00: Exchange of views and networking with the consuls-general

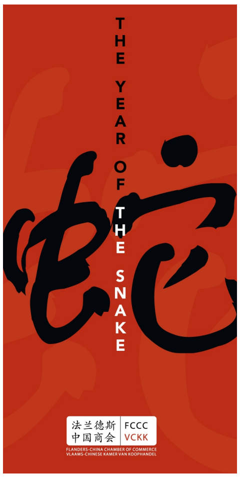
Reception in the presence of:

• Cathy Buggenhout, Consul-General of Belgium in Shanghai
• Johan D'Halleweyn, Consul-General of Belgium in Guangzhou
• Evert Maréchal, Consul-General of Belgium in Hong Kong

If you wish to attend, please subscribe before 21 January 2013 through this link.

The participation fee for members of the FCCC is €55. The fee for non-members is €75.

FCCC New Year Reception – 5 February 2013, 18 h. – Brussels



The Flanders-China Chamber of Commerce (FCCC) is organizing a Chinese New Year reception on February 5, 2013 at 18 h. at the Flemish Parliament, Hertogsstraat 6, 1000 Brussels, with speeches by:

Mr Bert de Graeve, Chairman Flanders-China Chamber of Commerce

His Excellency Mr Liao Liqiang, Ambassador of the People's Republic of China in Belgium

Mr Kris Peeters, Minister President of the Flemish Government, Flemish Minister for Economy, Foreign Policy, Agriculture and Rural Policy

Members: €20
Non-Members: €45

If you wish to attend, please subscribe via the following link:
http://www.flanders-china.be/events_subscription1.asp?id_event=267&lang1=

OTHER ACTIVITIES

Webinar: Intellectual Property Protection in China for European ICT Businesses – 17 January 2013, 10h30 – Brussels

The China IPR SME Helpdesk is organizing a webinar on intellectual property protection in China for European ICT businesses on 17 January 2013 at 10h30. Space is limited. Reserve your Webinar seat now at this link.

China has the most internet (513 million) and mobile phone (859 million) users in the world and the country's ICT sector as a whole was worth an estimated €1.3 trillion in 2010. This dynamic and expanding market is an attractive prospect for European ICT companies but the right measures need to be taken to protect your business in China. This webinar will describe the practical steps you need to know to protect and enforce your intellectual property (IP) rights in China, including:

- How to register your intellectual property as patents, trade marks and copyright
- IP issues in China which European ICT businesses should be aware of and the solutions to them
- Avenues available for enforcing your rights in China

Speaker is China IPR SME Helpdesk expert Marc Holtorf

This free, 45-minute webinar presentation and 30 minute Q&A session on Thursday, 17 January 2013 at 10:30 am Brussels time (9:30am London, 5:30pm China) will take you through a range of simple, cost-effective measures to protect your intellectual property and your business in China. Get valuable insights from our expert, and ask questions live throughout the webinar. This webinar and associated materials will be in English. After registering you will receive a confirmation email containing information about joining the Webinar.

Klako Group Webinar: "Limited Companies in China – What you need to know!" – 23 January 2013, 8 p.m. – Europe

Klako Group is organizing a webinar on "Limited Companies in China – What you need to know!" on Wednesday, January 23 at 8pm – Amsterdam, Barcelona, Berlin, Milan, Paris.

Since January 2010 the Chinese government has modified its regulations concerning Representative Offices (RO). In brief the corporate compliance changes are as follows:

- The Parent Company of the Rep Office must be at least 2 years old

- The Rep Office must be renewed on an annual basis by submitting notarized documents from the Parent Company
- The Rep Office is only permitted to have 4 foreign representatives
- The deemed profit tax rate has been changed from 10% to a minimum of 15%.

Companies who are looking to source and/or start sales activities in China might find directly setting up a Limited Company as an advantage. During this webinar we will go into detail concerning a Limited Company in China – where it is a WFOE/FICE or JV. The Speaker is Kristina Koehler, Director Klako Group.

Space is limited. Reserve your Webinar seat now Should you have difficulties registering for the webinar here, please refer to our website: www.klakogroup.com/en/events After registering you will receive a confirmation email containing information about joining the Webinar. Please send your questions, comments and feedback to: kristina.koehler@klako.com.

FINANCE

Number of non-banking financial institutions growing

Independent, non-banking financial institutions are becoming one of the fastest growing sectors in China, according to new figures, which show 145 now exist nationwide. Last year, more than 10 central state-owned enterprises (SOEs) created standalone financial operations, said the State-owned Assets Supervision and Administration Commission (SASAC), which is responsible for supervising 118 central SOEs, 70 of which now have their own financial companies. By November, those 145 institutions controlled capital assets worth CNY3.44 trillion, and managed funds worth more than CNY30 trillion for their parent companies. Industry insiders are predicting the sector's momentum will continue this year, growing into what has already become an important source of alternative financing in China. Currently, the country's biggest alternative source of credit is trust companies, whose lending surged by more than 40% in 2012, compared with a 15% growth in bank lending. The creation of financial institutions by central SOEs came about as an effort to improve their own financing capabilities and capital management, at a time when bank lending was being cut back. The latest additions to this burgeoning finance sector came last month, when China's two largest subway vehicle manufacturers, CSR and CNR, successively set up their own finance companies using registered capital of more than CNY1 billion. Large state-owned companies are trying to use their capital more effectively amid the current tightening in credit conditions, said Chen Daofu, Department Director at the Financial Research Institute of the Development Research Center of the State Council. Other leading central SOEs that have established their own finance houses include China Railway Construction Corp and CITIC Group Corp, the China Daily reports.

