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

NEWSLETTER | 2 JUNE 2014

FCCC ACTIVITIES

Meeting with Chinese Business Delegation to Brussels – 12 June 2014 – Brussels

The EU Project Innovation Center (EUPIC) – the leading partner of Enterprise Europe Network (EEN) West China – will lead a 100-person delegation with over 60 Chinese tech-based companies including aviation, ICT, energy saving, environmental protection, life science, modern-agriculture and precision instrument sectors. A matchmaking meeting and seminar will be held on Thursday 12 June in Brussels. The goal of this important business delegation is to help establish partnerships and cooperation opportunities with European counterparts.

The mission is supported by the Chinese Ministry of Science and Technology, the Chengdu municipal government and Chengdu Hi-tech Industrial Zone Administration. This large delegation is also considered a follow-up activity to the Mission for Growth in China last year led by Mr. Tajani, Vice President of the European Commission.

The programme, registration form and the Chinese companies' profile can be downloaded via the following link: https://www.b2match.eu/eu-china-cooperation-fair2014

The Chief Representative of the EU Project Innovation Centre (Europe Office) EEN West China, located in Brussels is Mr André LI: andre_li@eupic.org.cn.

This event is organized in cooperation with the Flanders-China Chamber of Commerce (FCCC) and the EU-China Business Association.

Meeting and reception with the Flemish Trade Commissioners in China – 16 June 2014 – 19h00 – Gent

The Flanders-China Chamber of Commerce (FCCC), Voka Chamber of Commerce East Flanders and the Province of East Flanders are organizing a meeting with the Flemish Trade Commissioners in China. This event will take place on Monday 16 June at 19h00 at the Province of East Flanders, Gouvernementstraat 1 in Gent.

This event is an excellent opportunity to discuss your companies' activities in China with the Flemish Trade Commissioners.

The programme is as follows:

18h30	Registration
19h00	Welcome by Mr. Hedwig De Pauw, Director Economic Affairs and International Relations, Province of East-Flanders
19h05	Introduction Mrs Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce and by Stefan Derluyn, Director Region Ghent and Port, Manager Innovation & Internationalisation
19h15	"Challenges and opportunities for Flemish companies in China" Mr Peter Christiaen, Flemish Trade Commissioner in Beijing Mrs Sara Deckmyn,Flemish Trade Commissioner in Shanghai

	Mr Dirk Schamphelaere, Flemish Trade Commissioner in Guangzhou
20h00	Exchange of views and networking cocktail.

A separate invitation has been sent and is available on the FCCC website. Register here.

The participation fee for members of the FCCC is €65. The fee for non-members is €85.

Shanghai Investment Promotion Conference – 24 June 2014 – Kortrijk

A conference on investment opportunities in Shanghai, Shanghai Fengxian European SME Industry Park and Shanghai Jinshan Zhujing Industry Park, is organized by the Flanders-China Chamber of Commerce (FCCC), VOKA West-Flanders, the Shanghai Foreign Investment Development Board, Shanghai Fengxian European SME Industry Park and the Shanghai Jinshan Zhujing Industry Park.

In this conference you will learn about the current investment environment in Shanghai and preferential policies available for SMEs. You will also get a chance to meet with senior level delegates that can give you practical advice on how to do business in China.

The conference will take place on Tuesday 24 June 2014 at 17h30 at Sandton Hotel Broel, Broelkaai 8, Kortrijk.

The programme:

17h00 Registration

17h30 Welcome: Mrs Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce and by Mr Hans Maertens, Managing Director, VOKA – Chamber of Commerce West-Flanders

17h45
- Presentation on the investment environment and policy in Shanghai by Mr Tao Dong, Vice President, Shanghai Foreign Investment Development Board
- Presentation on the Shanghai Fengxian European SME Industry Park by Representative Fengxian
- Presentation on the Shanghai Jinshan Zhujing Industry Park by Representative Jinshan, Zhujing

19h00 Exchange of views and walking dinner

The meeting is organized with the support of Flanders Investment and Trade.

If you are interested in attending this event, please register online before 17 June 2014. Registration is free of charge.

ACTIVITIES

Recent Developments in Doing Business in China and Hong Kong – 3 June 2014 – Gent

Horsten International, KBC and Tritas Consulting, with the support of the Flanders-China Chamber of Commerce (FCCC), are organizing a seminar on Recent Developments in Doing Business in China and Hong Kong on 3 June 2014 at Seminariecentrum Nieuwgoed, Grotesteenweg Zuid 8 in Gent.

The programme is as follows:

13:30-14:00	Registration
14:00-14:30	Olivier Dubois & Elain Liu, Partners Tritas Consulting (www.tritasconsulting.com) Update on the new Hong Kong company ordinance: challenges and opportunities; Changes to China's new company law: welcoming signs for new investors
14:30 – 15:00	Jo Vander Stuyft, General Manager KBC Hong Kong (www.kbc.be) Financing your business in China and the role of Hong Kong
15:00 – 15:20	Bart Horsten, Managing Director Horsten International (www.horsten.be) Case study BIOBEST: how a manufacturing SME structured its business in China via Hong Kong

15:20 – 15:40	Testimonial: Koen Berghmans, Director Corporate Finance and Controlling, Ahlers Group Belgium (www.ahlers.com)
15:40 – 16:00	Q&A
16:00 – 17:00	Networking reception

This seminar will be held in Dutch.

More information on the venue is available at www.nieuwgoed.be

Registration fee: €30 (VAT excl.)/person for FCCC members and for non-members €50 (VAT excl.)/person. Register by sending your contact details by e-mail to info@horsten.be before 30 May 2014.

Seminar: Protection of business, economic and national interests – 5 June 2014 – Vilvoorde

Voka Halle-Vilvoorde, Voka Metropolitan and the Brussels Diplomatic Academy of the Free University of Brussels are organizing a seminar on the protection of business, economic and national interests, on company and state secrets and how they are protected.

Thursday 5 June 2014, 14h00 – 18h00 at Voka Chamber of Commerce Halle-Vilvoorde – Medialaan 26 – 1800 Vilvoorde – parking in the business park.

Price: Members Voka Halle-Vilvoorde and Voka Metropolitan: €125, Non-members: €190. An attendance certificate issued by the VUB will be available. Companies based in Flanders can use KMO-Portefeuille.

