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

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ACTIVITIES 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

Festive departure of the Flax Road – Flanders-China Overland 2013 – Saturday 11 May 2013, 15 h. – Mechelen

The festive departure of the Flax Road will be held on Saturday, 11 May 2013 at 15 h. at Viavia Reiscafé Mechelen, Zandpoortvest 50, 2800 Mechelen.

The Flax Road is an initiative of 18 Flemish pioneers who travel the 15,000 kilometer from Flanders to China in two expeditions: from May 11 to June 22, they explore Transcaucasia and Central Asia, where the energy map of the world is being drawn; and after the summer break, from September 8 till October 18, the focus is on western China, motor of the new Silk Road, a land corridor from China's East Coast to the terminus Antwerp. The Flax Road relates to the Silk Road, along which not only goods were transported, but also ideas and convictions were exchanged between East and West.

Programme from 15 h. till 16.30 h.:

- From Viavia Mechelen to Viavia Chengdu, by Bob Elsen, CEO Joker and co-founder of vlasroute.be
- Cosmopolitan Mechelen by Mayor Bart Somers
- Flemish in action by Minister President Kris Peeters
- Snacks and drinks followed by the departure of the Flax Road convoy

Registration: Dries Caems dries.caems@viaviacafe.com.
Map: http://www.viaviacafe.com/nl/content/wiewaar-1

The Vlasroute.be is the initiative of a cohort of spirited and experienced entrepreneurs who will travel overland from Belgium to China by jeep, 15,000 km from (Vyncke) Harelbeke over the Trans-Caucasus lands and through Central Asia to (Vyncke) Suzhou. The Flax Road from Flanders to China symbolically intertwines with the Silk Road. Much more than durable goods travel along these paths: ideas, technology and convictions are exchanged between East and West. The ‘Vlasroute’ is not a trade mission or rally. The purpose is to engage in a convivial dialogue with pacesetters on the spot; and to put the Trans-Caucasus, Central Asia and West China on the knowledge map of enterprising Flanders.

The Flax Road to Silk Road Overland will be travelled in two expeditions of each 5-6 weeks and about 7500 km.
- A first expedition tours from Harelbeke to the Caucasus and Central Asia, from the 11th of May until the 22nd of June. The Flax Road crosses Turkey, Georgia, Azerbaijan, over the Caspian Sea to Stan-lands with iconic Silk Road cities: Turkmenistan (Merv), Uzbekistan (Samarkand, Bukhara) and Kyrgyzstan (Fergana Valley). We cross the border to Almaty (Kazakhstan) where the vehicles will be checked during the summer leave.
- The second expedition resumes on the 8th of September in Almaty (Kazakhstan) and lasts until the 17th of October (Suzhou, China east coast). We travel through Kyrgyzstan onto Kashgar (Xinjiang Autonomic Region) and cross China’s West: the provinces of Gansu, Qinghai, Shaanxi and Sichuan. Xian in Shaanxi, famous for its terracotta army, was the capital of the empire during the prime days of the Silk Road. The western Chengdu-Chongqing Economical Zone is part of the industrial top in China.

Contact: Lutgart Dusar, lutgart.dusar@lscoop.com, tel.+32477 276977 www.vlasroute.be

Networking event high schools West Flanders and KULAK – 14 May 2013 – Brugge

The province of West Flanders is promoting international internships of students at high schools in West Flanders and at KULAK, including in China. To strengthen the network of internships in China, the province, POM West Flanders and the Flanders-China Chamber of Commerce (FCCC), are organizing a networking event on 14 May 2013 at the residence of the Governor, Burg 3 in Brugge. During the networking event companies and educational institutions can discuss internships in China in the academic year 2013-2014, mainly in “IWT” (Master-Bachelor) and “Business administration and trade” (Bachelor).

Programme:

19:30 h.	Welcome by Mr Carl Decaluwé, Governor
19:40 h.	Introduction of the China strategy of the province of West Flanders by Mr Jean de Bethune, Vice Governor
19:50 h.	Introduction of the opportunities China offers in the economic and academic fields in (West) Flanders by H.E. Liao Liqiang, Ambassador of the People's Republic of China in Belgium (t.b.c.)
20:00 h.	Networking dinner offered by the province of West Flanders

Registration and info: Charlotte Deduytsche, Provinciebestuur West-Vlaanderen T: 050403482 E: charlotte.deduytsche@west-vlaanderen.be

PAST EVENTS

Networking Evening with Chinese Talent at Ghent University – 25 April 2013 – Gent

The Flanders-China Chamber of Commerce, Ghent University and the Province of East Flanders organized a networking evening with Chinese talent studying at Ghent University at the Provinciaal Administratief Centrum (PAC) in Ghent. The networking event presented the opportunity to introduce companies to Chinese students. Mr Patrick Meirlaen, Managing

Partner at The Future Alliance and Partner at the International Executive Search Federation (IESF) talked about "Strategies for finding an employer in Europe". Participating companies were presented, followed by networking between students and business leaders. The event was concluded by a networking reception hosted by the Province of East Flanders. The evening was organized with the support of Flanders Investment & Trade.

Sino-Belgium Business Survey: Are Belgian companies suffering in China or enjoying an excellent year? – 24 April 2013 – Brussels

Last year the Chinese economy expanded by 7.7%, a rate of growth largely seen as a continued 'slowdown'. How did your company perform by comparison? The results of the 2013 Sino-Belgian Business Survey set the performance of Belgian companies in the right context. When we talk about the growth of Belgian businesses in China are we comparing apples and pears? Equally importantly, how do Belgian businesses feel about the future of their business in China? Moore Stephens Verschelden, together with the Flanders-China Chamber of Commerce, Flanders Investment & Trade (FIT) and the Benelux Chamber of Commerce organized a discussion on the results of this year's survey with a panel of leading business figures and independent experts on 24 April 2013, 17h at KBC Bank in Brussels.

Following an introduction by Mr Philippe Snel, Chairman Bencham Shanghai, a panel discussion was held, moderated by Mr Andries Verschelden, Partner Moore Stephens Verschelden. The panelists included Mr Tim Van den Bossche, Vice President Global Marketing & Strategy, Agfa Graphics; Mr Filip Goris, Regional Manager China & India, Recticel; Mr Wim Buyens, Senior Vice President Projection Division, Barco; and Mr Thomas Baert, Owner & CEO, Chinafloors. A Q&A session and networking reception concluded the event.

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 organized an afternoon seminar on how to mitigate risks in China. At the event, practical advice was offered by the EU SME Center expert and the panelists, and there were opportunities to attend one-on-one consultation sessions to discuss individual questions with the EU SME Center expert following the seminar. The EU SME Center expert gave a presentation on how to find a suitable business partner and how to manage contract terms and reduce risk. Jan Kriekels, CEO, Jaga NV, Ghislain Gilliot, CEO, Simonis Plastic SA, and Olivier du Roy, ex Country Manager China, Solvay, joined the panel discussion, which was moderated by Professor Johan Erauw of Ugent University. The panel discussion was followed by a networking cocktail and one-on-one consultation sessions.

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 organized a conference: "Opportunities for Flemish SME in China" on 27 March 2013 in Brugge.

Following a word of welcome by Jean de Bethune, Vice Governor Economy, Province of West-Flanders and an introduction by Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce, Mrs Yin Linggu, Senior Advisor, Province of West-Flanders in China, presented an interesting overview of opportunities for Flemish companies in the province of Zhejiang. Her speech was followed by testimonials on doing business with China presented by Yves Struyve, CEO, Trislot; Eddy Coppieters, CEO, Primus Group; and Didier Leclercq, Chief Operations Officer, Vitalo Industries.

FINANCE

China strengthens oversight of wealth management products

China will strengthen regulations on wealth management products to reduce financial risks, the China Banking Regulatory Commission (CBRC) said in report. Wealth management products carry higher interest returns than traditional deposits and are widely used by banks to finance projects such as real estate and infrastructure construction – projects for which normal bank loans are difficult to obtain. There were CNY7.1 trillion worth of outstanding wealth management products by the end of last year, the CBRC said. That marks a 13-time increase from the CNY500 billion in 2007. “Generally the individual investments in the instruments account for 62% of that total, while institutional investors and private banking customers account for 32% and 6% respectively,” the CBRC said. The defaults of such instruments last year have alerted the CBRC to risks not only to the depositors who are major investors but also to the nation’s financial system as a whole. The CBRC has unveiled new measures to rein in the rapidly-growing business by ordering lenders to keep separate accounts for each product and set aside capital as a buffer for potential losses. Banks are also ordered to check the underlying assets of the wealth management products, and to keep such assets to 35% of the banks’ total outstanding products, or 4% of their total assets, whichever is lower.

China to crack down on illegal bond trading

Illegal trading of bonds on the interbank market is being targeted by law enforcement authorities and financial regulators. The People’s Bank of China (PBOC) held a meeting with the heads of commercial banks to discuss the control of illegal bond transactions. Details of the meeting were not known, but it is believed that commercial banks were told to step up policing of trading activities and examine trading histories. According to bond traders, illegal transactions involving government and corporate debt at the Shanghai-based China Foreign Exchange Trade System, known as the interbank market, were rampant as unethical fund managers took advantage of regulatory loopholes to make money. In a typical case, a member of the interbank market would sell bonds to an affiliated institution at an artificially low price before the affiliate resells the bonds to another at a premium based on a fair market price. The affiliated institutions are normally run by the fund managers' relatives or friends to help pocket illicit gains. Analysts liken the institutions to “rat-trade” accounts on the stock market, a term given to brokerage accounts opened by fund managers' relatives which are used by the fund managers themselves to trade shares. Gong Zhenhua, Partner with the Shanghai law firm Ronghe, said that the Supreme Court might need to clarify what crimes these rogue traders have committed before the prosecutors bring lawsuits against them.