China's second reinsurer launched

Fosun Group has unveiled a reinsurance subsidiary, Peak Reinsurance Co, its fourth investment in the insurance sector. It is China's second reinsurer. Fosun has launched the new venture in partnership with the International Financial Corp (IFC), a member of the World Bank Group, which invested USD81.95 million for a 14.9% stake. Fosun has invested USD468.05 million to hold 85.1% of the stock. Peak Re's only competitor is China Reinsurance (Group) Corp. "We want Peak Re to be the industry leader in the Asia-Pacific region, where the insurance and reinsurance sectors are underdeveloped," said Wang Qunbin, Fosun Group's President, who will serve as the new company's Chairman. Less than 22% of the total economic loss caused by natural disasters in Asia was insured in 2011, while comparable figures in the U.S. stood at around 63% and in Europe at 50%, according to Peak Re. In China, it is estimated that just USD1 billion of the USD50 billion losses caused by the exceptional floods of 2011 were covered by insurance. Industry veteran Franz Hahn will be in charge of Peak Re's daily operations, serving as CEO, while Eckart Roth, formerly Global Risk Officer for White Mountains Re, has been named Chief Underwriting Officer. The new company started operations on December 28. Wang Qunbin added that premiums collected by the new company will fund Fosun's investment activities. The reinsurer's headquarters are located in Hong Kong.

Less bank loans, as total financing still increases

Banks in China lent out CNY454.3 billion in December, compared with CNY522.9 billion in November and CNY640.5 billion a year earlier, the People's Bank of China (PBOC) said. New bank loans totaled CNY8.2 trillion for the full year. However, total financing in the economy, which includes non-bank intermediaries, surged 23% to CNY15.76 trillion from 2011, thanks to skyrocketing trust loans and corporate bond issues. Aggregate financing rose from CNY1.27 trillion in December 2011 to CNY1.63 trillion last month. “A large amount of total financing suggests overall financial conditions were not as tight as the loan data would suggest,” said Song Yu, Economist with Beijing Gao Hua Securities. “We expect monetary policy to be generally growth-friendly in 2013, but not aggressively loose.” The M2 money supply rose 13.8% last month from a year earlier. Money and credit supply was expected to accelerate this month to accommodate the need for fixed-asset investments to boost the economy, Song said. “It wouldn't be a surprise if loans in January top CNY1 trillion.” The country's foreign exchange reserves grew USD25 billion in the last quarter to USD3.31 trillion at the end of December, the smallest quarterly gain since 2003. Lu Ting, Economist at Bank of America Merrill Lynch, estimates that China could have experienced a capital flight of about USD35 billion in the fourth quarter of last year. New trust loans totaled CNY1.29 trillion last year, CNY1.09 trillion more than in 2011. Its share in total financing was 8.2% last year, up 6.6 percentage points, the South China Morning Post reports.

- Carlyle Group plans to sell its remaining stake in China Pacific Insurance (Group) Co, China’s third-largest insurer, in a deal valued at up to USD790 million, marking the U.S. private equity fund’s most profitable exit ever from an investment. Carlyle will net a profit of more than USD4 billion on the deal, or four times the cash it paid. Carlyle invested about USD800 million in CPIC between 2005 and 2007 for a 17% stake. The firm began to sell its stake late in 2010.
- The revenue and margins of China’s banking industry are expected to fall in the next three years, according to a survey by the China Banking Association (CBA) and PricewaterhouseCoopers China. The Chinese Bankers Survey 2012, based on 850 electronic questionnaires and 25 interviews with top banking executives between April and June last year, shows that 70% of bankers believe the growth rate of the industry's revenue will be lower than 20% in the next three years. Adjustments to the real estate sector are seen by 68% of the bankers as a primary risk they face.
- The net asset value of Chinese public funds increased 30.8% year-on-year to CNY2.87 trillion by the end of 2012, a five-year high, the Shanghai Securities News reported. Over the past year, 255 new funds with CNY650 billion in assets were launched, an all-time high, according to data from China Galaxy Securities. About 80% of the new funds were fixed-income products with lower investment risk, valued at CNY506.4 billion.
- The “Big Four” state-controlled banks doled out fewer new loans last month than in November, spurring hope that Chinese banks might have put the brakes on lending. They extended a total of CNY164 billion, down from November's CNY168 billion and October's CNY220 billion. As loans from these four typically account for 30% to 40% of China's total bank lending, many economists estimate the total new loans in December were about CNY500 billion, and CNY8.3 trillion for the whole of last year.
- The yuan reached its strongest level against the U.S. dollar in 19 years at 6.2262 per dollar in trading on January 8. Economists said the market has fundamentally reached an equilibrium level, leading Tan Yaling, head of the China Forex Investment Research Institute, to conclude that there is no ground for much appreciation of the yuan.” Economists from DBS took a contrarian view, predicting the yuan would strengthen 2.5% this year to CNY6.07 per U.S. dollar.
- Chinese microcredit companies reported CNY600 billion in outstanding loans by the end of last year, up 52% year-on-year. The lending growth rate for this year will be about 37 percentage points higher than that of corresponding bank lending in yuan. New lending in 2012 was equivalent to the amount lent by a medium-sized bank.
- China approved the introduction of its first exchange-traded fund for government bonds as policy makers seek to expand the nation’s debt market. The fund, to be run by Guotai Asset Management Co, will be listed on the Shanghai Stock Exchange and benchmarked against an index of five-year government bonds. The fund will be “a

bridge” that allows individuals to invest in government debt traded on China’s interbank market.

- Industrial Bank Co said its net profit rose 36% to CNY34.7 billion in 2012, as the bank’s operating revenue was CNY87.6 billion, up 46.35% year-on-year. The bank’s total assets were CNY3.24 trillion at the end of last year, up 34.47% year-on-year. The bank’s bad-loan ratio was 0.43%, and the bad-debt provisions ratio was 466%, up 81% from the start of the year.
- Spain's Santander has received regulatory approval to operate as an independent car financing firm in China, one of the first foreign banks to succeed in doing so. Santander will operate through a 50-50 tie-up between its consumer finance unit and China's seventh-biggest car manufacturer, Jianghuai Auto, the bank said.

