法兰德斯中国商会 FCCC VCKK

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

NEWSLETTER | 13 FEBRUARY 2012

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FCCC ACTIVITIES

Meeting with Chinese delegation: “Leadership in Low-carbon Growth”, 16 February 2012, 9 am, Antwerp

The Flanders-China Chamber of Commerce and the Flanders Cleantech Association are organizing a meeting with a delegation, led by a group of Chinese Mayors of second- and third-tier cities in China.

This visit is organized in the framework of an exchange programme of The Climate Group, which is an organization based in the UK with offices worldwide, including Beijing and focusing on climate change and low carbon area. The aim of their visit is to facilitate the dialogue, trade and investment between Chinese cities and Europe on cleantech and environmental technologies.

This meeting “Leadership in Low-carbon Growth” will take place at 9 am on February 16 at the Hooge Maey, Haven 550 in Antwerp.

The delegation, which consists of a group of mayors of second- or third-tier cities, are from the following cities: Lanzhou (Gansu province), Guiyang (Guizhou province), Zhuhai (Guangdong province), Inner Mongolia Autonomous Region. The delegation members are interested in the following sectors: urban planning, energy efficiency, water treatment, waste management, transportation (subway construction and operation), sustainable rural development. A complete list of the delegation can be obtained at: info@flanders-china.be

Programme:

8h50 - 9h10	Registration
9h10 - 9h20	Introduction by **Mrs Gwenn Sonck**, Executive Director, Flanders-China Chamber of Commerce
9h20 - 9h30	Presentation Flanders Cleantech Association by **Mr Dirk Fransaer**, Managing Director, VITO
9h30 - 10h00	Presentation “Waste management in Flanders: Policy instruments & Results” by **Mrs An Vandeputte**, Project Manager, OVAM/Public Waste Agency of Flanders
10h00 - 10h20	Presentation “Sustainable Landfilling” by **Mr Daniel Dirickx**, Director, Hooge Maey
10h20 - 10h40	Presentation “Renewable Chemicals from Algae” by **Mr Bert Lemmens**, Project Manager Renewable Chemicals, VITO
10h40 - 11h00	Presentation “Enhanced Landfill Mining as a new concept for sustainable materials management” by **Mr Karl Vrancken**, Research Coordinator, VITO
11h00 - 11h30	Coffee break
11h30 - 12h30	Site visit Hooge Maey
12h30 - 14h30	Lunch at Hooge Maey Presentation of the Climate Group by **Mr Luc Bas**, European Programme Director Presentation of the participating companies (slide presentation) and the members of the Chinese delegation

This meeting will give you the opportunity to introduce your company's activities to leaders from second and third-tier cities. Companies can join the whole morning programme and the lunch or join the lunch only.

Participation fee for FCCC members: 75€, non-members: 110€
In order to introduce your company to the Chinese delegation, we kindly ask you to fill in the subscription form and return it to info@flanders-china.be.

This visit is being organized with the support of Flanders Investment & Trade.

FCCC Chinese New Year reception, 16 February 2012, 18h30, KBC Bank, Brussels

Important notice: the New Year reception has been moved from 15 to 16 February.

The Flanders-China Chamber of Commerce (FCCC) is organizing its Chinese New Year Reception with speeches by:

Mr **Bert DE GRAEVE**, Chairman Flanders-China Chamber of Commerce
His Excellency Mr **LIAO Liqiang**, Ambassador of the People’s Republic of China in Belgium
Mr Didier **REYNDERS**, Vice Prime Minister and Minister of Foreign Affairs, Foreign Trade and European Affairs

The reception will take place on 16 February 2012 at 18h30 at KBC Bank, Havenlaan 2, 1080 Brussels.

Participation for FCCC members: €20. Participation for non-members: €45.

Registration on the FCCC website at www.flanders-china.be

China, growth without borders?!, 16 February 2012, 20h00, KHBO, Brugge

The Province of West-Flanders is organizing a lecture “China, growth without borders?! By Jonathan Holslag, Research Director at the Brussels Institute of Contemporary China Studies, Free University of Brussels on Thursday, 16 February 2012 from 20h00 till 21h30 at KHBO, Xaverianenstraat 10, 8200 Brugge. The lecture will be in Dutch.

Programme:

20:00	Welcome by the Governor of the Province of West-Flanders (To be confirmed)
20:10	Lecture “China, growth without borders?!” by Jonathan Holslag, Research Director at the Brussels Institute of Contemporary China Studies, VUB
21:00	Questions & answer session
21:30	Drink

Participation is free of charge. Registration before 10 February 2012, by filling out the registration form. A confirmation message will be send after receipt of registration.

More information: Kristien Vandamme, Tel: (+32) 050 40 33 59
E-mail: kristien.vandamme@west-vlaanderen.be

This event is organized in cooperation with the following partners: Provinciale Ontwikkelingsmaatschappij West-Flanders, Flanders-China Chamber of Commerce (FCCC), Unizo, Chamber of Commerce West-Flanders, Province of West-Flanders.

China Information Session: Assignments from China to Belgium and vice versa: Update on immigration and social security aspects, Tuesday 21 February 2012, 15h30, Antwerp

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 (FCCC), in cooperation with Deloitte and the Port of Antwerp, is therefore organizing an information session on aspects of immigration and social legislation which will focus on the posting of Chinese nationals to Belgium and vice versa. More precisely, the following topics will be discussed:

A. Update on important International mobility issues for Chinese and European nationals:

1. Blue card – the European work permit
2. New rules on reuniting families.
3. The Schengen Area and free movement within the EU
4. EU comparative immigration study
5. Business trips and rules governing work permits

B. Advantages of concluding a social security treaty between Belgium and China:

1. To secure eligibility for social security benefits for Chinese nationals in Belgium.
2. The new Chinese social security system: an overview of the most important new rules.
3. Conclusion of a treaty between Belgium and China: the scope of its content and the way forward.

The aim of this event is to provide sound knowledge and understanding of the aforementioned issues, to enable companies to meet various requirements on a timely basis and avoid losing precious time or wasting resources.

The speakers will be Erwin Vandervelde and Matthias Lommers, who are a Partner and Senior Manager at Deloitte respectively.

The information session will take place at 3.30 p.m. on Tuesday 21 February at the Port of Antwerp, Entrepotkaai 1, 2000 Antwerp and will be followed by a networking cocktail in the MAS Port Pavilion. This multimedia information center at the foot of the Museum aan de Stroom (MAS) is an iconic location for the port community.

To participate, please register online. Participation fee for members: €65; non members: €95.

Annual Flanders-China Job Fair, 26 April 2012, Leuven

The Flanders-China Chamber of Commerce (FCCC) and Group T-International University College Leuven are organizing the Annual Flanders-China Job Fair at Vesalius Campus (Andreas Vesaliusstraat 13, 3000 Leuven) on Thursday, April 26, 2012 from 13:00 to 18:00.

