法兰德斯中国商会 FCCC VCKK

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

NEWSLETTER | 24 JUNE 2013

FCCC ACTIVITIES

Group Business Trip West-China (FIT) – 9-13 September 2013 – Chongqing and Chengdu; and FCCC Breakfast Seminar – 11 September 2013 – Chongqing

Flanders Investment and Trade (FIT) is organizing a group business trip to West-China, an enormous market. Minister-President Kris Peeters is leading the trip from 9 till 13 September 2013 to Chongqing and Chengdu.

On September 11, the Flanders-China Chamber of Commerce will organize a breakfast seminar in Chongqing.

Following the East, West China is now also starting to develop economically. Chongqing is under the direct authority of Beijing and is China's most populous (30 million inhabitants) and biggest (82,000 sq km, 2.5x Belgium) city. Chengdu (14 million inhabitants) is the capital of Sichuan province and as Chongqing an important economic center in West-China.

Opportunities for Flemish companies: Thanks to the economic development of West-China, there are several nice opportunities for Flemish companies. Important industries in the area are: foodstuffs, automotive, textiles, machinery, electronics, steel, pharmaceuticals, IT and the services sector.

FIT will organize an individual tailor-made meeting program (B2B), high-level business contacts, and official networking receptions.

Full trip: €800, per city: €400. Registration before June 14 on the FIT website.
http://www.flandersinvestmentandtrade.be/acties/2013/09/09/Groepszakenreis-Multisectoraal-China?opendocument

ACTIVITIES SUPPORTED BY FCCC

Mission for growth to China – 18-20 July 2013

This joint mission of Vice-President Tajani and Commissioner Potocnik of the European Commission to China is centered on the theme of “green growth”. It has three main objectives: (1) to promote sustainable and inclusive growth on both sides (2) to help our companies and in particular SMEs to operate in China; (3) to promote EU-China business contacts and opportunities.

Preliminary Programme

Thursday 18 July - Beijing
- Political meetings (time tbc)
- A.M. - Dedicated meeting for companies on “doing business in China” organized by the SME Center, the IPR/SME Helpdesk and Enterprise Europe Network to be jointly opened by VP Tajani and Commissioner Potocnik.
- Roundtable on Green business opportunities in China. Contacts between participating companies to the M4G and EU 'green' companies already present on the Chinese market (exchange of experience, main lessons learned …); discussions with Chinese high-level business or public actors on the potential of green economy in China.

- Evening - Reception at the EU Delegation with EU Member States ambassadors and the business delegation on 18/7 in the evening

Friday 19 July – Beijing and departure to Guiyang

- A.M. Matchmaking event organized with the help of EEN Network (local Chinese EEN contact points supported by their experienced European mentors from BE, DK, NL...) with important participation of Chinese companies (including SMEs).VP Tajani could pop up for a brief speech.
- Continuation of political meetings
- P.M. – Departure to Guiyang
- Evening - Welcome banquet by authorities

Saturday 20 July – Guiyang

- A.M. Participation to the "Eco-forum Global", a yearly prestigious meeting on the theme of the “Green economy” which is putting emphasis this year on green industry, green urbanization and green consumption.
- Multiple forums will take place in which Business representatives participating in the mission for growth may join in as speakers. A business roundtable and business contacts will be organised in the margins of the forum.
- P.M. Vice-President Tajani flies back on 20 July, but the “Eco-forum Global” continues on Sunday 21 July. Possibility for further speaking opportunities /business contacts for companies attending.

The deadline for registration is June 14, 2013. More information on the mission is available at the Flanders-China Chamber of Commerce: info@flanders-china.be

PAST EVENTS

FCCC Meeting reception in honour of the future Ambassador of Belgium in China, Mr Michel Malherbe – 19 June 2013 – Brussels

The Flanders-China Chamber of Commerce (FCCC) organized a meeting with the future Ambassador of Belgium in the People’s Republic of China, Mr Michel Malherbe, on 19 June 2013, at KBC in Brussels.

This event provided an excellent opportunity to meet the new Ambassador of Belgium in China and to talk to him about member companies' activities in China.

China Information Session: “Assignments from China to Belgium and vice versa: Update on immigration and personal tax aspects” – 29 May 2013 – Brussels

International mobility and flexibility have become key factors in today's business climate. Immigration procedures remain very strict and compliance with local immigration and social law is controlled and severely sanctioned in case of non-compliance. The Flanders-China Chamber of Commerce, in cooperation with Deloitte organized an information session on aspects of immigration and social legislation which focused on the posting of Chinese nationals to Belgium and vice versa.

The seminar was held at KBC BANK and presented by Matthias Lommers, Senior Manager, Erwin Vandervelde, Partner (immigration aspects) and Boris Deraeve, Tax Director (tax aspects). The aim of the event was to provide sound knowledge and understanding of the issues, to enable companies to meet various requirements on a timely basis and avoid losing precious time or wasting resources. The information session was followed by a networking cocktail.

PUBLICATIONS

FCCC publishes “FCCC Members' Portraits in China Vol.2”

The Flanders-China Chamber of Commerce (FCCC) has published the second volume of “FCCC Members' Portraits in China”. The booklet includes 17 portraits of member companies active in China. The China-based managers of those companies talk about how their firms became active in the country and the difficulties and pitfalls they faced to become successful in the largest and most challenging market on earth. They offer valuable insights and lessons about how to do business in China. Each manager interviewed makes a list of “do's and don'ts” based on their own hard-won experience. “All of them, without a single exception, enjoy their work and stay in China, despite less pleasant phenomena such as the worsening air pollution,” says FCCC Chairman Bert De Graeve in his introduction.

Some of the companies presented in “FCCC Members' Portraits in China” are well known, such as Volvo Car, which is now part of Geely Holdings. But the story of how the company is building two car plants in China has never been told as extensively before. Other companies, such as Huiyin Group, which is active in the solar power industry, and Klako Group, which is guiding its clients to become successful in China, are not so famous, but have an equally fascinating story to tell.

Trying to write a write a book “Doing Business in China for Dummies” is futile, one of the managers told the Flanders-China Chamber of Commerce. More fundamental than that is an underlying attitude. Respect the Chinese you come into contact with and be interested in their culture. Remember, he added, that you are and will always remain a guest in their country. Above and beyond the usual tips and tricks, the managers telling their story in this booklet show the right attitude to become successful in China.