Chinese banks release first-quarter results

The Bank of China (BOC) and the Bank of Communications (BoCom) reported slower growth in net profit in the first quarter of this year as the Chinese economic expansion slowed. BOC reported a 8.2% rise in net income in the first three months to CNY39.8 billion, compared with 9.9% a year earlier. Non-performing loans (NPL) stood at CNY66.4 billion at the end of March, up from CNY65.5 billion at the end of last year. The NPL ratio dropped 0.04 percentage points to 0.91%, as local-currency loans grew 4.02% over the quarter. The net interest margin, a key measure of lending profitability, increased by 0.07 percentage point to 2.22% over the quarter, helping the bank's net interest income to grow 10.5% year-on-year to CNY66.96 billion in the first quarter. Bank of China (Hong Kong)'s first-quarter operating profit before impairment allowances grew 3.4% from a year earlier to HKD6.9 billion. Operating expenses fell 12.3% from the previous quarter, owing to lower staff costs and business related-expenses, the bank said.

Industrial and Commercial Bank of China (ICBC) said its net earnings rose 12.08% year-on-year to CNY68.74 billion on robust growth in net fee and commission income, dropping from the 14.5% rate for all of last year. ICBC's net interest income grew 8% from a year ago, and its net fee and commission income jumped 19%. Loans and advances grew 5.24%. By the end of last month, the bank's non-performing loans (NPL) increased 7.6% over the quarter to CNY80.2 billion, and the NPL ratio rose 0.02 percentage point to 0.87%. Provisions for loan impairment losses increased 4.9% over the quarter. China Construction Bank's net interest income rose 12.44%, and its net fee and commission income jumped 18.9%. Loans and advances grew 4.63%. By the end of March, its non-performing loans had increased 4.2% over the quarter to CNY77.8 billion, but its NPL ratio remained at 0.99%. CCB posted a 15.66% increase in net profit to CNY59.58 billion. Agricultural Bank of China (ABC) said its net earnings rose 8.19% to CNY47.01 billion. Profit growth at slowed significantly from 19% for the whole of last year, as net interest income grew only 4%. Impairment losses on assets increased 17% year-on-year to CNY12.44 billion.

The net profit at BoCom, China’s fifth-biggest bank, grew 11.5% to CNY17.7 billion in the first quarter, compared with 19.6% in the same period of last year. BoCom said its outstanding loans to local government financing vehicles (LGFVs) accounted for 7.97% of all lending at the end of March, 0.52 percentage point lower than the end of last year. Meanwhile, its outstanding loans to the property sector dipped 0.2 percentage point to 5.9% of the total. Minsheng Securities said in its latest outlook that BOC and BoCom will see net profit growth of 3.8% and 7.9% respectively for the whole year. The average profit growth at the 11 listed lenders in China may reach 9% in the first quarter from the same period a year earlier, the brokerage said.

China Minsheng Banking, the nation's largest privately-owned lender, said net profit surged 20% in the first quarter as strong fee and commission earnings more than offset shrunken profits from making loans. Net earnings totaled CNY11.02 billion in the January-March period, compared with CNY9.17 billion in the same period last year, the bank said in a stock exchange filing. The profit growth, generally in line with market expectations, was made as the bank stayed focused on “non-state-owned companies, small and micro-enterprises, and high-end retail customers”, it said. The first-quarter profit growth marked a significant slowdown from the 34.5% net earnings increase for the whole of last year, as profits were eroded by two interest rate cuts last year and fiercer competition caused by the moves towards interest rate deregulation. The bank’s net interest margin narrowed 0.15 percentage point over the first quarter to 2.45%, the bank said. Net non-interest income surged 44% from a year ago to CNY8.76 billion in the first three months, with its contribution to operating income rising 6.12 percentage points to 30.35%. The NPL ratio remained unchanged at 0.76%.

Industrial Bank Co earned CNY11 billion in the first quarter, a year-on-year rise of 32.4%. Net profit at China Citic Bank rose 7.65% to CNY9.21 billion in the first quarter.

Profits of foreign banks in China dropped in 2012

According to the annual report released by the China Banking Regulatory Commission (CBRC), foreign banks achieved profits after taxes of CNY16.3 billion in 2012, down from CNY16.7 billion in 2011. Their asset quality also fell as the ratio of soured loans against total loans rose to 0.52% at the end of last year, from the 0.41% one year earlier, said the report. The total assets of the banks went up 11% year-on-year to CNY2.38 trillion, but their proportion to the total banking assets in China dropped to 1.82%, from 1.93% at the end of 2011. The asset proportion of foreign banks in China has been falling since 2006, when they accounted for 2.11% of total banking assets. “Chinese banks, especially the biggest five state-owned lenders, have dominated the market, and their growth has affected foreign banks’ market shares,” said Jimmy Leung of PricewaterhouseCoopers (PwC) China. The capital adequacy ratio among foreign banks in China rose to 19.74% by the end of 2012, from 18.83% the previous year. Their core capital adequacy ratio (CAR) stood at 19.25%, in contrast with 18.38% at the end of 2011. By the end of last year, banks from 49 countries and regions had set up 42 locally incorporated banks, 95 branches, and 197 representative offices in China. Outstanding loans extended by those banks increased 6.2% to CNY1.04 trillion from one year earlier, while their deposits rose 7.7% to CNY1.43 trillion.

- E Fund Management Co, China’s second-largest mutual fund management firm, has fired Ma Xide, a fixed-income portfolio manager, for illicit bond trading. E Fund, which managed 40 mutual funds with assets under management worth nearly CNY200 billion as of December 2012, said it had no knowledge of the allegations against Ma until media reported he was put on trial in March at a court in Ningxiang county in Hunan province. Ma and his accomplices allegedly embezzled CNY3.5 billion from their companies from March to December 2008 and made an illicit profit of CNY49 million by trading bonds.
- China Development Bank (CDB), the country’s policy lender, said its bad loan rate stood at 0.31% at the end of the first quarter, the eighth straight year under 1%. Its total assets topped CNY7.55 trillion at the end of March 2013. In the first quarter, the bank said it lent CNY132.1 billion to support a series of key government-supported projects in the coal, electricity, oil, transport, agriculture, forestry, fishery, communication and infrastructure sectors. The bank granted CNY41.1 billion in loans for environmental protection, energy saving and emission reduction in the first quarter.
- The Ministry of Finance has set up 12 offices to monitor the pilot reforms of replacing business tax with a value-added tax (VAT). From early April to the end of 2013, they will monitor at least 10 enterprises in each of the pilot industries. On April 10, the Chinese government decided to expand its VAT reform nationwide from August 1. It hopes to complete the reform by the end of 2015. By February 1, the program had

saved over one million taxpayers more than CNY40 billion in taxes.

- Net purchases of foreign currency by Chinese banks in March amounted to almost CNY236.3 billion, down from CNY295.4 billion in February and a record CNY683.7 billion in January. Banks made total net purchases of less than CNY500 billion throughout 2012. Apart from international "hot money" inflows, the rising willingness of Chinese enterprises, especially property developers, to sell dollar-denominated bonds in overseas markets also contributed to increasing cross-border money inflows.
- The China Insurance Regulatory Commission (CIRC) plans to allow life insurers to pay higher returns on some policies, according to an insider. That may make the products more attractive to investors frustrated with government limits on bank deposit rates. The CIRC might scrap the 2.5% maximum rate on fixed-return policies in a trial starting as early as next month. The new rules might prompt insurers to increase their reserves for payouts by about CNY20 billion. Insurers' premium growth has slowed as savers, seeking higher returns, turn to riskier investments such as wealth management products.
- Australia's central bank plans to invest about 5% of its foreign currency assets, or AUD1.9 billion, in Chinese government bonds due to the growing economic and financial ties between both nations. The People's Bank of China (PBOC) has approved an initial quota for the investment, the first time that the Reserve Bank of Australia (RBA) would have invested directly in the sovereign bond market of an Asian country other than Japan.
- Hong Kong Exchanges and Clearing (HKEx) is looking at a link-up with the mainland's commodities exchanges to develop commodities trading in the city, Chief Executive Charles Li said. Speaking after the annual general meeting of HKEx, Li said the bourse would explore different aspects of commodities trading this year, including studying how to establish a link with commodities exchanges on the mainland.
- China's financial and capital account surplus surged in the first quarter as looser monetary policies in developed economies and expectations of yuan gains spurred inflows of funds. The USD101.8 billion figure is the biggest since the three months through December 2010 and up from USD56.1 billion in the same period of last year. The currency climbed to a 19-year high on April 25 as the central bank set a record reference rate. The central bank "spent the first quarter fighting the inflows, accumulating USD157 billion of foreign exchange along the way," said Wang Qinwei, London-based Economist at Capital Economics.
- China and Canada will sign an agreement to share assets that Chinese fugitives illegally transfer to Canada, Canadian Ambassador Guy Saint-Jacques said in Beijing. Negotiations are in advanced stages and an agreement should be reached in the next few months. Canada is considered a paradise for Chinese fugitives, including many corrupt officials, who flee to the country because it has no extradition treaty with China. According to the Ministry of Public Security, thousands of Chinese economic fugitives have transferred "billions of yuan" overseas. Canadian judicial departments have sent 590 Chinese nationals back to China since July 2011.
- China Life said net profit grew nearly 80% to CNY10 billion in the first quarter compared with the same period last year, thanks to an increase in investment yield and improvement on impairment losses. Net profit for the period nearly tripled when compared with the fourth quarter of last year. Premiums earned in the first quarter totaled CNY110 billion. Gross investment yield more than doubled to 5.82% in the first quarter.
- France now holds the leading position in euro countries for exchanging RMB yuan payments, after recording a 249% growth in the value of payments since March 2012, according to SWIFT. Last month 21.4% of the payments made between China and France were denominated in yuan, against only 6.5% a year ago. SWIFT said 95% of RMB payments made were institutional transfers, with 5% being customer payments. France is ranked fourth in the world in terms of the value of off-shore RMB payments, excluding Hong Kong and the Chinese mainland, trailing behind the United Kingdom, Singapore and Taiwan.