2014 China National Low-Carbon Day & 2nd Shenzhen International Low-Carbon City Forum – 10-11 June 2014 – Shenzhen

The 2014 China National Low-Carbon Day & 2nd Shenzhen International Low-Carbon City Forum will be held on 10-11 June, 2014 in Shenzhen. The National Low-Carbon Day was initiated by the National Development and Reform Commission (NDRC) in 2013 and is an annual event to promote low-carbon development in China. Together with the event, the 2nd Shenzhen International Low-Carbon City Forum will also be held. The Annual Report of China Emission Exchange will be released during the event.

Themed “Low-Carbon Development: Quality-Based Urbanization”, the National Low-Carbon Day and the Forum will provide opportunities to understand China’s low-carbon development agenda and the new urbanization roadmap from both responsible policy makers at the central level and mayors at local levels, particular demands from local government leaders on their respective low-carbon development plans, and the opportunity to meet and establish contacts with the multitude of stakeholders in China’s billion dollar low-carbon development future. Xie Zhenhua, Vice Chairman of National Development and Reform Commission (NDRC), who is responsible for China’s national low-carbon development plan, has confirmed his participation in both events.

Over 500 leaders from government, industry, investors, academia, international organizations, business associations and media from over 40 countries will gather to discuss the new direction of the human-centered, environmentally-friendly and ecological urbanization path set by China’s State Council in March 2014 and its far-reaching economic and business implications.

Participants at the 2-day event are expected to have in-depth interactions in different formats over topics of effective approaches of low-carbon development and the new model of urbanization, the imperatives for economy, technology, policy and governance transformation, and the potential collaborative opportunities for cities and industries. Private bilateral meetings will also be arranged for concrete projects match-making purposes.

Both events are by invitation only. After receiving indication of willingness to participate, the registration form and hotel booking form will be sent. Registration is free. For questions or information regarding the events: lowcarbonforum@vip.163.com

China Europa – 16~18 September 2014 – Shenyang

China Europa, the essential business gathering between Europe and China, is a key event focusing on commercial relations between Europe and China in the field of sustainable urban development, and offers European and Chinese companies and territories a unique opportunity to meet and to develop efficient economic links, in optimal conditions. It guarantees fruitful and constructive encounters with a number of qualified and targeted contractors and suppliers. It is also an opportunity to identify new development opportunities in Europe and in China and to benefit from exchanged expertise and good practice via a programme of conferences and themed workshops. The leading Chinese and European economic authorities consider China Europa to be the leading event in Sino-European business relations and exchange in the field of sustainable urban development. By providing extensive support towards the business convention's organization, these bodies assert their will to reinforce productive cooperation that will contribute towards shaping tomorrow's sustainable towns and cities.

More information on the event is available at: http://www.china-europa.org/rendez-vous-incontournable-business-europe-chine-china-europa-2014-en.asp

PAST EVENTS

FCCC Conference: "Doing Business with Belgium" – 24 April 2014 – Qingdao

The Flanders-China Chamber of Commerce (FCCC) and the China Council for the Promotion of International Trade (CCPIT) Qingdao Sub-Council organized a conference: "Doing Business in Belgium: Flanders, the heart of Europe" on 24 April 2014 in Qingdao, Shandong province. This session was organized with the support of Flanders Investment & Trade, the Port of Antwerp, the Province of East Flanders, Ghent University and Dewolf & Partners.

Following a word of welcome by Mr Feng Wenqing, Chairman of the China Council for the Promotion of International Trade – Qingdao, Mrs Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce (FCCC), gave an introduction the seminar on Doing Business with Belgium : the heart of Flanders. Following viewing of the movie "Flanders, Small Size, Big Opportunities", Mrs Isabelle Wang, Investment Deputy, Flanders Investment & Trade, gave an address about 'Flanders-Gateway to Europe: Trumps of Flanders' and Mr Luc Arnouts, Chief Operating Officer, Port of Antwerp, talked about "Antwerp, heart of Europe's shipping & logistics Industry and gateway to 250 million consumers". "Study at Ghent University: education and research" was introduced by Mr Domien Proost, Chief Representative Beijing Office, University of Ghent and Province of East-Flanders. Mr Jacky Sun, Associate, Dewolf & Partners, talked about "Investing and doing business in Belgium – Legal aspects". This interesting event was concluded by an exchange of views and a networking reception.

Panel Discussion with Captains of Industry – Results Sino Belgian Business Survey 2014 – 24 April 2014 – Ghent

Moore Stephens, together with the Flanders-China Chamber of Commerce (FCCC), organized a discussion on the results of this year's survey with a panel of captains of industry and independent pundits in Ghent on April 24. Catherine Vuylsteke, Author, Journalist, Film Maker and China Expert, gave the opening speech, followed by a Captains of Industry panel discussion moderated by Andries Verschelden (Partner, Moore Stephens). Panel members were William Gu, Vice President Global Commercial Management Volvo Construction Equipment; Patrick Van Overloop, KBC General Manager Asia Pacific; Paul Van den Bulcke, Director at Taminco; and Geert Roelens, CEO Beaulieu Group. The event was concluded by a Q&A session and networking drinks.

Download Results Sino Belgian Business Survey 2014 in PDF format

China Job Market – Gent – 1 April 2014

A job market for Chinese high potentials was organized by Ghent University Doctoral Schools, the Flanders-China Chamber of Commerce (FCCC) and the Province of East Flanders. The fair took place on 1 April at the International Convention Center (ICC) in Ghent, where at the same time the Graduate Fair and Job Market for Young Researchers was held.

Ghent University Association with its four member institutions – Ghent University, University College Ghent, Artevelde University College Ghent and University College West-Flanders – has approximately 250 Chinese students. Chinese final-year Master students and young researchers (doctoral students and postdoctoral fellows) received a personal invitation to visit the Graduate Fair. The job market was also advertised through the Chinese interuniversity student council. The purpose of the Fair was to help final-year Master students and young researchers find a (first) job and make it easier for employers to network with these young professionals.

NOTICE

Sponsorship opportunities

The Flanders-China Chamber of Commerce (FCCC) offers several sponsorship opportunities to give companies more exposure to potential new clients and collaboration. Opportunities are available in our weekly newsletters, quarterly Chinese newsletters, our new website, our conferences and meetings with Chinese delegations.

If you are interested in obtaining more information about the sponsorship opportunities, you can download the detailed information at the following link :
www.flanders-china.be/sponsorship_opportunities_2014.doc

PUBLICATIONS

FCCC publishes "FCCC Members' Portraits in China Vol.2"

See FCCC Members' Portraits on the FCCC website.

