法兰德斯中国商会 FCCC VCKK

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

NEWSLETTER | 25 MARCH 2013

FCCC ACTIVITIES

Conference: "Opportunities for Flemish SMEs in China" – 27 March 2013 – Brugge

The Flanders-China Chamber of Commerce (FCCC), the Province and POM West-Flanders, VOKA and UNIZO are organizing a conference: "Opportunities for Flemish SME in China" on Wednesday 27 March 2013 at 18h00 at Provinciaal Hof, Markt 3 in Brugge.

Programme:

18h00	Registration
18h30	Welcome by Jean de Bethune, Vice Governor Economy, Province of West-Flanders
18h35	Introduction by Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
18h40	Opportunities for Flemish companies in the province of Zhejiang, by Mrs Yin Linggu, Senior Advisor, Province of West-Flanders in China
19h00	Testimonials on doing business with China: - Yves Struyve, CEO, Trislot - Eddy Coppieters, CEO, Primus Group - Didier Leclercq, Chief Operations Officer, Vitalo Industries
20h00	Q&A session
20h30	Networking reception

During the conference you will also receive the publication "FCCC Members' Portraits in China", describing the activities of 18 Flemish companies which have succeeded in China. The publication contains valuable information about how they tackled the very competitive Chinese market.

Registration via this link. Fee: members of FCCC, VOKA and UNIZO: €75, non-members: €95.

The conference is organized with the support of Flanders Investment & Trade.

Alleviating your risks in China – A practical seminar on preliminary due diligence & managing contract terms – 16 April 2013 – Agoria, Brussels

Agoria, the EU SME Center, BCECC, FCCC, AWEX, BIE & FIT are organizing an afternoon seminar on how to mitigate risks in China. Join the seminar and discover:

How to find a suitable business partner? Are they reliable? Learn about the main aspects of preliminary due diligence, including:

- Legal due diligence on the legal status of the company – duly registered, having all licenses, company chop, etc. and,
- Financial and operational check – creditworthiness letter, financial statements, capital verification report, on-site check, premises, etc.

How to manage contract terms and reduce risk? There is a misconception that contracts have no value in China and that personal relationship takes precedence in commercial transactions. For successful business and, more importantly, staying safe, you really need both and your sales/purchase contracts can significantly influence the course of your deals, and business achievements in China!

- How to avoid common contractual errors which lead to loss of technology, know-how and competitiveness (also including terms and rights of employment contracts)
- Practical and useful tips on how to protect your business

You will receive practical advice from the EU SME Center expert, the panelists, and have the opportunity to attend a one-on-one consultation session to discuss your individual questions (each for max 20 minutes) with the EU SME Center expert after the seminar.

Programme:

13:30 Registration
14:00 Welcome word by Agoria on behalf of all organizers
14:10 Presentation by the EU SME Center
- " How to find a suitable business partner?
- " How to manage contract terms and reduce risk?

14:55 Coffee break
15:10 Panel discussions by
- " Jan Kriekels, CEO, Jaga NV
- " Ghislain Gilliot, CEO, Simonis Plastic SA
- " Olivier du Roy, ex Country Manager China, Solvay
  moderated by Professor Johan Erauw (– also for the Q&A) of Ugent University

16:20 Q&A
16:50 Reaction with possible suggestions by EU SME Center
17:05 End + Networking Cocktail
17:05 In parallel – one-on-one consultation sessions

Interested to join the seminar? Thanks to register only via the link in Dutch or the link in French.

As the number of one-on-one sessions with the EU SME Center Expert is limited, it will be on first come first served basis. Please send us your one-on-one consultation session request together with your event registration.

Networking Evening with Chinese Talent at Ghent University – Thursday, 25 April 2013, 17h – Provinciaal Administratief Centrum, Gent

The Flanders-China Chamber of Commerce, Ghent University and the Province of East Flanders, are organizing a networking evening with Chinese talent studying at Ghent University. This event will take place on Thursday 25 April at 17h at the Provinciaal Administratief Centrum (PAC), Woodrow Wilsonplein 2, 9000 Ghent.

This networking event will give you the opportunity to introduce your company to Chinese students, which are mostly from the faculties of: Engineering Sciences & Architecture, Bioscience Engineering, Sciences, Veterinary Sciences, Law, Economics & Business Administration, Medicine & Health Sciences and Pharmaceutical Sciences.

The programme is as follows :

17u00:	Welcome by Mr Hedwig De Pauw, Director Economic Affairs and International Relations, Province of East Flanders
17u05:	Welcome by Mrs Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
17u10:	“Strategies for finding an employer in Europe” by Mr Patrick Meirlaen, Managing Partner at The Future Alliance and Partner at the International Executive Search Federation (IESF)
17u30:	Presentation of the participating companies and networking between students and business leaders.

	Networking reception hosted by the Province of East Flanders
19u30:	End of programme

This event is an ideal way to meet about 100 Chinese students and to broaden your network. During this event, you will have the opportunity to present your company via a presentation and a promotional stand.

This evening is organized with the support of Flanders Investment & Trade.
If you are interested in attending, please sign up using the following link before 18 April 2013.

Participation for member company: €75, Non-members: €115.

ACTIVITIES BY FCCC STRUCTURAL PARTNERS

Cleantech World Café China – 28 March 2013 – Antwerp

Flanders Cleantech Association (FCA) and Flanders Investment & Trade (FIT) are organizing the Cleantech World Café China.

- You already have had your first export experience in Europe?
- You are considering to offer your clean technologies on the Asian continent, but you still have a few question marks?
- You like smart partnerships with companies in the region?
- You want to listen to the stories of experienced China entrepreneurs in the cleantech sector?

For whom? Flemish firms offering clean technologies
By whom? Companies with ample experience in China such as Waterleau, Applitek, and Aquaplus tell their stories. FCA and FIT are assisting in cleantech and international entrepreneurship.
What and how? We work together in small groups under the leadership of experienced China entrepreneurs in the cleantech sector. We exchange experiences and best practices:

- Which path did they take?
- Which clean technologies do they offer and did they find a market in China?
- Which are the lessons they have learned? How did they form smart partnerships?

The session will result in first insights into partner search expectations in Asia, so you can consider participation in the FIT-missions to China (September) or other opportunities for business matching.

Date: March 28, 2013 from 17 h. till 20 h., small snacks during the session, followed by a short networking reception on the Royal Terrace with a view of one of the most beautiful railway stations halls in the world, and... a bright cleantech future!
Location: Antwerp Central Station (De la Censerie Room)
Registration: To stimulate interaction, we work in small groups, following registration we expect your attendance or if not possible a correct cancellation. Register here.

