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

NEWSLETTER | 26 MAY 2015

FCCC ACTIVITIES

Seminar: How China is improving its foreign investment climate – 28 May 2015, 16 h – Ghent

The Flanders-China Chamber of Commerce (FCCC) is organizing a seminar focused on 'How China is improving its foreign investment climate'. This event will take place on 28 May 2015 at 16 h. in Ghent (location to be determined).

The investment climate in China for foreign investors is undergoing profound and hopefully positive changes recently. In this presentation, Mr. REN Qing, partner of Zhonglun Law Firm, will share his insights about these changes and their implication for foreign investors and foreign invested enterprises, particularly covering:
(1) The draft Foreign Investment Law published in January 2015;
(2) The Catalogue of Industries for Guiding Foreign Investment revised in March 2015,
(3) The uniform Negative List applying to Shanhai, Guangdong, Tianjin and Fujian FTZs published in April 2015, and
(4) The latest development of anti-trust enforcement in China, including the landmark Qualcomm case.
Mr. Ren Qing is a partner of Zhonglun Law Firm, specializing in M&A, anti-trust and trade law. Before joining Zhonglun, Mr. Ren was a deputy director at Department of Treaty & Law, Ministry of Commerce (MOFCOM) of China, and once worked at Embassy of China in Belgium from 2009 to 2011.

Mr. Ren was invited by MOFCOM to participate in the preparation of the Draft Foreign Investment Law as an external expert. He has written a series of articles in Chinese and English to interpret the draft law since the draft law was published this January. Mr. Ren's firm Zhonglun, recognized by Chambers Asia Pacific as PRC Law Firm of the year for 2014, also represented Qualcomm before the National Development and Reform Commission (NDRC) in the landmark anti-trust case which was closed this February.

If you are interested in attending, please register online at www.flanders-china.be

Participation fee for FCCC members: €45, non-members: €75.

EXPO Milano 2015 – EU-CHINA Days: Joint cooperation to enhance investments and business opportunities 9 – 10 June 2015

The EU-China Business Association (EUCBA) and the Flanders-China Chamber of Commerce have the pleasure to invite you to the EU-China Days organized by the European Commission at the World Expo in Milan. The Flanders-China Chamber of Commerce is a member of the EUCBA and is in charge of the Secretariat-General at the EUCBA, which has recently set up an office in Brussels. The EUCBA is an Association of Associations in the European Union countries promoting business relations between European enterprises, institutions and their

Chinese counterparts. Today it counts 20 members from 20 different countries. The European Commission – the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs – is organizing an event focusing on the EU and China, that will see the participation of European and Chinese companies, clusters and institutions.

The event will allow you to get information on the European Commission tools, which can assist and support the internationalization of businesses (in particular SMEs), as well as business relations between Europe and China. You will also have the chance to meet Chinese and European counterparts during the B2B sessions in order to discuss concrete cooperation projects in business, technology transfer and research. By attending this event, you will gain easy access to enterprises, clusters and stakeholders and will get new opportunities and competitive advantages!

You can find detailed information and registration forms for the conference and B2B meetings at the following links:

- EU – China Days (9-10 June, 2015): http://www.euexpo2015-china.talkb2b.net
- Detailed draft programme of the EU-China conference

Participants

- SMEs and big companies
- Clusters
- Research Centres
- BSOs and Institutions

Sectors of the B2B Meetings

- Agro-food manufacturing
- Creativity, cultural heritage and local traditional food
- Space application to agriculture and environmental management
- Health biotechnologies
- Food and wine, tourism
- Other topics relevant to the thematic focus of the brokerage event.

To register for the Conference and/or the B2B, click here.

Programme

6 Apr-29 May	Registration for the Conference.
6 Apr-22 May	Registration for the B2B meetings. Support will be provided for the drafting of cooperation profiles. Once your profile is duly filled, it will be validated by the organizers and will be published online and promoted.
25-29 May	Selection and booking of the B2B meetings. Support will be provided for the matchmaking based on cooperation profiles. Confirmation of the participation at the B2B.
1-8 June	Delivery of the confirmed B2B meetings schedule.
9-10 June	EU-China Event.
10 Jun-14 Oct	Follow-up.

We remain at your disposal for any further information you require and look forward to meeting you at the EU-China Days at the World Expo in Milan!