EXPAT CORNER

Immigration on the rise, green cards still hard to get

The number of immigrants in China has been soaring by 35% during the first decade of the 21st century, according to the 2013 World Migration Report by the Center for China and Globalization, an independent, non-profit think tank based in Beijing. China had 685,775 immigrants at the end of 2010, 35% more than that at the beginning of 2000. Still, many expats joke that China's green card is the world's hardest card to get. The green card system was implemented in 2004, and only about 4,700 cards were issued by the end of 2011. The latest statistics reveal that there are more than 800,000 foreign migrants in China, while the number of Chinese settling down overseas has reached almost 10 million.

FINANCE

Possible cut in reserve ratio elicits debate

There is heated debate in China about whether the government will cut banks' required reserve ratio (RRR), which has been steady for 22 months. Credit growth is weak, the property market appears to be headed toward a correction, and industrial activity is sluggish, all of which points to a stimulus. But the People's Bank of China (PBOC) hasn't moved so far, and Wu Xiaolian, a former PBOC Deputy Governor, spoke out recently against a cut, while Governor Zhou Xiaochuan said that the economy does not need a "large-scale stimulus". Banks' current reserves at the PBOC total CNY21 trillion, so cutting the ratio by 0.5 percentage point would free up about CNY1 trillion. By comparison, total social financing – the broadest measure of credit in China, which takes in many sources of funding beyond banks – was CNY1.55 trillion in April. As the global financial crisis deepened from September 2008 onward, the PBOC cut the reserve ratio by a total of 2.5 percentage points. Shen Jianguang, Chief Economist with Mizuho Securities, said that a reserve ratio cut would be the best macroeconomic means to avoid a hard landing. Lu Zhengwei, Chief Economist at Industrial Bank, said that a reserve ratio cut would help lower medium to long-term funding costs, which would boost growth. China is to cut the reserve requirement ratio for more banks to support the rural economy and small- and medium-sized enterprises, according to a statement released after a State Council meeting chaired by Premier Li Keqiang. It did not specify the proportion, or when the cut would be made.

- Chen Yi, former General Manager of the Shanghai Fanxin Insurance Agency Co, will stand trial at the Shanghai No 1 Intermediate People's Court on charges of selling CNY500 million worth of unauthorized insurance products. Chen was apprehended in Fiji on August 19, 2013 after allegedly fleeing with her illicit gains. She was charged in November. Fanxin is the largest insurance company in Shanghai.
- The yuan weakened the most in two weeks after People's Bank of China (PBOC) Governor Zhou Xiaochuan said China's economy is in an "unusually intricate" situation. China is trying to manage multiple tasks simultaneously amid increasing downward pressure, including stable economic growth, structural adjustment, reforms, risk control and people's well-being, Zhou told a seminar in Zhejiang province. These tasks pose a challenge to the authorities in implementing a prudent monetary policy, Zhou said.
- The China Banking Regulatory Commission (CBRC) has directed commercial banks to reduce credit risk by keeping a "blacklist" of shady borrowers. The regulator expressed concern about risks associated with excessive credit and multiple guarantor loans. The China Banking Association (CBA) will be responsible for organizing the banking blacklist, focused on problematical industries, such as steel trading.
- The Frankfurt branch of Bank of China (BOC) is hiring around 20 employees and increasing its equity by CNY1 billion to become the first bank in the 18-nation euro area to clear yuan payments. The decision which bank becomes the clearing bank will be made by the People's Bank of China (PBOC). Industrial and Commercial Bank of China (ICBC), Bank of Communications (BoCom), Agricultural Bank of China (ABC) and China Construction Bank (CCB) also have branches in Frankfurt. Bank of China has already been chosen to clear offshore yuan trades in Hong Kong and Taiwan.
- The risks from property loans in China are controllable but insolvent property developers should be prevented from spreading risks into the financial system. The China Banking Regulatory Commission (CBRC) reiterated that curbs on property development loans, land reserve loans and personal mortgages will not be eased, and no discounts will be given to borrowers.
- Chinese banks will rely more on revenue from retail banking as market liberalization erodes their loan profit margin. By 2020, retail banking is likely to provide 40% of total banking profit in China, up from just 10% on average currently, consultant McKinsey & Co said. Wealth management, consumer finance and small and micro business banking are likely to be the top-three drivers of retail banking, accounting for more than 70% of the retail banking sector by 2020.
- The Chinese government is pushing banks to remove high-end servers made by IBM and replace them with local brands. The People's Bank of China (PBOC) and the Ministry of Finance were reviewing whether commercial banks' reliance on IBM servers compromised China's financial security, four sources said. The review is also seen as retaliation for the indictment of five Chinese military officers by U.S. prosecutors for allegedly hacking into the computers of U.S. companies and stealing secrets. The move would be a further blow to IBM's business in China, where sales fell 20% in the first quarter of the year.
- The China Banking Regulatory Commission (CBRC) is confident about the authenticity of non-performing loans data it has released. Wang Junshou, Deputy Director of the General Office, admitted there had been flaws in the data in previous years, but the quality of the information now had improved greatly from when the regulator was set up in 2003. Non-performing loans at China's banks rose by an additional CNY54.1 billion to CNY646.1 billion in the three months to March, the 10th consecutive quarter the figure had increased. By the end of March, non-performing loans accounted for 1.04% of total loans, up by 0.04 of a percentage point from the end of last year.
- Shanghai's pilot free trade zone (FTZ) plans to set up an international assets and equity trading platform for financial leasing companies. The platform, the first of its kind in China, will allow domestic and overseas financial leasing companies to trade property rights, debts and equities of leased assets. Ten financial leasing companies signed agreements to list assets and equities on the platform, including HNA Capital Holding Co, International Far Eastern Leasing Co, Shanghai Guojin Leasing Co and CMB Financial Leasing Co.
- Dim sum bond issuance hit a fresh record in the first quarter, with USD10.8 billion

issued in offshore yuan bonds in the first three months, more than in any other quarter, according to a report from Fitch Ratings. Volumes were nearly double the rate of issuance seen in the first quarter of 2013. This record came despite a rare depreciation of 3.4% in the yuan versus the U.S. dollar in the first quarter.

- A yuan clearing bank will be officially appointed in the United Kingdom in June, said Mark Boleat, Policy Chairman for the City of London Corp. Other European financial centers in the race to become a yuan center include Frankfurt, Paris, Switzerland and Luxembourg.