This job fair is a unique opportunity to present your company to Group T's Chinese and other international students, to its alumni, and to young Chinese professionals.

During the job fair you will be able to meet students from the following programs:

- Bachelors of Science in Engineering: Electromechanical Engineering, Electronics Engineering, Chemical Engineering
- Masters of Science in Engineering: Electromechanical Engineering, Electronics Engineering, Chemical Engineering, Biochemical Engineering
- Postgraduates: International Postgraduate Program in Enterprising, International Postgraduate Program in Logistics Management

The Flanders-China Job Fair also gives you the opportunity to offer these students and alumni internships, company projects, and longer-term learning tracks in your company.

Program

13:00	Registration Setting up of stalls
14:00	Official opening of the fair by: H.E. Liao Liqiang, Ambassador of the People's Republic of China to Belgium Prof. Dr. Johan De Graeve, President and Chief Executive of Group T Ms. Gwenn Sonck, Executive Director of FCCC.
14:15	Job fair, one-on-one meetings with students and alumni
17:00	Networking drink
18:00	End

Companies are welcome to publish their profile, job openings, and projects online and will also receive online access to the students' CVs.

The registration fee is €300 for members, €475 for everyone else. Read more and register online (till April 19, 2012) at www.flanders-china.be.

During the month of April, the Flanders-China Chamber of Commerce organizes similar job fairs in collaboration with Ghent University, the Université Libre de Bruxelles, and the Vrije Universiteit Brussel.

FCCC Industrial fact-finding trip to Shandong province (21-24 May 2012)

Many Flemish companies in China are continuing to focus on a small number of large, well-known cities, like Beijing, Guangzhou, Shanghai and Shenzhen. However, numerous member companies are encountering mature, increasingly saturated markets with limited growth opportunities in these locations and finding themselves facing mounting competition, both from foreign rivals and from increasingly sophisticated Chinese companies.

The FCCC's 's strategy is to give our members a better insight into business opportunities in second- and third-tier cities.

The FCCC has a strong network in China thanks to partnerships and investments by our founding members in several cities.

We would like to organize an industrial fact-finding trip to Shandong province with a limited group of companies, to become better acquainted with the area and meet potential partners and senior officials. The mission will start from Beijing and take in the cities of Jinan, Qingdao and Weihai.

Shandong is China's third most populous province and also has the third-highest GDP. It offers attractive opportunities for business in the following sectors: food and agriculture, infrastructure, energy, minerals and chemicals, renewables and the environment, advanced engineering, professional services, retail and consumer goods. In short, all major industries are represented in Shandong, and its broad range of industrial and commercial activity offers great potential prospects for Flemish businesses in many sectors.

During the visit, participants will gain a clearer picture of the trade- and investment-related advantages of Shandong's various cities and development zones. Furthermore they will be given access to senior Chinese officials and meet European entrepreneurs who have already invested in these areas and potential Chinese business associates.

The dates for the visit to Shandong province are **21 to 24 May 2012**.

Please send us any comments you may have and **let us know by 15 March 2012** whether or not your company would be interested in taking part in this focused industrial fact-finding mission, by sending an e-mail to gwenn.sonck@flanders-china.be. We will send you the programme and a subscription form as soon as we have evaluated the interest in such a visit. Please do not hesitate to contact us if you require more information.

OTHER ACTIVITIES

Seminar on Canton Trade Fair, 29 February 2012, 10h30, Brussels

To enhance trade relations between China and Belgium, the China Foreign Trade Center will send a high-level delegation led by Mr Liu Jianjun, Vice President of the Center to visit Belgium by the end of February. They will host a seminar in Brussels on February 29 to introduce and advertise the China Import and Export Trade Fair, also known as the Canton Fair. The seminar will take place at the Rocco Forte Hotel Amigo, Amigostraat 1, 1000 Brussels.

Programme:

10:30 - 11:00	Registration & welcome coffee
11:00 - 11:05	Introduction by the host
11:05 - 11:15	Speech by Mr. Wang Heliang, Economic and Commercial Counsellor Chinese Embassy in Belgium
11:15 - 11:25	Speech by Mr. Liu Jianjun, Vice President of China Foreign Trade Center and Spokesperson of China Import and Export Fair
11:25 - 11:45	Canton Fair Promotion Video
11:45 - 12:05	Speech by representative of VIP guest and buyer (To be confirmed)
12:05 - 12:15	Q&A

12:15 - 13:30 Buffet Lunch

This event is organized with the support of the Flanders-China Chamber of Commerce (FCCC).

PAST EVENTS

FCCC Annual meeting with the Belgian Ambassador to China and the Belgian Consuls-General in Shanghai, Guangzhou and Hong Kong, 2 February 2012, Brussels

The Flanders-China Chamber of Commerce (FCCC) organized its annual meeting with the Belgian Ambassador to China and the Consuls-General of Belgium in Shanghai, Guangzhou and Hong Kong.

Mr Stefaan Vanhooren, Vice Chairman of the Flanders-China Chamber of Commerce, welcomed the participants. His Excellency Mr Patrick Nijs, Ambassador of Belgium in the People's Republic of China, delivered a speech on the prospects of the Chinese economy. Mr Bruno Georges, Consul General of Belgium in Shanghai gave us his insight of the current economic situation in Shanghai. Mr Johan D'Halleweyn, Consul General of Belgium in Guangzhou, pointed out the opportunities in Guangzhou. This speech was followed by an outlook on today's economy in Hong Kong by Mr Evert Maréchal, Consul General of Belgium in Hong Kong.

During a networking reception, the participants were able to meet the Ambassador and the Consuls-General and to inform them about their company's activities in China.

This event was organized with the support of Flanders Investment and Trade. Pictures can be viewed at this link.

PUBLICATIONS

"Voices on China" (more information on the FCCC website)

For more information on the book "Voices on China", please go to the FCCC website at www.flanders-china.be

FINANCE

Chinese yuan rises to 18-year high against USD

The Chinese yuan rose to an 18-year-high on February 10, as Vice President Xi Jinping prepared to visit the U.S. The People's Bank of China (PBOC) set the yuan's central parity rate against the U.S. dollar at 6.2937 after the rate rose for two consecutive trading days. Zhuang Jian, Senior Economist with the Asian Development Bank (ADB) predicted the yuan may rise about 3% this year, which would be slower than the 6% against the dollar in real terms last year. "The rise largely reflects market supply and demand," said Zhang Jianping, Senior Economist with the Institute for International Economics Research under the National Development and Reform Commission (NDRC). Il Houng Lee, Senior Resident Representative at the Beijing office of the International Monetary Fund (IMF), said the currency will go forward over the medium term but in the short term it will see more ups and downs. A report by the IMF's Beijing office said upward pressures on the currency have diminished recently. However, as the current account still has a sizable surplus of U.S. dollars, and foreign direct investment (FDI) remains strong, China is supposed to resume the strong pace of accumulation of foreign exchange reserves, according to the report. The country's foreign exchange reserves increased by USD11.7 billion between October and December. China's capital and financial account suffered a deficit of USD47.4 billion in the fourth quarter of 2011, from a surplus of USD66.2 billion in the third, indicating net capital outflows, the China Daily reports.