More information: Sonja Van den Bergh, e-mail: info@fca.be Tel: +32 295 22 72

ACTVITIES SUPPORTED BY FCCC

Conference: "China's economy at the crossroads" – 7 May 2013 – Barco, Kuurne

The Chamber of Commerce of West-Flanders, in cooperation with the Flanders-China Chamber of Commerce (FCCC), is organizing a conference "China's economy at the crossroads: opportunities and challenges, also for Flemish entrepreneurs..." by Professor and China expert Jonathan Holslag, Research Director at the Brussels Institute of Contemporary China Studies (BICCS) at the Vrije Universiteit Brussels (VUB). The conference will take place at Auditorium Barco, Ringlaan 5, 8520 Kuurne on Tuesday, 7 May 2013, from 18h30 till 20 h. The conference will be followed by a network reception.

Participation for VOKA and FCCC members: €75 (excl. VAT), Non-members: €95 (excl. VAT).
Cancellations accepted in writing until five days prior to the conference.
More info: www.voka.be/west-vlaanderen - Tel 056 26 13 93 Mail: griet.witdouck@voka.be

OTHER ACTIVITIES

Experts Seminar: China's New Leadership: New International Ambitions? – 15 April 2013, 10:30h – Egmont Palace, Brussels

EGMONT – Royal Institute for International Relations – is organizing an Experts Seminar on Monday 15 April 2013, from 10.30 to 12.00 at the Palais d'Egmont, place du Petit Sablon 8, 1000 Brussels (doors will open at 10.15)

China's New Leadership: New International Ambitions?
As the National People's Congress of China is giving its final approval to the leadership transition, international observers speculate on the international implications of this once-in-a decade event. Will China modify its regional and global posture? Will it become more responsible and cooperative, or more self-confident and assertive? What are the implications for regional stability? For the relations with Europe? What do we know about the objectives of the new leadership? Do we know anything at all about China's global ambitions?

Speaker: Dr Mathieu Duchâtel, Head Representative in Beijing of the Stockholm International Peace Research Institute (SIPRI), and co-author (with Joris Zylberman) of "Les Nouveaux Communistes Chinois" (Armand Colin, 2012).
Discussant: Dr Jan Hoogmartens, China Desk Manager in the Belgian Ministry of Foreign Affairs, and Adjunct-Professor, Zhejiang Business School (Hangzhou, China).
Moderator: Thomas Renard, Senior Research Fellow, Europe in the World Programme, Egmont.

The working language will be English. The seminar will take place under the Chatham House Rule.

Registration in advance is absolutely necessary by e-mail by Thursday 11 April 2013: conferences@egmontinstitute.be

PAST EVENTS

Conference: Managing China in Transition – Can China's 5th generation leadership get China on a sustainable path? – 15 March 2013, Brussels

The Flanders-China Chamber of Commerce (FCCC) and The Conference Board organized the conference "Managing China in Transition – Can China's 5th generation leadership get China on a sustainable path? on 15 March at The Conference Board in Brussels.

Following an introduction by Mr Bert De Graeve, Chairman of the Flanders-China Chamber of Commerce (FCCC) and Chief Executive Officer of Bekaert, Mr David Hoffman, Vice President and Managing Director of The Conference Board's Beijing-based China Center for Economics and Business, gave an interesting presentation on how this transitional period in China will shape the operating environment for multinational corporations.

The conference was moderated by Ethan Cramer-Flood, China Program Specialist of The Conference Board.

FCCC New Year Reception – 5 February 2013 – Brussels

The Flanders-China Chamber of Commerce (FCCC) organized a Chinese New Year reception on February 5, 2013 at at the Flemish Parliament in 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

Pictures will soon be online at the FCCC website.

FINANCE

Earnings growth slows at Chinese banks

Earnings growth at Chinese banks slowed dramatically to 19% last year from 36% in 2011 and 2010, Fitch Ratings said. The agency cautioned in a report that lower earnings growth at the banks is likely to weaken internal capital generation and put further pressure on capital this year and next. Fitch said that rising funding costs amid weakening liquidity, the rapid growth of lower yielding non-loan credit, and slower growth of fees and commissions will weigh on earnings. "We expect all these trends to intensify from 2013 to 2014, and be exacerbated by further moves toward interest rate liberalization, which will increase already rising funding costs,'' Fitch added. Net profits at China's top five banks may rise nearly 12% to above CNY750 billion in 2012, while the bad loan ratio at the top lenders is expected to improve in 2012 to 0.99%. The Big Four banks gave out combined new loans of CNY144 billion in the first 17 days this month, a sharp drop from CNY250 billion in the same period in February.

- Former Finance Minister Xie Xuren has replaced Dai Xianglong as Chairman of the National Council for the Social Security Fund (NSSF). China has to tackle a huge and widening pension financing gap. According to the Chief Economist at Bank of China International, Cao Yuanzheng, the gap could widen to CNY68.2 trillion by 2033 from about CNY16.5 trillion in 2010 unless Beijing reforms the funding system. The pension fund had assets worth CNY869 billion at the end of 2011 and has been the single largest investor in the domestic capital market.
- Siemens Financial Services said that its Siemens Venture Capital unit has launched a fund devoted to renminbi onshore deals. The new renminbi fund is part of Siemens Financial Services' global VC platform. It focuses mainly on four sectors: energy, healthcare, industry, and infrastructure and urban development.
- HSBC Holdings fired almost 200 sales staff at its life insurance joint venture in China as it retreats from the industry, sparking a protest at its office. HSBC Life Insurance Co, in which the lender owns 50%, dismissed its entire sales force as it refocuses on bancassurance. More than 100 protesters demanded compensation for the dismissal.
- China Construction Bank (CCB) reported the slowest growth in net earnings in six years of 14% to CNY193.2 billion last year. The bank's net interest income jumped 16% to CNY353.2 billion. CCB's fee income increased 7.5% to CNY93.5 billion from credit cards and trade finance.
- China Pacific Insurance (Group) Co, China's third largest insurer, posted a 38.9% fall in net profit in 2012 from a year ago to CNY5.1 billion. Life insurance premiums edged up 0.3% while property insurance premiums rose 13% annually. Hua Sha, Analyst with Huatai Securities Co, said the insurer's premium revenue from the bancassurance channel may decline again this year due to competition posed by banks which offer similar products.