FOREIGN INVESTMENT

China aims to lead the world in FDI rules

China will be at the center of the developing global framework of investment governance, as it is set to become a net capital exporter. Mukhisa Kituyi, Secretary General of UNCTAD, said the world needed a framework to govern global investment activities. With China becoming a steady source of global foreign direct investment (FDI), analysts have forecast that in the next five years, China will become a net FDI exporter. “That not only makes China a critical player in global investment, but it is also a major interested party in the evolving framework in which we govern globally the norms of investment movement,” Kituyi said. “China's historic leadership role in global liberalization in the service of development places it squarely at the center of leadership on how we move on this,” he added. An ambitious goal of UNCTAD starting next year through 2030 is to unlock sovereign funds and pension funds as medium- and longer-term investment funds for FDI, rather than speculative funds looking for the maximum short-term returns, Kituyi said. UNCTAD publishes the World Investment Report annually, with the 2014 issue due this month. China was the second-largest FDI recipient in the world after the United States last year, and it was the third-largest outbound investor. FDI inflows to China reached USD117 billion last year, USD32 billion behind the U.S., while China's FDI outflows reached USD90 billion, only USD27 billion less than the inflows, according to UNCTAD. In the 1990s, outflows only accounted for one-fifth of FDI inflows, the China Daily reports.

FOREIGN TRADE

Shanghai FTZ model to spread nationwide

The China (Shanghai) Pilot Free Trade Zone will name the first institutions that can replicate its model nationwide in the fourth quarter, Jian Danian, Deputy Director of the China (Shanghai) Pilot Free Trade Zone Administration, said. “It is the very first task for the zone to roll out a string of new institutions and policies that can be applied in other parts of the nation,” Jian told reporters on the sidelines of the Shanghai Forum at Fudan University. The zone's administration office may set up some 30 new institutions to facilitate trade and liberalize the financial sector. An FTZ regulation is expected to be rolled out by the end of this year. Along with the release of such policies is the modification of a negative list of restricted and prohibited projects for foreign investment. There are 190 specific bans on the negative list, which will be shortened by a third in 2014. Jian said the financial infrastructure of the zone has been properly established in terms of liberalization of interest rates, cross-border transaction of the yuan, and reform of a foreign exchange mechanism. In February, the People's Bank of China (PBOC) fully liberalized interest rates on foreign-currency deposits in the zone, laying the foundation for the deepening of interest-rate liberalization nationwide. The central bank also clarified rules for companies in the FTZ to borrow yuan from offshore. Third-party payment firms have been allowed to settle payment in yuan for transactions between foreign e-commerce websites and domestic firms and individuals. In the latest move, the central bank issued regulatory details to monitor cross-border capital flow in the zone by asking financial institutions to establish an accounting system that separates transactions in the zone from those elsewhere in China. By the end of April, over 17,000 enterprises, including financial services, international trade and garment companies, had registered in the zone, the China Daily reports.

- The People’s Bank of China (PBOC) lent KRW400 million (South Korean won, about USD390,000) to support trade settlement financing for Chinese importers of goods from South Korea, marking its first use of foreign currency under currency swap agreements. The small symbolic move indicates that Chinese policy makers hope enterprises will increase the use of the yuan and other alternative currencies to the U.S. dollar in trade and investment settlement. Beijing and Seoul extended their currency swap agreement for another three years in October 2011, doubling the value of the deal to CNY360 billion from the previous CNY180 billion.

- Border trade between China and Kazakhstan is expected to rise. The trade volume at Horgos Port, a border station connecting China and Kazakhstan, is expected to grow by 14% by the end of this year. The Horgos International Border Cooperation Center is the first cross-border international cooperation center in Eurasia. Extending on both sides of the border, it serves as a free trade zone, an industrial innovation park and a cross-border logistics hub. A 305-km highway between Horgos and Almaty, the largest city in Kazakhstan, will be completed in 2016.
- The Third China Beijing International Fair for Trade in Services (CIFTIS) was held at the National Convention Center in Beijing from May 28 to June 1. Some 26,700 traders and 2,524 enterprises from 117 countries and regions took part in the five-day event. CIFTIS is the first comprehensive exhibition event for trade in services worldwide under the auspices of China's Ministry of Commerce (MOFCOM) and the Beijing municipal government.
- Chinese and Hong Kong customs authorities have launched a 15-day campaign to crack down on illegal cross-border trade through Shenzhen's Lo Wu Checkpoint. More than 20,000 parallel traders cross the border between Shenzhen and Hong Kong every day. The parallel traders said the business would be back to normal soon as they vastly outnumber law enforcement personnel. Full time traders can easily earn more than CNY10,000 per month.
- Red wine imports shrank 18% by volume and 20% by value year-on-year in the first quarter of this year, mainly as a result of President Xi Jinping’s anti-corruption campaign. Scotland's famous whisky distilleries have also fallen victim to the austerity campaign. The Scottish Whisky Association said 16.7 million fewer bottles of Scotch were sold in China last year, a 27% decrease from 2012.

HEALTH

China to ease limits on foreign investment in hospitals

China will ease curbs on foreign investment in joint-venture hospitals. A health care reform plan would include “reducing restrictions on the percentage of foreign ownership in medical JVs and collaborations.” The move would increase the number of locations where Hong Kong, Taiwan and Macao investors could set up wholly-owned medical centers, and let overseas investors establish wholly-owned hospitals in areas such as the Shanghai pilot free trade zone (FTZ). Healthcare providers such as Singapore-based Raffles Medical Group, Malaysia’s IHH Healthcare and U.S.-listed Chindex International already operate in China. The ambitious overhaul also aims to bolster insurance coverage and crack down on graft. Since 2009, China has spent CNY3 trillion on healthcare reform, but the system still struggles with a scarcity of doctors, attacks by patients on medical staff and a fragmented drug distribution and retail market. China’s network of 13,500 public hospitals is underfunded and relies heavily on drug sales.

China has the world's second-largest number of obese people

China has the second-largest number of obese people in the world behind only the United States, according to a pioneering study published in The Lancet. There were 62 million obese people living in China last year, or more than 9% of the world's total, which would place a heavy financial burden on the health system. Childhood obesity in China is also rising. The proportion of obese boys is almost double the proportion of obese men at 6.9% and 3.8% respectively. Among the 188 countries studied, China had the fourth-greatest increase in overweight/obesity prevalence among children during the period studied. In 1980, 5.7% of people under 20 years old in the country were overweight or obese; last year, the number was 18.8%. For adults (20 years and above), China had the 10th biggest absolute change in overweight/obesity prevalence, rising from 11.3% in 1980 to 27.9% last year.