- Citibank (China) has received regulatory approval from the China Banking Regulatory Commission (CSRC) to launch its credit card business in China. The U.S. bank had teamed up with Shanghai Pudong Development Bank (SPDB) to issue co-branded credit cards since 2003. Citi will now focus on building up its new credit card business while SPDB will take care of the existing card business. Citibank is the second foreign bank and the first Western one to receive permission to issue a stand-alone credit card in China, following the Bank of East Asia (BEA).

- Chinese banks' dim sum notes are maturing at a record pace and their cost of refinancing is increasing after yields doubled in the past five months. At least CNY55.6 billion of certificates of deposit, mostly sold by Chinese lenders' Hong Kong units, will mature this year, making it harder for banks to meet demand for yuan loans, HSBC estimates. Average coupons on one-year dim sum notes rose to 2.5% last month from 1.25% in September last year, HSBC said. Yuan loans in Hong Kong may jump fivefold to CNY100 billion this year, Standard Chartered predicts.
- Chinese banks extended CNY738.1 billion in new loans in January, well below market forecasts of CNY1 trillion, raising expectations the central bank will cut bank reserve ratios. The central bank said the broad money supply rose 12.4% at the end of January from a year earlier, also missing market expectations of 13.6%.
- China's central bank – the People's Bank of China (PBOC) – will become a shareholder in the nation's sovereign wealth fund by injecting USD50 billion into the fund, Caixin Online reported. It would increase the value of the fund's assets to USD460 billion.
- Leading Chinese banks were unlikely to resort to issuing new shares or debts to raise money this year, international rating agency Moody's predicted. The recent cut in dividend payments would save them from raising capital on a “massive” scale.
- China didn't experience large capital outflows in recent months, although the pace of net inflows slowed, which was in line with policymakers’ aims, the State Administration of Foreign Exchange (SAFE) said. The slowdown of foreign capital inflows in the past few months had eased some pressure for yuan appreciation, but the situation would only prevail in the short term, analysts said.
- Chinese banks and companies in Tianjin have cut exposure to Europe in a move to reduce their risks amid the spreading eurozone debt crisis. Europe is Tianjin’s second-largest export destination after the United States. A survey of 53 banks and 15 companies conducted by the local foreign-exchange regulator found that 11 banks had tightened the reins on Europe-related business. Banks also reported cutting issues of euro-denominated wealth-management products.
- HSBC announced it was appointing Paul Gooding, who has headed the European credit trading unit for the past seven years, to lead HSBC's team helping London to become an offshore yuan center. His team will include Hong Kong-based Executives Candy Ho, the bank's head of RMB business development for the Asia Pacific, and Thomas Poon, Hong Kong's head of business planning and strategy. Jerry Chang, Managing Director of headhunter Barons & Co, said bankers and other professional specialists in yuan are most wanted in the job markets these days.
- The Shanghai Futures Exchange is planning to launch a crude oil futures contract that will be denominated in multiple currencies and partially open to foreign investors. “We must focus on establishing futures for crude and other commodities, to gradually strengthen China’s pricing power in international markets,” said Guo Shuqing, Chairman of the China Securities Regulatory Commission (CSRC). China is the world’s second-largest oil importer and its oil companies can only hedge crude overseas, although Shanghai does have a futures contract for fuel oil.

FOREIGN INVESTMENT

Technology transfer not necessary for market access

Foreign companies won’t be forced to transfer technology to ventures with their local partners in order to gain access to markets in China, Commerce Minister Chen Deming said. “Technology transfer and technology cooperation shall be decided by businesses independently and will not be used by the Chinese government as a precondition for market access,” he added. Minister Chen said that China had reviewed all its laws governing foreign trade and economic issues shortly after joining the World Trade Organization (WTO) in 2001 and “revised those not conforming to WTO rules and its accession commitments.” His comments were made ahead of Vice President Xi Jinping’s visit to the U.S. this week. “As the financial crisis is spreading and worsening, all countries are faced with the task of promoting economic growth and creating more jobs,” Chen said. Stronger cooperation between the U.S.

and China is in the fundamental interest of both nations, he said.

- Masdar Capital, the investment vehicle of the Abu Dhabi state-owned renewable energy company Masdar, is looking for investment opportunities in fuel cells and water treatment in China. The company invested USD15 million in Chinese wind-farm developer UPC Renewables China in late 2010. The capital from Masdar is being used to build new wind farms.
- A financial consortium backed by French luxury goods firm LVMH has acquired a 10% stake in Chinese fashion maker Ochirly. The deal is worth USD200 million, valuing Ochirly at USD2 billion. It marks the first time L Capital, the private equity arm of LVMH, has taken a direct stake in a Chinese company. Ochirly, established in the late 1990s, currently operates about 200 retail outlets.
- China may move shortly to help Europe resolve its debt crisis by providing an investment of as much as €100 billion, said Yuan Gangming, Economist at the Chinese Academy of Social Sciences (CASS). The money would probably go to the European Financial Stability Facility (EFSF), the euro bailout fund, Yuan said. However, he added, the forecast was his own and did not necessarily represent government plans. Economists from the academy provide policy advice without direct involvement in decisions. Funds could also go to the International Monetary Fund's bailout program, he said.
- In 2011, China’s investment in the European Union surged 94.1% to USD4.28 billion, compared with only 1.8% growth in China’s total outbound direct investment (ODI). Mei Xinyu, Senior Researcher at the Ministry of Commerce’s Chinese Academy of International Trade and Economic Cooperation, said: “We could see the debt crisis as (providing favorable) buying opportunities.”

FOREIGN TRADE

Chinese exports declined 0.5% in January

China’s exports in January registered a decline from a year ago — the first monthly fall in more than two years. Economists said the decline is an isolated case and the country‘s exports will rebound in February. The Chinese Lunar New Year holiday fell in January. Exports declined by 0.5% year-on-year to USD149.9 billion last month, and imports dropped by 15.3% to USD122.7 billion, leading to a trade surplus of USD27.2 billion, according to statistics from the General Administration of Customs. The Administration explained that fewer working days in January resulted in the export decline. Exports to the U.S. surged by 5.4% year-on-year in January, and those to Japan rose by 6.1% and to South Korea 9.2%. “Disregarding the seasonal factors, China’s exports posted double-digit growth,” it said. Experts differ on the reasons for the decline. “Obviously, the fall should be attributed to seasonal distortions and the week-long holiday,” said Wang Tao, Chief Economist with UBS in China. However, Li Wei, Economist at Standard Chartered Bank in Shanghai, held a different view. “It’s hard to tell if it is a reflection of the slackening global demand or the result of seasonal distortions.” In January, China’s exports to the European Union, the largest destination for Chinese-made goods, fell by 3.2% year-on-year, mainly dragged down by a drop of 28.2% in shipments to Italy. Exports to Hong Kong fell by 16.4% year-on-year, while those to Taiwan decreased by 28.2%. Premier Wen Jiabao said that China will try to maintain basically “stable” foreign trade policies, adding that any adjustments should be more “encouraging than restrictive”. In January, China’s imports fell for the first time since October 2009, fueling concerns over whether domestic demand can sustain and support the global economy, the China Daily reports.