FOREIGN INVESTMENT

Lego building its first factory in China

Lego is building its first factory in China as part of a plan to move production closer to Asia, its fastest growing market. The Danish maker of colorful plastic building blocks for children said it is investing at least €100 million in the new plant. Building of the factory in Jiaxing will start in 2014 and it will be fully operational by 2017. In recent years Lego's sales in the Asian region have grown by over 50% annually. CEO Bali Padda said Lego's strategy is to reduce the time needed for shipping by basing production near its main markets. Lego predicted the factory, which will have moulding, decoration and packaging facilities, will be able to supply 70% to 80% of the toys it sells in Asia in 2017. The plant will employ 2,000 workers by the time it is fully running. Lego also has plants in Denmark, Hungary, the Czech Republic and Mexico.

ODI exceeds FDI in first two months

China's outbound direct investment (ODI) surged 147.3% in the first two months to USD18.4 billion, indicating investors' enthusiasm to globalize their businesses. It surpassed incoming FDI, which stood at USD17.48 billion over the period, down 1.35% year-on-year. Chinese direct investment overseas surged almost 30% last year from 2011 as firms in the world's second-largest economy increasingly look to expand abroad. The biggest rise in Chinese investment in a major market in January and February was in Australia, where it surged 282%, followed by Hong Kong, up 156%, and the U.S. with a 146% increase, while in South-east Asia it went up 114% and in the EU 81.9%. In Japan, investment was down 31% and in Russia 46%.

First Hong Kong wholly-owned hospital opens in Shenzhen

The first wholly Hong Kong-owned hospital has opened in Shenzhen under the Closer Economic Partnership Arrangement (Cepa) signed a decade ago. Founder and Director Dr Dennis Lam said he had struggled with the application procedures to open his eye hospital for two years. "I had to go through all kinds of procedures with many departments," he commented. He said he had to own or rent a site before he was granted approval for his business – meaning he could have lost his capital if the application failed. The C-MER (Shenzhen) Dennis Lam Eye Hospital is the first on the mainland to be wholly-owned by Hongkongers as a result of the ninth supplement to Cepa signed last year, which relaxed a requirement that Hong Kong doctors have mainland partners. Speaking at the opening, Chief Executive Leung Chun-ying said there were 72 joint Hong Kong-mainland medical institutions. He said the opening of Lam's hospital highlighted a new stage of cooperation between the medical professions on opposite sides of the border. But businessman Michael Tien said the hospital might be a one-off project because the risk of investing is too high and the application process too slow. The hospital has an investment of HKD200 million, 30 beds and five operating rooms, and 20 medical staff including five Hong Kong doctors.

- Foreign direct investment (FDI) in China rose for the first time in nine months in February. Foreign investors channeled USD8.21 billion into China last month, up 6.32% from a year earlier, compared to January's fall of 7.3%, the eighth consecutive monthly decline. Ministry Spokesman Shen Danyang said it was too early to conclude that February was a turning point for China's inbound foreign investment, but added that China remained the world's best performer in attracting foreign investment. Investment from the EU jumped 34% in the first two months to USD1.2 billion.
- AkzoNobel intends to invest an extra €65 million at its Chinese factories in Boxing and Ningbo. The new investment will be used to boost capacity and improve the performance of the surface chemistry manufacturing sites. According to AkzoNobel, half of the money will be spent on the company's facility in Shandong province, which was taken over as part of the acquisition of Boxing Oleochemicals in January 2012. In Ningbo, a new alkoxylation unit will be constructed, bringing the company's total investment at the site to €400 million. AkzoNobel currently employs over 7,000 people in China.

FOREIGN TRADE

China becomes the world's fifth-largest arms exporter

China has defended its rules on overseas weapons sales following a report ranking the country fifth in arms exports. Foreign Ministry Spokesman Hong Lei said that such sales followed domestic laws and United Nations guidelines. He said weapons sales have to be justified by the legitimate needs of the recipient and must not harm peace, security or stability. Sweden's Stockholm International Peace Research Institute (SIPRI) reported that China had overtaken Britain as the world's fifth largest arms exporter over the five-year period from 2008 to 2012. It added that the volume of Chinese arms exports rose by 162% between 2008 and 2012, compared with the previous five-year period. China had a 5% share of global arms exports. The largest buyer of Chinese weapons was Pakistan, which accounted for 55% of the country's exports, followed by Myanmar with 8% and Bangladesh with 7%, SIPRI said. "China's rise has been driven primarily by large-scale arms acquisitions by Pakistan," said Paul Holtom, Director of SIPRI's arms transfers program. "However, a number of recent deals indicate that China is establishing itself as a significant arms supplier to a growing number of important recipient states." China's move into the top-five means the United Kingdom (now sixth) drops out of the top five for the first time since at least 1950. The Institute said Asia dominated the global imports of weapons, with the top five importers all located there.

- The European Commission said that the anti-dumping measures it imposed on imports of Chinese coking coal expired because "no duly substantiated request for a review was lodged". The EU in December 2006 launched its antidumping probe into Chinese coal pieces with a diameter larger than 80 mm, and made the final ruling in March 2008. The product was already subject to anti-dumping measures from June 2000 until 2004. The measures were suspended in March 2004 due to a temporary change in market conditions, but were then resumed.
- China will hold three rounds of trade negotiations with Japan and South Korea this year and step up talks with other trading partners, the Ministry of Commerce (MOFCOM) said. The first set of talks on a three-way free trade agreement (FTA) with its two neighbors would be staged in Seoul from March 26 to 28. Japan also plans to join the Trans-Pacific Partnership (TPP) negotiations, which are dominated by the U.S. and to which China has not been invited, although the U.S. said it would be welcome.
- China has become the largest fur producer and processor in the world. Chinese consumers bought more than half of the fur coats sold globally in 2010, according to the China Leather Industry Association. Chinese fur retail sales for last year haven't been officially tallied yet, but the China Chamber of Commerce of Foodstuffs and Native Produce predicts they could top USD6 billion. As a result, Chinese manufacturers have turned to foreign farmers for high-quality pelts. China imported nearly USD126 million worth of U.S. mink pelts last year, making it the second most lucrative mink export market for American fur farmers behind South Korea.
- China started collecting anti-dumping duties on the chemical resorcinol imported from the United States and Japan on March 23, the Ministry of Commerce (MOFCOM) said. Japanese companies exporting the chemical to China will face duties of 40.5% on resorcinol. U.S.-based INDSPEC Chemical Corp and other companies will have to pay a tariff of 30.1%.
- New Commerce Minister Gao Hucheng expressed confidence that China will boost foreign trade in 2013 despite pressure on exports. Trade growth will be "no less than GDP growth," he said. Last year China missed its 10% foreign trade growth target. "This year's target will be stabilizing external demand, improving the quality of manufacturing and adjusting the industrial structure," Gao said. China's foreign trade in the first two months of the year gained 14.2% year-on-year, compared with 7.3% in 2012, according to the General Administration of Customs.