- China has announced it will raise tobacco taxes to help protect children from second-hand smoke. China is the world’s largest cigarette manufacturer and consumer, with more than 300 million smokers. Some 740 million people, including 180 million children, are affected by secondary smoke. China signed the WHO Framework Convention on Tobacco Control in 2003, but missed the deadline to honor it by 2011.

IPR PROTECTION

Taxi app renamed in trademark case

Beijing-based Xiaoju Technology has renamed its top taxi-hailing app, Didi Dache after a trademark case against it. Zhejiang-based Viewin Electronic Co filed a complaint against Xiaoju Technology, which claimed the company infringed its trademark Didi and demanded CNY80 million in compensation. But Cheng Wei, Founder and CEO of Xiaoju Technology, denied the move was related to the dispute. He said a trademark application for the new name was filed in March last year and got initial approval in April. Its new name has the same pronunciation but uses different Chinese characters for Didi.

- Shenzhen contributed nearly one fifth of China's international patent applications in 2013. Local telecommunication companies ZTE and Huawei were among the largest patent filers in the world. The southern city doesn't have as many research institutions or universities as some of its Chinese peers but its innovation culture is deeply rooted in local companies, said Zheng Lixin, Executive Vice President of the China Center for International Economic Exchanges.

MACRO-ECONOMY

EU Chamber: European firms are revising down expectations

The financial performances of European companies in China have further weakened amid tougher business conditions, and a sense of pessimism is becoming entrenched as persistent market challenges show little sign of abating. This is leading many firms to set more modest expectations and scale back their investment plans for the Chinese marketplace. However, implementation of meaningful reforms and, in particular, increased market access would likely spur a re-intensification of European investment in China, according to the “Business Confidence Survey 2014” released by the European Union Chamber of Commerce in China and Roland Berger Strategy Consultants. It was compiled with input from over 550 European companies operating in China.

Growth figures for revenue, profitability and profit margins continued to decline across the board for European firms in China. Going forward, companies do not envisage these current business pressures easing. Labor costs are expected to continue to rise, competition is set to further intensify and a Chinese economic slowdown is now regarded as the primary challenge to business in the short-term. The sheer size of China’s marketplace means that it will continue to offer substantial opportunities and remain strategic for European companies, but this new sober reality is leading European companies to trim down their investment plans for China.

European Chamber member companies missed out on an estimated €21.3 billion in revenues due to market access and regulatory barriers in 2013. This manifests in a sense of inequity as most European companies feel that domestic Chinese companies continue to receive favorable treatment. Two analogous issues – the unpredictable legislative environment and the discretionary enforcement of regulations – are identified as the two most significant regulatory challenges. It is therefore unsurprising that European companies most want to see administrative reforms and that increased rule of law continues to be ranked first as the driver deemed most significant for China’s future economic performance. Meaningful implementation of reforms would prompt European companies to scale up their investment plans in China, but increased market access is the factor that would induce the largest re-expansion of investment, the Chamber said in a press release.

“It's not like 'Oh, my God, I'm gonna leave'. Actually I see no rush to leave China,” Gilbert Van Kerckhove, President of Beijing Global Strategy Consulting Co, was quoted in the China Daily as saying. He added that the survey results should not be interpreted in a completely negative way. “The slowing growth does not mean there is no growth," Van Kerckhove said. “It is not growing as rapidly as before, and that, in a way, is the normal mode.” For human resources departments in European companies, air pollution has become the top difficulty when they try to attract and retain talent. “Yes, air pollution indeed is a problem. I've talked to many HRs, and they all complained of this; high-quality talents are hesitant when making the decision to come to China, especially those with a spouse and kids,” Gilbert Van Kerckhove said.

Jörg Wuttke, President of the European Chamber commented, “The Chinese economic slowdown and tougher business conditions are starting to bite and financial performances are getting much tighter. Half of European companies already believe that the ‘golden age’ for multinational companies in China is over. A Chinese economic slowdown is a game-changer that will fundamentally and necessarily alter corporate business strategies. With costs rising and regulatory issues continuing, European companies are starting to put expansion plans on hold. Although the reform agenda laid out in the Third Plenum Decision and other policy developments over the last year are regarded as positive, European firms are yet to be convinced that real change will be made in the coming one to two years. Instead, it is market-opening reforms that present an immediate opportunity. A lifting of market access constraints would spur over a half of European companies to re-intensify their China investment plans.”

Charles-Edouard Bouée, President of Roland Berger Strategy Consultants Asia, said: “China is certainly still a strategic market for European companies, affording significant opportunities. If there are more positive policy developments, specifically greater market access and lower regulatory barriers, increased investment would follow.”

Link to the full Business Confidence Survey 2014 report

Manufacturing sector accelerates in May

China’s manufacturing sector continued to accelerate in May, delivering its best performance so far this year. The official Purchasing Managers’ Index (PMI) rose to 50.8 in May from 50.4 in April, the China Federation of Logistics and Purchasing (CFLP) announced. While the sub-indexes for new orders and export orders both rose in May, the sub-indexes for stocking as well as production and business operations both declined. New orders jumped to a six-month high of 52.3 in May, with production rising to 52.8. The sub-index for export orders, which slumped by 1.1 in April, rose by 0.2 to 49.3. However, the employment sub-index dipped to 48.2 from April’s 48.3, pointing to contraction in the job market. “The improvement is not broad-based as electricity production remains weak,” Zhou Hao, Economist with Australia and New Zealand Banking Group, said. The official reading was broadly in line with the HSBC/Markit PMI figure, released in late May, which rebounded to 49.7, a five-month high.