“The growth of the Chinese economy is slowing down a bit,” says Chairman Bert De Graeve in the introduction, “but at 7.8% last year, it is still growing strong to offer a myriad of opportunities.” For those companies which have not yet taken the step to open a representative office, set up a subsidiary or form a joint venture, it is probably not too late yet to enter the Chinese market. “Do your homework” is one of the most frequently tendered pieces of advice for companies contemplating their first steps on the China market. One might as well start with “FCCC Members' Portraits in China, Volume 2”.

FCCC members can receive one copy free of charge.

List of interviews (companies in alphabetical order):
ACEA (Dominik Declercq), De Wolf & Partners (Philippe Snel), Eurbridge (Jan Van der Borght), Huiyin Group (Juha Ven), Jones Day (Sébastien Evrard), Klako Group (Kristina Koehler), LMS (Luc Pluym), Moore Stephens (Andries Verschelden), Neuhaus (Frédéric Linkens), Orientas (Dirk Laeremans), procurAsia (Etienne Charlier), Proviron (Vanessa Doms), Soudal (Eddy Vloeberghen), Urban Stream (Sébastien Goethals), Volvo Car (Koen Sonck and Benoit Demeunynck), White Pavilion (Raf Vermeire), and Wyatt & Wang (Jacques Borremans).

FINANCE

Fitch warns of imminent crisis over cash crunch

China's worst cash crunch in at least seven years is an indicator of shadow lending gone awry and a banking crisis may appear earlier than expected if liquidity remains tight, according to Fitch Ratings. Chinese banks have raised funds through issuing wealth management products, but those funds are mainly off the balance sheet with lower liquidity. This led to shadow banking. Repayment of wealth management products would kick off this month and next and is expected to increase pressure on mid-tier and joint-stock banks. Three-quarters of the non-loan credit transactions involved banks, Fitch said, and the banking system was not immune to problems arising from shadow finance. Almost four out of 10 market observers expect shadow finance to lead to a banking crisis in China in two to three years, according to a poll conducted at a Fitch conference. Chinese finance companies are calling for the central bank to resume capital injections as the country's slowing growth and speculation that the United States will rein in monetary stimulus curb global demand for the nation's assets. Yuan positions at local financial institutions accumulated from sales of foreign exchange rose CNY66.9 billion last month, the smallest gain since November last year. Fitch said the outlook of the country's sovereign rating would be stable, while ratings for smaller financial institutions were under downward pressure.

At least 11 companies delay bond sales

At least 11 companies delayed bond sales of a combined CNY 7 billion last week as China's worst cash crunch on record persists. Guangdong Construction Engineering said it would delay a CNY350 million sale of medium-term notes to the last three months of the year from this quarter, citing big fluctuations in the bond market, according to a statement on Chinamoney, a website of the China Foreign Exchange Trade system. Demand for bonds has waned in the past two weeks in the primary market, with the Ministry of Finance missing targets at two auctions. There will be a “painful de-leveraging process in the next few months” that may result in defaults in the manufacturing and non-bank financial sectors, according to a Nomura report. Local government financing vehicles and property developers were also at risk, it said. The Ministry of Finance sold CNY9.53 billion of 273-day bills on June 14, less than the CNY15 billion target. Guangzhou Electric Equipment said on June 18 it would sell CNY390 million of three-year bonds in the final three months of the year, instead of the second quarter. The Export-Import Bank of China halved targets for a June 14 auction of five and 10-year notes to CNY10 billion for each tenor. Agricultural Development Bank of China (ABC) scaled back the size of a debt offering on June 18 by 31% after falling short of its target in a six-month bill sale on June 6.

China and Britain agree to currency swap line

Bank of England Governor Mervyn King and his Chinese counterpart Zhou Xiaochuan have agreed to a three-year currency swap line to promote financial stability and trade between China and Britain. The maximum value of the arrangement is CNY200 billion according to the UK central bank, while the People's Bank of China (PBOC) put the sterling value at GBP20 billion pounds. "The establishment of a sterling-renminbi swap line will support UK domestic financial stability," King said. "In the unlikely event that a generalized shortage of offshore renminbi liquidity emerges, the bank will have the capability to facilitate renminbi liquidity to eligible institutions in the UK." The agreement puts the BOE first in a race among European central banks to establish swap facilities with China, as London is the hub of the world's USD4-trillion-a-day market for foreign-exchange trading. The yuan has risen 1.6% this year against the U.S. dollar, making it Asia's best performer among 11 regional currencies tracked by Bloomberg News. The yuan hit a 19-year high of 6.1210 on May 27 and fell 0.1% to 6.1342 on June 21, according to the China Foreign Exchange Trade System.

- Central Huijin Investment increased its stake in China's four biggest banks and will continue to purchase shares in the following six months. Shares of the Agricultural Bank of China (ABC) have decreased 4.6% this year while those of the other three biggest lenders are virtually unchanged.
- At a meeting of the central government chaired by Premier Li Keqiang, initiatives to spur economic restructuring and maintain balanced growth were announced. The government said it would guide credit flows into the real economy while curbing the influx of money into sectors struggling with overcapacity and it also promised to give small businesses and borrowers in the agricultural sector preferential access to financing.
- Chinese insurers will face a profitability squeeze in the next 12 to 18 months as premium growth slows significantly and tougher regulations force them to raise capitalization levels, ratings agency Moody's said in a new report. Moody's believes life insurers' premium growth will trail behind the country's gross domestic product (GDP) growth as insurers have focused only on short-term and savings-type insurance products. They also rely too much on bancassurance channels.
- The Shanghai branches of several mid-sized banks have seen rapid increases in bad loans this year as private companies feel the pinch of the nationwide economic slowdown. At the Shanghai branch of Beijing-headquartered China Citic Bank the non-performing loan (NPL) ratio jumped to about 5% of total outstanding loans this month, far higher than the national average of about 1%. The China Banking Regulatory Commission (CBRC) recently issued a notice to all commercial banks urging them to strengthen risk controls in lending.
- China is poised to pass India as the largest gold consumer as early as this year after New Delhi raised import taxes and Beijing made investing easier, the China Gold Association said. China approved its first two domestic exchange-traded products backed by the metal this month. China's domestic consumption totaled 776.1 tons in 2012, compared with 864.2 tons in India. Gold consumption jumped more than 36% to 456.2 tons in China in the first four months of this year. Total demand this year is likely to be in the range of 900 to 1,000 tons.
- The China Securities Regulatory Commission (CSRC) has asked Alipay to submit payment clearance documents for the newly-launched asset management product "Yu'e Bao" sold through the group's e-commerce site. Alipay launched the new service earlier this month to allow users to subscribe to mutual funds with Alipay accounts and it has already attracted more than one million subscribers.
- A system glitch at the Industrial and Commercial Bank of China (ICBC) paralyzed its over-the-counter, ATM and online trading in several cities between 10:38 am and 11:23 am on June 23. All services are now back to normal. Some customers received no money at ATMs, but still saw the amount deducted from their accounts. Some suspected the bank had cash problems due to China's current liquidity crunch.
- After a global restructuring last year, Citibank plans to add up to six branches to its Hong Kong network of 41 outlets in the next 12 months. Weber Lo, Country Officer and Chief Executive in Hong Kong and Macao, said the bank's performance in the city so far was on track to beat the group's financial targets for 2015.