IPR PROTECTION

Philips sues two companies over patent infringement

Philips Consumer Lifestyle is suing Shanghai Lock & Lock Trading Co for producing and selling food fryers that it claimed infringes on an air circulation patent that it owns, the Shanghai No 1 Intermediate People's Court heard. It also sued Cixi Hongbang Electric Appliances Co, a company in Zhejiang province that manufactured the alleged infringing food fryers for Lock & Lock. At the hearing, Philips demanded that the two defendants stop producing and selling the infringing fryers immediately while seeking more than CNY3.23 million in compensation from both. Lock & Lock argued it was only a retailer and Hongbang was the producer. Hongbang said the patent Philips claimed was not unique and has been used by many companies.

MACRO-ECONOMY

Interest rates expected to be kept unchanged in first half

Interest rates are to be kept unchanged in the first half of the year, with an expected inflation rate of 3% for the period, Song Guoqing, Member of the People's Bank of China Monetary Policy Committee, said at a conference in Hong Kong. Song, Professor at Peking University, said the relatively high inflation rate last month was distorted by seasonal factors and the consumer price index was expected to moderate to 2% this month. Capital Economics Economist Mark Williams wrote recently: “Inflation is likely to drop back to near 2.5% in March, but the underlying picture is that inflation is likely to pick up over coming months and that this will gradually restrict policymakers' room for maneuver.” However, Zhou Xiaochuan, who was reappointed PBOC Governor by the National People's Congress (NPC), raised an alert about rising inflation. Zhou said the central bank planned to stabilize consumer prices and inflation expectations through monetary policy and other tools, after the CPI rose unexpectedly to 3.2% last month from a year earlier and from 2% in January. In response to a question about surging property prices, Song said Beijing might impose more measures to curb property speculation.

China's economy to grow 8.5%, says OECD

China’s economy is forecast to grow 8.5% this year, faster than the central government’s target of 7.5%, and an even faster rate of 8.9% in 2014, according to the Organization for Economic Cooperation and Development (OECD). The OECD said the key to a sustainable rise in China’s domestic demand is the full implementation of economic reforms that will foster socially inclusive urbanization. Yang Weimin, Vice Minister of the Central Leading Group on Financial and Economic Affairs, said the OECD forecast was probably too high and questionable. “The gradual pick-up in activity provides a strong background for the ambitious reforms China needs to put in place to continue on the road to prosperity,” Jose Angel Gurria, Secretary General of the OECD, said in Beijing. The OECD also said China was on course to become the world's largest economy in 2016.

- PetroChina Chairman Jiang Jiemin replaced Wang Yong as Chairman of the State-owned Assets Supervision and Administration Commission (SASAC). The Commission oversees 115 of China’s biggest state-owned companies.
- China Resources Power expects this year's fuel cost per unit of output to fall at least 5% while electricity prices will be stable. The electricity arm of China Resources (Holdings) posted a net profit of HKD7.48 billion for last year, up 68% from 2011. Excluding foreign-exchange gains or losses, underlying profit surged 129%, CR Power said. The profit growth was mainly due to a 9.3% fall in fuel cost per unit of output and a 5.1% rise in the average power selling price. Overall output was flat as the commissioning of new plants offset a 7% drop in same-plant generation.
- The HSBC Purchasing Managers’ Index rebounded to 51.7 in March from 50.4 in February, but remained below a two-year high of 52.3 reached at the beginning of the year. The March reading “implies that the Chinese economy is still on track for gradual growth recovery. Inflation remains well behaved, leaving room for Beijing to keep policy relatively accommodative in a bid to sustain growth recovery,” wrote HSBC’s China Economist Qu Hongbin. The perk-up in March comes after the Lunar New Year holiday that closed most of China’s factories for about two weeks in February. A sub-index measuring factory output rose in March to 52.8, recovering from a dip in February, HSBC said.
- The growth of migrant workers' wages in the Pearl River Delta region will accelerate to 9.2% this year from 7.6% in 2012, Standard Chartered Bank said in a report. The British lender said the higher wages reflect better productivity, but they will eventually spill over into the prices of goods and broaden inflationary pressure.

- China's state-owned enterprises (SOEs) saw combined profits expand 9.7% year-on-year to CNY306.01 billion in the first two months of 2013, the Ministry of Finance announced. Profit growth was posted by SOEs operating in the electronic, petrochemical and automobile sectors. However, some SOEs in the nonferrous metal, construction material, coal and mechanical industries saw profits decline. Centrally administered SOEs posted profit growth of 9.7% year-on-year to CNY251.92 billion. Local SOEs recorded a 16% dip in profit to CNY54.09 billion in the period. The aggregate revenue of the SOEs rose 11.3%.

MERGERS & ACQUISITIONS

Standard Chartered acquires stake in department store

Standard Chartered Private Equity has acquired a stake in Guangdong Aiyingdao Children Department Store Co, one of the country's leading maternity and infant-product retailers, which seeks to expand its network of stores across China. The bank will provide the retailer with financing. Founded in 1998, Aiyingdao runs more than 230 stores in southern, eastern, and central China, and is aiming to expand that to more than 600 in the next three years.

PETROCHEMICALS

PetroChina reports less-than-expected profit

PetroChina said earnings fell a more-than-expected 13.3% in 2012, hit by losses in natural gas imports and the oil refining business because of government price control. Net income totaled CNY115.3 billion last year, down from CNY132.96 billion in 2011 and CNY140 billion in 2010. Turnover rose 9.6% to CNY2.2 trillion as crude oil output rose 3.4%, the highest in recent years, to 916.5 million barrels last year. Its fourth-quarter net income fell 3.9% from a year earlier to CNY28.4 billion. PetroChina and Sinopec have fallen victim to a government cap on the domestic selling prices of refined fuel and natural gas, although their upstream business has been profiting from high crude oil prices. As China's largest natural gas importer, PetroChina lost about CNY41.9 billion on its gas imports last year, and the losses are expected to continue without radical price reforms. Vice President Sun Longde said the company aimed to raise total oil and gas output to 200 million tons of oil equivalent (TOE) in 2015 from 181.8 million TOE last year. Of the target, between 87.6 million TOE and 95.6 million TOE, or 44% to 48%, would come from natural gas, up from 31.8% last year. "PetroChina sees natural gas as the fastest-growing and the most strategic business segment," Sun said. He added that the company aimed to sell between 127.5 million TOE and 135.4 million TOE of gas in 2015, implying the volume of gas imports would continue to rise over the next three years. The company is losing money from gas imports because the domestic gas price was kept much lower than international levels.