- The number of China’s dollar millionaires has risen by 3.6% to 2.9 million over the previous 12 months. Over the next three years their numbers will rise to 3.36 million, according to the Hurun Report. Those with personal assets of more than CNY100 million already numbered 67,000 in 2013, up 4% from the year before. Shanghai is home to 14.5% of the mainland’s dollar millionaires, following Beijing with 16.9%, and Guangdong province with 16.8%.
- Shanghai plans to establish eight to 10 smart parks with top-class technologies such as cloud computing and big data by 2015 as it looks to lead the sector nationwide. In March, the city set up the Shanghai Smart Park Association with more than 100 members, including China Telecom, China Minsheng Banking Corp and Beidou Navigation.
- China will open its defense sector to private enterprises by relaxing market access for military products. Measures will include lowering market access requirements, reducing approval procedures, improving the pricing mechanism for military products and taxation policy, said the People’s Liberation Army’s General Armament Department. The Department said it will open a website for military procurement, regularly publicizing information on the demand for weapons and other equipment.
- China's industrial profits rose 10% in the first four months to CNY1.76 trillion from a year earlier, easing from last year’s 11.4% – indications that economic growth continued to slow. 30 industries of the 41 being tracked reported higher earnings, the National Bureau of Statistics (NBS) said. He Ping, Researcher at NBS, blamed rising costs and a drastic slowdown in the telecommunication, power generation and alcohol and tea sectors for the cooler profit growth in April. The automobile sector continued to lead profit contribution with a CNY41.25 billion rise in profits.
- China is moving to stabilize growth momentum to achieve key targets for social and

economic development this year, Premier Li Keqiang said at a meeting in Beijing with Klaus Schwab, Executive Chairman of the World Economic Forum (WEF). He added that action was being taken for what he described as “timely and moderate pro-cyclical fine-tuning” of the country's economic policies.

- Guangdong province is allocating more funds to boost the economy. According to the financial budget report submitted to the provincial legislature for approval, the province will arrange for up to CNY64.7 billion to support development of infrastructure, maintain stable trade growth, expand consumption and promote the transformation of industry. The move comes after relatively slow economic growth in the first four months of 2014. The province's gross domestic product (GDP) grew 7.2% year-on-year in the first quarter, or 1.3 percentage points lower than the same period last year. The import and export value of Guangdong was down 21.5% year-on-year to USD307.56 billion in the first four months.
- The central government urged local governments to quicken the pace of budgetary spending to guarantee construction of key projects and boost the slowing economy. The Ministry of Finance said local fiscal agencies must finish allocating this year's budget money by the end of June, or risk the money being called back by the central government in September.

MERGERS & ACQUISITIONS

Food is the new focus in China's global M&A push

China's attention in mergers & acquisitions (M&As) is turning to food. For every additional bushel of wheat or kilo of beef the world produces, China will need almost half of that to keep its citizens fed. As the country cannot produce enough domestically, Chinese and Hong Kong-listed firms spent USD12.3 billion abroad on takeovers and investments in food, drink or agriculture last year, the most in at least a decade. Those purchases included the largest Chinese takeover of a U.S. company when Shuanghui International Holdings bought Smithfield Foods for USD7 billion including debt. They are likely to be followed by overseas forays into beef, sheep meat and grain assets, according to the National Australia Bank. “China will be more integrated into the global commodities system on the agriculture side than they have ever been,” said Paul Conway, Vice Chairman of Cargill, one of the four companies that now dominate the world food trade. China's emerging champion in food security is Cofco Corp, which controls 90% of China's wheat imports and has made two acquisitions this year. It bought controlling stakes in Dutch trader Nidera Holdings and Noble Group's agribusiness in the space of two months, paying about USD2.8 billion in total. With Noble's agribusiness, Cofco gained grain elevators in Argentina and sugar mills in Brazil, as well as oilseed crushing plants in China, Ukraine and South Africa. The Nidera purchase gives Cofco a strong platform to produce grain in Brazil, Argentina and central Europe, the South China Morning Post reports.

- Private equity and venture capital investment in China’s telecommunications, media and technology rebounded in the second half of 2013 after hitting a record low in the second quarter. The number of deals rose 82% to 499 from the first half and their value rose 49%, PricewaterhouseCoopers (PwC) said in its China MoneyTree Report.

PETROCHEMICALS

Upstream gaps remain in massive China-Russia gas deal

The USD400 billion 30-year Sino-Russian gas agreement was hailed by analysts as a win-win deal, but some unknowns could affect the sharing of benefits and risks. Absent from the announcement on May 21 was any reference to the possibility of joint development of the fields that would supply gas to northeast China. Upstream gas production is typically the most lucrative part of the energy supply chain. Also left up in the air are details about payment terms. “China had been keen on upstream exploration and production in Russia, while Gazprom may be keen on pre-payment or credit, given generally elevated risk to its access to global credit markets posed by the Ukrainian crisis, and also to partly fund the USD55 billion that Gazprom expects to spend on projects to feed this contract,” Barclays said in a report. These cover gas field development costs, construction costs of the proposed pipeline from the field to the Sino-Russian border and gas processing facilities. President Vladimir Putin said Russia would invest USD55 billion and China roughly USD20 billion in order to realize the contract. Alexander Medvedev, Chief Executive of Gazprom Export, said that the China National Petroleum Corp (CNPC) had agreed to pre-pay USD25 billion for the gas, but added that details were under discussion. China's gas demand is projected by the National Development and Reform Commission (NDRC) to rise to 400 billion cubic meters (BCM) by 2020 from 168 BCM last year, the South China Morning Post reports.

- China National Petroleum Corporation (CNPC) expects to invest at least USD2 billion in Peru over the next 10 years, after having recently bought Petrobras' assets in the country. "We are looking for more opportunities in Peru, to acquire companies or to participate in the bidding for oil fields," Gong Bencai, Director of CNPC's Latin America Division said. The company is eyeing a USD4 billion gas pipeline project in southern Peru.
- China Resources Gas (CRG) said the boost in gas supply from the USD400 billion Sino-Russian gas agreement would have a positive impact on the company. "Currently we have 23 projects in northeast China, but we should have more than 30 by 2018", Chief Financial Officer Ken Ong Thiam Kin said. Research reports expect the northern and northeastern provinces to be the main consumers of the Russian gas.

REAL ESTATE

Land sales in Shanghai drop to lowest in 26 months

Land sales in Shanghai were the lowest in 26 months in May, with only two parcels on sale. The total area dropped 90% from April to 35,000 square meters, with the aggregate value of sales falling 51% to CNY3.24 billion, Century 21 China Real Estate said in a report. Year-on-year, sales fell 92% in area and 81% in value. "The extremely slack sales in May can be attributed to a sharp decline in land supply, though demand from developers for high-quality land sites is still rather robust," said Huang Hetao, Vice Director of Research at Century 21. A Poly Real Estate subsidiary acquired a 33,007-sq-m residential plot in northeastern Yangpu district on May 16. The competition was fierce because it was the first time in several years that a purely residential parcel within the city's Inner Ring Road was put on the block. In June, the city is set to auction seven sites totaling 269,000 sq m. The combined starting price for all the parcels will be CNY2.55 billion, Century 21 estimates. All the parcels are located beyond the city's Outer Ring Road, with none having a starting price exceeding CNY10,000 per square meter. Under an earlier plan released by the local land authority, four plots should have been auctioned in Shanghai in May. However, two were postponed until June, the Shanghai Daily reports.