For more information: www.flanders-china.be

ACTIVITIES SUPPORTED BY FCCC

Asia-Europe Meeting Industry Dialogue on Connectivity – 27-28 May 2015 – Chongqing

The Asia-Europe Meeting Industry Dialogue on Connectivity will be organized in Chongqing, China from 27 to 28 May, 2015. The cooperation on connectivity is the most important area discussed by leaders of Asian and European countries in recent years. This meeting will be a good opportunity to know and participate better in the connectivity cooperation between Europe and Asia.

Background: At the 10th ASEM Summit in 2014 in Italy, leaders “underscored the significance of connectivity between the two regions to economic prosperity and sustainable development and to promoting free and seamless movement of people, trade, investment, energy, information, knowledge and ideas and greater institutional linkages.”

Objectives: The dialogue is intended to provide a platform for ASEM government officials, entrepreneurs, scholars and other stake-holders to share and exchange valuable findings and thoughts on various aspects of connectivity, such as opportunities and challenges, ways of promotion, investment and financing.

Topics:

- New opportunities and industrial cooperation outlook
- Key areas of cooperation in connectivity
- Innovation of cooperation in trade, investment and finance
- Role of major stakeholders
- The way forward

Date: 27-28 May, 2015
Venue: Chongqing Yuelai International Convention Center, Chongqing
For more information and registration: contact Ms Wang Bingdan (wbd_2015@126.com) or Mr Meng Dan (dforest@sina.com)

Business matching Shanghai Jinshan Second Industrial Zone – 4 June 2015 – Antwerp Hilton Hotel, Antwerp

In the morning of June 4, prior to the Antwerp Shanghai Trade & Investment Forum (see next item below), a business matching event with the delegation of the Shanghai Jinshan Second Industrial Zone is planned.

Bart De Wever, Mayor of Antwerp, and Philip Heylen, Vice Mayor, will receive the delegation of the Shanghai Foreign Investment Development Board, including CEOs and managers of top firms in the port, chemical, and machinery sectors and representatives of the Jinshan Industrial Zone.

Business matching event:

10.30 h.	Registration
11.00 -12.15 h.	Business matching • Port & Industries – Role and Strategy of Port of Antwerp • Chemical Cluster – Role and Strategy of the Antwerp Petrochemical Cluster • Shanghai Jin Shan Second Industrial Zone Development – opportunity for future cooperation
12.15 -13.15 h.	Lunch

The Shanghai Second Industrial Zone (SJSIZ) is located in the South-western area of Shanghai, the North shore of Hangzhou Bay, and the heartland of the Yangtze River Delta city group with an overall planning area of 14.03 sq km. The distance from Urban Center, Hongqiao international airport is about 50 km, and the distance from Pudong international airport and Yangshan port is about 70 km. On June 4, 2014, Chinese Premier Li Keqiang, chairing a State Council executive meeting, announced the plan to build seven national petrochemical industry bases including Shanghai Caojing, Dalian Changxing Island, etc. SJSIZ is adjacent to the Shanghai Chemical Industry Park (SCIP, National level) in the East and Shanghai Petrochemical Company (SPC) in the South.

Register before May 26. More information is available at ondernemeninantwerpen.be

Antwerp Shanghai Trade & Investment Forum – 4 June 2015 – Antwerp Hilton Hotel, Antwerp

The Antwerp Shanghai Trade & Investment Forum is organized in close cooperation by the City of Antwerp, the Port of Antwerp, Antwerp Headquarters, the Flanders China Chamber of Commerce, Voka Kamer van Koophandel Antwerpen-Waasland, Flanders Investment & Trade, and POM Antwerpen. It will take place on 4 June 2015 from 14h till 17h30 at the Antwerp Hilton Hotel, Groenplaats 32, 2000 Antwerp.

Programme:

- Investment Environment Antwerp and Flanders by Mr. Marc Van Gastel, Investment Director of Flanders Investment and Trade
- Investment Environment Shanghai by Mr. Gu Jun, Vice Chairman of Shanghai Municipal Commission of Commerce
- Investment Opportunities Antwerp:
  Blue Gate Antwerp and BlueChem by Mr. Guido Muelenaer, Manager Strategy & Innovation at Business & Innovation City of Antwerp
  Churchill Industrial Zone by Mrs. Isabelle Van Looy, Sr Consultant Investment Policy at Port of Antwerp

- Investment Opportunities Shanghai, Shanghai Huayi Group by Mr. Liu Xunfeng, Chairman of the Board
- Speech by Mayor City of Antwerp Mr. Bart De Wever.
- Speech by Party Secretary of Shanghai Mr. Han Zheng.
- Signing of MoU Ceremony between City of Antwerp and Shanghai.
- Closing by Vice Mayor Mr. Philip Heylen.
- Networking Cocktail.