FOREIGN INVESTMENT

Jilin province courting Hong Kong investors

Jilin province is looking to Hong Kong businesspeople to invest in 300 projects, ranging from technology and resources to tourism. In all, CNY235.3 billion is needed, with individual projects ranging in investment scale from CNY30 million to CNY20 billion. Among the 300 projects, 10 require more than CNY5 billion each. A methanol industrial chain project in Jilin city is looking for CNY18 billion, while a polyurethane project in the city needs CNY5.8 billion in investment. “Jilin is accelerating the transformation of its production model and upgrading its industrial structure,” Governor Bayin Chaolu said, adding that a “world-class vehicle production base” is being set up. The province was also promoting the use of new energy, development of modern mechanized agriculture and large-scale water conservation projects. Jilin is also working on the Hunchun International Cooperation Demonstration Area to boost exchanges and cooperation with Russia and North Korea. The demonstration area covers over 90 square kilometers and enjoys preferential policies, ranging from taxes and land-use to financial support and talent pooling.

China remains attractive to Japanese investors

China will remain the top destination for Japanese investment over the next five years, although Japan’s capital inflow to the country may slow down, according to a survey by the Japan External Trade Organization (JETRO). Of more than 1,000 Japanese companies surveyed, 62.1% chose China as the first place they would invest within the next five years, 10.7 percentage points lower than in 2011. India has been developing into an alternative and is the second most attractive overseas investment destination for Japanese companies, but it is still difficult to estimate whether India will overtake China as the biggest overseas investment destination for Japanese investors, JETRO said. Some large-scale investment projects have been launched by Japanese companies in several Chinese cities in the first three months of the year. Sumitomo Group invested CNY3 billion to jointly expand its real estate business with the Hong Kong Yida Group in Dalian, Liaoning province. Japanese food manufacturer Ajinomoto Group Corp is planning to spend USD13.6 million to expand its production line in Shanghai, while Meiko Trading Co invested USD6 million to establish electronic equipment leasing shops in China. Japanese casual wear designer, manufacturer and retailer Uniqlo is also planning to open more stores in China. Japanese investment in China declined 6.7% year-on-year to USD1.27 billion in the first two months, but its investment in China in March surged 43.2% to USD1.02 billion, according to the Ministry of Commerce (MOFCOM), as reported in the China Daily.

ODI to exceed FDI by 2017, EUI says

China's outbound direct investment (ODI) is expected to exceed foreign direct investment (FDI) in the country by 2017, a study by the Economist Intelligence Unit (EIU) says. It predicts that ODI will jump from USD115 billion last year to USD172 billion in 2017, exceeding the amount of foreign funds coming into the country. “Within five years, China's role in the global economy will completely change, which is to be out, investing overseas,” Robin Bew, Chief Economist of EIU said. Between 2005 and 2012, outbound investment by Chinese firms grew at an average pace of 35% year-on-year, with China's global investment ranking climbing from 16th place to third place, after the United States and Japan. By 2017, it would become the world's second-largest overseas direct investor, behind only the U.S., Bew said. The EIU forecasts that China’s investor focus will shift from seeking natural resources to acquiring market access, technologies and brands. Privately-owned businesses have become increasingly active in chasing overseas investment projects, with the share of state-owned companies (SOEs) falling. In 2005, Chinese ODI flows were reported in just 17 predominantly resource-rich countries, according to data from the Heritage Foundation. By last year, that number had increased to 63.

- Foreign direct investment (FDI) in Shanghai rose 10.4% from a year earlier to USD1.45 billion in March, a three-month high by value due to more investment in the city’s service sector. Last month, 343 foreign-invested projects were signed, a surge of 69% from a year earlier. The service sector garnered 322 projects, accounting for nearly 90% of the overall foreign investment in March. China’s FDI rose for the second month in March by 5.6%, due to more funds from Europe and the U.S.

- Shanghai's Pudong New Area launched several new measures to simplify customs procedures and reduce clearance costs for company headquarters. The measures include setting up a coordinated customs system for headquarters, providing 24/7 solutions for emergency clearance issues, offering statistical information and further simplifying administrative procedures related to the processing trade business. The approval process of duty exemption or reduction for headquarters importing facilities for their research and development (R&D) centers will be cut to three days. By the first quarter of this year, Pudong hosted 196 regional headquarters of multinational companies and 126 headquarters or regional headquarters of major domestic firms.
- Vice Minister of Commerce Wang Chao said at the China Investment Policy Seminar in Hong Kong that China still retained its competitive advantage for FDI. He said the investment environment is improving, and China remains a top investment destination for transnational companies. FDI in the first quarter gained 1.4% year-on-year to USD29.9 billion.
- The 17th China International Fair for Investment and Trade, to be held in Xiamen, Fujian province, from September 8 to 11, will focus more on China's outbound investments, according to Fang Wei, Deputy Director of the Department of Outward Investment and Economic Cooperation at the Ministry of Commerce (MOFCOM). Speaking during the event's Beijing promotional symposium, Fang said the fair has become a bridge for Chinese enterprises to tap global markets.

FOREIGN TRADE

Poultry and soybean demand drops

The bird flu outbreak hit China's poultry consumption and curbed soybean demand. The drop-off in Chinese demand for soybeans used to feed poultry and livestock could last for months, as consumers lose their appetite for poultry. China, which buys 60% of the world's traded soybeans, could further reduce bean imports this year – already down some 13% year-to-date on food security concerns and high stocks – which will likely curb a rally in benchmark Chicago prices. Poultry sales have dropped by 80% in eastern China and by about 30% in other parts of the country, analysts and industry officials say. Fewer birds to feed means less demand for soybeans and corn. "We don't see any signs of recovery" for poultry consumption, said Wang Xiaoyue, Analyst at Beijing Orient Agri-business Consultant Co. "There is a possibility of a 20% to 30% decline in consumption this year if the flu lasts for some time." The price of one-day-old chicks, which poultry farmers buy from breeders to restock, have plunged more than 85%, according to the National Poultry Industry Association. China's soybean imports had risen for eight consecutive years, rising almost five-fold to 58.39 million tons last year from 10.43 million tons in 2000, driven by rising wealth and demand for high-protein food such as pork, poultry and seafood. China now accounts for half of the world pork consumption and close to 15% of the global poultry production. This year, soybean imports have already dropped more than 13% to 11.49 million tons in the first quarter from a year ago.

China imports grain to replenish state reserves

China was forced to import wheat to boost state reserves as a result of a deterioration in its massive but ageing state stockpiles. China's stocks were estimated to be enough to meet demand for six months, but substandard storage facilities have damaged part of the crop, some of which dates back to 2010. Sinograin, the state stockpiler, bought 1 million tons of U.S. soft red winter (SRW) wheat for the next marketing year, traders said. "We expect another 2 million to 3 million tons of imports because authorities are very worried about the volume of deteriorating wheat among state stocks," said Ma Wenfeng, Analyst with Beijing Orient Agri-business Consultant Co. The government last year removed more than 900 private firms from the list of enterprises allowed to store wheat on behalf of the state. Tight supplies of good-quality wheat have helped drive up domestic prices to a record high, but the increase eased off recently when Beijing began to offer stocks from last year's harvest at its weekly auctions. China's wheat imports last year surged to an eight-year high of 3.69 million tons, consisting largely of feed-grade wheat bought to offset corn shortages. Most analysts estimate that the government still holds nearly 20 million tons of wheat from previous stockpiling, a comfortable level given the country's annual consumption of 115 million tons.

- China remained the United States' third-biggest export destination, behind Canada and Mexico, in 2012, having purchased nearly USD109 billion worth of U.S. goods, according to a report by the U.S.-China Business Council. Each of 30 U.S. states exported more than USD1 billion in goods to China while 10 others shipped more than USD500 million. China's imports from the U.S. increased by 6.5% last year. The Chinese middle class accounts for nearly one quarter – USD6.2 trillion – of the USD26 trillion in additional global consumption projected for the 15 years leading up to 2025, according to consulting firm McKinsey & Co.