First drop in home prices in nearly two years

Home prices in major Chinese cities posted their first monthly decline in nearly two years in May. The average price of a new home in 100 major cities fell 0.3% from April to CNY10,978 per square meter, the first fall since June 2012, according to the China Index Academy, the research unit of real estate website operator Soufun. Prices dropped in 62 cities and were unchanged in one. The biggest dip was in Shantou, Guangdong province, where prices slumped 3.6% from April. "Rising supply and sharp falls in transactions have put heavy pressure on property developers' sales, leading some to beef up promotions and adjust their pricing strategy," the Academy said. Year-on-year, new home prices rose 7.8% in May, down from 9% in April and slowing for the fifth straight month. In 31 cities, prices fell on an annual basis, with those in Wenzhou dropping the most of all, at 8.3%. The survey added to signs that China's property market is cooling, with analysts pointing to factors including stringent bank loan criteria, expectations of falling prices and financial trouble among developers. Among China's 10 largest cities, Nanjing saw the biggest fall in May, with prices dropping almost 1.4% month-on-month. Only two cities – Beijing and Tianjin – saw new home prices increase, with the average cost in the capital rising 0.7% from April to CNY33,472 per sq m. In Shanghai, the average cost of a new home in May fell 0.4% from April to CNY32,388 per sq m. Year-on-year, the price rose 14.6%, compared with a 15.3% gain in April, the Shanghai Daily reports.

RETAIL

CRE and Tesco to set up largest food retailer in China

China Resources Enterprise (CRE) has received regulatory approval for a joint venture with UK supermarket operator Tesco Corp that will create the largest food retailer in China. Under the venture, China Resources' almost 3,000 outlets in China will be combined with about 130 Tesco stores in the country. The Anti-Monopoly Bureau of the Chinese Ministry of Commerce (MOFCOM) unconditionally approved the transaction in May. "The joint venture combines Tesco's retail practices, international sourcing and multi-channel capabilities with China Resources' strong local experience," Tesco said in a statement. China Resources will hold 80% of the venture. Tesco China will change its store names to Vanguard to synchronize with existing stores operated by CRE. China Resources estimates annual sales of the venture could reach CNY95 billion. Tesco China is expected to turn profitable in two to three years. Existing Vanguard supermarkets held about a 6.8% market share in the four weeks ended on April 18, following Sun Art Group and Walmart China, according to consumer research firm Kantar Worldpanel. Tesco China had a market share of less than 2%. Sales growth in China's consumer goods market slowed in the first quarter of this year from a year earlier as consumers became more selective about what they purchased, according to Kantar Worldpanel.

Eyeglass and contact lens makers fined

Seven major eyeglass and contact lens makers were accused of price manipulation and China's price watchdog fined five of them a total of CNY19 million. Four major frame eyeglass manufacturers – Essilor, Nikon, Zeiss and Hoya – as well as three contact lens makers – Bausch+Lomb, Johnson & Johnson and Weicon – were found to have exerted price control on distributors and retailers, which violates Chinese anti-monopoly laws, the National Development and Reform Commission (NDRC) said. The Shanghai unit of Essilor and the Beijing unit of Nikon were each fined 2% of their total revenue last year at CNY8.79 million and CNY1.68 million respectively. The Guangzhou unit of Zeiss, the Beijing Unit of Bausch+Lomb and the Shanghai unit of Johnson & Johnson were each fined 1% of their revenue last year. Hoya and Weicon were not fined as they handed over important evidence and rectified the violations, the NDRC said. The anti-monopoly law, enacted in 2008, allows for a fine of between 1% and 10% of a company's revenue in China in the previous year. The NDRC said the firms involved have cut their prices. Hoya, Essilor, Zeiss and Bausch+Lomb have cut retail prices between 10% and 30% since late April. In August last year, the NDRC fined six milk powder producers a record USD110 million for price manipulation.

- China Resources Enterprise, the brewer – together with SABMiller – of Snow Beer, said first-quarter earnings declined 32% to HKD349 million from a year earlier as a slowing economy damped consumer spending. Sales rose 16% to HKD41.8 billion during the period. The company's retail unit, which accounted for almost 70% of its sales in the quarter, posted a 12% decline in underlying profit to HKD464 million. As of March, the company operated more than 4,600 outlets including hypermarkets, supermarkets and beauty stores.
- Consumer confidence in China in the first quarter climbed 3 points from a year ago but remained at the same level as in the prior three-month period. The Chinese Consumer Confidence Index stood at 111 points in the first quarter, higher than the global average of 96, market research firm Nielsen said. Sales of consumer goods in the Chinese market climbed 8% in the first three months this year. "Chinese consumers are ready to spend more as they move up the consumption ladder," according to Yan Xuan, President of Nielsen China.
- Four Shanghai-based baby formula producers, including Dumex, the local unit of Danone, were among 82 Chinese formula companies granted three-year license renewals by China's food safety watchdog. The licenses are the first since China adopted tougher industry standards about six months ago. Nationwide, 51 producers failed to renew their licenses or applied to delay reapplications, the State Food and Drug Administration said. As of May 31, the 127 manufacturers of infant formula have to apply and receive production permits or cease production. About 45 formula milk producers have received the permits and it is estimated at least one third of the domestic factories will be phased out or face orders to stop production.
- China's online shopping market generated a value of CNY1.85 trillion to reach 7.8% of

total retail size in the past year. E-commerce transactions rose 26.8% from a year earlier to more than CNY10 trillion, while online retail jumped 41.2% from that of 2012, Cai Yudong, Vice Director of the Department of E-commerce and Informatization at the Ministry of Commerce (MOFCOM), said. There were 302 million online shoppers in China last year.

- Chinese shoe retailer Belle, which reported a 12% fall in net profit for the first two months of this year, says it will be difficult to achieve its target of low single-digit growth in same-store sales this year. Belle said the sluggish Chinese economy and intense competition were squeezing profit margins in the footwear business, but it was still confident that its margin would remain stable at about 22% to 24% this year. It said the performance of sportswear was hopeful, with high single-digit growth in same-store sales expected this year.