- CNOOC posted net profit of CNY63.69 billion for last year, 9.3% lower than in 2011. Revenues rose 2.9% to CNY194.77 billion on the back of a 3.2% rise in production to 342.4 million barrels of oil equivalent (BOE) – of which oil output rose 5.2% and gas output fell 5.1%. Chief Financial Officer Zhong Hua attributed the fall in profit mostly to higher resources and income taxes and operating, depreciation and exploration costs. They more than offset the benefits of higher sales volume and a decrease in a special government levy on crude oil sales. CNOOC aims to produce 338 million to 348 million BOE of oil and gas this year, little changed from last year.

REAL ESTATE

Home prices rise still further in 66 of 70 cities monitored

House prices rose faster in most Chinese cities in February, with first-tier cities seeing the biggest gains, the National Bureau of Statistics (NBS) said. Excluding government-subsidized affordable housing, prices rose in 66 of the 70 cities monitored by the Bureau, compared with 53 cities in January. Prices were flat in three cities while only one registered a fall. Prices in Beijing and Guangzhou were 3.1% higher than the previous month, the fastest rise across the country. Shanghai and Shenzhen followed with increases of 2.3% and 2.2%, respectively. In January, Shenzhen saw the biggest gain of 2.2%, followed by Beijing's 2.1% and Guangzhou's 2%. Shanghai gained 1.3% in January. Year-on-year, new home prices rose in

62 of the 70 cities, with a maximum increase of 8.2%. That compared to 53 in January, when the largest rise was 4.7%. “Continuously improving sentiment in the housing market, mainly fueled by demand from owner-occupiers, has been boosting home prices around the country, most notably in large cities,” said Zhang Hongwei, Research Director with Tospur, a Shanghai-based real estate consulting firm. “Sufficient market liquidity, meanwhile, serves as a key factor contributing to home price increases.” New home purchases totaled 94.94 million square meters in China during the first two months of this year, a year-on-year increase of 55.2%. By value, they surged 87.2% year-on-year to CNY630.1 billion. In the near term, the central government’s 20% tax on profits from property sales, aimed to deter speculation, could lead to rising prices for new homes as buyers shift from the existing home market to avoid the tax that owners would add on, Zhang said. Qi Ji, Vice Minister of Housing and Urban-rural Development, suggested that local governments will stipulate much more specified property curbs guided by central policy by the end of March, the Shanghai Daily reports.

- China Overseas Land & Investment’s 2012 profit rose 21% to HKD18.7 billion on gains from property revaluations and the sales of stakes in some projects. Sales rose 26% to HKD64.6 billion. The state-owned developer benefited from focusing on first-tier cities as home prices rebounded in the second half after interest rates eased. China Overseas, which builds homes and offices in 34 cities, said operating profit from its property development business in the country rose 17% to HKD21.6 billion, accounting for 80% of the group’s total profit. Profit excluding revaluations, or core profit, rose 21% to HKD15.8 billion from 2011.
- New housing loans in Shanghai continued to rise on an annual basis last month. New lending to homebuyers totaled CNY3.58 billion in February, CNY5.56 billion more compared with the same period a year ago. In February 2012 net new mortgages were negative as repayments had outpaced new loans during that month. However, on a monthly basis, new mortgages slid CNY2.09 billion last month from January’s CNY5.67 billion, which was the highest in nearly two years.
- Shanghai Greenland Group is planning to list a unit in Hong Kong this year as it seeks to enter the U.S. property market. Shanghai Greenland, which announced a AUD480 million redevelopment in Sydney, plans to invest in hotel and residential projects on the west coast of the U.S. and expects to complete the deals by the end of the year. Shanghai Greenland expects overseas revenue to reach as much as CNY3 billion. The developer targets property sales of CNY150 billion this year, a jump of 39% from last year.
- Country Garden is aiming for growth of 30% in contract sales this year, banking on increasing urbanization and demand from end-users to achieve that goal. The Guangdong-based developer's contract sales by value rose 10% to CNY47.6 billion last year. Contract sales by gross floor area grew 11% to 7.64 million square meters. The average selling price was CNY6,231 per sq m, about the same as the previous year. The company plans to launch 11 new projects this year, including three in Malaysia. Country Garden's net profit increased 17.9%, from CNY5.81 billion in 2011 to CNY6.85 billion last year. Revenue jumped 20.6% to CNY41.89 billion last year.
- China Merchants Property Development Co, one of the country’s four major property developers, posted a 28.03% increase in its 2012 net profit to CNY3.318 billion. The company’s annual turnover reached CNY25.3 billion, up 67.4% year-on-year. The developer almost doubled its sales target for 2013 to CNY40 billion, up from last year’s CNY21 billion, showing the developer’s confidence in the market.
- Nine measures were introduced after a TV exposé sparked widespread concern on building safety. The Shenzhen government has warned it will blacklist companies that use untreated sea sand in construction projects. The Shenzhen Housing and Construction Bureau released nine measures to tighten control on construction material and property development. The city revoked the license of one major building material producer and suspended a dozen more, and put on hold the construction of at least three major projects – including the 660-meter-high Ping An Financial Center, slated to become the highest building in China.
- Two days after a Chinese real estate agency advertised an investors' tour in Detroit, thousands of people had expressed interest. The same agency is advertising a tour to the U.S. east coast in April, which costs CNY25,000 and will take investors to Washington DC, Boston and New York City. Apparently Detroit's plummeting home prices have become attractive to Chinese investors who have seen a hike in housing

prices at home, according to a CCTV report.