HEALTH

More isolated H7N9 cases detected

Isolated H7N9 cases have now also been confirmed in Shandong, Hunan and Taiwan. There is still no evidence of sustained person-to-person transmission. Experts do not see the clustered cases in which more than one member of a family became infected as instances of human-to-human transmission. But the virus is one of the most lethal flu viruses ever observed by the World Health Organization (WHO). So far, a total of 125 people have contracted the disease in China with many of those affected having worked with poultry. 24 have died, while some have fully recovered. "Investigations into the possible sources of infection and reservoirs of the virus are ongoing," the WHO said. "Until the source of infection has been identified, it is expected that there will be further cases of human infection with the virus in China." Speaking after a five-day study, a panel of WHO-experts described the strain as "one of the most lethal" of its kind and said it was more easily transmissible to humans than an earlier strain, H5N1. Keiji Fukuda, the WHO's Assistant Director General for Health Security, said: "The situation remains complex and difficult and evolving." There has been a "dramatic slowdown of cases" in Shanghai, which recorded most of the deaths, said Anne Kelso, Melbourne-based Director of the WHO Collaborating Center for Reference and Research on Influenza. "This is very encouraging at this stage of the outbreak," she said. After Shanghai closed down its live poultry markets in early April, "almost immediately there was a decline in detection of new cases," Kelso said.

Chinese researchers have confirmed poultry as a source of H7N9 flu among humans but said they have not found any evidence of person-to-person transmission. A report in The Lancet said a probe into four cases of human H7N9 influenza in Zhejiang province showed that all the patients had been exposed to poultry, either through their occupation or by visiting wet poultry markets. "Nobody else who came into contact with the H7N9-infected patients began to show any symptoms within 14 days from the beginning of surveillance, suggesting that the virus is not currently able to transmit between human beings," the researchers said in the journal. A leading researcher has called for live-bird markets in H7N9-hit areas to be closed and poultry culled to block the deadly virus' spread. Taiwan heightened surveillance of travelers from China after authorities confirmed the island's first case. A 53-year-old man became ill with fever after returning from a visit to Jiangsu province. Taiwanese airlines suspended providing chicken and ducks from China.

Premier Li Keqiang visited the Chinese Center for Disease Control and Prevention in Beijing, warning people to prepare for new developments amid fears H7N9 could mutate into a form easily transmissible between humans. "Countermeasures have been effective so far, but the situation is still developing as new cases turn up," Li said. "We cannot afford to take it easy or relax, as we are facing a new virus," he said. "We should be prepared for any possible development."

IPR PROTECTION

Number of IPR cases on the rise

Courts across China handled 83,850 civil lawsuits over intellectual property rights in 2012, up 44.1% year-on-year, according to the IPR white paper of the Supreme People's Court. In 2012, courts across the country received about 87,420 new civil lawsuits over IPR issues, a year-on-year jump of 46%. More than 60,000 suspects were detained for IPR infringement and producing and selling substandard commodities in 43,000 cases in 2012, with a total value of CNY11.3 billion. The iPad trademark dispute between Apple and Shenzhen's Proview topped a list of 10 major court cases involving IPR infringement last year. Apple eventually agreed to pay USD60 million to Proview in a court-mediated settlement in July. The court also released 50 typical IPR cases from 2012 and, for the first time, 10 "innovative cases" involving new legal fields or matters, which experts said can be used as a guide on how to handle similar lawsuits. Wang Chuang, Vice President of the Third Tribunal for civil trials said the number of IPR cases involving an overseas party is on the rise, and there is an increase in the number of cases in which transnational companies are accused of infringing the rights of Chinese firms. He also said transnational companies can have full confidence in China's judicial protection of intellectual property rights because of improvements China has made in recent years.

IP Promotion Week launched on April 26

Intellectual property is an increasingly important part of improving China's core competitiveness and restructuring its economy, Tian Lipu, Commissioner of the State Intellectual Property Office (SIPO), said in a video speech at the launch ceremony for IP Promotion Week on April 26. In 2012 alone, SIPO granted some 217,000 invention patents, raising the number of patents owned per 10,000 people in the country to 3.2. People and institutions filed 688,000 applications to have works copyrighted and registered 139,000 copyrights for computer software, both of which hit a record high for the country. By the end of last year, China's accumulative trademark inventory had expanded to 6.4 million, enabling the country to hold on to its first-place position in the world. SIPO has grown into the largest office worldwide for dealing with patents and industrial designs, and China's trade office also ranks first in the world, said World Intellectual Property Organization Director Francis Gurry. "The next generation of creation is going to belong to China," Gurry said. In some Chinese metropolises, copyright-based industries have contributed more than 10% to GDP, Gurry noted, adding that they are "truly extraordinary achievements". The week-long campaign was held under the theme of "implementing IP strategy and supporting innovation-driven development". Tian said he hopes that the events are not only a stage for IP professionals but also a platform for the public to focus on IP issues, the China Daily reports.

- The brand managers for United States lingerie maker Victoria's Secret were to be compensated CNY80,000 by a local company that claimed to be the lingerie's sole distributor in China, the Shanghai No 2 Intermediate People's Court ruled. Victoria's Secret accused Shanghai Jintian Clothing Co of trademark infringement and unfair competition and demanded CNY5 million after it discovered Jintian was selling its products in China in 2011. The U.S. firm said Victoria's Secret products are sold to Chinese customers exclusively online or via mail order. Jintian argued it didn't infringe on the trademark because all the products were genuine.
- A gang of 28 has been detained for selling counterfeit watches overseas on the internet. The gang, led by a man surnamed Shi, bought fake Rolex, Hublot, Breitling and TagHauer watches on taobao.com for prices ranging from CNY50 to CNY200 and then sold them on internet shopping platforms to the United States, United Kingdom and Brazil for USD30 to USD200. More than 3,100 counterfeit watches as well as 500 Monster headphones and 300 scarves were found at the gang's hideouts.
- Local IP authorities marked the 13th World Intellectual Property Day with the establishment of the Beijing International Copyright Trading and Financing Service Center on April 18. By building up a library of copyright information and a credit system, the center is meant to improve the copyright industry chain while helping small and medium-sized cultural companies tackle challenges in terms of financing and copyright mortgaging.
- Hong Kong's first online intellectual property trading platform, known as the HKIPEx, was launched on April 18. Built by local companies, it serves IP creators, companies, professional service providers and other IP stakeholders, providing them a secure and reliable online trading system and lower trading cost. Walter Yeung, Chairman and CEO, expects the city to become a regional IP trading hub in the near future.

MACRO-ECONOMY

China HSBC Flash PMI points to tepid Q2 recovery

Growth in China's factory sector dipped in April as new export orders shrank, suggesting the Chinese economy still faces formidable global headwinds into the second quarter. The flash HSBC Purchasing Managers' Index for April fell to 50.5 from 51.6 in March but was still stronger than February's reading of 50.4. A sub-index measuring new export orders fell to 48.6 in April from 50.5 in March, reflecting weaker global demand as the U.S. economic recovery remains fragile and the euro zone is mired in recession. The latest PMI data may overshadow

China's recovery in the second quarter after growth unexpectedly slowed to 7.7% in the first quarter from 7.9% in the previous three months. Still, the HSBC PMI has been above the 50-point level demarcating growth from contraction from the previous month since November last year, though its failure to break above 53 indicates that the economic expansion is only moderate. "New export orders contracted after a temporary rebound in March, suggesting external demand for China's exporters remains weak," said HSBC's China Chief Economist Qu Hongbin. Sub-indexes measuring both input and output prices fell in April, indicating overcapacity upstream and soft demand, according to the Flash PMI survey. An employment sub-index also dipped as factory activity cooled. The latest Reuters poll showed China's economic growth could pick up in the second quarter as the government boosts infrastructure spending. A researcher from the Ministry of Finance said that stimulus on the scale of that in 2008 was not necessary, as the economy shows an overall stable trend. China has set a 7.5% GDP growth target for this year, a level Beijing deems sufficient for job creation while providing room to deliver structural adjustment. The final HSBC manufacturing PMI is scheduled to be published on May 2, a day after the official PMI, the South China Morning Post reports.

Zhang Zhiwei, Economist at Nomura, said it is rare for China's manufacturing to weaken in April which normally sees stronger industrial activity. Over the past seven years, the PMI in April has risen five times, fallen once and was flat once. Nomura projected that China's economic growth has peaked in the first three months of this year at 7.7%, and will trend lower to 7.5%, 7.4% and 7.2% in the following three quarters. Xiao Chunquan, Spokesman for the Ministry of Industry and Information Technology (MIIT), warned of "great difficulties for the economy to maintain a stable growth". He cited "a lack of effective demand, companies' reluctance to invest, serious problems with excess capacity, and a difficult operating environment for small and micro-sized companies". Falling profitability had curbed companies' willingness to expand, Xiao said. Nearly 21% of the companies tracked by the government had suffered losses while those in profit were earning less than a few years ago, he said.

Industrial growth slows to 9.5%

China's industry is still struggling to recover, according to the Ministry of Industry and Information Technology (MIIT). In the first quarter, industry saw 9.5% value-added growth year-on-year, slower than the 10% seen in the previous quarter, and even slower than the 11.6% in the first quarter of 2012. Economists warned that the sector's slower growth may force the country to rely more on growth driven by capital investment, resulting in an even greater challenge to its plan to rely increasingly on domestic consumption. Heavy industry registered 9.8% value-added growth year-on-year, while light industry saw 8.7%, and the technology industry saw 11.9% growth. Ministry Spokesman Xiao Chunquan said that a moderate decline should be seen as a normal phenomenon after industry's rapid growth in the past two decades and will help ease the pressure on the environment and resources. "It also makes room for the structural adjustment of the economy," he added. The industrial sector faces considerable pressure from a lack of robust growth in consumption as well as in the investment in fixed assets. Domestic consumption growth fell 2.4 percentage points in the first quarter from the previous year, while investment growth was on par with that of the first quarter of last year, according to the National Bureau of Statistics (NBS). In the first two months, large industrial companies saw their combined profits rise 17.2% year-on-year, but some 20% of the companies were still running at a loss. Song Guoqing, Professor of Economics at Peking University, said that GDP growth in the second quarter might hover at around 8.1%. Xiao said consumption is playing an increasingly important role in supporting growth. He highlighted the role played by the IT sector. China's e-commerce sector grew 45% year-on-year to CNY2.4 trillion in the first quarter, the China Daily reports.