In the morning of June 4, prior to the Antwerp Shanghai Trade & Investment Forum, a business matching event with the delegation of Shanghai Jinshan Second Industrial Zone is planned.

10.30 h.	Registration
11.00 -12.15 h.	Business matching • Port & Industries – Role and Strategy of Port of Antwerp • Chemical Cluster – Role and Strategy of the Antwerp Petrochemical Cluster • Shanghai Jin Shan Second Industrial Zone Development – opportunity for future cooperation
12.15 -13.15 h.	Lunch

Register before May 26. More information is available at ondernemeninantwerpen.be

10 years of the EU-China IP Dialogue Mechanism – 29 June 2015 – Brussels

29 June 2015 | Ground Floor, JENK room, Charlemagne Building, Rue de la Loi 170, B-1000 Brussels | 13:30- 18:30

The Ministry of Commerce of the People's Republic of China (MOFCOM) and the Directorate General for Trade of the European Commission invite you to celebrate the 10th anniversary of the EU-China IP Dialogue Mechanism. During the event, high level representatives are expected to set the course of the EU-China IP cooperation.

In 2005, the EU and China formally signed a declaration establishing the present IP cooperation mechanism in the form of regular dialogue and working group meetings that have taken place every year since.

High level speakers from EU Trade and China's MOFCOM will address the delegation as well as other senior representatives from OHIM, EPO and SAIC together with representatives from industry and academia closely involved in the development of this Euro-Chinese cooperation.

Kindly pre-register using our online registration tool by 24th June 2015. Further information and confirmation of your registration, will be sent to you shortly.
If you have any questions regarding this event, please contact us at info@ipkey.org.

Draft agenda:

13:30	Registration and networking
14:00	Key Note Speeches
14:30	Achievements of EU-China IP cooperation and prospects of new opening decade of cooperation Presentations from key EU and Chinese agencies

15:30	Coffee break
15:45	Future reinforced cooperation activities between the EU and China as regards to IP matters Panel discussion from industry and academia from both the EU and China
16:55	Closing remarks
17:00	Networking canapés and drinks
18:30	Close

Download a map

NOTICE

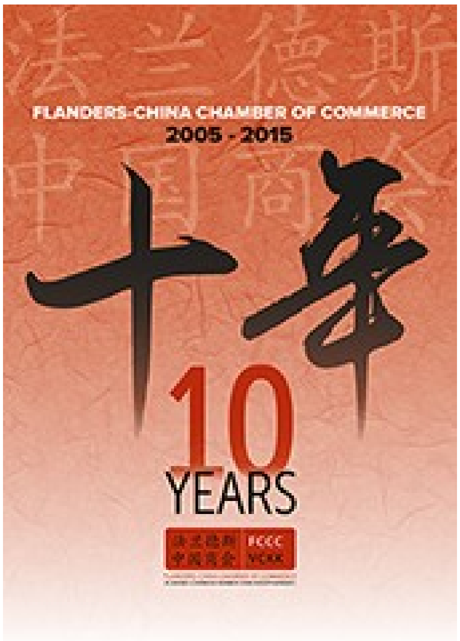
China Daily – 'Belgium Special' during State Visit to China Opportunities to advertise

On the occasion of the State Visit by Their Majesties the King and the Queen of the Belgians to China at the end of June, the China Daily newspaper will publish a "Belgium Special Edition". This issue will describe the cooperation between both countries in the fields of economy, trade, culture, education, technology and tourism. The supplement will provide a platform for Chinese and Belgian companies to promote their products and services. A large economic and academic delegation will also participate in the State Visit.

If you are interested in advertising or publishing an advertorial in this special edition, please contact China Daily, Ms. Hou Yanli, houyanli@chinadaily.com.cn

PUBLICATIONS

FCCC publishes "10 Years: Flanders-China Chamber of Commerce 2005 – 2015"