- Fujian province exported 688,000 tons of seafood last year and imported 492,000 tons, with the international trade up 30.76% by volume and up 51.26% in value to USD4.8 billion. More than half of its exports went to Taiwan and member countries of the Association of Southeast Asian Nations (ASEAN). Exports to Taiwan exceeded those to Japan, previously Fujian's biggest overseas market for seafood, for the first time.
- The value of traditional Chinese medicine (TCM) exported from China is expected to increase by more than 10% a year during the next five to 10 years, Liu Zhanglin, Vice President of the China Chamber of Commerce for Import & Export of Medicines and

Health Products, said. The value of those exports increased from USD600 million in 1996 to USD1.8 billion in 2010. The value reached USD2.33 billion last year, an increase of 36.2% from the year before.

MACRO-ECONOMY

IMF: China should lessen reliance on external demand

China needs to reduce its reliance on external demand to lessen the impact of a possible worsening debt crisis in Europe, the International Monetary Fund (IMF) said. A sharp downturn in Europe could cut China's economic growth rate nearly in half, it added. The IMF forecast 8.2% growth this year for China but said that could be reduced by up to 4 percentage points if Europe's crisis causes large declines in credit and output. "The global economy is at a precarious stage and downside risks have risen sharply due to worsening conditions in the euro area," it said in a report. The World Bank told China and other developing countries last month the coming global slump might hit them harder than the 2008 economic crisis. China has responded to a plunge in global demand by promising bank lending and other aid to struggling entrepreneurs. Last month, the IMF downgraded China's growth projection for 2012 to 8.2% from 9%. "If the unfortunate downside scenario in Europe becomes a reality, China should respond with an even more significant fiscal package that can be executed through central and local governments," it said in the report. China's housing market won't become a threat to China's economy, the IMF said, noting that it was beginning to deflate, with price growth slowing and transaction volumes down. It said underlying investment remained healthy, in part due to the government's efforts to expand the supply of social housing. A modest decline in property prices should be regarded as a welcome development, the IMF said, as reported in the Shanghai Daily.

Chinese inflation jumps to 4.5% in January

Chinese inflation jumped in January, breaking a streak of five straight monthly declines, but seasonal factors were largely to blame and price pressures were expected to weaken in the coming months. The consumer price index (CPI) rose 4.5% from a year earlier, up from December's 4.1% pace. The main cause of the rebound was the shopping spree for the Lunar New Year holiday, which pushed up food prices, an effect which has regularly been seen in the past and is likely to be temporary. Core inflation, stripped of food costs, rose much more slowly, giving Beijing some room to stimulate the slowing economy if necessary. "It is very likely that after the holiday, prices will come down, especially for food. Next month's number should be lower and that will ease concerns," said Ken Peng, Economist with BNP Paribas. But even if January's rebound was a seasonal aberration, the fact that it was well above market expectation for steady inflation may reinforce the caution of policymakers. Beijing has been reluctant to take aggressive action to prop up growth, with the economy slowing only very gradually so far. The government is also wary of repeating the massive debt-fueled stimulus it used in 2009 to rescue the economy from the global financial crisis. Weakening inflation is unlikely to prompt a change in that cautious stance, but it does expand the comfort zone for policymakers as they debate tactics should the economic picture worsen dramatically, the Financial Times reports. The Producer Price Index (PPI), which measures inflation at the factory gate, expanded 0.7% year on year in January, compared with 1.7% in December. Zhu Haibin, Economist at JP Morgan, expected inflation this month to be around 4%, but to moderate in the next two quarters until it hits around 2.8%. Lu Zhengwei, Chief Economist at Industrial Bank, expected CPI growth to return to 3.5% this month due to a higher comparative base and the elimination of seasonal factors.

China to standardize income figures

Urban and rural income surveys will be standardized amid plans to publish an internationally accepted measure of wealth distribution, Xie Hongguang, Deputy Director of the National Bureau of Statistics (NBS), said. A nationwide survey will provide basic data for China's Gini coefficient calculation, and will cover about 140,000 urban and rural households. The new income data is scheduled to be published in 2013 to pave the way for the publication of a national Gini coefficient that can measure income inequality, Xie said. The survey will be part of the Sino-Canadian statistics cooperative program. Statistics Canada has shared its experiences in collecting and processing data, Xie said. Since 2000 the NBS has published a Gini coefficient that focused on rural income and that stood at 0.3897 in 2011. The coefficient measures income distribution on a scale of zero to one. A reading of zero means perfect equality – everyone earning the same amount – while one represents the greatest inequality. NBS Director Ma Jiantang last month cited incomplete data on high-income groups as the main reason for the failure to provide a national coefficient. China had 960,000 millionaires with more than CNY10 million in personal wealth in 2010, a rise of 9.7% over the previous year, the Hurun Research Institute and GroupM Knowledge reported in 2011. The per capita disposable income of urban households last year was CNY21,810, while the per capita net income of rural households was CNY6,977. The World Bank estimated that China's Gini coefficient had reached 0.47 in 2009, higher than the internationally accepted threshold of 0.4, which indicates income inequality may threaten social stability. Another international project that the NBS is involved in is the International Comparison Program (ICP) that started last year. The ICP collects prices of goods and services to calculate the purchasing power of different currencies. It helps compare the output of economies and the welfare of their inhabitants in real terms allowing adjustment for different price levels. The NBS also plans to start more cooperative programs with the Federal Statistical Office of Germany to improve the gathering of industrial statistics, the China Daily reports.

CNY15 billion fund to aid SMEs

The central government will set up a CNY15 billion fund as part of a package of measures to avoid widespread closures of small and medium-sized enterprises (SMEs). Zhu Hongren, Chief Engineer at the Ministry of Industry and Information Technology (MIIT), said the measures would involve monetary incentives to ease financing difficulties for tens of millions of SMEs, reduce their costs and help them climb the value chain. The measures follow recently introduced fiscal initiatives such as cuts in administrative fees and corporate tax rates. Growth in industrial output is expected to be hit by slowing demand overseas, weaker domestic consumption, and big rises in wages and operating costs in the second half of last year. Industrial output grew 12.8% year on year in December compared with a 12.4% in November and a 13.2% increase in October. On a full-year basis, industrial output grew 13.9% last year, compared with growth of 15.7% in 2010. The CNY15 billion fund is to be set up by the Ministry of Finance, which would put CNY3 billion a year into the fund over five years. In export-oriented Guangdong, the government plans to lower SME's administrative fees and social welfare contributions, offer favorable prices on industrial sites, and help them access bank financing and new markets.