FOREIGN INVESTMENT

China’s influence on global investment rules to increase

China should increase its influence on the drafting and establishment of global investment rules to help promote cross-border investment and facilitate further expansion by Chinese companies, experts said. China exceeded the United States to become the world’s largest recipient of FDI in the first six months of 2012, the United Nations Conference on Trade and Development (UNCTAD) said in a report in October. Commerce Minister Chen Deming said in late December that FDI flowing to China will reach USD110 billion in 2012. Meanwhile, China’s non-financial ODI will surpass USD70 billion in 2012. “In view of China’s position in global investment, the country should play a bigger role in establishing global investment rules,” said Sun Zhenyu, Chairman of the China Society for World Trade Organization Studies. “China’s combined ODI, taking into account financial ODI, surpassed the country’s FDI in 2012,” said Sun, also China’s former Ambassador to the WTO. Liu Yanzhou, Managing Director of Beijing Ring New Venture Capital Management Co, called for a coordination mechanism to safeguard the participation of small and medium-sized enterprises in global investment. Wang Zhile, President of Beijing New Century Academy on Transnational Corporations, said that the promotion of global investment rules would not only boost mutual investment but also facilitate Chinese companies tapping into international markets.

- A Shanghai court has fined Dun & Bradsheet's Roadway unit CNY1 million and sentenced four former employees to up to two years each in prison for illegally buying information on Chinese consumers. D&B didn't contest the court charges “in recognition of the fact that such consumer data collection practices contradict D&B's core values regarding data integrity.”
- Baby milk formula producer Yashili International plans to invest CNY1.1 billion to set up a milk powder production facility in New Zealand with an annual capacity of 52,000 tons. The plant is expected to start production in the second half of next year. The Hong Kong-listed firm's New Zealand subsidiary has submitted an application for approval of the project to the Overseas Investment Office of New Zealand.

FOREIGN TRADE

Exports rebound in December

China’s exports grew 14.1% in December from a year ago to hit a seven-month high, rebounding from three-month lows. Imports grew 6% on the year in December. That left the country with a trade surplus of USD31.6 billion in December, compared with a forecast of USD19.7 billion and November’s USD19.6 billion. Last year as a whole, China’s exports increased 7.9% to USD2.05 trillion and imports gained 4.3% to USD1.81 trillion, consolidating the country’s position as the world’s largest exporter and second largest importer. China’s trade surplus in 2012 stood at USD231 billion, swelling from the USD155 billion in 2011. “The strong growth in December was very unexpected,” said Li Maoyu, Analyst with Changjiang Securities Co. Customs data showed that China’s trade with the EU, its biggest trading partner, fell 3.7% on an annual basis in 2012, narrowing from the decrease of 4.1% in the first 11 months, while U.S. shipments jumped 8.5% last year, up from the 8.2% between January and November. Still, trade growth was short of the government’s initial growth target of 10%. Barclays Economist Chang Jian said the country’s efforts to diversify export destinations paid off. “2012’s slowing exports to major economies, Europe in particular, were offset in part by strong shipments to some emerging markets," he said. Exports to Russia, South Africa, Australia and Canada all grew more than 10%. Qu Hongbin, Chief Economist for China at HSBC Holdings, said China's December exports were stronger than expected, but may be hard to sustain. Qu said China's recovery will have to rely on domestic demand, which continues to recover as evidenced by December's imports growth. Last year's trade surplus soared 48% to USD231.1 billion from a year earlier. Some analysts doubted the accuracy of the figures as throughput at Shanghai port dropped by 0.44% in December to 41.1 million tons. Song Yu of Goldman Sachs said local authorities can bump up the numbers by round-tripping, or moving goods in and out of special zones, though so far "there's no concrete evidence to suggest this is what actually happened", he said.

- The Los Alamos National Laboratory in New Mexico, a leading U.S. nuclear weapons lab, recently discovered its computer systems contained some Chinese-made network switches and replaced at least two components because of national security concerns. The devices were made by H3C Technologies, a Hewlett Packard subsidiary based in Hangzhou. The laboratory – where the first atomic bomb was designed – is responsible for maintaining America's arsenal of nuclear weapons.
- The mainland's gold imports from Hong Kong almost doubled in November from a month earlier as expectations of an economic recovery and lower prices spurred purchases. The city exported 90.763 tons of gold to the mainland, up 91%, Hong Kong's Census and Statistics Department said. Imports from the mainland rose 23% to 27.681 tons.
- China's exports to the 10 member countries of the Association of Southeast Asian Nations (ASEAN) in 2012 rose 20.1% year-on-year to USD204.27 billion, the fastest export growth amid China's top 10 trade partners, Zheng Yuesheng, Spokesman for the General Administration of Customs said. China's trade with the United States grew 8.5% year-on-year to USD484.68 billion, accounting for 12.5% of China's total foreign trade in 2012.

IPR PROTECTION

Cross-strait patent applications on the increase

More than 14,000 patent applications have been accepted by both sides since a cross-strait intellectual property agreement took effect in 2010. By September last year Taiwan authorities had accepted 5,770 patent applications from the Chinese mainland, while IP offices on the mainland received more than 8,600 filings from Taiwan. Taiwan also accepted 2,350 trademark applications filed by mainland companies in the first 11 months of 2012, 19% more than in the entire previous year. For its part, the mainland received more than 13,000 trademark applications from Taiwanese companies and individuals in the first nine months of last year, 80% more than in all of 2011. The burgeoning number of filings is the result of the Cross-Strait Intellectual Property Protection Cooperation Agreement signed in 2010. By the end of November 2012, the the Taiwan Association of Copyright Protection had received 317 requests for authentication of music and video products from the mainland. In addition, some well-known Taiwan trademarks were successfully registered on the mainland, which would have been difficult without the agreement. Cases of malicious registration of Taiwan trademarks on the mainland are now settled through a negotiation mechanism.

- The latest report from the State Intellectual Property Office (SIPO) shows applications for utility model patents by foreign-funded companies continued to grow rapidly in recent years. All of the top 10 applicants were multinationals in 2011, with most headquartered in the United States or Japan.
- The Taiwan Chamber of Commerce announced that 28 of the island's brands now have well-known trademark status on the Chinese mainland. Last year Everlight Electronics, Haichang contact lenses, Taisun foods and KMC bicycle chains all received official protection status. Chang Pen-Tsao, Chairman of the Chamber, said being named a well-known trademark is the highest business honor on the mainland and a guarantee of quality.