FOREIGN INVESTMENT

FDI increases 0.29% in May

Foreign direct investment (FDI) in China rose for the fourth consecutive month in May with European countries and the United States increasing their stakes, the Ministry of Commerce (MOFCOM) said. Foreign investors channeled USD9.26 billion into China last month, up 0.29% from a year earlier, slightly slower than April's 0.4% rise. Ministry Spokesman Shen Danyang said: "It is not easy for China to post positive foreign investment when some developing countries are losing foreign capital. It shows China's economic competitiveness and foreign investors' confidence in the country." In the first five months, investment from the 27-member EU rose 24.1% to USD3.4 billion, while capital from American firms was up 22.6% at USD1.6 billion. China attracted a total of USD47.6 billion in foreign investment from January to May, an annual increase of 1.03%. Shen expected growth of inbound foreign investment to be stable for the rest of the year as China continued to improve its business climate. China's western regions have seen strong growth in foreign investment, with an increase of 22.5% in the first five months, compared with the gain of 8.2% for central regions and the loss of 1.3% in eastern coastal cities. China's outbound direct investment surged 20% to USD34.3 billion in the first five months, indicating the enthusiasm of Chinese investors to globalize their businesses, the Shanghai Daily reports. Foreign investment in the services sector climbed 4% in the January-to-May period from a year earlier, offsetting a 1.4% decline in manufacturing industries, the Ministry of Commerce said. Foreign investment in the property sector fell nearly 5% in the five-month period compared with a year earlier.

Hunan province seeking Hong Kong investors

Hunan province was seeking up to USD160 billion from Hong Kong investors for nearly 400 projects during a six-day trade event last week. 63 key projects with a total investment of USD51 billion were introduced to potential investors. Hong Kong is Hunan's No 1 source of foreign direct investment (FDI) and the province's largest export destination. Last year FDI in Hunan reached USD7.28 billion, of which USD4.3 billion, or 64%, was from the city. The province's exports to Hong Kong reached USD2.2 billion, accounting for 21% of its total exports. "Hunan's gross domestic product reached CNY2.2 trillion in 2012, with an average annual increase of 13.3% over the past five years," Governor Du Jiahao said. A total of 17 new urbanization projects were promoted, including Plum Lake Eco-city in Zhuzhou county that will be a tourism park with high-end holiday residential facilities. The project is seeking investment of USD5.7 billion. Another project, Huaminglou Central Small Towns Development near the province's capital Changsha, will require USD6 billion to build the residential area, tourist and commercial complex as well as the industrial park and hotel. Hunan has traditionally grown rice and cotton, but machinery, steel, tobacco and food processing, and electronics, are now also major contributors to its economy. Bordering Guangdong province, Hunan may become an attractive destination for manufacturing enterprises, with convenient transport and a population of 72 million that provides a large pool of workers, the South China Morning Post reports.

Mainland and Taiwan sign services agreement

The mainland and Taiwan have signed an agreement in Shanghai to open up their service sectors, further deepening trade and economic ties. The signing followed two years of negotiations. Under the agreement signed by the mainland-based Association for Relations Across the Taiwan Strait (ARATS) and the Taiwan-based Strait Exchange Foundation (SEF), the mainland will open 80 service sectors to Taiwan, while Taiwan will open 64 sectors to the mainland. They include those related to commerce, telecommunications, construction, distribution, the environment, health, tourism, entertainment, culture, sports, transportation and finance. The agreement will take effect later this year. For Taiwan, which has rich experience in the service sector, the agreement means a bigger market to explore and more business opportunities, while the mainland expects to see its own tertiary industry upgraded with resources from the island. The mainland's service sector has large potential for development, as the added value of the tertiary sector accounted for only about 44% of GDP in 2012, according to official statistics. In contrast, the output of the service sector in Taiwan made up about 68% of the island's GDP in the same year. Former Minister of Commerce and current ARATS President Chen Deming said the agreement "marks a new level for cross-strait economic and trade cooperation and complies with the trend of the world's economic development." The agreement is one of several follow-up agreements to the Economic Cooperation Framework Agreement (ECFA), signed in 2010 and intended to reduce tariffs and commercial barriers. Negotiations on a commodity trade agreement and a dispute settlement agreement are expected to be completed before the end of the year, and a pact to avoid double taxation is expected to be signed in the latter half of this year, the Shanghai Daily reports.

Greek lift maker tackles the Chinese market

Kleemann, a Greek-based multinational lift company, is planning a push into China to capture a share of the vast potential for lift sales. “Two-thirds of the world's elevator market are in China. We want to have a presence here,” said Nikos Koukoutzos, General Manager. By the end of this year, Kleemann – one of the biggest lift companies in the world – will begin production at its plant in Kunshan, near Shanghai, which also hosts the China operations of rivals Thyssen and Kone. It will also start selling its products in China on a small scale, from a sales office in Shanghai. Since China is a very competitive market, with many local and international rivals in the sector, Kleemann would not compete on pricing, said Koukoutzos. It would instead target clients that required well-designed and high-quality products. Kleemann had a sales turnover of USD120 million last year, but its presence in China and the broader Asian region was insignificant, said Koukoutzos. “About 7% of our turnover comes from Asia and we plan to increase that to 40 % in seven to eight years,” he said. From its new plant in Kunshan, with an investment of €2 million, Kleemann aimed to penetrate the markets of South-east Asia and Oceania in the first stage. “But after two or three years we will focus more on the Chinese market,” Koukoutzos said. Lift output in China reached 529,000 units last year, up 17.56% year-on-year, according to research company Research and Markets.

- Shanghai is considering establishing a mechanism to bolster local outbound foreign investment, Dong Tao, Vice President of the Shanghai Foreign Investment Board, said at the first Chinese Investment to the United States Conference organized by the American Chamber of Commerce in Shanghai. Shanghai firms had channeled a total of USD13.5 billion capital into overseas markets by the end of last year. China’s non-financial outbound direct investment (ODI) expanded 20% to USD34.3 billion in the first five months of this year.