- China's industrial output may grow slower this quarter amid a cooling world economy and Europe's debt woes, Zhu Hongren, Chief Engineer of the Ministry of Industry and Information Technology (MIIT) said. The growth in China's industrial added-value output was 13.9% in 2011 from a year earlier, and had slowed for four consecutive quarters last year from 14.8% in the first quarter to 12.8% in the last three months.
- China faces power blackouts again this year, although electricity demand growth is slowing. The China Electricity Council forecast electricity consumption growth to fall by between 8.5% and 10.5% in the first half of the year. The Council expects the national power generating capacity supply gap will be between 30 GW and 40 GW this year, compared to 30GW last year. The shortfall mainly comes from a lack of capacity to transmit excess power to coastal regions. The council estimates the industry will add 85 GW of new generating capacity this year, raising the national installed capacity by 8.1% to 1,140 GW.
- The Chinese government issued a plan to boost employment during the current five-year plan, with the aim of creating 45 million jobs and keeping registered urban unemployment under 5%. The government also pledged to maintain an average 13% growth annually in the minimum wage during the five-year period. The government wants minimum wages to be 40% of average local salaries by 2015. Currently, minimum wages in China range from CNY870 in Chongqing to CNY1,500 per month in Shenzhen.

MERGERS & ACQUISITIONS

Shanghai Pharmaceuticals taking over Kony Pharma

Shanghai Pharmaceuticals, one of China's biggest drug makers and distributors, is buying Changzhou Kony Pharma to broaden its product portfolio and strengthen the manufacturing of special active pharmaceutical ingredients (APIs). The state-owned company said it would pay

CNY300 million. Shanghai Pharmaceuticals said that this year it would step up mergers and acquisitions (M&As), using proceeds from its H-share listing last May. The company bought a 51% stake in Jinhe Bio-Technology last month. Shanghai Pharmaceuticals will buy a 70% stake in Kony Pharma and acquire the remaining 30% in the next two years. "We will also continue to seek M&A deals which facilitate our development and accelerate our moves to develop nationwide presence," said Chairman Lu Mingfang. Based in Jiangsu province, Kony Pharma is a drug manufacturer specializing in APIs, with a focus on nucleoside antivirus APIs and losartan antihypertensive APIs, used in heart and vein medications. Shanghai Pharmaceuticals, which now makes more than 400 products, said the growth in generic drugs would rapidly boost the demand for special APIs and present a great opportunity for specialist API companies. Kony Pharma exports 50% of its products, and is preparing to pass the European Union's CEP and the United States' FDA certification. Kony Pharma's revenue from special APIs was CNY63 million in the first half of 2011, with a net profit of CNY17.25 million. The revenue for 2011 is expected to reach CNY115 million, the South China Morning Post reports.

- TPG Capital has completed raising CNY4 billion for its first yuan-denominated private equity fund. The new Shanghai TPG I Equity Investment Partnership Enterprise Fund will invest in domestic companies.
- D.E. Shaw and Company, one of the world's largest hedge funds, is teaming up with Hong Kong-based Ascendent Capital to launch its first yuan-denominated private equity fund, which aims to initially raise about CNY500 million. Both partners will jointly set up a new firm called Shangda Capital to manage the fund, to be registered in the Pudong New Area, Shanghai's financial district. D.E. Shaw is a relative latecomer to the world of yuan-denominated private equity funds, as Western firms including Blackstone and TPG have already secured their local partners and funds.

PETROCHEMICALS

Sinochem buys Total's Tempa unit

Sinochem has agreed to buy Total's Tepma unit, which holds a stake in Colombia's Cusiana field worth 7,000 barrels of oil equivalent (BOE) per day, as well as shares in two pipelines in Colombia. The agreement follows on Sinochem's move in January to buy a 10% stake in five off-shore oil blocks in the Espirito Santo basin in Brazil. The seller in the deal is the Anglo-French oil company Perenco. Sinochem also brokered a deal last year to buy a 40% stake in Brazil's Peregrino off-shore oilfield from Norway-based Statoil. The cost of the acquisition was USD3.07 billion, making it the biggest that the company has made abroad. From 2002 to 2010, Sinochem produced 8.72 million tons of oil and gas. Sinochem's output for 2011 was estimated to be 3.2 million tons. That same year, China National Petroleum Corp (CNPC) produced 106.54 million tons of crude oil. To catch up, Sinochem set the goal of producing 15 million tons of oil equivalent by the end of 2020. Countries in Latin America, Brazil and Colombia in particular, are expected to play large roles in helping it meet that ambition.

China to finish second phase of strategic oil reserve

China will finish building the second phase of its strategic oil reserve project this year, providing a total storage capacity of 170 million barrels, China National Petroleum Corp (CNPC), said. The second phase will have eight storage bases. The first phase was completed in 2009, with a capacity of 103 million barrels at four facilities in coastal areas. The third phase is scheduled for completion by 2020, which will take the total reserve capacity to 500 million barrels. The reserves are intended to reduce the risks that arise from volatile crude oil prices and a growing reliance on imports. Net oil imports by China rose 7.7% last year to 264 million metric tons. The import-dependency rate reached a new high of 56.3%. CNPC projected that domestic oil demand would grow 5% to 493 million tons in 2012, with net crude oil imports up 6.4% to 266 million tons. CNPC Researcher Chen Rui projected that the price of West Texas Intermediate crude would average USD100 a barrel in 2012, compared with USD95 last year. CNPC said that China's natural gas consumption would surpass 150 billion cubic meters (cu m) in 2012. Domestic demand would reach 110 billion cu m, while imports would be 45 billion cu m.

- Beijing raised the ceiling on retail prices for petrol and diesel by CNY300 per ton from

February 8, the first fuel price rise in 10 months. The move suggests the government may now be more confident of keeping inflation under control. Following the adjustment, retail petrol prices will increase by 3.3% from October 9 levels to CNY9,380 per ton. Diesel prices will rise by 3.6% to CNY8,530. The move will improve refiners' profit margins.

- Sunshine Oilsands, a developer of oil sands in Canada, has secured commitments from sovereign fund China Investment Corp (CIC) and China Petrochemical (Sinopec Group) under which each will buy USD150 million worth of its shares. EIG Global Energy Partners will buy USD50 million of shares. The total commitment of USD350 million accounts for half of the shares it plans to sell in its forthcoming Hong Kong initial public offering (IPO).
- China – the single largest buyer of Iranian crude – is buying roughly 50% less Iranian oil than it did last year, as international sanctions strengthen its bargaining position with Iran's national oil company, the International Energy Agency (IEA) said. Previously China took about a fifth of Iran's exports – about 550,000 barrels a day.