Chinese industrial firms made total profits of CNY1.17 trillion in the first three months, the National Bureau of Statistics (NBS) said. In March, profits were CNY464.9 billion, up 5.3% from the same month last year. Among 41 sectors surveyed by the NBS, 29 reported rising profits in the first three months, while nine reported shrinking profits. Two sectors reported turnarounds in profitability and one reported a shrinking loss. The ferrous metal smelting and rolling industry reported a 3.3-fold increase in profits during the period, while profits in the electricity and heat production and supply industry leapt 90.5%. Profits for manufacturers of computers, telecoms gear and electronics were up 36.8% from the same period last year, while those in auto manufacturing rose 10.6%, agriculture and food production were up 9.9%, general equipment up 8.5% and the chemical sector increased 7.2%. On the downside, profits in coal mining dropped 40.3% while those in ferrous metal mining were down 5.2% and oil and gas exploration were off 4.5% during the same period, the report said.

Western China driving economic growth

Two provinces in western China have taken a leading position in driving the country's economic growth in the first quarter. Yunnan province's GDP rose 12.6% year-on-year in the first quarter, the highest among all regions. Guizhou province enjoyed an equal growth rate during the same period. “The western regions will surely be a significant driver for the economic recovery and a magnet for investment,” said Gao Guoli, Deputy Director of the Regional Economy Research Institute under the National Development and Reform Commission (NDRC). Urban fixed-asset investment in the western regions rose 24.2% in the first quarter. As growth picks up, a challenge facing the region is to reduce its high reliance on government investment, Gao said. Relatively lower land and labor costs as well as vast natural resources are presenting an advantage, as costs in coastal areas continue to grow. Foreign direct investment (FDI) in the western regions surged by 18.29% in the first quarter, in sharp contrast to the growth rate in other regions – 0.17% in eastern regions and 0.69% in central regions, according to the Ministry of Commerce (MOFCOM). Fixed-asset investment in the western regions from the private sector rose 28.8% in the first quarter. A recent joint study by the China National Textile and Apparel Council and the Swedish Embassy in Beijing showed that textile companies were shifting their factories from eastern regions to central and western parts of China.

Guangdong warned on infrastructure investment

Guangdong's decision to invest CNY1.41 trillion to beef up its infrastructure over the next three years in 202 ongoing and 258 new transport infrastructure projects has been described as dangerous by analysts, since the province is already knee-deep in debt. “Infrastructure investment can drive economic growth, but it also creates problems. This form of economic growth is very dangerous. The Guangdong government realizes it has a debt problem, but if there is no investment, there is no growth,” said Zheng Tianxiang, Transport Professor at Sun Yat-sen University in Guangzhou. The only way to drive Guangdong's economy was through infrastructure investment since exports to the United States and Europe had weakened and domestic consumption was not growing fast enough, Zheng said. “Corruption is inevitable in infrastructure investment. Some officials will prosper,” he added. “Increasing infrastructure construction will speed up the development of northern, southern and western Guangdong and redress the regional imbalance in Guangdong's economy, while strengthening the economy of the Pearl River Delta,” said Guangdong Communist Party Secretary Hu Chunhua. The Guangdong government aims to increase the length of the province's expressways to 6,800 kilometers by the end of 2015 and 8,000 km by 2017, from 5,500 km at the end of last year. The province's rail network will reach 4,100 km in 2015 from 2,303 km in 2011. From this year to 2015, Guangdong plans to complete 17 intercity railway projects in the Pearl River Delta, with an investment of CNY111.2 billion. By the end of 2015, a 386 km rail network will cover nine Pearl River Delta cities, including Shenzhen, Guangzhou and Zhuhai. Guangdong's massive infrastructure expenditure was manageable from a fiscal perspective, said Ivan Chung, Senior Credit Officer at Moody's Investors Service. Last year, Guangdong reported a fiscal revenue of CNY1.47 trillion and gross regional product of CNY5.7 trillion, hence spending CNY1.41 trillion on infrastructure over three years was controllable, said Chung. As of the end of 2010, Guangdong's debt was 16% of its GDP, below the national average of 25.9%, according to Moody's.

- Shanghai's gross regional product grew 7.8% from a year earlier to CNY493.7 billion in the first quarter, the Shanghai Statistics Bureau said. The rate picked up from last year's 7.5% rise and was higher than the national average of 7.7%, although Shanghai was again China's slowest-growing city among the 22 provinces and municipalities which have released figures for the first three months. Foreign direct investment (FDI) in Shanghai rose 10.4% to USD1.45 billion in March, a three-month high, but exports slumped 4.6% in March while imports lost 7.6%.
- The Chinese Communist Party's Politburo Standing Committee met to discuss economic policy. It pledged to bolster domestic consumption and to make it easier for companies to gain approval for investment projects. At the same time, it vowed to standardize the financing mechanism for local governments, addressing concerns about the debts they have accumulated through backdoor channels.

MERGERS & ACQUISITIONS

China conditionally clears Marubeni/Gavilon deal

Chinese regulators have given a qualified green light to Japanese trading house Marubeni Corp's USD5.6 billion purchase of U.S. grain merchant Gavilon, imposing stiff conditions that underscore Beijing's anxiety over food security. The deal was announced almost a year ago but has been held up for months by Beijing's close scrutiny of the combined group, which would have a leading role in supplying soybeans and other grains to China. U.S. and European antitrust authorities had already cleared the transaction. The Anti-Monopoly Bureau within the Ministry of Commerce (MOFCOM) said that the merger may "eliminate or limit competition in China's soybean importing market." Gavilon and Marubeni would be required to maintain separate, independent trading units when selling soybeans to China, with strict firewalls to prevent any exchange of market information. China, the world's top soy importer, wants competition for soybean sales to ensure it is able to secure all the oilseeds it needs. The conditions imposed by China were surprising because it is unlikely that Marubeni and Gavilon would be able to control supplies or fix prices in such a large market, said Danny Murphy, President of the American Soybean Association. Marubeni's USD5.6 billion acquisition of Gavilon, an amount that includes the assumption of around USD2 billion of debt, propels Japan's fifth-largest trading house into the top ranks of global merchants. Marubeni gains access to Gavilon's vast grain storage network as well as a significant domestic fertilizer and oil trading operation. Marubeni is already the second-largest exporter of U.S. grain to China, handling about a fifth of such exports in 2010. China's soybean imports could approach 80 million tons within the next five to seven years, up from the record 61 million tons expected for the crop year that ends on August 31, Murphy said. China's expected imports this year represent nearly a quarter of global soybean production. Marubeni last year was the largest soya supplier to China, exporting 10.5 million tons of the 58.4 million tons the country bought overseas, ahead of rivals Archer Daniels Midland, Bunge, Cargill and Louis Dreyfus Commodities.

- Venture capital and private equity funds totaling CNY3 billion will be difficult to cash out, with 88 Chinese firms supported by VC and PE companies canceling their IPO applications, ChinaVenture Group said. The 88 companies, out of 166 Chinese firms that have stopped their IPO examination and approval processes, are backed by companies such as Fortune Venture Capital, CSM Group, Jiuding Capital and Shenzhen Capital Group. Another 714 companies are awaiting examination and approval by the China Securities Regulatory Commission (CSRC), with about 300 involved with VC and PE funds.
- Australia's GrainCorp and Archer Daniels Midland are hunkering down for a long wait for Chinese regulatory approval after agreeing a AUD3.0 billion takeover deal. China took several months to approve Glencore International's CAD6 billion purchase of Canadian grain handler Viterra, and last week imposed stiff conditions on Japanese trading house Marubeni's USD5.6 billion purchase of U.S. grain merchant Gavilon in a deal that was held up for months. Graincorp has an edible oils facility in China. ADM supplies 12% to 17% of China's total soybean imports and has a stake in a soybean processing business owned by Wilmar International. It also supplies corn and other food products.

PETROCHEMICALS

PetroChina's Q1 profit drops 8%, Sinopec's up 25%

PetroChina posted an 8% drop in first-quarter profit to CNY36 billion on weak demand for oil products. "Due to the macro-economic situation, there was weak demand for refined products and the chemicals market remains in a downturn," PetroChina said. Oil and gas output climbed 2.8% to 355.3 million barrels of oil equivalent (BOE) in the first three months of this year. Crude oil output hit 231 million barrels, up 1.8% from last year. The average realized crude price was USD103.08 a barrel, down 2.3%. One big weight on profit was a CNY4.25 billion rise in operating loss on its gas import business to CNY14.5 billion. Also weighing on profit was a CNY3.94 billion cut in operating profit at its fuel distribution business to CNY2.12 billion, due to weak domestic motor fuel demand, resulting in a 4.3% fall in sales volume and lower profit margin. A third factor was a rise in operating loss at its chemicals division of CNY2.77 billion to CNY3.18 billion. The oil and gas production division, which earns the bulk of profit, recorded a 5.6% drop in operating profit to CNY57 billion. A board meeting passed a resolution to promote Deputy Chairman Zhou Jiping to the Chairman position.