FOREIGN TRADE

EU and China working to solve solar panel dispute

The EU and China are seeking a negotiated settlement to resolve the solar panel dumping dispute before tariffs on Chinese imports spike in early August, but European Union Trade Commissioner Karel De Gucht told reporters in Beijing there had been no breakthroughs so far and warned that such disputes were rarely resolved overnight. “As I have stated time and time again during the course of the investigation, the EU has only one wish – to find a negotiated settlement on the basis of undertakings that can remove the injury caused by the dumping on our market. Nothing more, nothing less,” De Gucht said. At the news conference, Chinese Commerce Minister Gao Hucheng said both sides had repeated their desire to resolve the case by agreeing on a floor price for Chinese products, but neither official offered details on pricing negotiations. “We hope that in the upcoming talks both sides will adopt a practical and flexible approach,” Gao said. Last month, the EU raised duties to 11.8% on Chinese-made solar panels, cells and wafers but that is due to jump to an average of 47% on August 6. De Gucht has said “Chinese dumping” threatens 20,000 jobs in Europe. In response, China expressed its “resolute opposition” to the punitive European tariffs and announced a trade investigation into European wine imports worth USD1 billion. European imports of Chinese-made solar panels totaled €21 billion in 2011, far exceeding the value of European wine exports to China. China accounted for 8.6% of EU wine exports last year, and France was the biggest exporter to China, selling wine worth €546 million.

- Hong Kong’s exports rebounded to a two-year high in the second quarter, supported by growing demand from the mainland, figures from the Hong Kong Trade Development Council (HKTDC) show. The export index rose to 53.4 from 49.5 in the first quarter and 31.6 in the fourth quarter of last year. Electronics had been the best-performing sector, and jewelry and timepieces had also improved markedly, but clothing, toys and machinery had weakened during the quarter. Offshore trade – in which Hong Kong-based companies manufacture elsewhere and export their products to markets abroad without going through the city – surged from 18.8% of Hong Kong's overall commercial activity in 1988 to 65% last year, the council's offshore trade survey showed. Such exports are not included in Hong Kong's export data.

HEALTH

Changing diet leads to rise in illness

About 85% of China's 8.3 million deaths in 2010 were due to non-communicable diseases, with stroke, ischaemic heart disease, cancers and chronic obstructive pulmonary disease the top causes of premature death. The incidence of infectious, maternal, neonatal and nutritional disorders declined sharply. Key dietary problems are the high consumption of sodium and inadequate intake of fruit, whole grains, nuts and seeds. Increasing affluence and urbanization have led to a dramatic change in Chinese eating habits, not only to a preference for fast food, but also from a semi-vegetarian diet to one dominated by meat, milk and eggs. This change is matched by a rapid increase in the overweight population, especially in urban areas. A diet high in salt, fat and sugar, as well as physical inactivity and alcohol and tobacco consumption are all risk factors for high blood pressure. The prevalence of hypertension among Chinese above 15 years of age increased from 5.1% in 1958 to 17.6% in 2002. The China Health and Retirement Longitudinal Study of more than 17,000 Chinese aged 45 and above, showed that more than one in two elderly people, or potentially about 100 million people aged 60 and above, have high blood pressure. Hypertension accounted for 12% of total years of life lost (due to ill health, disability or early death) and 24.6% of deaths. The fraction of deaths attributable to tobacco increased from 12.8% in 1990 to 16.4% in 2010. 53% of Chinese men smoke (one of the highest rates in the world) and 2.4% of women (one of the lowest). China has five cancers in the top 15 causes of premature mortality: lung, liver, stomach, oesophageal and colorectal. "Tobacco and diet account for important shares of stomach, colorectal and lung cancers," said the researchers. "Aggressive tobacco control and national efforts to encourage changes in diet will be important," the South China Morning Post reports.

Crackdown on food services nets suspects

A food safety blacklist published for the first time by Shanghai officials listed two restaurants and 13 individuals banned from all food services in the city for violating China's Food Safety Law. They were given prison terms ranging from one year to 42 months. Nine committed crimes such as illegal sales of dead pigs and of industrial salt as table salt. Four were owners of two blacklisted eateries, Fula Hotpot Restaurant and Zhenjiang Sichuan Restaurant, which used recycled soup in hotpots, endangering customers' health. Nation-wide, more than 8,200 suspects have been captured since a campaign to crack down on food safety crimes was launched on January 25. The Ministry of Public Security said that police uncovered more than 4,500 cases involving food safety offenses and closed about 6,300 workshops and markets that produced or sold illegal food products. Police confiscated more than 150,000 illegal products, including fake cooking oil, meat, spices and seasonings, health care products, alcoholic beverages, soft drinks and illegal additives, the Ministry said in a report. China's CCTV also discovered another case of "food forgery". Police in Chongqing's Hechuan district found a production site for fake honey and confiscated about 500 kilograms. The artificial honey contained zero per cent real honey and had 187 milligrams of aluminum residue per kilogram. Since 2010, the group had been producing honey for CNY10 per kilo and selling it for CNY40 to CNY60.

- There should be no upper limit on fines for those found guilty of producing poisonous or otherwise harmful food in the city, the Shanghai Higher People's Court said. While the maximum penalty will continue to be death, the fine for such violations has been limited to twice the sales amount or less. "In the past, a fine of CNY200,000 was deemed a very big amount," said Zou Bihua, Vice President of the Higher Court. According to the new guidelines the fine has no upper limit. "We will give sentences in line with the heaviest penalties," Zou said. The Food Safety Law will be amended later this year.
- Authorities in Shanghai lifted a ban on the sale of live poultry, imposed in April over H7N9 bird flu fears. According to new regulations, live chickens cannot be taken out of the markets and must be slaughtered. Sales of live ducks and geese remain banned. So far only two designated wholesale markets – in the Pudong New Area and Songjiang District – reopened. The number of retail stores where live poultry is sold

will be reduced to 200 from the current 461.

- Taiwan reported the world's first human case of H6N1 bird flu infection but appealed for calm, saying no sign of human-to-human transmission had been detected. The 20-year-old woman left the hospital on May 11 after being treated with anti-bird-flu medication, but at that time the hospital had been unable to determine the type of virus. H6N1 is a mild form of flu that has been found only in wild birds or in poultry in the past 15 years.