On the occasion of its 10th anniversary, the Flanders-China Chamber of Commerce has issued the publication "10 Years: Flanders-China Chamber of Commerce 2005 – 2015". The publication bundles interviews with H.E. Qu Xing, Ambassador of the People's Republic of China to Belgium; H.E. Michel Malherbe, Ambassador of Belgium to the People's Republic of China; Mrs. Claire Tillekaerts, CEO of Flanders Investment & Trade; Mr. Stefaan Vanhooren, President Agfa Graphics; Mr. Matthew Taylor, CEO, Bekaert; Mr. Stephan Csoma, Executive Vice President and two other Executives, Umicore; Christian Dumoulin, CEO, Vitalo; Filip Goris, General Manager Asia, Recticel; Mr. Hudson Liu, CEO, Huawei; Mr. Li Shufu, Chairman, Zhejiang Geely Group; Mrs. Chai Hui, General Manager Brussels Branch, ICBC; Mr. Robert Zhao, Chief Representative of the Weihai EU Office in Ghent; Mr. David Liu, Deputy Managing Director, APM Terminals; and Mr. Ma Jian, Chairman, Tianjin Liho Group.

Mr. Geert Bourgeois, Minister-President of the Government of Flanders, wrote the foreword to the publication. Chairman of the FCCC, Mr. Bert De Graeve, provided the introduction and Mrs. Gwenn Sonck, Executive Director of the FCCC, provided some more details about the FCCC.

The publication is available to Members of the FCCC free of charge.

Here is the link to the brochure online.

ADVERTISEMENT OPPORTUNITIES

Advertisement opportunities FCCC 10th Anniversary publication, Newsletters and Website

This year, the Flanders-China Chamber of Commerce celebrated its 10th anniversary! We would like to give your company the opportunity to give more exposure about your companies' activities to Belgian companies active on the Chinese market and Chinese companies present in Belgium.

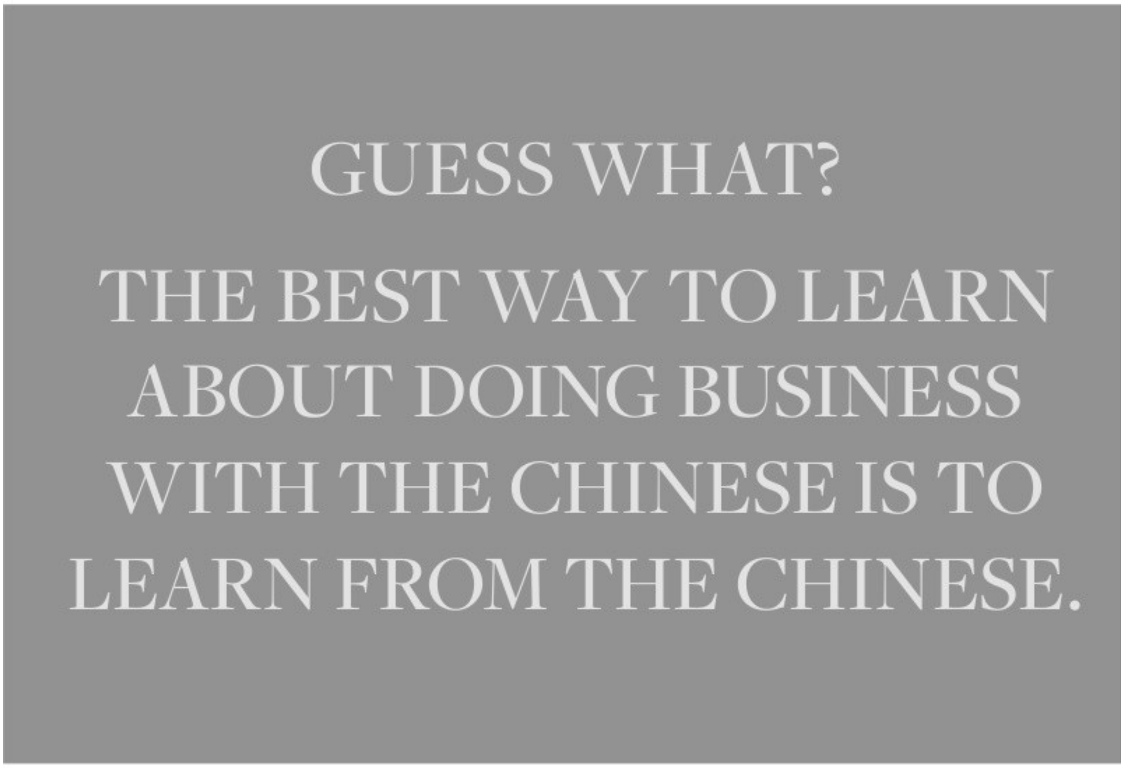
There are still opportunities to advertise in the second printing of the 10th anniversary publication.

In the link below you can find further information and a proposal for sponsorship as well as advertisement opportunities on our website and newsletters.