Sinopec Corp posted a 25% rise in first-quarter net profit to CNY16.7 billion as improved refining margins offset lower profits from exploration and production. Sinopec should benefit from China's market-oriented fuel pricing reform, analysts say. The main driver was its refining operation, which turned in an operating profit of CNY2.2 billion, an CNY11.4 billion improvement from a CNY9.2 billion loss in the year-earlier quarter. This more than offset a CNY3.3 billion decline in operating profit of oil and gas production to CNY16.23 billion, a CNY1.15 billion profit decline in chemical manufacturing to CNY164 million, and a CNY1.15 billion profit fall in fuel marketing to CNY9.13 billion.

CNOOC's output jumped 17.3% to 93.6 million barrels of oil equivalent (BOE) in the first quarter from a year earlier, which helped deliver a 13.3% rise in oil and gas sales. "I am very glad to say that the company made significant progress in exploration and production in the first quarter," said Li Fanrong, CNOOC's CEO. The Q1 figures were the first to include Nexen in its balance sheet. CNOOC announced in January that it aimed to produce 338 million to 348 million BOE this year, an increase of up to 2% from the previous year.

- The National Development and Reform Commission (NDRC) cut fuel prices in the first adjustment under new controls, after the cost of crude oil fell. Retail petrol fell by CNY395 a ton and diesel by CNY400, effective April 25. The pump price of 90-RON, China III petrol in Beijing fell 4% to CNY7.10 a liter. The government changed the pricing mechanism for oil products to better reflect movements in international crude costs and reduce speculation. Under the new rules, fuel tariffs are reviewed every 10 working days.
- Total, along with partners Tullow Oil and China National Offshore Oil Corp (CNOOC), have yet to reach an agreement with Uganda on a billion-dollar oilfield development in the Lake Albert Basin. The sticking point remains the potential size of a refinery that would be developed to process crude from Uganda.
- The Xin Hua Merchandise Exchange, which is offering fuel oil and methanol as its first batch of commodities, was launched in Daqing, Heilongjiang province, with the aim of developing into an influential spot trading platform and help China gain a bigger say in the international oil market. The exchange is controlled by Xinhua News Agency and co-sponsored by the Daqing municipal government and Guangdong Zhenrong Energy Co (GDZR). The Exchange would provide more channels for domestic refineries to purchase oil and related products. China has 300 spot trading exchanges and the annual trading volume reached more than CNY2 trillion in 2012.

REAL ESTATE

Chinese buyers eye Britain's most expensive mansion

Wealthy Hong Kong and mainland buyers are now eyeing Britain's most expensive mansion. The house on Carlton House Terrace in central London has a price tag of GBP250 million. The asking price is 700 times more than the GBP370,000 average property value in the capital and is set to smash Britain's price record. With 50,000 sq ft of living space, it is 30 times bigger than a typical London family house and the second largest mansion in London after Buckingham Palace. The Grade I-listed Regency property is close to Buckingham Palace, with views of St James's Park. It is in the hands of an elderly member of a Middle East royal family who is discreetly trying to find a buyer.

- Guangzhou developers and property agents must submit proposed new home prices for all new projects for scrutiny to Guangzhou's Municipal Land Resources and Housing Administrative Bureau after prices in the city gained the most year-on-year last month. Price rises should not exceed the growth rate of disposal income per capita, for which market forecasts are about 8% this year. Guangzhou is the second Chinese city, after Beijing, to restrict prices for new homes. New home prices in Guangzhou jumped almost 35% year-on-year to an average cost per sq m of CNY16,817 last month, while the number of transactions surged 50% to 7,131.
- Soho China's purchase of a major stake in a prime plot on the Bund from Shanghai Zendai Property and Greentown China Holdings was ruled invalid by Shanghai No 1

Intermediate People's Court. All three parties announced shortly after the ruling that they will appeal against the decision at the Shanghai Higher People's Court. The court said the agreement between SOHO and the sellers breached the rights of Fosun Group, the other major stakeholder of the plot, causing "direct harm" to Fosun's interest. The stake purchase was judged by the court as an "illegal purpose covered by a legal format." In May 2012 Fosun filed a lawsuit against Soho, Zendai and Greentown. The dispute was about whether the affiliates of Zendai and Greentown could sell their stake to another party without Fosun's consent.

- China's outbound investment in commercial real estate jumped one third last year from 2011 and the trend will continue this year, Jones Lang LaSalle has predicted. Money flowing out of China into direct real estate investment overseas totaled USD4 billion in 2012, an annual increase of 33%. This year, the company expects a 20% increase to USD5 billion following a strong first quarter which has already seen Chinese investors allocate USD1 billion to overseas real estate. In 2003, only 2% of all Chinese capital invested in real estate went overseas and by 2012 this figure jumped to 26%, the firm's data showed.
- Soho China won a commercial site in Shanghai for CNY3.19 billion. The accommodation value of the site, in the Gubei area of Hongqiao district, is CNY31,000 per square meter, more than double the previous record in the district. The developer outbid Shanghai Takashimaya, Zhongying Enterprise and Kuo Yang Group, in the government land auction. It is Soho China's 12th project in Shanghai since August 2009. It estimates the projects will be worth nearly CNY50 billion when completed.

RETAIL

Yum's profits affected by bird flu

Yum's fiscal first quarter profit fell 27% to USD337 million after its China sales were hit by quality concerns over chickens since the end of last year. Same-store sales in China dropped 20% from a year ago to USD1.15 billion, after the government stepped up investigation into poultry product safety violations among its chicken suppliers, the company, which owns KFC, Pizza Hut and Taco Bell, said in a statement. "As anticipated, intense media attention surrounding poultry supply in China significantly impacted KFC sales and profit," David Novak, Chairman and CEO of Yum, said. Yum's operating profit in China dived 40% to USD154 million. China, however, remains Yum's biggest single market, contributing 45% of its sales in the three months ended March 23. But the outbreak of the bird flu since early April caused Yum to predict another 30% annual drop in KFC's sales this month in China.

Global luxury firms overcharging Chinese customers

Global luxury-goods companies have been persistently overcharging their best customers in China, the Wall Street Journal reports, but now that Chinese appetite wanes they might have to lower their prices. A comparison of three models from Mercedes-Benz, Audi and BMW shows that, on average, listed prices of luxury sedans in China are 64% more expensive than similar vehicles sold in the U.S., according to Bernstein Research. The gap is even bigger when it comes to imported vehicles. Prices in China already include consumption taxes and value-added taxes, while the ones sold in the U.S. don't. But even stripping out all the taxes, those three vehicles are still an average of 37% pricier in China. The makers of the three cars argue vehicles in China include more features, but that alone may not explain the price difference. LVMH said China sales were "flattish" in the last year or so. The way to win back price-sensitive Chinese consumers, who are serious bargain hunters even when they shop for a USD2,000 bag, may be lower prices. The same Gucci Joy Boston handbag was 54% more expensive in China than in France in 2009. The premium widened to 62% in 2012, according to European broker Exane BNP Paribas, even though an appreciating yuan should have made imported goods cheaper. Buying abroad allows Chinese consumers to get around the "China premium." That is a problem for luxury-goods makers, which could see their stores in China reduced to window displays while Chinese customers buy abroad.

- Chinese shoppers can look forward to greater buyer protection, including being granted "the right to regret" – to return goods within seven days of purchase and get a refund – under an amendment to the 1994 consumer rights law currently under review. Changes proposed in the draft will close loopholes, raise the cap on penalties for noncompliant firms and expand the reach of the law. The amendment, if approved, would help spur domestic consumption, a key policy objective of the central government over the next five years, analysts said. The consumer rights law came into force in January 1994.

STOCK MARKETS

China's A-share market seeks integration in global system

The China Securities Regulatory Commission (CSRC) announced it was in talks with international index compilers to join the global investment system, but market watchers said it was vital that current investment quotas for its Qualified Foreign Institutional Investor (QFII) and Renminbi Foreign Institutional Investor (RQFII) schemes be raised. The integration proposal is still at the discussion stage, and the main issues yet to be resolved focus on foreign exchange controls and possible fiscal taxation adjustments. One of CSRC's potential cooperative targets is MSCI, a public company listed on the New York Stock Exchange. "If the MSCI index anchors China's A shares, over CNY1 trillion worth of funds could roll in the mainland stock market. MSCI has more than 7,500 clients, mostly global pension funds and boutique hedge funds, and the joining of Chinese mainland shares could attract large inflows of exchange traded funds, and bring liquidity to the market. According to an insider, the biggest obstacle between the two sides reaching agreement had been China's closed capital account. Currently the only way to invest in the Chinese stock market is to apply for a quota under the QFII scheme. Zhao Xiaoyun, Chairman of Global Trend Investment Management Co said: "In order to attract more international funds to buy A shares, QFII quotas and the series of investment limitations should be broken down." By the end of March, the SAFE had an approved total quota of USD41.7 billion for 197 foreign institutions. The approved RQFII quota was CNY70 billion at the end of March, the China Daily reports.