MACRO-ECONOMY

More Hong Kong companies expected to leave PRD

The Pearl River Delta (PRD), once regarded as the factory to the world, will lose 10% of its Hong Kong-owned factories over the next two years, according to Stanley Lau, Deputy Chairman of the Federation of Hong Kong Industries, who added that in the past few months, several factories making watch components had closed down. “They have been in the business for over 10 years. Unfortunately, due to the difficulties they have been facing, they are not confident they can survive. In the next one to two years, we expect more factories from watch and other industries to have the same problems,” Lau said. Hong Kong manufacturers have most of their factories in Guangdong's Pearl River Delta, where Hong Kong investment has been a driving force to make the delta the most important manufacturing base in the world. In 2011, Lau said the delta would lose 30% of its factories in three to five years. “We see more Hong Kong manufacturers in labor-intensive sectors considering relocating to interior regions in the mainland or Southeast Asian countries, where labor supply is abundant,” Lau said. The minimum wage in Guangdong would rise 12% to 15% this year and hiring in the delta will be difficult in 2013. Guangdong also suffers from electricity shortages. Factories going without electricity for one or two days a week was a common phenomenon last summer, Lau said.

Inflation rises to seven-month high

China’s inflation rose to a seven-month high in December due to demand during the holiday and weather-induced higher vegetable prices, the National Bureau of Statistics (NBS) said. The Consumer Price Index (CPI) expanded 2.5% from a year earlier last month, compared to November’s 2%. Food costs, which account for a third of the CPI basket, increased 4.2% in December, up from November’s 3%. Vegetable prices, which experienced supply problems because of the coldest weather in nearly 30 years, jumped 14.8%. In 2012 as a whole, China’s consumer prices gained 2.6% on an annual basis, less than the 4% target set at the beginning of the year and 2011’s 5.5%. China will maintain moderate growth in its credit supply and social financing scale this year in a bid to stabilize growth while keeping consumer prices in check, the People’s Bank of China (PBOC) said. The bank also vowed to deepen market-oriented reforms of interest rate and exchange rate regimes in 2013. “December’s higher-than-expected inflation is mainly due to extreme coldness this winter,” said Li Maoyu, Analyst at Changjiang Securities Co. “The pork price, the usual trigger of stronger inflation in the past, fell 6.2% last month, indicating the nature of seasonal changes in this round of inflation rebound.” Zhou Hao, Economist at the Australia & New Zealand Banking Group, said that as CPI growth momentum had picked up sharply and China’s Lunar New Year was drawing near, inflation is expected to remain high in the near term. The Producer Price Index (PPI) dropped 1.9% in December, extending a rebound trend for the fourth consecutive month but still pointing at controllable inflation in the future. The PPI lost 1.7% last year, the NBS said. China will release other key data, including gross domestic product (GDP) in the final quarter of 2012, December’s industrial output, investment, and retail sales on January 18, the Shanghai Daily reports.

- Health care is still too expensive despite almost four years of reform, Health Minister Dr Chen Zhu said at the annual national health work conference, adding that reform efforts needed to improve if the heavy financial burden on individuals was to be lifted. Premier-in-waiting Li Keqiang said that more financial support was needed for medical reform. The average Chinese spent CNY1,820 on medical expenses in 2011, and had to foot just over a third of the bill.
- The National Bureau of Statistics (NBS) revised China’s gross domestic product (GDP) for 2011 slightly up based on its final verification. The revised GDP was CNY47.31 trillion, up CNY22.2 billion from the preliminary figure. Year-on-year growth remained unchanged at 9.3%.
- China’s investment-led development model is facing increasingly serious constraints, Fitch Ratings warned, although GDP growth is likely to reach 8% in 2013. Rapidly expanding credit, especially debt-financing by local governments, is one of the prime reasons behind the warning, the rating agency said. The total amount of credit in China’s economy is currently about 190% of GDP, up from 124% at the end of 2008, according to Fitch.
- Justin Lin, a former World Bank Chief Economist and senior Vice President, predicted China would see its GDP growth reach 8.5% in 2013, and probably maintain that figure for the next decade. But even with the best economic models as measurement,

Lin added, the Chinese economy is like a glass that's half-full or half-empty, depending on how it's viewed. Among the challenges China faces, according to Lin, are income disparity and corruption.

- The value of China's outsourcing sector will grow about 40% annually during the 12th Five Year Plan (2011-15) period to USD85 billion by the end of 2015, according to the Ministry of Commerce (MOFCOM) and the National Development and Reform Commission (NDRC). The two bodies recently issued the first specialized guidelines for China's outsourcing sector.
- Total power generation in China rose 4.52% to 4.94 trillion kilowatt-hours last year. The country added 80 gigawatt (GW) of new installed power generating capacity last year, up 7.5% year-on-year and bringing the total to 1,140 GW.
- Business confidence is rising again among Chinese small and medium-sized enterprises (SMEs), after falling for two straight quarters last year. The latest China SME Confidence Index released by Standard Chartered Bank recorded a reading of 47.28 for the fourth quarter of 2012, a marginal increase of 0.57 percentage point from the previous quarter. It remained below the level of the same period in 2011, when the reading was 54.57. Despite a higher index reading, 32% of the small businesses and 36% of the medium-sized firms said they were not optimistic about their economic situation.
- China will overtake the United States economically within six years, according to the Nation's Health Report issued by the Chinese Academy of Sciences (CAS). China's economy would be larger than that of the U.S. by 2019 and China's "international status" would exceed that of the U.S. by 2049, the 100th anniversary of the founding of the People's Republic, the report said.
- Total profits for China's 116 biggest state-owned enterprises (SOEs) fell 6.9% in the first 11 months of 2012 to CNY1.7 trillion. Those companies include PetroChina, the Bank of China (BOC) and China Mobile. Total assets at the major state firms rose 15.1% to CNY69 trillion, the State-owned Assets Supervision and Administration Commission (SASAC) said.
- Hongkongers' median pay rose by only about 10% between 2001 and 2011, despite property prices going through the roof and food prices climbing steadily. According to the Census and Statistics Department, the 2001 median monthly income for men was HKD12,000 and it rose to HKD13,000 a decade later. Women's income went up from HKD10,000 to HKD11,000.
- Hong Kong has topped the world in economic freedom for the 19th consecutive year, according to the Heritage Foundation's index, but the American think tank warned that the city could lose the top spot it has occupied since the index started in 1995.
- Despite the continued softness in the global economy, the Fung Business Intelligence Center believes China's commercial sector will remain resilient and present significant opportunities for foreign and domestic investors this year as detailed in the report "Ten Highlights of the China Commercial Sector, 2013". It is the 10th annual report that the Fung Business Intelligence Center has compiled, and it includes a summary on the evolution of the commercial sector in the past 10 years. The center was formerly known as the Li & Fung Research Center.