Link advertisement opportunities

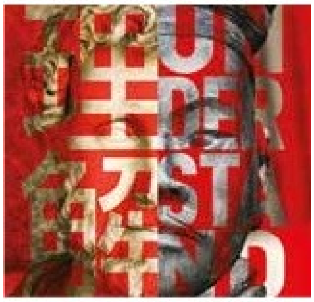
ADVERTISEMENT

An Executive MBA by IMD & CKGSB



All over the world, people are beginning to do business with China. All over China, people have been doing it for centuries. So, who better to help prepare you for China's increasing influence on the global marketplace? While the Chinese economy continues to grow, gaining expert knowledge from the other side of the business fence can give you an unquestionable advantage in leading the way between China and he world.

CKGSB: Cheung Kong Graduate School of Business and IMD business school can help you develop your understanding of China with a fully global perspective. CKGSB is recognized as China's world-class business school with an alumni base that accounts for 13.7% of China's GDP. Our world-class faculty represents many of the best minds from the U.S. and Europe's top business schools. IMD is a top-ranked business school.100% focused on executive education, IMD offers Swiss excellence with a global perspective. Together these two leading business schools have devised the Executive MBA program.



The Executive MBA by IMD & CKGSB is designed in two stages – the foundation stage and the mastery stage. The program will allow you to master Eastern and Western business concepts and practices whilst gaining all-important international connections. The program will also strengthen leadership, strategy and general management skills.

Made up of equal numbers of participants from both Eastern and Western businesses, the program will include 11 weeks of face-to-face learning. The program is scheduled to take place from February 2015 until September 2016 with a unique split of 50/50 program delivery across Eastern and Western locations. Delivered by two world-class business schools, the IMD-CKGSB Executive MBA is the ideal answer for fast-rising executives who want to create value for their organizations by spanning both East and West. You'll go beyond the basics to a true understanding of the forces that will be shaping the world of business in the future.

For admission details or further information visit imd.ckgsb.info

Hainan Airlines, your direct link from Belgium to China

AUTOMOTIVE

Promotion launched for new energy vehicles

China, which renewed a tax-exemption policy for new energy vehicles (NEVs) on May 18, is calling on Chinese automakers to submit a list of their models eligible for the promoting program. The plan exempts new energy vehicle users of vehicle and vessel use tax between CNY60 and CNY5,400 a year. The eligible NEVs include pure electric commercial vehicles, plug-in hybrids and fuel cell vehicles. Three government agencies – the Ministry of Finance, Ministry of Industry and Information Technology and Ministry of Transport – will examine information on the listed models and publish the list of approved cars. Some cities grant free license plates to new-energy vehicle buyers. In Beijing pure electric cars will not be banned from being driven one workday a week.

- Alibaba has teamed up with the Shanghai free trade zone (FTZ) to sell parallel import automobiles. Alibaba's business-to-consumer (B2C) site Tmall will tie up with the Shanghai Waigaoqiao Automobile Exchange Market Co, one of the 17 government authorized imported car dealers. Tmall will open a special store by the end of this month for consumers to collect their vehicles.
- Shanghai's monthly car plate auction attracted a record turnout as 156,007 people competed for just 7,482 plates. The nominal success rate fell to 4.8%. The number of plates on offer was 806 lower than in April, while the number of registered bidders rose by more than 3,700. The average winning bid at the sale dropped by CNY1,660 from last month to CNY79,099.
- Volkswagen's new plant in Changsha, capital of Hunan province, has begun operation with a Lavida sedan rolling off the production line. The plant has an annual capacity of 300,000 units. Volkswagen Group China, which includes Shanghai Volkswagen and FAW-Volkswagen, delivered 3.68 million automobiles in the Chinese mainland and Hong Kong in 2014, up 12.4% year-on-year.

FINANCE

Shanghai to increase support for internet finance

Shanghai will increase support for internet finance, Wu Jun, Deputy Director of Shanghai Financial Service Office, said during the China (Shanghai) Internet Finance Summit. The boom in internet finance in China started in 2013 when Alibaba offered online financial services with Yu'ebao, an online money market fund. At the end of 2014, there were 2,000 peer-to-peer lending platforms and 128 crowdfunding companies in China. Of China's 270 online third-party payment firms, 55 are based in Shanghai, with their trading volume taking up 75% of the country's total. "Financial regulators now are working together to build a supervision framework to enhance risk control and crack down on malpractice in the industry," said Ji Jiayou, an official at the Shanghai headquarters of the People's Bank of China (BOC).