Only about half of listed companies have positive outlook

Slightly more than half of A-share listed companies reported a positive outlook in their first quarter reports and many others are burdened by large inventories and sluggish demand. Analysts said the outlook is likely to remain uncertain for A-share companies in the first half of 2013. Companies in the retail, machinery and construction materials sectors posted the least positive performances and made the most guarded forecasts for the next quarters. Automobile, domestic appliance and realty companies made the brightest forecasts, amid hopes that sales may recover in the second half of the year. "Market performance was surprisingly lower than expectations. In some sectors, including realty and retail, the recovery has been soft," said Guo Lei, Analyst at Zheshang Securities Co. As many as 359, or some 40% of the 904 companies listed in Shanghai or Shenzhen that had released first quarter reports by April 22, said their performance was not as good as in the previous quarter. Ninety companies reported first quarter losses, according to Shanghai-based financial information services provider Wind Information Co. The outlook for the next few months is no brighter, with 414 companies forecasting either a decline in profits or falling into the red. The combined value of the inventories of A-share listed companies more than doubled from CNY1.94 trillion in 2009 to CNY3.91 trillion by the end of 2012, according to financial data service iFind. "A booming stock market in China requires reforms of the mechanism for initial public offerings (IPOs), and more funds to be injected into the A-share market to increase its liquidity. Otherwise, little will be improved in the A-share market," said Zhang Qi, Analyst at Haitong Securities.

- The Shanghai stock market slumped to its worst close in a month on April 23, after the preliminary reading of HSBC's Purchasing Managers' Index (PMI) showed the country's manufacturing growth fell in April. The benchmark Shanghai Composite Index plunged 2.57% to 2,184.54. Securities brokerage, construction material and real estate stocks led the index lower. A survey released by HSBC showed that 57% of Chinese fund managers were bullish about emerging economy stock markets in the second quarter.

TRAVEL

Sanya remains China's most expensive destination

Sanya in Hainan province, continued to be the most expensive destination in China for tourists, followed by Chengdu and Xian, according to a recent survey by website Hotel.com.

Average hotel rates in China remained more or less flat at CNY695 in 2012. Sanya's daily hotel prices were the highest at an average rate of CNY1,165, despite a 15% decline over the previous year. In 2012, nearly 11.02 million tourists visited Sanya, an 8% growth over 2011, while tourism revenues grew by 11% over 2011 to CNY19.2 billion. Two other popular destinations – Chengdu, home of the giant pandas in Sichuan province and Xian with its world-renowned Terracotta Warriors – saw slight decreases in tourist inflows. Overseas travelers still prefer Beijing, Shanghai and Guangzhou as their first destinations when they visit China, the survey found. Qingdao, the major seaport famous for its beer festival, saw an 18% decline in hotel rates to CNY653. Other double-digit fallers included Ningbo and Kunming, making them the destinations where travelers paid the lowest average rates. Amongst the stronger performers were Dongguan, home to the world's largest shopping mall, up 18% to CNY703 and Quanzhou up 15% to CNY617. Hotel rates in Beijing rose 6% to CNY709. The average daily room rent in Guangzhou's five-star hotels was CNY1,195, while in Beijing it was around CNY1,319 and in Shanghai CNY1,367. Among these cities, the biggest decline in hotel rates was seen in Guangzhou, with prices falling by nearly 26%. The number of inbound travelers is expected to see an annual growth of about 10% between 2011 and 2015, Wu Wenxue, a senior official with China National Tourism Administration told Xinhua News Agency. But satisfaction is not keeping pace. Earlier this month, the China Tourism Academy said the Chinese tourist satisfaction index for the first quarter of the year showed a sharp drop in satisfaction levels among inbound travelers. Most of the complaints focussed on the deteriorating air and water quality, the China Daily reports.

NPC adopts Tourism Law

The Standing Committee of the 12th National People's Congress (NPC) adopted a law on tourism to better protect the rights of tourists and clear the way for the industry's sustainable development. It was the first law adopted by the 12th NPC Standing Committee, which had its first meeting in March this year. The law will come into effect on October 1. The law is designed to regulate the tourism market, safeguard tourists' rights and interests, ensure reasonable use of resources, and foster the industry's sustainable and healthy growth, the NPC's Law Committee said. The new law addresses key problems including unfair competition, wanton price hikes, and forced purchases of goods, which have plagued the travel industry in China. It also counters the rampant practice of "zero- or negative-fare tours", which are sold by travel agents at or below cost in order to attract travelers, who are later forced to purchase goods or tip agents during their tour. The law also stipulates that fixed-price tours should clearly list itineraries, content and duration of each travel session, transportation, hotel and dining services. Ticket revenue for China's 153 national 5A-level scenic spots and more than 2,000 4A-level ones generated more than 40% of the country's CNY140 billion in ticket sales in 2012.

More tourists from smaller cities going abroad

More people from smaller Chinese cities are traveling abroad, according to the China Outbound Tourism Development 2013 report, released by the China Tourism Academy. "Outbound tourism is no longer a privilege of the rich," said Academy Researcher Jiang Yiyi. "Lower-tier cities have and will continue to contribute substantially to its development." For instance, from January to September last year, the number of Chinese tourists from second-tier cities who visited Singapore rose 28% year-on-year, while the number from first-tier cities increased 18%. Total overseas spending by Chinese tourists in 2012 reached USD102 billion, while the tourism services trade deficit further increased to USD51.9 billion. The number of outbound visits from China is expected to reach 94.3 million this year, a year-on-year increase of 15%, while spending is to hit a record USD117.6 billion and the tourism services trade deficit will likely reach USD68.3 billion, according to Dai Bin, Dean of the Academy. Chinese tourists were only "adequately satisfied" with outbound tourism, according to the report, with many of them worried by the lack of channels for filing complaints, and insufficient Chinese signs and indications at their destinations. Operators of tourist spots will also have to be more transparent on access fees. Management at scenic spots will have to publicize proposed fee rises six months before being allowed to proceed with such plans following a public hearing.

Wuhan to San Francisco flights available

An air route linking Wuhan and San Francisco in the U.S. opened on April 26 as a part of Wuhan's efforts to become the fourth-biggest air transport hub after Beijing, Shanghai, and Guangzhou. The route brings the total number of Wuhan's international air routes up to 22.

The city will also launch other international flights, including to Sydney, Dubai, Bangkok and Seoul in 2013. In the first quarter of 2013, Wuhan's Tianhe Airport saw a 102% year-on-year increase in passenger flow to 192,000 passenger trips. The Wuhan-Shanghai-San Francisco flights will be available three times a week on Monday, Wednesday, and Friday, according to the agreement signed on March 12 between Wuhan and China Eastern Airlines. Airbus A33E aircraft, which have a capacity of 230 passengers, will be used on the service, which will take around 16 hours, including a two-hour stopover in Shanghai. In 2006, the Civil Aviation Administration of China (CAAC) drafted policies to support the development of Wuhan as an aviation hub, and the city has become a pilot in the country's effort to reform its air transport sector since then. An expansion program at Tianhe Airport will start in June this year. By 2020, the annual passenger flows at the airport will be 35 million passenger trips with cargo flow of 440,000 metric tons, triple the current capacity, according to Hubei Airports.

Chinese airlines face turbulence in Q1

Chinese airlines faced turbulence in the first quarter, with China Eastern Airlines going from a profit to a loss and China Southern Airlines stocks taking a hammering after the company barely managed to stay in the black. China Eastern reported a loss of CNY132 million in the first quarter, compared with a net profit of CNY266 million in the same period last year. It cited a plunge in ticket sales amid a sluggish global economy and adverse geopolitical events that affected its income in markets with higher profit margins. Appreciation of the yuan and an investment loss in its associate Jetstar Hong Kong deepened the losses, it said. China Southern Airlines reported that earnings plummeted in the first quarter because of poor demand following the growing popularity of high-speed railways and Beijing's crackdown on corruption. China Southern's net profit plunged 82% to CNY57 million. The company would have been in the red if not for foreign exchange gains, which are likely to exceed CNY280 million in the first quarter as a result of the yuan's appreciation. The airline reported CNY23.58 billion in sales for the quarter, down 0.4% down from a year earlier, while passenger volume rose 6.2%. Credit Suisse expects China Southern's earnings to rebound in the second quarter as fuel prices fall, the yuan strengthens, and given a lower base last year. Jet fuel prices are down 17% on average from the highs seen in February. Air China bucked the trend with a first-quarter net profit increase of 4.2% year-on-year to CNY249 million as a result of better cost control. Airlines in China reported more than CNY500 million in net profits in March, up from a net loss of CNY130 million in the same period last year. However, most profits were due to investment and exchange gains, according to China Business News. Passenger numbers increased 15% year-on-year to 28.78 million in March.

- Shanghai will be linked by Metro to Kunshan city in neighboring Jiangsu province when the Anting-Huaqiao section of Metro Line 11 is to become operational later this year. Buses will also run between Line 11 stations in Jiangsu to Metro Line 1 in Suzhou, making it more convenient for Shanghai residents to go to Kunshan and Suzhou.
- Each taxi driver in Beijing should complete at least two jobs booked over the phone each day, according to a new regulation that will be implemented from June. The Beijing Municipal Commission of Transport said earlier this month that passengers in the city will be guaranteed a 99% chance of booking a taxi four hours in advance, and a joint telephone booking number will be announced. Booking a taxi over the phone will incur an extra charge of CNY3. In Shanghai, the largest taxi fleet operator Qiangsheng is to charge for telephone booking from April 29 as a "scarcity premium" is becoming part of the fare paid by passengers during rush hours with the increasing popularity of third-party smartphone applications. The company's 13,000 taxis have had their meters updated to add a fee of CNY4 for each phone booking, which will be divided between the taxi driver and the dispatch center.
- Indian discount airline SpiceJet will add flights to China as trade expands between India and its neighbor. The carrier, which flies four times a week to Guangzhou, plans to fly to three more destinations on the mainland this year. State-owned Air India is the only other local carrier that offers direct services to China, operating four flights a week between Delhi and Shanghai. In 2011, 142,000 Chinese people visited India, or 2.25% of the total arrivals.