IPR PROTECTION

Police bust counterfeit calculator ring

Police in a Guangdong city bust a calculator counterfeiting ring that has sold fake merchandise all over China. They seized 82,926 fake calculators and arrested 113 suspects. Fake Casio and Citizen calculators were among the brands confiscated at a production site in Heyuan city. The site, which was disguised as an electronics factory, was the main player in a nationwide counterfeit calculator scheme. Heyuan authorities became aware of the counterfeit calculator ring in April, when they learned that a group led by suspect Li Mouhong, 42, had been mass-producing fake calculators since December 2012. Li allegedly rented a five-story house under a false name, installed four production lines and recruited more than 100 people to manufacture calculators that would then be sold in Guangxi, Hebei, Zhejiang and Hunan provinces. Other factories were also located in these provinces, each producing up to 2,000 calculators a day, the report said. Depending on the model, each calculator's market value ranged from CNY10 to CNY300.

MACRO-ECONOMY

Competitiveness of Hong Kong drops

Hong Kong has plunged from China's second most competitive region to its fifth, according to a China Institute of City Competitiveness survey. Hong Kong also lost the No 1 spot for most effective government and dropped out of the top 10 altogether. The annual ranking saw Hong Kong overtaken by Jiangsu, Shandong and Zhejiang provinces in terms of overall competitiveness over the past year. The previous year saw it second only to Guangdong province. Shanghai's ranking was unchanged in seventh place. “Hong Kong's overall competitiveness has been on a track of decline, but it dropped more significantly over the past year,” said Gui Qiangfang, Vice Chairman of the Institute. “Economic growth also slowed to 1.4% last year, down from 4.9% in 2011,” he said. “The strength in innovations has further declined over the past year. The effectiveness of governance also dropped amid political rivalries.” Shanghai is now closer to Hong Kong in terms of competitiveness, but both are losing out in terms of speed of growth. “Chongqing, Tianjin and Shenzhen are doing very well. Shenzhen has seen major developments in the property market and culture industries,” Gui said. The survey has now been running for 12 years. It takes into consideration ratings for areas such as growth potential, livability, innovation, environment, economic development, social development and culture. For another year Hong Kong was left out of the top 10 list of most innovative cities. In terms of potential for growth, Hong Kong's ranking dropped from 13 to 17. Shanghai stayed at 14, while Tianjin topped the chart. Former Hong Kong Chief Executive Donald Tsang had listed cultural and creative industries; medical services; education services; innovation and technology; testing and certification services; and environmental industries as the six “new pillar industries” to be nurtured in Hong Kong. His successor Leung Chun-ying removed medical and education services from the list.

China to invest CNY4.7 trillion on road building

China plans to invest around CNY4.7 trillion to build roads nationally between 2013 and 2030 to meet rising demand for mobility and bolster economic growth. By 2030, the government aims to have 400,000 km of national-level roads, up from 173,000 km at the end of 2012. National-level roads will take up 7% of the country’s total road network by 2030. About CNY2.2 trillion of the estimated spending will go into building and upgrading ordinary roads while CNY2.5 trillion will be allocated to expressways, Dai Dongchang, Chief Planner of the Ministry of Transport, told a press conference. While the government will fund the construction of ordinary road projects, private investors will be encouraged to build expressways, Dai said. So far private investment has been based on the concept that those who finance projects also get to operate them and collect tolls for a specified period of time to recoup their investment. In the long run, China aims for only 3% of its total road network to be toll roads, according to Dai. By 2030, toll-free trunk ways should connect all counties, Dai said, while highways should connect all cities with populations of more than 200,000, as well as important transport junctions and border ports. Huang Min, Director of the National Development and Reform Commission's Basic Industry Department, said 18 cities of more than 200,000 lacked highway links at present, while more than 900 counties were not connected to national trunk roads. China now has about 110 million private vehicles, 60 times the number in 1981, when the plan for the existing road system was drafted.

HSBC Flash PMI drops to 48.3 this month

The HSBC Flash China Manufacturing Purchasing Managers' Index (PMI) fell to 48.3 in June, down from May's final reading of 49.2. The index, which is slanted toward private and export-oriented firms, is likely to show June becoming the second month for industrial activities to shrink after expanding for seven straight months. New orders declined further to 47.1 in June from 48.7 in May, and production dropped to 48.8 from 50.7, the first time it fell below 50 in eight months. New export orders dropped sharply to 44 from 48.9, casting a shadow over China's export outlook, while both input and output prices remained below 50, suggesting weak production and dampened demand for the manufacturing sector. China's economic growth, which slowed to 7.7% in the first three months of 2013 from 7.9% in the fourth quarter of 2012, has triggered calls for policy easing as inflation has eased in recent months. HSBC cut its projection of China's growth to 7.4% for both this year and next year, from a previous 8.2% for 2013 and 8.4% for 2014. Zhang Zhiwei, Economist at Nomura, said: "We maintain our view that policy and liquidity will remain tight, and headline activity indicators such as industrial production and fixed-asset investment will be weak. If this situation carries on for two or three more months then there could be significant consequences for the real economy."

- The key man behind Shanghai's ambitious plan to develop the city into the world's leading financial center by 2020 has been promoted. Fang Xinghai, former Director of the Shanghai Financial Services Office, has been named a senior official at the Office of the Central Leading Group for Financial and Economic Affairs of the Chinese Communist Party. Premier Li Keqiang directly oversees the group, whose main responsibilities include making and advising on key economic decisions and drafting the work agenda of the Central Economic Work Conference. Fang holds a PhD in economics from Stanford University.
- Profits at China's state-owned enterprises rose 6.5% to CNY884.1 billion in the first five months of this year, up from 5.3% in the January-April period. Profits made by centrally-administered SOEs gained 13.8% to CNY661.96 billion in the first five months while those at SOEs managed by local governments fell 10.6% to CNY222.14 billion, the Ministry of Finance reported. The survey didn't include SOEs in the financial sector. The SOEs generated sales of CNY17.9 trillion from January to May, up 10.4% from a year earlier. SOEs in the power, electronics and property development industries posted the biggest rise in profits in the period while those in transport, non-ferrous metals, coal and chemicals saw sharply lower profits.
- Shanghai plans to establish an elite startup entrepreneur club to encourage more young people to launch their own businesses. The Shanghai Human Resources and Social Security Bureau said the club would provide lectures on government policies and business practices, media visits and business mentoring. The Bureau has launched its third elite entrepreneur contest, and the club will be launched soon after the 10 winners have been announced.