- Shanghai began selling the rights to use the first batch of six pieces of land at the former World Expo 2010 site. The land, covering 47,000 square meters, which housed Asian Pavilions, can be auctioned to individuals, corporations or organization from home and abroad, the Shanghai Bureau of Planning and Land Resources said. Buildings will not be higher than 60 meters along the Huangpu river.
- Property prices in Beijing's secondary market have come under scrutiny once again after a tiny 37-square-meter apartment in Beijing's university district recently listed a sales price of CNY3.5 million, or about CNY100,000 per sq m. The average price per sq m in the district is now 20 times higher than 10 years ago and three times higher than the municipality's average income per capita.
- China State Construction International (CSCI) is banking on the boom in Macao's casino construction, as well as affordable housing in Hong Kong and on the mainland, to drive its revenue and profits. CSCI aims to win at least HKD40 billion in new contracts this year, more than its HKD36.8 billion of new contracts in 2012. It hopes to raise its net profit by at least 20%. The construction company hopes to win at least HKD15 billion of affordable housing contracts this year, up from HKD12.3 billion in 2012. This year, CSCI would allot HKD6 billion for capital expenditure, slightly more than the HKD5.9 billion spent in 2012, said Vice Chairman and Chief Executive Sammy Zhou.

RETAIL

China Resources to continue opening stores

Food and beverage retailer China Resources Enterprise (CRE) said it would continue its robust expansion, even after being hit by expenses incurred in opening new stores and ballooning advertising costs last year. The retailer, which runs 4,400 supermarkets and breweries in China, said net profit jumped 31% last year from the year before. But underlying net profit, earnings excluding re-evaluation of the group's properties, fell 19% to HKD1.53 billion due to slowing consumption and escalating advertising costs. Chief Financial Officer (CFO) Frank Lai said CRE would continue opening 300 to 400 new stores every year and that the firm was looking for new acquisition targets following the purchase of Kingsway Beer. That deal is set to be completed in July. “This year, our focus will be meat and fresh fruits,” Lai said. Ng Fung Hong, a company under the group that has a monopoly in fresh beef and pork supplies in Hong Kong, sparked public concern last year when it raised beef prices six times. Lai said local prices could rise further in light of price increases by the firm's mainland suppliers, but stressed CRE only made a “reasonable” gross profit margin of 15% from the business. The pace of its same-store growth slowed to 2.6% in the first quarter from 4.1% last year, but Lai said the company was optimistic about the Chinese market this year.

Starbucks reports “stunning success” in China

Starbucks Chief Executive Howard Schultz said the company has achieved “stunning success” in China. “It's no doubt that one day China will become our second-largest market after the U.S. and it's possible that, over many years, potentially the largest one,” he said at the company's annual meeting of shareholders. Starbucks now has more than 800 stores in 58 cities on the Chinese mainland, and it aims to have more than 1,500 stores in 70 cities by 2015. The number of cafes in China doubled from 15,898 in 2007 to 31,783 in 2012, according to a report from UK-based research company Mintel Group. Apart from Starbucks, more players are trying to get a slice of this big market. British company Costa Coffee aims to have 500 cafes in the country by 2016, while Hong Kong-based chain Pacific Coffee said that it aims to expand and overtake Starbucks on the Chinese mainland. Local names, such as Sculpting in Time, are also on track for rapid growth. For now, Starbucks holds about 61% of market share in China's coffee house sector. Starbucks, based in Seattle, opened its first mainland Chinese store in Beijing in 1999, becoming the first Western cafe chain to enter the country. The Chinese mainland now ranks as the fourth-largest market in Starbucks' global network of more than 18,000 stores in 62 countries and regions. Schultz concluded: “I'm very optimistic about the Chinese economy and the future of China,” the China Daily reports.

Decathlon and Vanke in strategic alliance

The French sports goods chain Decathlon signed a strategic alliance with real estate developer China Vanke in a bid to further penetrate the country's lower-tier markets. Under the contract, Decathlon will rent or buy properties in Vanke's commercial projects in second- and third-tier Chinese cities such as Foshan and Dongguan to open its new stores. Decathlon said that it plans to triple the number of its Chinese stores and make the country its third-largest global market. Bertrand Tison, Vice President of Decathlon China, said the firm is targeting 150 stores in around 100 Chinese cities by 2015. Decathlon opened its first store on the Chinese mainland in 2003 and now has 57 outlets. Tison said China is now Decathlon's fourth-largest market after France, Spain and Italy, but it plans to move to third place in the next five years. Guo Hongchi, Chief Executive of xijie.com, a leading e-commerce portal for sports goods, said: "Many Decathlon items are between a third and a quarter the price of international counterparts, but with almost the same quality. That makes it very competitive in smaller cities." Decathlon stores generally cover large areas of around 4,000 square meters. Its two largest Chinese stores are in Beijing and Wuhan. Guo Zengli, President of the China Shopping Center Development Association, said the company has a good future in China because of its careful market research. "There's still a lot of room in lower-tier Chinese cities, which international sports brands still have to penetrate," Guo said, as reported by the China Daily.

- Chinese instant noodle and beverage maker Tingyi Holding Corp posted a 75% plunge in fourth quarter profit to USD14.92 million. The Hong Kong-listed company blamed the later-than-usual Chinese New Year holiday for the profit tumble in the fourth quarter, as well as a consumer boycott of the Japanese-style packaging of some of its drinks and products. In the fourth quarter, Tingyi's revenue increased 13.8% year-on-year to USD1.73 billion.
- The world's biggest duty-free shopping complex will open for trial operation in Sanya, a resort city in Hainan, this December. The 70,000 square meter shopping center, which is operated by the state-owned duty-free group China Duty Free Group Co, is located in Haitang Bay, about 30 kilometers east of Sanya, where more more than 30 luxury hotels are located. The International Travel Service Corp, parent company of China Duty Free, is spending CNY5 billion on the project. Individual Chinese tourists aged 16 or over can currently spend up to CNY8,000 per visit in two visits a year.
- Beijing's crackdown on gift giving is making Emperor Watch & Jewelry more cautious about opening more shops. The high-end watch and jewelry retailer reported a 37% slump in net profit to HKD404 million last year as total revenue grew 11% to HKD6.5 billion. The gross profit margin declined by 2.8 percentage points to 26%, dragging down net profit. Cindy Yeung, Empire Watch's Chairman, said the company closed around 12 to 14 shops last year but had no plans to close shops in 2013. As of last December, the company had 21 shops in Hong Kong, 54 on the mainland and five in Macao.