Non-Asian countries to be included in AIIB Board

The Chinese government is proposing to include non-Asian countries on the board of the Asian Infrastructure Investment Bank (AIIB) to give smaller shareholders a voice in the institution. No country will have more than one seat on the 12-member Board of Directors. China says it will not hold veto power in the AIIB, unlike the World Bank where the United States has a limited veto. Germany will have a Director on the Board of the AIIB, according to

German Ambassador to China Michael Clauss. He added that Germany wanted the Board's make-up to reflect the various regions joining the Beijing-led bank, and that Frankfurt would be a good candidate for the bank's European headquarters. Founding members of the bank will initially pay up to one-fifth of its USD50 billion authorized capital, which will be raised to USD100 billion. The founders of the bank also wrapped up negotiations over the text of the organization's charter during a three-day meeting in Singapore. The articles will be signed at the end of June and will then be presented to each nation's legislature for approval. Delegates who attended the Singapore meeting said China is likely to take a 25% to 30% stake in the AIIB, and India is likely to be the second-largest shareholder. In all, Asian countries are expected to own between 72% and 75% of the bank. The Singapore meeting was the fifth to be held since the signing of a Memorandum of Understanding on establishing the AIIB in Beijing in October last year.

- Shanghai is considering issuing yuan-denominated municipal bonds in the city's free trade zone (FTZ). Investors will be domestic financial institutions operating within the FTZ. Chinese banks would be able to tap offshore funds for their purchases of the municipal bonds in the FTZ.
- Jiangsu province has fired the first shot in China's CNY1.77 trillion annual local government bond sales program by selling securities at a yield only slightly above that of sovereign bonds. The province issued CNY52.2 billion of municipal bonds, including securities to be swapped for existing debt and new general notes. Three-year securities were sold at 2.94%, five-year securities at 3.12% and seven-year and 10-year paper at 3.41%, according to the ChinaBond website.
- An investigation was launched after a group of customers alleged that more than CNY20 million was taken out of their accounts without their permission at two branches of the Industrial and Commercial Bank of China (ICBC) in Shijiazhuang, Hebei province. Customers said they were asked to open online banking accounts at the branches in Hebei province and to apply for a security device that would allow them to make large transactions online.
- A program allowing cross-border sales of investment funds between the Chinese mainland and Hong Kong will be launched on July 1. The Mainland-Hong Kong Mutual Recognition of Funds program will allow funds domiciled in the mainland and Hong Kong to be sold in each other's market. The initial quota for the program will be CNY300 billion in each direction. Around 100 Hong Kong and 850 mainland funds are eligible for the program.
- Shanghai's first private bank – Shanghai Huarui Bank – has opened for business in the city's pilot free trade zone (FTZ). Chairman Ling Tao said the bank would meet the funding needs of small and high-technology companies. Registered in the FTZ's Waigaoqiao area with a CNY3 billion capital, Huarui Bank, which started trial operations in January, is one of the first three private banks approved by the China Banking Regulatory Commission (CBRC) last July.

FOREIGN INVESTMENT

Americans on Chinese companies' payrolls rising

The number of Americans on Chinese company payrolls has surged more than five-fold over the past five years along with growing foreign direct investment (FDI) by China in the United States, according to a report by the National Committee on U.S.-China Relations and the economic think tank Rhodium Group. Observers said this underscored the growing interdependency between Beijing and Washington despite their strained bilateral relations. The report, titled "New Neighbors: Chinese Investment in the United States by Congressional District", showed Chinese firms had invested USD46 billion in the U.S. since 2000. Considering only full-time jobs, it said Chinese firms now provided more than 80,000 direct jobs in the U.S. "While this is still modest compared with the total number of jobs provided by foreign firms, it is significant growth from less than 15,000 jobs five years ago," the report said. As of the end of last year, there were 1,583 investments by Chinese firms in the U.S. The biggest recipients in terms of cumulative investment between 2000 and 2014 were districts in North Carolina, Illinois, New York, Virginia, and Texas, the South China Morning Post reports. The report estimated the U.S. could receive between USD100 billion and USD200 billion of investment from China by 2020, and between 200,000 and 400,000 full-time U.S. jobs would be created.