MERGERS & ACQUISITIONS

Dalian Wanda takes over British yacht maker

Real estate developer Dalian Wanda Group will invest GBP1.02 billion for a 91.8% stake in British luxury yacht maker Sunseeker International and invest GBP700 million in a property project overlooking London's River Thames. With a total gross floor area of 105,000 square meters, Wanda's real estate project in London will include a 160-room luxury hotel as well as two 200-meter tall apartment towers. The twin buildings will become the tallest residential towers in London on completion, according to the company. "The world's luxury hotel market has been occupied by foreign brands, and there have been no Chinese five-star hotels overseas," Wanda Chairman Wang Jianlin said in a statement. The company plans to build hotels of its own brand in eight to 10 "major cities throughout the world" within the next decade. The acquisition of Britain's largest luxury yacht maker by sales has received regulatory approval from China's National Development and Reform Commission (NDRC). The deal is expected to close in mid-August. The remaining 8.2% of Sunseeker will be bought by the yacht maker's management. Set up in the 1970s, Sunseeker employs about 2,300 people in and around Poole on the south coast of England. Following the acquisition, the company would retain the base and existing workforce, Wanda said. Prices for its luxury boats start at GBP400,000 and its new top of the range 155 Yacht costs GBP20 million. Sunseeker is currently majority-owned by Irish private equity company FL Partners. Wanda last year became the world's biggest owner of movie theaters after acquiring AMC Entertainment Holdings, the second-largest cinema chain in the U.S., for USD2.6 billion, the Shanghai Daily reports. Wanda is building three tourism resorts in the coastal cities of Qingdao, Sanya and Dalian, and each facility would feature a yacht club. The company is also considering producing yachts locally by adding a Sunseeker production line in one of the three coastal cities to avoid the high tariff for imported yachts. In China, the effective tax rate is over 40% of the total purchase price for a foreign vessel, at least 10% higher than for those made in China. Domestic players already making custom-made super yachts include Shanghai's Double Happiness, Sunbird in Hunan, Singapore's Raffles Yacht operating out of Shandong, and Hong Kong's Cheoy Lee, which has a shipyard in Guangdong. China's yacht market is expected to be worth USD10 billion by 2020 – almost a third of the global total for 2010, according to one estimate.

- Smithfield Foods, subject of a USD4.7 billion bid from China's Shuanghui International, posted a 63% drop in quarterly profit as costs rose and exports to China fell due to a ban on the additive ractopamine that it feeds to pigs to produce lean meat. The company did not provide an update on the takeover, which analysts and politicians have said could face land ownership issues in several states as well as scrutiny from a federal government panel that assesses national security risks. A group of 15 U.S. Senators from both the Republican and Democratic parties has urged the Obama administration to consider whether the proposed sale posed a threat to the U.S. food supply that could justify blocking the deal.
- Mengniu Dairy Co will acquire smaller rival Yashili International Holding for USD1.47 billion, the largest merger in the domestic dairy industry. "Mengniu is eager to boost its yogurt and milk powder businesses in order to reduce reliance on liquid milk products and raise profitability," said Jian Aihua, Food Industry Analyst with market research company CIConsulting. Liquid milk accounted for 89.6% of Mengniu's revenue last year, while milk powder made up only 1.6%. Yashili is 52%-owned by Chairman Zhang Lidian and his brothers, and 24% by the Carlyle Group. Mengniu is buying a 75.3% stake in Hong Kong-listed Yashili International.
- China's focus in overseas acquisitions has shifted to consumer and manufacturing companies that can help boost global brand positioning and technological know-how. Deals in the materials, energy and utilities sectors remained dominant in "big-ticket" transactions. Chinese companies have spent USD31.5 billion on outbound mergers and acquisitions this year, representing a 65% increase from the same period last year – the second-highest year-to-date level since the USD33.6 billion in 2008, according to data provider Dealogic.

PETROCHEMICALS

Rosneft to deliver oil to China for 25 years

Russia's Rosneft and the China National Petroleum Corp (CNPC) have signed a USD270 billion deal that will supply China with oil for 25 years. The agreement was hailed by Russian President Vladimir Putin as marking a new era of energy cooperation. It was signed by Rosneft Chief Executive Igor Sechin and CNPC head Zhou Jiping in the presence of Putin and visiting Chinese Vice Premier Zhang Gaoli at the annual St .Petersburg International Economic Forum. Rosneft will supply China with 300,000 barrels per day over 25 years starting in the second half of the decade, on top of the 300,000 BPD it already ships to China. It is one of the biggest supply deals in Russia's history. Putin said total supplies could amount to as much as 900,000 BPD. The initial agreement was made during a visit to Moscow in March by Chinese President Xi Jinping with a pledge to gradually triple the supply of Russian oil to China over the next 25 years from the current level of 15 million tons per year. The oil will be delivered to China from the existing Eastern Siberia-Pacific Ocean oil pipeline, pumping oil directly to the Chinese region of Mohe. Also signed in St. Petersburg was an agreement between CNPC and Russian independent gas producer Novatek to deliver Russian liquified natural gas (LNG) to China. CNPC will acquire 20% in the Russian Arctic project known as Yamal LNG in which France's Total has 20% and Novatek holds the rest. The project is scheduled to produce gas in 2016, the Shanghai Daily reports.

- Costa Rica's government halted a USD1.3 billion refinery modernization largely funded by the Chinese government because of a contractual violation. A feasibility study was conducted by Chinese company HQCEC, which has ties to the China National Petroleum Corp (CNPC), but the contract specified that the study could not be carried out by a company associated with CNPC. The project, in the city of Limon on the Caribbean coast, was the subject of talks between President Xi Jinping and President Laura Chinchilla during Xi's visit to the country earlier this month. The modernization was to be primarily funded by a USD900 million loan from China Development Bank Corp.

REAL ESTATE

Home prices increased more slowly in May

Home prices in China continued to rise more slowly in May, with fewer cities recording month-on-month increases, the National Bureau of Statistics (NBS) said. Excluding government-subsidized affordable housing, new home prices rose in 65 of the 70 cities tracked by the Bureau, compared with 67 in April and 68 in March. In the pre-owned home market, 64 cities saw monthly growth in May, down from 66 in April. The data showed that new home prices in 34 cities saw slower month-on-month rises. The cities of Fuzhou, Zhengzhou, Guangzhou and Chengdu saw price rises narrow by at least 0.6 percentage points. Guilin in Guangxi saw the biggest increase at 2.9% last month. Of the country's four first-tier cities, Shenzhen led with a 1.9% gain, followed by Shanghai up 1.7%, Beijing up 1.6% and Guangzhou's 1.5% rise. Home prices in Tangshan, Changde and Sanya dropped last month while those in Luzhou and Zunyi were flat. "As tightening measures continued to take effect, the number of cities registering price gains kept declining in both new and existing home markets," said Liu Jianwei, Senior Statistician at the NSB. The value of new home purchases in China surged 56.8% to CNY2.19 trillion in the first five months, down from a 65.2% annual rise between January and April and a 69% gain in the first quarter.