STOCK MARKETS

CSRC under fire for retaining listing of Nanjing Textiles

The China Securities Regulatory Commission (CSRC) has raised controversy after deciding to retain Nanjing Textiles' listing status. The company was found to have falsified its earnings for five years. The company and 12 officials were fined a combined CNY1.53 million for the wrongdoings. It operated with losses in the six years from 2006 to 2011, although companies reporting losses for three years in a row should be delisted. CSRC Spokesman Deng Ke told a press conference that the decision complied with the securities laws and regulations because the delisting standards factored out “adjusted” earnings or losses for previous years. The Spokesman added that retaining the listing was aimed at safeguarding the interests of its shareholders, because a delisting would see them incur losses. China has yet to establish a real delisting mechanism to ensure the overall quality of listed firms. Before 2012, only about 50 loss-makers were delisted, while most underachievers resorted to “asset restructuring deals” to book one-off gains to keep their listing status. The CSRC published new delisting rules in April 2012 that promised tougher controls on loss-makers, stipulating that underachieving firms could no longer count on exceptional gains to avoid delisting, but it waived the rules three months later. Many loss-making firms are state-owned and a delisting could embarrass their state-owned parents and local governments.

- Brokerages on the Chinese mainland and in Hong Kong are preparing the staff and technology needed to launch a pilot cross-border stock trading program. Several brokerages said that the Shanghai Stock Exchange had asked brokerages to submit applications to participate in the pilot program and finish preparations before the end of July. The Shanghai and Hong Kong exchanges announced in April the Hong Kong-Shanghai Stock Connect program, which will allow investors to trade eligible shares in each other's market. The program is expected to start in October.
- The Ministry of Finance has lashed out at criticism of its proposal to ban foreign accountants from auditing mainland firms listing overseas, saying the new rule will improve the quality of accounting and reduce audit risks. The Ministry said that it planned to bar international accounting firms, including those from Hong Kong, from sending staff to audit mainland companies.

TRAVEL

Accor to build one-third of new China hotels in tourist spots

Accor, Europe's largest hotel operator, says it will build about a third of its 100 planned Chinese hotels in tourist destinations as rising wealth leads to growing leisure travel and oversupply in cities depresses room tariffs. The growth in domestic tourism is making tourist spots more attractive than many urban sites, Michael Issenberg, Accor's Asia-Pacific Chairman, said. The French hotel firm has already opened sites on ski slopes near the North Korean border, a beach resort on tropical Hainan island and a central Chinese forest park among its 128 Chinese hotels. That will help it capitalize on domestic tourist trips that are forecast to grow by about 11% a year in the next four years, according to data from Euromonitor International. China overtook Germany in 2012 to become the largest outbound tourism market, according to the United Nations World Tourism Organization. International spending by Chinese travelers rose 26% last year to USD129 billion. But expansion by domestic and international companies has slowed some hotel operators' ability to increase room rates. InterContinental Hotels' revenue per available room in China rose just 0.7% year-on-year in the third quarter of last year. Hotels in eastern China filled about 64% of rooms in April, compared with occupancy rates of about 70% in Accor's economy hotels globally and 68% in its upper- and mid-market locations last year.

- The largest Chinese tour group ever to visit the United States arrived in Los Angeles. It took 70 commercial flights to shuttle the more than 6,000 visitors. The tourists are employees of Guangdong-based direct-selling firm Perfect (China) Co. The 6,000 guests will be divided into hundreds of smaller tour groups with different focuses and attend a grand banquet in Orange County with Perfect's CEO. Perfect sells health foods, household goods, and skin care and cosmetics products.
- The Shanghai Transport Commission is asking Kuaidi Taxi and Didi Taxi, which run popular taxi apps, for the names, cellphone numbers, and license plate and service certificate numbers of their registered taxi drives so as to better fight against unlicensed taxis. Some illegal operators have been hacking the details of legitimate drivers to register for using the apps. Lawyers said the information was the property of the companies and they were not obliged to hand it over.
- Tourists to Xinjiang are to receive CNY500 in an initiative designed to win back tourists following a series of terrorist attacks. Xinjiang has been a popular destination famed for its natural beauty and exotic cultures. Last year, it attracted more than 52 million tourists, an increase of 17% on the year before, but the tourism boom has been eclipsed by the attacks. “The number of tourists we received recently decreased by 40% compared to the figure in the same period of last year,” said Inam Nesirdin, Xinjiang Tourist Bureau Director.

ONE-LINE NEWS

- Huang Baodong, former Deputy General Manager of the Power Construction Corp of China (PCCC), has been expelled from the Chinese Communist Party for taking huge bribes. His case has been transferred to prosecutors for criminal investigation. At least 10 senior officials and executives at state-owned power companies have been detained over the past year.
- Ma Man-kei, a renowned Macao entrepreneur and former Vice Chairman of the Chinese People’s Political Consultative Conference (CPPCC), has died in Beijing aged 94. He earned the gratitude of the Chinese Communist Party for exporting necessities to mainland China at the time of the Japanese invasion in the Second World War. He also played a significant role in the preparation of Macao’s handover in 1999.
- Xu Yongsheng, 48, the youngest Deputy Director at the National Energy Administration (NEA), has been sacked five days after prosecutors announced a corruption probe against him. Xu is one of four NEA officials being investigated for taking bribes.
- Rich Chinese are snapping up vineyards in France’s Bordeaux region. Pierre Goguet, President of the Bordeaux Chamber of Commerce, said the number of Chinese-owned vineyards in the area had grown to 83 from three in the span of just five years. Another 30 transactions are pending. Bordeaux has about 8,000 wine estates. About 5% are owned by foreign investors.
- China supports establishing a global system for open access to scientific knowledge financed by public money to achieve the greatest value of science, Premier Li Keqiang said in an address at the opening ceremony of the 2014 annual meeting of the Global Research Council. “Science is connected to development, and knowledge is a public resource,” he said. The Council's members administer 75% of the total public research capital worldwide.
- Guo Zhenxi, CCTV’s financial news channel Director, who at one point was in charge of billions of yuan in advertising revenue, has been detained by prosecutors on suspicion of corruption. Guo joined the network as a financial reporter in 1992 and became Deputy Director of Advertising in 1998.

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