MERGERS & ACQUISITIONS

CDB's Hong Kong Branch Manager suspended after CP deal falters

Liu Hao, Manager of China Development Bank's Hong Kong branch, has been suspended after a U-turn by the state-owned lender over its involvement in the proposed sale of HSBC's entire 15.6% stake in Ping An Insurance to Thai conglomerate Charoun Pokphand Group (CP). CDB is understood to have backed off from its plan to provide loan support for the USD9.4 billion bid. Liu, who officially took the Hong Kong position about a year ago, was also advised to return to Beijing quickly and give a full report on the loan arrangements to the top managers of CDB, led by Chairman Chen Yuan. Part of the money CDB initially agreed to lend CP for the Ping An deal came from a pool of cash Beijing wanted CDB to reserve for agriculture-related financing purposes, one of the sources said, who added that any misuse of agriculture-only loans could result in a breach of banking regulations. Hong Kong's South China Morning Post also predicted that the China Insurance Regulatory Commission (CIRC) was poised to reject the deal over concerns about how it was funded and the identity of the real buyer. Xiao Jianhua, a secretive Chinese businessman, is believed to be the buyer behind the scenes, the Post reported. Early last month, HSBC surprised the market by saying it would sell its Ping An stake to CP. HSBC said the deal would be closed in two stages. CP would first pay for about 20% of the shares with its own cash and the remainder would be paid for with a combination of cash and loans sponsored by CDB's Hong Kong branch.

In its first statement on the case, the CIRC said it had received an application from Ping An Group regarding the stake transfer, conducted a preliminary review according to rules, and notified the company to provide additional materials. The South China Morning Post also learned from its sources that the Ping An deal had prompted growing questions inside HSBC. Doubts were raised over whether HSBC's in-house and external lawyers and accountants had done enough due diligence for the deal, one of the sources said. Several of the bank's independent non-executive directors are also understood to have privately expressed concern about the handling of the deal. Thailand's Charoen Pokphand Group issued a statement reaffirming that it had the means to acquire HSBC's USD9.4 billion stake in Ping An Insurance, in a bid to scotch reports that the deal was unravelling. CP Group said it was acting entirely on its own and “not in concert with, or on behalf of, any third party”, after media reports that investors were funding the transaction. According to CIRC rules, companies can buy a stake in a Chinese insurer only with their own money, not through bank loans or other third-party financing. In a statement submitted to the stock exchange, HSBC said it was “not aware of any information which must be announced to avoid a false market in HSBC's securities or of any inside information that needs to be disclosed”. The completion of the deal is conditional on CIRC's approval by February 1.

- Mergers and acquisitions by Chinese enterprises surged 37% in 2012 in terms of disclosed transaction value, according to data released by ChinaVenture. The total value amounted to USD307.79 billion in 2012, the highest recorded since 2007, with the total transaction value nearly tripling since then. However, the total number of M&As was down, with a total of 3,555 transactions announced, 23% less that in 2011.

PETROCHEMICALS

Chinese shipyards moving into oil rig manufacturing

Chinese shipbuilders are increasingly moving into the manufacture of oil-rigs, and are set to undercut their international rivals. China Rongsheng announced in October its first order to make a tender barge, and rival Yangzijiang Shipbuilding got its first rig contract last month. Jinhai Heavy Industry, based in Zhejiang province, also secured its first offshore equipment contract in December. Hyundai Heavy Industries, the world's biggest shipbuilder, and other Korean yards are also seeking orders for drill ships and floating production units amid rising energy demand. While demand for rigs has been booming, ship orders have plummeted because of excess fleet capacity and global economic uncertainties. Vessel prices have fallen as much as 27% in the past two years, according to Clarkson, the world's biggest shipbroker. Chinese shipyards are now trying to sell oil rigs at cut-throat prices. Yangzijiang, based in Jiangyin, announced last month it got a USD170 million order for a jack-up rig, lower than the USD205 million contract Keppel got in April for a similar product. It is an indicator of lower margins in the future, said Keppel Chief Executive Choo Chiau Beng.

- Output in China’s northern Bohai Bay, its largest offshore oil and gas production base, has been affected by icy conditions, China National Offshore Oil Corp (CNOOC) said. The ice was up to 15 cm thick. The firm has deployed 13 icebreakers, installed radar and employed people to monitor conditions to ensure safe oil and gas production, it said. Icy conditions have hit the producing areas of the Jinzhou 9-3 oilfield and the Jinzhou 20-2 gas field. Oil and gas production in the Bohai Bay area topped 30 million cubic meters in 2012.
- PetroChina pushed its domestic crude oil output above 110 million tons last year for the first time in 17 years, while also achieving its fastest annual output growth in more than a decade. PetroChina and other state oil majors have been striving to boost their output and reserves to reduce China's dependence on oil imports, which rose to 56% of the country's overall requirement in 2011.
- Frozen seas off the coast of China are expected to expand to severe levels in late January, posing threats to offshore oil and gas fields. The National Marine

Environmental Forecasting Center said the peak of this year's sea ice may be similar to the level in 2010 when about 90% of Bohai Bay was covered by ice, the worst freeze in the bay in the past 30 years. Up to now, there are no reports of oil or gas fields halting operations in China. Ice in Bohai Bay reached 15,231 square km on January 8, about twice the average area for the same day in the past 25 years.

- China will boost imports of West African crude by 18% in 2013, above last year's 16% gain, according to the Oslo-based investment bank Arctic Securities.
- Sinopec Yizheng Chemical Fibre, the world's eighth-largest polyester maker, says it expects to post a net loss of about CNY360 million for last year based on Chinese accounting standards, compared with a profit of CNY839 million in 2011. It blamed the weak global and Chinese economies for a slowdown in textile demand.
- CNOOC has received initial approval to restart its largest offshore oilfield, which was shut in 2011 after an oil leak. The National Development and Reform Commission (NDRC) approved the development plan for Penglai 19-3 last month. CNOOC was ordered to shut the Penglai field in September 2011 after drilling activity leaked at least 3,200 barrels of oil and fluids into north China's Bohai Bay. CNOOC and its partner ConocoPhillips have since cleaned up the spill and agreed to pay damages to Chinese fishermen.