CBRE Global Investors to invest in offices in China

CBRE Global Investors, which manages more than USD90 billion of property assets, is seeking to invest in offices in China even as rents fall in some cities amid oversupply. The firm currently has only one office property in Shanghai, but is looking at office projects in Beijing, Shanghai, and Guangzhou, and in as many as 10 second-tier cities, including Chengdu, Wuhan, and Suzhou, the Fund's Greater China Country Manager Richard Van den Berg said at a conference in Hong Kong. Prime office rents in China fell an average 2% in the first quarter from three months earlier to CNY337 per square meter per month, the first decline since the third quarter of 2009, according to Chicago-based Jones Lang LaSalle. The fund would consider investing in cities with at least two million sq m of "investment-grade office space", said Van den Berg. CBRE Global Investors acquired a majority of ING Group's real estate investment business in 2011. The company managed about USD3.7 billion of assets in the Asia-Pacific region. CBRE expects 2013 and 2014 to be a "good time" to invest in China's property market as it slows due to the government's tightening policies.

- Two plots on the former Expo site in Shanghai's Pudong New Area were sold at starting prices to state-owned enterprises. China Electronics Technology Group Corp paid nearly CNY2.19 billion for a 14,786 square meter parcel while China UnionPay acquired a neighboring plot of 18,218 sq m for CNY2.33 billion. The average gross floor area price was CNY28,429 per sq m. The average land cost in Shanghai was CNY14,490 per sq m in May. Last month, three smaller land parcels on the former Expo site fetched nearly CNY2.6 billion, with two of them sold at the starting price.

SCIENCE & TECHNOLOGY

CAS lists 19 priority projects

A report written by more than 200 experts of the Chinese Academy of Sciences (CAS) lists 19 projects as the research priorities of the next decade. The most eye-catching project is a new jet engine that promises to deliver thrust equivalent to 15 times its own weight. The thrust-to-weight ratio is a key indicator to measure a jet engine's performance. In comparison, the Pratt & Whitney F119 turbofan engine used in the United States' F-22 raptor fighter has a thrust-to-weight ratio of eight and is widely considered one of the most advanced jet engines today. Engine technology is the weakest link in China's aviation sector. China also plans to build the world's first quantum communication network. With the launch of a quantum satellite in 2016, China would overcome the short-distance issue of existing quantum communication technology and achieve data transmission that could not be hacked by conventional methods.

- Less than half the new graduates from Chinese universities have a job, and the central government is so worried it ordered state enterprises to hire graduates. A record seven million students will graduate from universities and colleges in the coming weeks, but their job prospects are bleak. The number of students enrolled in universities and colleges in China has quadrupled over the past decade. A national survey released last winter found that almost one in six of 21 to 25-year-olds with university degrees were unemployed. However, only one in 25 of those with just an elementary school education were unemployed.
- The Chinese astronauts aboard the Tiangong-1 module gave a lecture to students on earth. Wang Yaping, China's second woman in space, demonstrated how a variety of objects behave in zero gravity in experiments shown in classrooms across China. Wang and her fellow crew members Nie Haisheng and Zhang Xiaoguang answered questions from students about living, working and staying fit in space. The three Chinese astronauts aboard the Shenzhou-10 spacecraft successfully completed a manual docking procedure with the Tiangong-1 module following the automated docking procedure on June 13. The Tiangong-1 space lab has been in orbit for more than 600 days and will remain in service for another three months.

STOCK MARKETS

IPO approvals expected to be resumed by end of July

China is likely to resume approval for new share listings on the domestic exchanges as early as the end of July, the Securities Times said. The China Securities Regulatory Commission (CSRC) said approval will first be given to IPO applicants that have met a series of requirements, such as providing valid financial documents. China has not approved any IPOs since November in a government crackdown on false disclosures and profit manipulation. As of the end of May, 666 companies were lining up to launch IPOs on the Shanghai and Shenzhen bourses, down from nearly 900 IPO applications earlier this year. The IPO reform requires issuers to collect quotations from at least 50 institutional and 50 individual investors during the pricing of IPOs involving over 400 million shares. At least 20 institutional and 20 individual investors' quotations are needed for IPOs of under 400 million shares. Applicants need to provide measures to stabilize the share price in case it falls below net asset value during the first five years after the debut.

The lifting of the eight-month suspension of new share offerings could open the floodgates for a fundraising spree by cash-hungry companies and divert some of Hong Kong's listing business. Though a relaunch of A-share initial public offerings would erode mainland firms' interest in Hong Kong in the short term, analysts said it could benefit local investors in the long term as low-quality IPO candidates from the mainland leave the city's stock market. The Chinese IPO market, including the Shanghai and Shenzhen stock exchanges, was the world's largest in 2010 to 2011 even as the key Shanghai index was among the world's worst-performing indicators. The resumption of IPO approvals is expected to exacerbate the bearish sentiment in a market that has already lost 5.54% this year. "The news is expected to further weigh down the A-share market though investors have been psychologically prepared for new share offerings," said Dazhong Insurance fund Manager Wu Kan. In Hong Kong, new share offerings raised a total USD4.6 billion last month, up 38% from a year ago. "Some companies will choose the mainland market for listing as they might think investor appetite and liquidity there may be better than in Hong Kong," said Frank Tang, Chief Executive of FountainVest

Partners. David Chin, Manager of UBS' Asia investment banking business, said the CSRC's decision would have minimal impact on market liquidity and sentiment in Hong Kong. The expected decision to resume initial public offerings next month has raised fresh fears of a fund outflow, knocking the Chinese share market to its lowest close in six months.