SCIENCE & TECHNOLOGY

Massive online open courses gaining popularity

More and more Chinese students are embracing the idea of online learning through access to massive online open courses (MOOC), or "Mooc platforms", such as edX, Udacity and Coursera. Normally, they do not offer academic credits or charge tuition fees. Founded by Harvard University and the Massachusetts Institute of Technology (MIT), edX has already attracted some 6,000 Chinese students to its free open courses. EdX Press Officer Dan O'Connell admitted the number was still small because the videos are available on YouTube, which is blocked in China. O'Connell said edX was also talking to Chinese universities about joining the platform as it was planning to incorporate language translations. Rival Coursera has signed up 29 universities from around the world, including the Chinese University of Hong Kong (CUHK) and National Taiwan University to provide free open courses. Coursera, which has partnerships with 62 universities worldwide, said its expansion would allow it to broaden course offerings with new subjects in multiple languages including Chinese, Spanish, French and Italian. The company has more than 2.7 million registered students, but could not tell how many came from China, because many students access the site via virtual private networks (VPNs). The Chinese portal Guolairen.com unveiled its own Mooc platform in October, the first in China, and has recorded 35,000 enrollments for 200 courses. It plans to invest USD30 million in its Mooc platform over the next three years, in cooperation with leading international universities such as Harvard, Columbia University and MIT, to provide a specialized platform for career-minded Chinese youth. The company would also begin to introduce Chinese language courses for international students including Tibetan language and cultural subjects from Tibet University. Other elite Chinese universities are expected to join the Mooc movement, the South China Morning Post reports.

- International biopharmaceutical company Bristol-Myers Squibb (BMS) is to launch at least four new medicines for diabetes treatment in China by 2015. “Diabetes is one of BMS China’s most significant businesses. We will launch four or more new drugs in China in the next two to three years,” said Jean-Christophe Pointeau, President of BMS China. China has the world’s largest population of diabetes patients – 92.4 million and forecast to increase to 130 million by 2030.
- A research team at Fudan University recently developed a new type of battery that can power a car up to 400 kilometers after one full charge that lasts less than 20 seconds. Traditional battery cells typically last for just 150 km and take hours to charge. Lead researcher Wu Yuping said the design also offers longer endurance and a lower cost. Water inside the battery replaces the traditional electrolyte solution and it uses a compound membrane to wrap lithium.
- Three Sinologists were honored in Shanghai. Russian linguist and former diplomat Sergei Tikhvinski, 94, American historian Ezra Vogel, 82, and Chinese-born Hong Kong scholar Jao Tsung-I, 96, shared a prize for preeminent contributions to research on China at the Fifth World Forum on China Studies at the Shanghai Exhibition Center. Due to age or commitments, the trio were unable to come to accept the prize in person, but sent representatives. Tikhvinski is the last surviving foreign eyewitness to the founding ceremony of the People’s Republic of China on October 1, 1949 in Beijing.

STOCK MARKETS

Asset managers to pour more money into Hong Kong stocks

Many of the world's biggest asset managers plan to pour more money into Hong Kong's stock market in the next three months despite growing economic and policy uncertainties on the mainland, according to the first South China Morning Post Hong Kong Fund Manager Survey. Two-thirds of the fund managers surveyed said they planned to continue to increase their weightings in equities traded in Hong Kong in the next three months, in particular in banking, internet and power stocks. They are most bearish on Hong Kong-listed telecommunications and steel companies. Those who took part in the survey, conducted between February 28 and March 7, were asset managers from 10 leading international fund management companies: Allianz Global Investors, Baring Asset Management, BNP Paribas Investment Partners, Henderson Global Investors, HSBC Global Asset Management, Invesco, JPMorgan Asset Management, Manulife, PineBridge and State Street Global Advisors. Three out of four respondents believed global liquidity would continue to flow into Hong Kong's equity market in the coming months. More than seven out of 10 of the fund managers surveyed believed the Hang Seng Index would rise above its 100-day moving average by the end of the next quarter. So far this year, the Hang Seng Index has been the worst-performing index of any developed market apart from South Korea and Italy. The respondents to the survey said the biggest downside risks for the Hang Seng Index in the coming quarter were the potential for disappointing mainland economic figures, worse-than-expected corporate earnings and policy reform initiatives on the mainland that might add more economic uncertainty or disappoint investors in the relevant sectors. Seven out of 10 fund managers surveyed said they believed economic growth on the mainland would be more than 8% in the second quarter.

TRAVEL

Train travel could become more expensive than flying

Traveling by train could become more expensive than flying after the reform of China’s railway administration, according to Wang Mengshu, Deputy Chief Engineer of the China Railway Tunnel Group and a Member of the Chinese Academy of Engineering (CAE). He predicted the debts built up by the now-defunct Railways Ministry (MOR) will lead to a rise in prices. He also expressed concern the corporation is likely to construct the most profitable railways rather than the most needed. Earlier this months the Ministry of Railways (MOR) was dismantled. China Railway Corp has taken over its commercial functions, while the administrative functions were absorbed by the Ministry of Transport. Previously, the Railways Ministry was both a policymaker and service provider. Wang said that steady railway prices have contributed to the country's economic growth. However, China Railway Corp will have to take high costs and its mountainous debt into consideration when setting new ticket prices. By the end of September, the MOR had amassed a debt of CNY2.66 trillion. According to Wang, some tickets for high-speed rail travel will probably cost more than airline flights.

Xian's ancient city center to be restored

A massive preservation project aiming to restore the ancient layout of Xian will be completed by 2020. At the center of the project is the construction of a special relics park at the site of the ancient city of Chang'an. Work started last year and is progressing well, said Xian Mayor Dong Jun. "With this project, we want to restore the urban layout of Xian back to what it was 2,000 years ago," he said. Chang'an was an ancient capital for more than ten dynasties, and today is known as Xian. Han Dynasty Chang'an is regarded as China's earliest international metropolis. Last year, Xian attracted 78.64 million domestic tourists and 1.15 million overseas tourists, 20% and 15% more respectively on 2012. "This year, we expect to see 1.3 million overseas travelers," Dong said.

- Beijing's historical landmark, the Palace Museum also known as the Forbidden City, will be shut for tourists on Monday afternoons, starting from April 1. The museum's operator said the curbs are necessary to protect the cultural relics and historical buildings after a jump in visitors. During the closure every week, the building and the relics will be inspected. It will stay open during holidays and summer vacations in July and August. The museum receives over 15 million visitors every year. It attracted a record 182,000 visitors on October 2, 2012.
- Peach Aviation, a low-cost carrier based in Osaka, has suspended its expansion of flights to China as demand between Japan and China has yet to recover from a downturn stemming from the conflict between the two countries over the disputed Diaoyu islands. "We plan to fly to Shanghai and Beijing this year and landing slots are ready," said Victor Chu, Chairman of First Eastern Investment, which owns a third of Peach. Since demand has yet to return, Chu said he would postpone the plan until there were signs of reconciliation between the two nations. Peach Aviation is a joint venture between All Nippon Airways and First Eastern.
- A speed increase from 200 km/h to 300 km/h on the 900 km Dalian to Harbin high-speed railway has been delayed due to "safety concerns as the poor-quality construction has not been corrected." Repair work was carried out after top officials from the former Ministry of Railways (MOR) pointed out questionable construction work in August.
- Luxury hotelier Shangri-La Asia plans to add nine new hotels, including one in Hong Kong and six on the mainland, it said after posting a 42% year-on-year increase in net profit to USD358.9 million. Total sales revenues were up 8% to USD2.05 billion. Currently, Shangri-La Asia has 17 hotels under development on the mainland.