REAL ESTATE

Chongqing levies property tax

Chongqing has levied a property tax on new residential properties priced at more than CNY12,779 per square meter since January 1. Chongqing is one of two cities that has implemented a property tax trial since early 2011 as part of the central government's efforts to rein in housing speculation and cool the overheated property market. Chongqing's tax only targets luxury properties with a rate of between 0.5% and 1.2%. Luxury properties refer to stand-alone villas and residential developments which cost double the city's average new home price registered over the past two years.

- Transaction volume in Shanghai's pre-owned home market surged nearly 50% last year from 2011, while the average price hit a record. A total of 188,240 units of previously-owned homes changed hands in 2012, up from 129,510 units sold in 2011, Shanghai Deovolente Realty Co said. The average cost of the homes climbed 3.6% from 2011 to CNY17,033 per square meter. The annual growth rate was mild compared to that of 2009 and 2010 when the price rose annually by more than 20%. The Pudong New Area, which saw transactions of 3.65 million sq m of previously-owned homes, or nearly one fourth of the city's total, remained the most vibrant.
- Agile Property Holdings Chairman Chen Zhuolin appeared in a Hong Kong court charged with indecently assaulting a 28-year-old female employee at his luxury house in Happy Valley. He entered a no plea at Eastern Court and was released on HKD5,000 bail. The case was adjourned to February 19, awaiting witness statements from the prosecution.
- Local government revenues from land sales dropped 12.6% year-on-year in 2012 to about CNY2 trillion, according to the China Index Academy, and based on data from 300 Chinese cities. Decreasing land transactions resulting from the government's property purchasing policies, are the major reason for the declining land revenues, analysts said. Transfer fees from land used for residential developments dropped 14.3% to CNY1.3 trillion.
- Potential property market profits related to the new round of urbanization should not be overestimated, said Qin Hong, Director of the Policy Research Center under the Ministry of Land and Resources. "What I understand about the new urbanization is the quality of the urbanization, about how to change the previously unbalanced, uncoordinated, and unsustainable model," she said.
- Vacancy rates for office space in Shenzhen will grow dramatically this year before peaking next year. A report by DTZ Group predicted the citywide vacancy rate for grade-A office buildings would reach about 15% this year and nearly 30% next year due to an uncertain economic environment and a surge in the supply of high-end commercial and office units. The vacancy rate for grade-A office buildings last year

was 9.1%.

- Nearly 30 real estate developers in Shijiazhuang, capital of Hebei province, have been fined a total of CNY10 million for selling apartments in more than 300 projects to customers without government approval. The authorities said the developers had shown no respect for the government's determination to slow down growth in housing prices.
- Shui On Land unveiled a major restructuring plan to inject its commercial portfolio, valued up to CNY68 billion, into its listing candidate China Xintiandi, a wholly-owned subsidiary. The group broke ground last week for its new commercial project, Corporate Avenue, next to Xintiandi. The project will be included in the asset injection plan. The proposed spin-off was expected to raise USD1.5 billion last year but the listing was postponed as market sentiment weakened.
- BlackRock, the world's largest asset manager, is buying more debt from lower-rated Chinese property developers. "The operating environment for property companies and their ability to fund themselves has improved," said Joel Kim, head of Asia-Pacific fixed income in Singapore at BlackRock, which managed USD3.67 trillion as of September 30. "We're venturing out a little bit more into single B-rated companies within that sector where we believe the fundamentals are good enough", he added.
- A proposed 65% increase in property management fees at the upper-echelon residential complex Lakeville in downtown Shanghai has drawn the ire of both expatriates and Chinese who live there. More than half of apartment occupants are expats. The service contract signed every two years between the property company and the residents' representative committee expired on December 31, and discussions on a renewal have bogged down over fees.

RETAIL

China to have 4,000 shopping centers by 2015

China will have 4,000 shopping malls by 2015, a more than 40% increase over the present number, according to the China Chain Store and Franchise Association. The country had 2,812 shopping malls with a construction area of 177 million square meters by the end of 2011, according to the "2012 Development Report on Cooperation between China Shopping Malls and Chain Brands", conducted by CCFA and Deloitte Touche Tohmatsu. In recent years, the annual compound growth rate of shopping space in China was around 15%. Most of the new centers will be in second- and third-tier cities. Eight cities in China – including Shenyang, Wuhan and Chengdu – ranked in the top 10 among 180 major cities in the world with the largest amount of new shopping center space in 2011. In cities such as Tianjin and Shenyang, shopping malls still under construction each have an area of more than 2 million sq m. In Chengdu, more than 100 shopping malls have been erected, most of them with an area of more than 100,000 sq m, said the report. "In Europe or the U.S., there are very few centers offering over 100,000 sq m of space, while in China many malls exceed this," said James Hawkey, Executive Director of retail services for Cushman & Wakefield China, a subsidiary of the New York-based commercial real estate services firm. "Chinese consumers tend to do more experience spending, such as dining and watching movies, as opposed to just buying goods inside shopping centers, so retailers should increase the proportion of dining and entertainment options," said the report.

- Fast-food chain KFC's parent Yum Brands apologized to customers over its handling of a recent food scare that has hit sales in China. "We regret shortcomings in our self-checking process, a lack of internal communication," Su Jingshi, Chairman and Chief Executive of Yum China, wrote on the company's website. CCTV reported late last month that chicken supplied to KFC and McDonald's contained excess amounts of antiviral drugs and hormones. KFC said that bad publicity from a Chinese government food safety review of chicken suppliers hit its sales in China harder than expected in the latest quarter.
- PepsiCo has formed a partnership with Burger King Corp to be the exclusive supplier of soft drinks in more than 100 Burger King restaurants throughout China, including Pepsi-Cola, 7UP, Mirinda and Tropicana. This is the first time the two companies have cooperated in China, although they already have a business relationship in other markets, such as in the U.S., Latin America, Russia and Turkey, PepsiCo said.