Cigarette packaging firm to list in Hong Kong

The planned listing in Hong Kong of Jin Cai, a maker of cigarette packaging based in Jiangxi, offers investors access to the government-protected tobacco industry. While the firm has a stable source of income from the state-owned tobacco producers, its operating margin and profitability have dropped for three years in a row since the government imposed a nationwide ban on smoking indoors in public areas. The gearing ratio, a measure of financial leverage, rose steadily to 19.8% last year from 14% in 2010 as the firm used bank loans to boost working capital while it battled with sluggish sales and delays in payment by its customers. Raw materials in inventory jumped to CNY4.5 million last year from CNY2.9 million in 2011, while finished goods plunged to CNY1.8 million from CNY14.5 million as the firm tried to de-stock in the face of a sales growth of just 2.1% last year. Net profit slumped 13.9%, Jin Cai's preliminary listing document shows. Profitability measures, including net profit margin and return on equity, have declined steadily since 2010. Jin Cai has kicked off its listing roadshow in an attempt to raise USD100 million. It plans to use the fresh capital to expand production capacity and seek vertical integration opportunities, suggesting that it might seek to acquire operations engaged in the manufacturing of transfer paper, a raw material used in cigarette package printing. Six out of 10 newly listed firms in Hong Kong fell below their offering prices this year. Bankers said market conditions were “extremely tough”, the South China Morning Post reports.

- Five Qualified Foreign Institutional Investors (QFIIs) got the green light in May to invest in yuan-denominated stocks, an increase from three in April, bringing the total number of QFIIs to 225. China granted USD1.3 billion worth of investment quotas to QFIIs in May, up from USD137 million in April. In May, participants in the QFII program opened 22 accounts to trade A shares. The average return of funds under the QFII scheme rose 5.34% in May while the Shanghai Composite Index gained 5.63%. In the past decade, the QFII scheme has witnessed a more than 10-fold increase in the number of participants and the size of approved investment quotas.
- HKEx has no plans to introduce the current LME products for trading in Hong Kong but would instead consider newly created commodities products, including yuan-denominated ones. It also discourages the physical settling of contracts as renting warehouses for stocking metal products in Hong Kong is too expensive. The annual “LME Week” is to be held in Hong Kong, the first time the event is being held outside London.
- Shanghai-listed stocks plunged to their lowest level in more than six months last week as China’s manufacturing activity contracting further in June to a nine-month low. Investor sentiment was also hit by a liquidity squeeze.
- GF Fund Management, the asset management arm of GF Securities, the country's No 4 brokerage, is lobbying the securities regulator to allow it to accept client money in foreign currencies for investment in A-share funds, allowing it to diversify its business as competition in the domestic market heats up. Chairman Wang Zhiwei said the company was giving priority to obtaining a qualified foreign institutional investor license. Under current regulations it does not qualify because its assets overseas total less than USD500 million.
- According to data provider iFind, senior executives of China-listed firms gained an average 6.9% pay rise last year and their total payments were valued at about CNY9 billion. The growth in salaries of company executives far exceeded a 2% profit rise recorded in the same year. Nearly 70% of listed firms raised the salaries paid to senior executives, according to iFind.

VIP VISITS

President Xi holds talks with UN Secretary General Ban

Chinese President Xi Jinping held talks with UN Secretary General Ban Ki-moon in Beijing, urging the United Nations to be “fair and just” and indicating that Beijing would like to play a more prominent role in international affairs. Xi and Ban discussed the conflict in Syria and North Korea's nuclear program, but Xi also outlined China's expectations of the UN, calling on its members to scrap the “zero-sum mindset”. The UN should “uphold the principles of impartiality and righteousness” and “speak in a fair manner”, Xinhua quoted Xi as saying. China would step up its efforts to promote peaceful settlement of international disputes, and work with other nations to tackle climate change, Xi added. “The remarks indicated that China does not want to be the supporting actor in global affairs, and it wants to be in leading positions,” said Zhao Junjie, International Relations Specialist at the Chinese Academy of Social Sciences (CASS). “China's foreign policy used to be reactive but now it's becoming more proactive – regionally as well as globally,” Jin Canrong, Specialist in International Relations at Renmin University, said.

China and Vietnam sign oil deal

The Presidents of China and Vietnam set up a hotline to defuse territorial disputes and expanded a 2006 agreement to jointly explore for oil in the Gulf of Tonkin. Vietnam Oil and Gas Group's agreement with China National Offshore Oil Corp (CNOOC), announced during President Truong Tan Sang's visit to Beijing, expands the exploration area to 4,000 square kilometers and extends the plan to 2016. The agreement and hotline aim to calm tensions after maritime disputes strained ties. Truong Tan Sang is seeking to spur an economy that grew at the slowest pace in 13 years and narrow China's trade surplus, which hit USD11 billion from January to May. At a meeting of the two Presidents, Xi Jinping said the countries should seek a political solution and not let the issue affect bilateral ties.

ONE-LINE NEWS

- Three youths have been charged and detained in France over a racist attack on six Chinese students in the Bordeaux wine-making region that has shocked China. The three had hurled racist insults when they assaulted the students at their home in Hostens. A female student's face was seriously injured by a glass bottle that was thrown at her. Chinese Foreign Ministry Spokeswoman Hua Chunying expressed “strong condemnation” over the attack.
- Authorities in Shanghai announced that they will ease controls over residency permit applications for non-locals starting next month. The new regulation makes Shanghai the first Chinese metropolis to give nearly equal urban status to non-locals. Non-Shanghai residents can apply for a residence permit evaluation by accumulating 120 points, which are calculated using a number of factors including an applicants’ age, educational background, profession and work performance. Shanghai had a population of 23.8 million by the end of 2012, with nearly 10 million migrants.
- Guo Yongxiang, 64, a former Vice Governor of Sichuan province, who for 12 years until 2002 was the aide of former Politburo Standing Committee Member Zhou Yongkang, has been placed under investigation for corruption. He is be sixth vice-ministerial-level official brought down since early December.
- Unesco’s World Heritage Committee added the Tianshan area in Xinjiang to the World Heritage List as a natural site. The area has spectacular snow-capped mountains and glacier-capped peaks, undisturbed forests and meadows, clear rivers and lakes, canyons and vast deserts. The site is home to 15,953 glaciers and the endangered snow leopard. The UN also granted World Heritage status to the terraced rice fields of Honghe Hani in Yunnan. The addition of the rice fields takes the number of World Heritage Sites in China to 45.

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Contact:

Flanders-China Chamber of Commerce
Lammerstraat 18, B-9000 Gent
Tel.: +32 9 266 14 60/61 – Fax: +32 9 266 14 41
E-mail: info@flanders-china.be
Website: www.flanders-china.be

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This newsletter is realized with the support of Flanders Investment & Trade.

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. Disclaimer: the views expressed in this newsletter are not necessarily those of the FCCC or its Board of Directors.