REAL ESTATE

Beijing office rents more expensive than New York

Helped by growing demand and a shortage of supply, Beijing office rents soared last year, making it the world's fifth most expensive city for office space in terms of occupancy costs, according to international property consultant Cushman & Wakefield (C&W). "As the Chinese calendar moves into the Year of the Dragon, prime office rents in Beijing's central business district have risen year on year by 75%, a steeper increase than 2010 [48%]," C&W said in a report on the world's most expensive office locations. Beijing achieved the largest increase last year of any city in the world, it said. With an annual occupation cost of USD130 per sq ft, it ranked the fifth most costly city globally, ahead of New York, Sydney and Paris. Beijing ranked 15th a year ago. C&W said the Chinese capital was also the third most expensive in Asia for office space, after Hong Kong and Tokyo. Hong Kong, with an annual occupancy cost of USD244 per sq ft, was the most expensive, followed by Tokyo, the West End of London and Moscow. In 2010, Tokyo held top position, with London second and Hong Kong third. The occupancy-cost survey takes into account service charges and local taxes to allow direct comparisons between countries. "We noticed an upward trend in office rents in most major Chinese cities in 2011," said Andy Zhang, Managing Director of C&W's Chinese operations. "The unprecedented urbanization process in China and strong economic growth will continue to drive up the demand for office space." The two fastest-rising locations in terms of rental growth in the Asia-Pacific after Beijing were Shanghai and Singapore, the South China Morning Post reports.

Less mainland residents buy homes in Hong Kong

The proportion of new small and medium-sized homes in Hong Kong bought by mainlanders dropped 11 percentage points in the last quarter of 2011 as developers offered discounts to draw more Hong Kong home seekers into the market, a survey conducted by Centaline Property Agency shows. The decline saw the share of new homes worth less than HKD12 million sold to mainland buyers fall to 24.3% of total new-home sales in the fourth quarter, from 35.5% in the third quarter. By value, mainland buyers' share of sales of small and medium-sized new flats dropped to 25.5% in the fourth quarter, from 38.2% in the third. The absolute number of mainland buyers in the sector has seen no big change. "The decline in percentage terms was mainly because several new projects were launched for pre-sale at short notice and Hong Kong people dominated the sales," said Wong Leung-sing, Associate Research Director at Centaline. Agents said mainlanders typically made up 35% to 40% of buyers of new flats. In the secondary market, mainland buyers accounted for 9.6% of transactions in the quarter, the same as in the previous quarter. Their deals accounted for 11.8% of the total value of transactions during the period, also unchanged from the third quarter. Mainland buyers also spent less on luxury homes in the final quarter, accounting for 41.6% of total sales of luxury homes (those worth HKD12 million or more), compared to 49.3% in the third quarter. On a year-on-year basis, however, spending by mainlanders on luxury apartments accounted for 42.8% of total spending in the sector, up from 33.8% in 2010. For flats costing less than HKD12 million, mainland buyers accounted for 24.3% of total sales, up from 16.2% in 2010, the South China Morning Post reports.

- Sales of existing homes dropped to a five-year low in Shanghai last month and more than half of the transactions involved properties that were sold at not more than CNY900,000. A total of 4,200 previously occupied units, mainly houses, were sold in the city in January, according to data from Century 21 China Real Estate. The sales marked a fall of 45% from December and a plunge of 80% from the same month a year earlier. In the past few years there were sales of between 5,000 and 8,600 units of second-hand homes in the month in which the Spring Festival fell.
- Some Chinese developers have revised their original designs to include bare-shell homes that are sold with bare floors and walls and without interior fittings such as toilets and bathroom fittings. They were forced to adopt the practice because of growing difficulties in raising funds needed to build projects with fully fitted homes. Many developers are facing cash-flow problems as a result of declining sales and credit difficulties. In Shanghai, just 14.6% of the new home supply last year comprised fully fitted units, down from 18.2% in 2010.
- Beijing's revenue from land sales is expected to drop by 30% once again this year to hit CNY90 billion as the city's property market cools down. In 2011, the value of Beijing land sales fell by 30% to hit CNY123.4 billion. Shanghai expects to obtain CNY125 billion from land sales in 2012, down 16.2% from the year before. China Index Academy, a Beijing-based real estate consultancy, reported that the revenue raised from land sales in the 300 large Chinese cities that it monitors dropped by 67% in January from a year before.
- The People's Bank of China (PBOC) indicated that it would support first-time home purchases, sparking hope for a rebound in property sales after a five-month slump. The news led to a rise in Chinese property stocks. Alan Jin at Mizuho Securities Asia said the PBOC's support for first-home buyers was constructive "but not a real relaxation". "The central government has no intention of curbing demand from first-home buyers but excessive tightness in liquidity has led to higher mortgage rates," he said. "Now they are rectifying this and it is positive for the sector."
- Soho China believes it can achieve sales of CNY23 billion this year due to strong demand for office space. The developer generated just CNY10.9 billion from property sales in 2011, far below its sales target of about CNY20 billion. CB Richard Ellis said that office rents in Beijing and Shanghai jumped 50.8% and 20% respectively last year. The vacancy rate in Beijing had fallen to a record low of 6.3%, and the vacancy rate in Shanghai was 7%.
- Analysts expect much slower earnings growth this year for China National Building Materials (CNBM), China's largest cement producer by volume. Last year, CNBM Group posted an 84% surge in net profit to CNY10.7 billion on a 42% increase in revenue to CNY191.8 billion. CNBM's 2011 results have not been published, but the consensus forecast of 25 analysts in a Bloomberg survey expected a 125.8% jump in net earnings last year to CNY7.61 billion.
- The city of Wuhu in Anhui province has announced measures to help "genuine" home buyers, as opposed to speculators. It is the first city to ease housing curbs this year. The local government said it would offer subsidies of CNY50 per square meter for the purchase of new homes between 70 sq m and 90 sq m, and CNY150 a sq m for new homes below 70 sq m.

RETAIL

Growth of holiday spending slows

During the seven-day Lunar New Year holiday at the end of January, the value of sales for large retail and catering companies rose to about CNY470 billion from a year earlier, an increase of 16.2%, compared with a growth rate of about 19% in 2011, according to data released by the Ministry of Commerce (MOFCOM). This pace of growth was the lowest since 2009, when the financial crisis hit retailers. "In the first half of this year, the growth in consumer spending may cool to a record low, and some retail companies may register losses," said Kuang Zhenxing, Deputy President of the Beijing Modern Plaza shopping mall. "I know that the number of new stores was increasing in January, but the profits of individual retailers were rising at a slower pace," Kuang said. A report from the research company Bain & Company showed that luxury goods retailers may suffer this year as a result of the economic downturn. Some luxury brands decided to slow the expansion of their businesses in China last year, and concentrated on maintaining high sales volumes in their existing stores, the report said. The growth of luxury sales in China is slowing, said Ouyang Kun, CEO of the World Luxury Association's China office. Retailers in Hong Kong also have low expectations. "Sales of jewelry and expensive watches during the Lunar New Year were quite disappointing," said Caroline Mak, Chairman of the Hong Kong Retail Management Association. In 2011, China's total retail sales of consumer goods amounted to CNY18.12 trillion, a growth of 11.6% from a year earlier, according to the National Bureau of Statistics (NBS). Growth was 2.2 percentage points lower than the increase in 2010, the China Daily reports.