- A new investment company to help domestic enterprises invest abroad has been established. It is a subsidiary of state-owned China Investment Corp (CIC), one of the world's largest sovereign wealth funds. The company was set up with an initial capital of USD5 billion. Ding Xuedong, Chairman of CIC, is also Chairman of CIC Capital.
- Shanghai's foreign direct investment (FDI) realized in April slumped 23.4% from a year earlier to USD1.3 billion, but contracted FDI more than doubled to USD4.3 billion, the Shanghai Statistics Bureau said. "The sharp decline was due to a high comparative base," the Bureau said. "The growth momentum is expected to stabilize in the coming months." The service sector attracted USD3.6 billion of the contracted investment, or 82.9% of the total.

FOREIGN TRADE

Import tariff cuts announced

China will cut import tariffs by about 50% for some consumer goods in June to boost domestic consumption. Tariffs for imported skin-care products will be slashed from 5% to 2%, diapers from 7.5% to 2%, leather boots from 24% to 12%, and woolen suits from 17.5% to 10%, the Ministry of Finance said in a statement. Tariffs for fur clothing, cashmere jumpers and sneakers have also been halved to between 7% and 12%. The Chinese government decided in late April to cut import tariffs as the country seeks to boost domestic consumption as more wealthy Chinese tourists shop abroad. But Zhang Junwei, Researcher with the Development Research Center of the State Council, noted that cutting import tariffs alone could only have limited effect in bringing consumption home as the tariffs only make up a small part of the total price. Value added tax (VAT), consumption tax, distribution costs and the brand's pricing strategy play a greater role in prices of imported goods, experts said. China has so far cut import tariffs for some infant food, medicine and camera lenses, the Shanghai Daily reports. The average tariff across all products in China is currently 9.8%. The average duty rate on the items included in the cuts is much higher than that figure, and considerably higher than the average in many other Asian countries.

- Six Chinese nationals were charged with economic espionage in the United States after they were accused of stealing mobile phone technology and trade secrets from the U.S. companies Avago Technologies and Skyworks Solutions. At least four of them are affiliated with Tianjin University. One of the four, Professor Zhang Hao, was arrested at Los Angeles airport. The two companies are developing film bulk acoustic resonator (FBAR) technology, which has numerous military applications. China's Foreign Ministry said it was "seriously concerned" about the arrest.
- China informed the World Trade Organization (WTO) that it had scrapped its rare earth export quota system. It had been given time until May 2 to implement the changes. The quota system was introduced in 2011. China is a leading player in rare earths and holds 90% of the global market share despite having only 23% of the world's reserves. Under the new guidelines, rare earth minerals will still require an export license in China but the amount that can be sold abroad will no longer be covered by a quota.
- China Railway Construction Corp (CRCC) is expected to receive a compensation of USD1.31 million after a high-speed rail project it won in a bidding process in Mexico last year was suspended for four months.
- Imports of fine art will be made easier through the Shanghai Pilot Free Trade Zone (FTZ). Importers will no longer need the China Compulsory Certificate to import works listed in the CCC catalog. China is the world's second-largest art market with a trading volume of over USD6 billion in 2014. Many imported art works were stranded at customs without the CCC.

IPR PROTECTION

Five top IP offices meet in Suzhou

The heads of the world's five largest intellectual property offices had a meeting in Suzhou, Jiangsu province, to explore further increasing the efficiency of their work. The State Intellectual Property Office of China, European Patent Office, Japan Patent Office, Korean Intellectual Property Office and United States Patent and Trademark Office between them handle about 80% of the world's patent applications. This year, the five offices are expected to sign an agreement on providing better services to the public, especially to small businesses and individual users, in a bid to reinforce IP's role in innovation-driven development, according to the meeting organizers. The delegates discussed a wide range of issues, including quality control in processing patent fillings, statistics, automation and patent documentation. Joerg Wuttke, President of the European Union Chamber of Commerce in China, suggested that the IP “Big Five” harmonize international patent law between them, adding that “the EU business community in China expects a robust implementation of the country's IP laws.”