VIP VISITS

French President Hollande visits China

Visiting French president François Hollande held talks in Beijing with Chinese President Xi Jinping, Premier Li Keqiang and other leaders. Hollande is the first leader of a major Western country to visit China since President Xi took up his post last month. France wants to better balance trade with China as it registered a USD34 billion trade deficit with China last year. “Not by reducing our investment and exports, but by increasing them further,” Hollande said. China signed a deal with European plane maker Airbus to purchase 60 planes. The deal was worth at least USD8 billion at list prices, and included 18 wide-bodied A330s and 42 smaller A320-family jets. China Guangdong Nuclear Power Holding and Eléctricité de France signed a cooperation deal on research into nuclear reactors and nuclear power plant maintenance and upgrading. The two sides also agreed to hold annual high-level talks, deepen their strategic dialogue, and establish an economic and financial dialogue. President Hollande said that he would lift “all obstacles, all brakes, all procedures” to encourage more Chinese investment in France, promising to eschew protectionist measures. Both countries signed 18 deals, including on tourism, agricultural products, nuclear power and urbanization. France is China’s fourth-largest trade partner in the EU while China is France’s largest trade partner in Asia. Bilateral trade between China and France reached USD11.23 billion in the first quarter of this year, declining 6.8% from a year earlier. Chinese exports dropped 6.7% to USD5.96 billion, and imports went down 6.8% to USD5.27 billion, according to the General Administration of Customs.

French billionaire François-Henri Pinault is to return two bronze animal heads that were looted from Beijing’s Summer Palace 153 years ago. He said that he was returning the artifacts on behalf of his family, which runs French luxury goods conglomerate Kering. They had been in the possession of several European collections before they were acquired by French businessman Pierre Berge and the late Yves Saint Laurent in the 1990s. The offer from company Pinault was “an expression of friendship toward the Chinese people,” the State Administration of Cultural Heritage said. “The Chinese side offers its high praise for this action and considers that it conforms with the spirit of relevant international cultural heritage protection treaties,” the Administration said. Five of the 12 bronze sculptures have already been returned to China and one is in Taiwan, but the whereabouts of four others remain unknown. The donation is a public relations move by Kering, formerly known as PPR, which owns a stable of businesses including Gucci and Alexander McQueen that are thriving in China’s booming luxury market.

- Chinese President Xi Jinping met in Beijing with Henry Kissinger, former U.S. National Security Advisor and Secretary of State, and former U.S. Treasury Secretary Henry Paulson. Xi said China and the U.S. should further expand their high-level exchanges and dialogue, identify shared interests and properly handle disputes. Kissinger, who has visited China more than 80 times, said “U.S.-China cooperation is vital not only to the two countries, but also to the world”. Xi said Kissinger has exerted a positive influence over China-U.S. ties during the administrations of eight U.S. Presidents.
- U.S. Deputy Secretary of State William Burns met with Chinese Vice President Li Yuanchao. His visit came days after that of General Martin Dempsey, Chairman of the U.S. Joint Chiefs of Staff.
- U.S. Ambassador to China Gary Locke has called for stronger cooperation with China in the energy sector. Locke made the call in Urumqi, capital of Xinjiang, at a roundtable conference seeking potential collaboration between U.S. companies and Xinjiang in energy and rail development. He is the first U.S. Ambassador to make an official visit to the region in more than 20 years and also the first to lead a trade delegation to the region, which is rich in energy resources, including coal and oil. Locke said he hoped the 27 U.S. energy and railway companies in the delegation can help Xinjiang achieve sustainable energy development.
- Beijing has cancelled an annual financial meeting with Japanese and South Korean officials planned for this week, amid strained relations over the Diaoyu islands sovereignty dispute and the visit by almost 170 Japanese lawmakers to Tokyo’s Yasukuni shrine. The cancellation highlights China's unwillingness to hold high- or ministerial-level dialogue with Japan, even as both sides attempt to maintain contact at lower levels.
- British Prime Minister David Cameron canceled a trip to China planned for this month

as Chinese leaders refused to meet him. He is now expected to visit in the autumn, two years after his first and only visit as Prime Minister. Shi Yinhong, Professor at Renmin University, said the central government was disappointed that Cameron had met the Dalai Lama "in disregard of Beijing's core interests".

- European Union High Representative for Foreign Affairs and Security Policy Catherine Ashton held talks with officials in China in the first visit by a top-ranking EU official to the country under its new leadership. Ashton said she had wanted to visit as early as possible to "discuss deepening our collaboration".

ONE-LINE NEWS

- Christie's will hold its first auction in September in Shanghai and plans to make it an annual event. The autumn auction will see artworks from the mainland, including contemporary art, clocks and watches as well as jewelry auctioned, said Chao Kejian, Deputy Director of Jing'an District where Christie's Shanghai office is based. Christie's will be the first international auction house to operate independently from a Chinese joint venture partner in China.
- Neil Robinson, 46, a British man wanted for questioning by UK police in connection with child sex offenses, is reported to have been employed by the Beijing World Youth Academy, prompting calls for tighter background checks on foreign teachers. He was arrested in Beijing for illegally overstaying his visa. He resigned in May last year. The case has generated heated online discussion about the large number of foreign English teachers in China.
- Former Commerce Minister Chen Deming was elected President of the Association for Relations Across the Taiwan Straits (ARATS), a non-governmental organization entrusted by Chinese mainland authorities to engage in talks with Taiwan. Yu Xintian, Director of the Shanghai-based Taiwan Research Institute, said it is unusual for a trade official to head the Association, which was previously led by Chen Yunlin, who worked at the State Council's Taiwan Affairs Office for about 15 years before he moved to ARATS in 2008.

QUOTES OF THE WEEK

"Development is the only hard truth. Only when the economy continues to thrive will livelihoods improve. Everything else is empty talk. Like a boat sailing against the current, it will be swept downstream if it does not forge ahead."

National People's Congress Chairman Zhang Dejiang, commenting on Hong Kong's economy, quoted in the South China Morning Post, April 28, 2013.

INTERESTING ARTICLES

Three Ways to Choose Your Trade Mark Name in China: Know Before You Go

Your trade mark is your identity and is used to market your product. Because you invest time and money into building its reputation, it would be very damaging to your business if someone began selling his or her own products or services using your company name. As your reputation grows around the world, you will have to consider your trade mark's meaning in each local market and in some cases will have to create a local mark for different consumers. In China, this is particularly important because not only the meaning, but also the sound, tone and even look of the Chinese characters you choose for your trade mark can affect your brand's reputation. To obtain the full article, send an e-mail to info@flanders-china.be

This article is provided by the China IPR SME Helpdesk, a European Commission funded project that provides free, practical, business advice relating to China IPR to European SMEs. To learn about any aspect of intellectual property rights in China, visit www.china-iprhelpdesk.eu. For free expert advice on China IPR for your business, e-mail questions to: question@china-iprhelpdesk.eu. The China IPR SME Helpdesk is jointly implemented by DEVELOPMENT Solutions and the European Union Chamber of Commerce in China.

ANNOUNCEMENTS

PUBLIC / PRIVATE. An exhibition on the borderline between outside and inside worlds

PUBLIC / PRIVATE. An exhibition on the borderline between outside and inside worlds is organized in cooperation with Stieglitz19 and BOZAR at the OCT Art & Design Gallery OCT LOFT, 9009 Shennan Road, Overseas Chinese Town, Shenzhen. This exhibition shows exciting work of influential and actual contemporary photographers from Belgium, who depict daily life as it is in our present era. This unique cooperation between BOZAR and Stieglitz19 aims to show a showcase of contemporary photography in Belgium. These 6 artists (Lara Gasparotto, Bert Danckaert , Thomas Sweertvaegher, Els Vanden Meersch , Marine Dricot and Vincent Delbrouck) will present an installation of their works that reflect on PUBLIC / PRIVATE.

Companies can participate in this exhibition by donating CNY8000, to support the production cost of the exhibition. In return, they will receive a limited edition print by Lara Gasparotto (edition of 50) signed and dated. It is an inkjet print, size A4, on Hannemuhle Photorag paper. The Company logo will be put on all communication regarding this exhibition. Business partners of Belgian companies are welcome at the opening reception at The OCT Museum in Shenzhen. Sponsorship is made directly to the printing company located in Shenzhen, the prints will be produced in Shenzhen.

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Contact:
Flanders-China Chamber of Commerce
Voldersstraat 5, B-9000 Gent
Tel.: +32 9 264 84 86/82 – Fax: +32 9 264 69 93
E-mail: info@flanders-china.be
Website: www.flanders-china.be

Share your story:
To send your input for publication in a future newsletter mail to: info@flanders-china.be

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The FCCC Newsletters are edited by Michel Lens, who is based in Beijing and can be contacted by e-mail michel.jc.lens@gmail.com.