- Chow Tai Fook Jewellery, the world's largest jewelery retailer, expects the Chinese market to remain weak in the next few months after it reported an 8% slump in same-store sales for the past quarter. The company said revenue in the third quarter of the financial year grew 4%. Revenue in Hong Kong and Macao rose 11%, but the mainland market dropped 3% as shoppers cut spending amid a slowing economy. Chow Tai Fook opened a net 70 shops or counters during the quarter, mostly on the mainland, bringing the number of outlets to 1,802 as of December.

SCIENCE & TECHNOLOGY

New drug brings hope to stroke patients

A readily available chemical could reduce the risk of cerebral haemorrhage in stroke patients treated with a life-saving drug that breaks down blood clots, a team of Shanghai scientists has discovered. Dr Zhao Bingqiao, from the Institute of Brain Science at Fudan University, led the research team. He said a protein called tissue plasminogen activator, which helped break down blood clots and was commonly known as tPA, was one of a few drugs effectively proven to treat ischemic stroke patients. The protein aids in the dissolution of blood clots, but it is given to only a small proportion of people because there is a high probability it can cause brain haemorrhage, and it is effective only when injected in patients within three to six hours of them suffering the stroke. “In the United States, I know that fewer than 5% of ischemic stroke patients use tPA,” Zhao said. “Therefore, we think that if there is a method of reducing haemorrhage, tPA will become more safe and it could be used on more patients, and more people can be saved.” Based on a three-year study, his team found that recombinant ADAMTS13, a readily available chemical found in blood and which can be bought from biopharmaceutical companies, can depress the volume of a haemorrhage by about 40% in ischemic mice that were already injected with tPA. Zhao's discovery has yet to be tested by further studies.

- Eight members of the American Academy of Arts and Sciences and Jeffrey Lehman, a former Cornell University President, are among the faculty members scheduled to teach at New York University’s Shanghai campus starting in September. NYU Shanghai is the first joint Chinese-U.S. educational institution to receive approval from China’s Ministry of Education. Its first group of 200 to 300 undergraduates will be enrolled for the inaugural 2013-14 academic year. So far, more than 20 faculty members have been appointed. NYU Shanghai is the third degree-granting campus of NYU.

STOCK MARKETS

PwC expects 200 new listings in 2013

China’s A-share market in 2013 is expected to see 200 new listings that could raise CNY130 billion to CNY150 billion, fueled by an improved capital market and strengthening economy, according to international accounting firm PricewaterhouseCoopers (PwC). The estimate compares to 155 IPOs last year, which raised total funds of CNY108.3 billion. The Shanghai Stock Exchange attracted 26 IPOs in 2012, raising CNY38.3 billion, down 33% and 64% respectively compared to the previous year. The Shenzhen SME Board listed 55 IPOs last year, down 52% year-on-year, which raised CNY34.9 billion, a fall of 66%, PwC figures showed. ChiNext listed 74 IPOs, down 42% on 2011, with funds raised reaching CNY35.1 billion, an increase of 56%. Frank Lyn, PwC’s China and Hong Kong Managing Partner, said four key sectors accounted for a large share of the IPOs: industrial products, information technology, financial services, as well as retail and consumer. According to the PwC figures, there are now about 830 enterprises waiting to list on the Shanghai and Shenzhen stock markets. “These enterprises point toward an active IPO market in 2013, but their fund-raising plans are subject to economic and political trends and market confidence,” Lyn added. Ernst & Young has forecast that the capital raised through IPOs on the Shanghai and Shenzhen stock exchanges will increase by up to 30% this year, after falling to a three-year low in 2012. PwC’s report said it is expecting 80 new IPOs to list in Hong Kong this year, including 65 on the Main Board and 15 on the GEM Board. Total funds raised are expected to be in the range of HKD120 billion to HKD150 billion, a significant increase on 2012. Jean Sun, a partner at PwC China, said more mainland-based small and medium-sized enterprises will be listed in Hong Kong following the relaxation of listing requirements for H shares and the beginning of the conversion of B shares into H shares, the China Daily reports.

New IPOs likely put on hold until the end of March

The China Securities Regulatory Commission (CSRC) has asked underwriters and auditors of firms looking to list to review their financial statements and ensure that all is in order. After their review, the CSRC will randomly select some companies from the 882 initial public offering (IPO) applicants and conduct its own checks. The CSRC will focus on areas such as fraudulent and illegal transactions as well as loss provisions in order to weed out unqualified IPO applicants. The reviews, or so-called self-inspections, will last until the end of March, meaning new IPOs could be put on hold until then. The CSRC will also reject IPO applicants for the Nasdaq-style ChiNext board which have reported a drop in profit in 2012 compared with a year earlier. IPO issuance on the Chinese mainland plunged 64% in 2012 from the previous year to USD14.4 billion, according to Thomson Reuters data. Some companies may have to wait for up to five years to get the go-ahead for an IPO. Investment bankers said the regulator was sending a clear message to the underwriters that they should withdraw listing applications if the companies were not up to scratch. Beijing has stopped approving new listings since October to avert a fresh equity influx soaking up cash, in a bid to boost the sluggish market.

Most listed companies expecting profit declines

More than half of listed companies in China are forecast to see their annual profits decline because of lower economic activity in 2012, with manufacturing companies likely to suffer the most. According to Wind Info, 965 listed companies have issued their forecast for full year earnings in 2012, and 452 of those expect their net profits to decline. A total of 187 listed companies expect their annual net profits to decrease by more than 50%. A slump in external demand and slowing domestic economic growth has put great pressure on Chinese companies last year, especially those in the manufacturing sector. China's official manufacturing Purchasing Managers' Index (PMI) was 50.6 last month – the same as in November. HSBC Holdings also released its manufacturing PMI figure of 51.5, the highest in 19 months. Analysts said both showed signs of a continuous but modest economic recovery, although some companies have already lost out due to the long-term flat market. Manufacturing companies that produce electronic components, raw chemical materials and chemical products are suffering the greatest losses.