- Yum! Brands, the U.S.-based operator of the KFC, Pizza Hut and Taco Bell chains, said that profit margins at its restaurants in China narrowed by 2.4 percentage points to 19.7% last year as labor costs soared 20% and commodities costs 8%. Keith Siegner, Analyst at Credit Suisse, said he expects margins to widen again in 2012, suggesting that the additional purchasing power that Chinese consumers are gaining thanks to rising wages will benefit Yum!. The company opened 656 new restaurants in China last year, driving a same-store sales increase of nearly 20%. Yum! Brands plans to invest more than CNY700 million to open at least 150 new Pizza Hut stores in China this year.
- Wal-Mart Stores named Greg Foran President and Chief Executive of Wal-Mart China. He succeeds Ed Chan, who resigned in October for what the company has said were personal reasons. Greg Foran was previously an Executive at Australian retailer Woolworths and joined Wal-Mart in October as Senior Vice President for Wal-Mart International. Wal-Mart currently has more than 370 stores in 140 Chinese cities.
- Sports brand Li Ning Co has announced that it will reduce staff numbers to rein in costs after it had predicted its revenue for 2011 had fallen by 6% to 7% year-on-year. The company plans to reduce its human resources costs as a percentage of its sales by 0.5% this year from 8.7% in the first half of 2011. Each employee on average could earn CNY168,500 a year, which is two-thirds more than was earned by their peers at Anta Sports Products.
- Two investigative reports shown on China Central Television about the alleged low quality of furniture retailer Da Vinci's products were "basically factual", the media regulator General Administration of Press and Publication (GAPP) said after Da Vinci complained that CCTV's coverage was biased. CCTV alleged that Da Vinci was selling products that it claimed were imported but were, in fact, made in Dongguan, Guangdong province.
- Suning Appliance Co, China's largest consumer electronics chain, plans to add more than 400 self-branded outlets in China this year, and also open 30 department stores under the Laox brand, selling furniture, toys, musical instruments and other goods besides electrical appliances. Suning owns a 51% stake in Laox.

SCIENCE & TECHNOLOGY

China publishes complete moon map

China has published the first map to cover the whole surface of the moon, using images captured by the country's second lunar orbiter, the Chang'e-2. The map released by the State Administration of Science, Technology and Industry for National Defense comprises the highest-resolution lunar images published so far, said Liu Dongkui, Deputy Chief Commander of China's lunar probe project. The map, made up of 746 photographs, will prove useful for the country's plan to land men on the moon, the next step in its lunar program.The map allows to identify objects larger than 20 meters, scientists said. No other country has made and published a complete lunar map from images with a resolution of 7 meters or better. The images were captured by a camera on the Chang'e-2 lunar probe from heights of 15 and 100 kilometers over the moon's surface between October 24, 2010 and May 20, 2011. The resolution of the images is 17 times finer than those taken by the earlier Chang'e-1. China is to begin preparations to put a man on the moon within the next five years. It will be able to land two to three astronauts on the lunar surface by 2025, said Long Lehao, Deputy Chief Engineer of the country's lunar probe program.

STOCK MARKETS

Top listed companies show low profitability

Half of the top 500 Chinese companies listed in Shanghai posted low profitability despite their high growth, McKinsey & Co has said. While they enjoyed a 30% to 40% growth between 2001 and 2010, their investment returns were weaker than those of U.S. companies. About 50% earned returns that were lower than the cost of capital while the figure was 30% for S&P 500 companies in the U.S. If the key Shanghai Composite Index is compared with the S&P 500 from 2006 to 2011, the valuations of Chinese companies have fallen significantly and are now below the valuations of U.S. businesses. Last year, Chinese companies' estimated PE ratio dropped to nine, lower than U.S. companies' 12. Chinese executives must use their businesses' capital more efficiently, said Thomas Leudi, leader of McKinsey's Corporate Finance Practice in Asia. Bill Huyett, Director in McKinsey's Corporate Finance Practice and co-author of "Value: The Four Cornerstones of Corporate Finance," cautioned that simply copying from U.S. firms is ''risky'' and Chinese companies should form their own business model. He added that ''Chinese companies need to have a transparent management system, groom talent in middle management and have an ability to balance growth and profitability.''

- Shanghai-based bakery chain Christine International Holding plans to raise up to HKD550 million. It has 898 bakeries in Shanghai, Jiangsu and Zhejiang, but is yet to open a retail outlet in Hong Kong.
- Investment bankers are trying to revive at least four substantial initial public offerings (IPOs) in Hong Kong that were called off late last year because of weak market sentiment as the market is showing signs of recovery. The four companies are Haitong Securities, XCMG Construction Machinery, Shanghai Fosun Pharmaceutical and Yongda Auto. Hong Kong's Hang Seng Index lost 20% last year, but has gained 14% so far this year, closing above the psychologically important 21,000-point mark, marking a six-month high.
- Hong Kong Exchanges and Clearing (HKEx), the operator of the city's stock market, is launching an index futures product based on the performance of the Hang Seng Volatility Index, which measures the expected volatility of the Hang Seng Index over the following 30 days as implied by HSI options prices. By introducing futures trading on the Index, HKEx aims to provide institutional investors with an instrument to hedge against volatile swings in the market.

TRAVEL

Hong Kong Jet expands fleet of business jets

Hong Kong Jet, a subsidiary of HNA Group, is enjoying unprecedented growth thanks to booming sales of private jets and privately-chartered flights in the region. Some 60 private jets were based at Hong Kong International Airport, up from just three in 1998. Hong Kong Jet has responded to the surge in demand by adding 10 aircraft to its fleet that 10 weeks ago numbered just one jet. The fleet is valued at USD420 million. Two of the 11 aircraft, a Gulfstream G550 and a Gulfstream G-IV, are owned by the company and are used for chartered flights. The G550 is an ultra-long-haul aircraft that can fly non-stop from Hong Kong to London or San Francisco. The remaining nine planes are owned by third parties and are operated by Hong Kong Jet under management contracts. Many Chinese private jet owners are first-time buyers and typically engage airline companies to operate the craft and undertake maintenance. Hong Kong Jet expects its fleet will grow to more than 15 by the end of the year, says Chief Executive Chris Buchholz. "Our cutting-edge advantage of having both a Hong Kong AOC [air operators certificate] and a mainland AOC offers customers great flexibility in operating aircraft under their preferred registration in various jurisdictions," Buchholz said.