VIP VISITS

President Xi Jinping visits Russia

On his first trip abroad as China's President, Xi Jinping paid a two-day visit to Russia, accompanied by his wife Peng Liyuan, a famous soprano who holds the rank of Major General in the PLA. Russian President Vladimir Putin said he was grateful Xi had made his first foreign trip to Russia, and that Sino-Russian relations were a "very important factor" in world politics. Russia's oil producer Rosneft; En+ Group, parent of the world's top aluminum producer Rusal; and Gazprom signed agreements during the visit. Altogether, more than 30 agreements were signed. Both countries vowed to boost bilateral trade, which rose 11.2% to a high of USD88.2 billion last year, with a target of USD100 billion by 2015. Xi and Putin attended the opening ceremony of the "Tourism Year of China" in Russia. In 2012, China's investment in Russia soared 116.2% to USD656 million. Among the planned investments, Chinese state-owned company Chang'an Automobile Co said it will set up an automotive components plant jointly with Russian automakers at the end of the year. Both sides failed however to finalize a deal in which Russia would supply up to 68 billion cubic meters of natural gas annually to China for 30 years, due to pricing disagreements. Xi Jinping said his first foreign trip as President to Russia had exceeded his expectations. President Xi meanwhile arrived in Tanzania, where several agreements were signed, and he will attend the fifth leaders' summit of BRICS countries in Durban, South Africa, on March 26 and 27 and also visit the Republic of the Congo (Brazzaville).

President Xi meets U.S. Treasury Secretary

President Xi Jinping said China was ready to work with the U.S. to advance cooperation between the two countries. He met last week with U.S. Treasury Secretary Jacob Lew. China and the U.S. share common interests but there are also differences, Xi said. As the world's two biggest economies, the U.S. and China had responsibilities of vital importance in promoting economic growth in the two nations and the world at large, Lew said. The U.S. side was paying much attention to China's concerns on issues such as investment in the U.S. by Chinese companies, U.S. exports of high-tech products to China and the recognition of China's market economy status, Lew added. Lew is the first major foreign visitor received by Xi since China completed a once-in-a-decade leadership transition.

- Vice President Li Yuanchao made his diplomatic debut in his new role at the three-day meeting of the Japan-China Economic Association in Beijing. Li said he believed China and Japan could solve their problems peacefully, according to Hiromasa Yonekura, Senior Councillor of Japan's delegation. Li said the territorial dispute over the Diaoyu islands had always been a tough problem, but there would surely be a way to solve it, adding there were many examples in Europe where such disputes had been solved through dialogue rather than war, Yonekura said.

ONE-LINE NEWS

- Wu Renbao, ex-Party Secretary of Huaxi, China's richest village, has died of lung cancer. He was 85. Huaxi is under the jurisdiction of Jiangyin city in Jiangsu province. The average annual income of villagers was about CNY85,000 in 2010, compared to CNY32,000 for Shanghai citizens.
- Liang Daoxing, 64, former Vice Mayor of Shenzhen, has been expelled from the Communist Party for abusing his power for bribes and profits and his case has been transferred to the judicial departments for criminal investigation. Hong Kong media reported he had accepted bribes of CNY680 million and owned 49 properties and six factories in Dongguan. Liang was appointed Vice Mayor in 2002 and resigned in 2009.
- Zhou Benshun has been appointed Party Secretary of Hebei province. Lu Hao, former First Secretary of the Communist Youth League (CYL), and Xie Fuzhan are expected to be appointed Governor of Heilongjiang and Henan province respectively. Zhang Mao has been appointed Director of the State Administration for Industry and Commerce (SAIC).
- Liu Han, Chairman of Sichuan Hanlong Group, was detained in mid-March by police in Beijing and is under investigation on charges of harboring a fugitive and other unspecified "serious offenses". The fugitive is his brother, who is suspected of murder. Hanlong owns a 13% stake in General Moly, a miner of molybdenum which is arranging financing to invest in a mine in Nevada. Hanlong also owns 14% of Australia's Sundance Resources, which is developing iron mines in Africa.

QUOTES OF THE WEEK

"Just as a person won't find two identical leaves on one tree, we do not think there is one-size-fits-all model. Nor do we believe that a development model will stay the same forever. We will draw on the fine achievements of all civilizations, but we will not copy the development model of any other country."

Chinese President Xi Jinping, quoted in the South China Morning Post, March 23, 2013.

"Some of our friends from abroad are very concerned about China's investment environment. I can tell you that fair competition is our common goal."

Executive Vice Premier Zhang Gaoli, quoted in the South China Morning Post, March 25, 2013.

ANNOUNCEMENTS

Clean Energy Expo China 2013 – 3-5 July 2013 – Beijing

The Clean Energy Expo China and the EU SME Center are presenting the European Pavilion at the Clean Energy Expo 2013, which will be held from 3 to 5 July 2013 at the China National Convention Center in Beijing. Services include:

- Market entry workshops with EU SME Center*
- 1-to-1 consultation with EU SME Center*
- Pavilion marketing
- On-site management services
- On-site translator

* only available to EU SMEs

To sign up, contact Ryan Lam at r.lam@koelnmesse.cn

Trade fairs in China

Several trade fairs will be held in China in the coming months:

- 2013 China International Green Innovative Products & Technologies Show (November 9 to 12, 2013 in Guangzhou)
- The 2nd China International Import Expo (May 2013 in Jiangsu)
- The 7th China International Auto Parts Expo (September 13 to 15, 2013 in Beijing)
- The 8th Central China Expo (May 18 to 20, 2103 in Henan)
- The 12th China International Consumer Goods Fair (June 8 to 11, 2013 in Ningbo)
- The 17th China International Fair for Investment and Trade (September 8 to 11, 2013 in Xiamen)

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- SMEs: €385

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