- Xinhuanet.com, a news website operated by Xinhua, has applied to hold an initial public offering (IPO) on the Shanghai Stock Exchange, the China Securities Regulatory Commission (CSRC) said. It will be the second heavy-weight state-controlled site to list, after the news portal run by People's Daily raised CNY527 million in April last year. The application is under review. The CSRC did not say how much money Xinhuanet wants to raise or how long it will take to get approval.
- As many as 32 enterprises applied for IPOs in the first week of 2013, increasing the number of enterprises waiting for approval to 882 by January 4. It was the largest number of enterprises applying for IPOs since April 2012 when 64 enterprises submitted applications within a week. China's A-share market has not seen any enterprise going public since October 2012.
- Speedy Global, a supply chain manager specializing in the apparel and garment industry, has raised HKD123 million through an initial public offering (IPO) in Hong Kong after the company priced its shares at the top-end of the offer range. Golden Wheel Tiandi, a Nanjing-based property developer, is also set to raise as much as HKD890 million through a Hong Kong listing. Sinopec Engineering, the oil-refining and petrochemical unit of Sinopec, has proposed raising USD1.5 billion, while Chinalco Mining, a Chalco copper division, kicked off pre-marketing in a bid to raise USD300 to USD400 million.
- In 2012, 154 enterprises launched IPOs in China, a drop of 45.2% from a year earlier, because of the gloomy economic environment, according to ChinaVenture Group, a stock market research and consulting institute. IPOs in the A-share market in 2012 raised CNY103.43 billion in total – 63.4% less than in 2011 – the lowest level in three years.
- The People's Bank of China (PBOC) announced that preparations are under way for trials of its so-called qualified domestic individual investor (QDII2) scheme. The

scheme is part of a big initiative this year to increase outbound investment by the private sector. Individual Chinese investors now can purchase stocks and other securities in foreign capital markets only through authorized funds under the qualified domestic institutional investor (QDII) initiative established in 2006.

- China's stock market will see lock-up agreements on non-tradable shares worth CNY2.75 billion expire this week, down from the CNY42.4 billion in shares that became tradable last week. Non-tradable shares of 19 listed companies will be eligible to be sold this week, with shares from locked initial public offerings (IPOs) accounting for nearly 70% of the total value.

TRAVEL

More funds made available for subway construction

The total investment in urban rail plans approved last year reached nearly CNY1 trillion, including CNY360 billion for projects that have passed feasibility studies, which means these projects can start construction, according to the National Development and Reform Commission (NDRC). Thirty-five cities in China were building subways in 2012, with an estimated investment of CNY260 billion. Most subway systems in China are loss-making. A city is eligible to build subways only if it has an urban population of more than 3 million, an annual GDP that exceeds CNY100 billion, and a local government budget higher than CNY10 billion. In addition, the one-way traffic flow must reach 38,000 people at peak time, according to the NDRC. An incentive for some second- and third-tier cities to build subways is to increase their GDP with huge investments.

- China Eastern Airlines will begin daily direct flights between Shanghai and San Francisco on April 26. Flights to the U.S. city will take off at 1 p.m. from Shanghai Pudong International Airport and land at San Francisco International Airport at 9:30 a.m. Those flying to Shanghai will take off at 12 p.m. from San Francisco and arrive in China at 4:30 p.m.
- HNA Group, the parent company of Hainan Airlines, generated revenue of more than CNY120 billion in 2012, according to Chairman Chen Feng. The total assets of the group were worth CNY380 billion at the end of 2012, an increase of 38,000 times over the past 20 years, Chen said, adding that HNA's asset-liability ratio in 2012 was 79%, following three years of consecutive declines.

ONE-LINE NEWS

- The number of foreign citizens living in Shanghai exceeded 173,000 by the end of last year, a 6.7% increase compared to 2011. They make up a quarter of such citizens on China's mainland. 1,478 have obtained their "Green Card" in Shanghai, also a quarter of the country's total.
- The organizers of China's main yacht show expect a 30% rise in turnover at this year's event to at least CNY3 billion. The 18th China (Shanghai) International Boat Show is to be held on April 11-14 in Shanghai. The number of visitors is set to jump 30% to 40,000, according to a forecast released by the yachts and ships branch of the China Association of National Shipbuilding Industry. China's second-hand boat market is also set to boom within three years as owners begin retiring their boats for new ones, Lek Lee Ann, Director of Asia at British builder Sunseeker, said.
- Government officials found guilty of dereliction of duty or abuse of authority will face tougher punishments, according to a judicial interpretation released by the Supreme People's Court which took effect on January 9. Officials responsible for accidents that cause the death of one or more people or injuries to at least three people will receive up to three years in prison. Those responsible for accidents that kill three or more people or seriously injure nine or more people will receive up to seven years in prison. The courts tried 4,928 dereliction of duty cases from January to November 2012.
- The Central Commission for Discipline Inspection of the Chinese Communist Party announced that the cases of disgraced former Chongqing Party Secretary Bo Xilai and former Minister of Railways Liu Zhijun have been handed over to judicial authorities. Former Deputy Party Secretary of Sichuan province Li Chuncheng is also being formally investigated for influence-peddling and questionable real estate deals.

- Macao gave MGM China the official go-ahead to build a second casino. The USD2.5 billion casino, to be built on the Cotai Strip, which houses rival casinos including Sands China, will feature 1,600 hotel rooms, 500 gaming tables and 2,500 slot machines, MGM China Holdings said.

ANNOUNCEMENTS

Expo Central China 2013 to be held in Zhengzhou from May 18 to 20

Expo Central China 2013 to be held in Zhengzhou from May 18 to 20, 2013. Expo Central China is a high-ranked, comprehensive, and large-scaled international fair which is jointly sponsored by government agencies such as the Ministry of Commerce, the State Administration of Taxation, the State Administration for Industry & Commerce, and the People's Governments of Shanxi, Anhui, Jiangxi, Hubei, Hunan and Henan provinces.

The Expo Central China aims to build up an important platform for China's central area to promote opening-up and strengthen international communication and cooperation, and for worldwide investors to fully understand relevant policies of China's central area and seek business opportunities. It takes investment and trade, cooperation and development as the main theme and covers a series of activities including exhibition, business negotiation, field investigation, tourism seminars and forums.

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