- Sanya authorities say a restaurant that tourists complained about over the Lunar New Year holiday had been defrauding customers by using grand names for non-existent seafood such as "white emperor spiral shellfish" and "precious pagoda crab". Tourists revealed that the Fulin seafood restaurant was charging CNY4,000 for three dishes, and CNY6,000 for a fish. The restaurant lost its business license and its boss and investors have been banned from investing in another restaurant for three years.
- Jiangxi province is planning to spend more than CNY100 billion on building 2,000

kilometers of expressways by 2015, instead of the previous target of 2020, according to a bond prospectus of the Jiangxi Provincial Expressway Investment Group. Going by the plan, Jiangxi will have more than 5,000 km of expressway by 2015. Jiangxi Provincial Expressway will be involved in construction work amounting to CNY77.68 billion, from last year to 2015.

- Swiss International Airlines introduced daily non-stop flights between Beijing and Zurich on February 12, which marks an expansion of services. In May 2008, Swiss already started direct flights to Shanghai. Apart from Shanghai and Hong Kong, Beijing will be the third Chinese destination for Swiss. The new route marks a return to Beijing. The airline previously flew to the Chinese capital as late as June 2003. Swiss will initially operate its new daily non-stop Beijing-Zurich flights with Airbus A340-300 (219 seats) and Airbus A330-300 (236 seats) aircraft.
- Cost increases may see Hong Kong's high-speed rail project – already the world's most expensive rail project per kilometer – exceed its HKD66.9 billion budget, but the MTR Corporation, in charge of building the 26-km Express Rail Link (XRL), says it is on track to finish the project on time and within budget. The high-speed rail line will be linked to the mainland's high-speed rail network when completed in 2016. This year, Hong Kong's construction sector predicts double-digit increases in construction and labor costs.

VIP VISITS

Canadian Prime Minister Stephen Harper visits China

Canadian Prime Minister Stephen Harper visited China together with five Ministers and a 40-strong delegation of business leaders. He met President Hu Jintao, Premier Wen Jiabao and other top officials. China and Canada agreed to boost bilateral investment and promote energy exports to China. Premier Wen Jiabao said: “China is ready to expand imports of energy and resource products from Canada and enhance cooperation in clean and renewable energy, energy-saving, environmental protection, and the peaceful use of nuclear energy.” Canadian exports of beef and tallow to China, which China halted in 2003 after Canada discovered a case of mad cow disease, will resume immediately. The two sides also wrapped up 18 years of negotiations on a foreign investment promotion and protection agreement. Canadian businesses signed 23 deals in Beijing worth nearly USD3 billion. The firms involved included aircraft and train builder Bombardier and telecom companies Telus and Bell Canada. Mandarin and Cantonese are Canada's third-most spoken languages. More than 1.3 million Canadian residents are of Chinese origin. China became Canada's second largest trade partner in 2003, but Canada's trade deficit with China has expanded from CAD3.9 billion in 1997 to CAD26.8 billion in 2006. One way to help redress that imbalance would be through Canadian energy exports, which is part of Harper's recently stated plan to move away from shipping oil exclusively to the U.S.

- Chinese Vice President Xi Jinping is scheduled to meet U.S. President Barack Obama in Washington on February 14. Xi will spend four full days in the United States, also traveling to Iowa and California.

ONE-LINE NEWS

- The Intermediate Court of Ganzhou city in Jiangxi province has given a suspended death sentence to Tang Chengqi, former Vice Mayor of Nanchang, the provincial capital, for accepting bribes worth nearly CNY40 million, dereliction of duty and abuse of power. Tang became Director of Nanchang’s Economic and Technological Development Zone in 2001 and introduced more than USD1 billion of investment to the area in just two years. He also lent businessmen hundreds of millions of yuan from public funds, CNY280 million of which has never been recovered, to help them to set up factories or buy land.
- Thousands of Chinese applicants for non-immigrant U.S. visas may not have to take interviews if they held the same visa in the past 48 months. The move, aimed at streamlining the United States’ visa process and part of a bid to boost visa processing capacity worldwide, took effect on February 13. China currently makes up about 11% of the total U.S. visa workload around the world with a million non-immigrant visa applications processed last year in China. The Chinese demand for U.S. visas is

growing at 35% a year.

ANNOUNCEMENTS

Sino-Belgian Business Survey

Moore Stephens Verschelden, together with the Flemish Chinese Chamber of Commerce (FCCC), Flanders Investment & Trade (FIT) and Bencham, is cordially inviting you to fill out the Sino-Belgian Business Survey 2012. It is a very easy and quick process which takes about 3 to 5 minutes.

We all know the Chinese economy outperformed most economies with its 9% growth last year. But how well did our own companies perform in China? Do we enjoy the same staggering growth? What are the drivers behind this growth? And what do we do with the yielded benefits? Secondly, we also look into to what the greatest opportunities and threats are that lie ahead of us. How is the business environment and market environment evolving? Through the results of 15 simple yet crucial questions we take temperature of the Sino-Belgian Business conditions. The results of the survey will be the topic of two panel discussions with a number of industry leaders from Bekaert, Agfa Gevaert, Ahlers, Itinera, Vyncke, and others during our Sino-Belgian Survey Events on March 15 at 8 pm in Brussels and on March 22 at 8pm in Shanghai.

Click here to take the survey

We sincerely thank you in taking the time to participate in this (anonymous) survey. The results will allow us all to understand where we are, and where we are heading with our China business.

Internships in China

The Province of West Flanders is looking for companies which could offer internships in China for students industrial engineer construction. More information is available on the website of the Flanders-China Chamber of Commerce (FCCC) at www.flanders-china.be

Paper: The automobile sector in China

FIT Express Newsletter announced the availability of a study of the automobile sector in China.

In the framework of the past mission by HRH Prince Philippe, the technology federation Agoria organized a special automotive trip through China. About ten Belgian suppliers and service providers of the automotive sector visited the headquarters of eight Chinese car manufacturers during the trip. The only one in South China was BYD in Shenzhen.

This sector, which is a priority sector for the local authorities, showed an extraordinary growth in the past months. Some multinationals are building very modern plants in the region, which will soon produce a series of new car models. This includes “European” luxury cars (Audi), which will be manufactured in China for exports to the Middle East.

The purpose of the paper by the Consulate General in Guangzhou is to give the Belgian automobile sector – one of the pillars of our national industry – a more complete picture of what is happening in the field in China to offer them as much information as possible to be able to react to the recent trends.

The paper can be downloaded at the website of the Flanders-China Chamber of Commerce at www.flanders-china.be under the category Useful Info > Documents > Flanders Investment and Trade – Paper “De automobielsector in China”.

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- Large enterprises: €875
- SMEs: €350

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