MACRO-ECONOMY

This year’s priorities for economic reforms

China’s State Council has unveiled this year’s priorities for economic reforms. The reforms – to streamline administration and deregulate power to lower levels, promote the yuan’s convertibility under the capital account, and launch a trial scheme to connect the Shenzhen and Hong Kong stock exchanges – aim to add new impetus to the country’s development. China’s economic growth in the first quarter of this year slowed to 7%, the lowest level since the financial crisis, which prompted policy-makers to accelerate an economic overhaul. In the statement, the government vowed to cut red tape, loosen controls on market access and investment, and improve pricing mechanisms for public services including medicine and natural gas. The government said it will promote public-private partnerships (PPP) to attract private capital into infrastructure construction and public enterprises. The government will push reform of state-owned enterprises (SOEs) in key industries including electricity by reorganizing and consolidating them to improve efficiency, and it will support private firms to make the market less monopolistic. A mechanism will be set up for local authorities to raise funds and assess their debt risks. Taxation reform, expanding value-added tax (VAT) to the construction, property and finance sectors and adjusting resource tax, personal income tax and environmental protection tax will be continued. In the financial sector, China will speed up the development of private banks and small financial institutions, and issue a guideline to ensure healthy development of internet finance. The country will also further open up its financial sector. The government will further liberalize interest rates, make the yuan more flexible against other currencies and promote the use of the yuan in cross-border settlement, the Shanghai Daily reports.

MIIT unveils blueprint to boost manufacturing

The Ministry of Industry and Information Technology (MIIT) announced an ambitious plan to encourage innovation and boost the competitiveness of China’s manufacturing sector. The plan, “Made in China 2025”, will have a far-reaching influence on the nation's manufacturing strategy over the next decade by shaping the technology development path and future strengths of Chinese companies. Ten sectors, including machinery manufacturing, biotech and information technology, will be the first to benefit from the plan, which includes setting up several innovation centers and IT facilities to boost manufacturing. “We are trying to push China from being the largest to being one of the strongest,” MIIT Minister Miao Wei said, adding the “low-end” tag attached to most of the products made in the country does not bode well for long-term development. “'Made in China 2025' is designed to make some breakthroughs in bottleneck areas so that the country can play an even more important role in the global manufacturing chain,” he added. One of the key bottlenecks the industry is facing is in the manufacture of high-end microchips. China spent USD210 billion last year on importing integrated circuits, more than was spent on buying oil, the China Daily reports. Other industry bottlenecks that the strategy aims to correct include the production of gas turbines for oil tankers, engines for aircraft, joints used for robots and batteries for new-energy vehicles. “Breakthroughs in these technologies will lead to a new round of manufacturing growth,” Minister Miao said.

- The National Development and Reform Commission (NDRC) has approved close to CNY250 billion of investment in six new projects, including a CNY46.7 billion subway system in Chengdu; a CNY60 billion railway line connecting Qingdao and Jinan; and two new rail connections between cities in Inner Mongolia and the existing Beijing-Shenyang high-speed railway, which together will cost CNY42.5 billion. The acceleration in project approvals coincides with a 33.2% jump in fiscal spending last month, which quickened sharply from the 4.4% rise seen in March.
- China plans to raise funds for its environmental clean-up and carbon-reduction goals by creating public-private partnerships (PPPs) and issuing “green” bonds, to fill the gap between shrinking local budgets and the cost of measures demanded by the public to improve the environment. To achieve its environmental goals, Beijing needs to lure up to CNY10 trillion of private capital to green businesses over the next five years. “Bank credit and bonds will likely account for 70% of green investment,” said Ma Jun, Chief Economist of China's central bank.
- China will invest more than CNY1.1 trillion over the next two years to upgrade its broadband and 4G networks. The Chinese government urged telecom operators to improve their services and reduce internet charges. Faster and cheaper connections will help promote the country’s “Internet Plus” scheme to form a new growth engine for the economy.
- China’s manufacturing activity could see a rebound in May but remain in contraction. The HSBC Flash China Manufacturing Purchasing Managers’ Index for May is 49.1, up from April’s final reading of 48.9. It has been below the 50 mark which separates expansion from contraction for the third straight month after a brief rebound in February. Deflationary pressures remained relatively strong, with both input and output prices continuing to decline. Premier Li Keqiang is confident China can meet its 2015 economic growth target of around 7%. The sub-index on new export orders fell to a 23-month low of 46.8 in May.
- Private capital is encouraged to invest in public infrastructure projects in China in the form of a “public-private partnership” (PPP). A list of 1,043 projects worth CNY1.97 trillion covering water, transport, urban facilities, public services and the environment was posted on the website of the National Development and Reform Commission (NDRC). The projects are also open to foreign investors provided they are in categories encouraged or permitted in the Catalog for the Guidance of Foreign Investment.

MERGERS & ACQUISITIONS

China Three Gorges seeking M&A opportunities abroad

The builder and operator of the world's largest dam, China Three Gorges Corp (CTG), is seeking merger and acquisition opportunities globally to bolster its presence overseas. “Our last purchase involving a Portuguese utility company has performed well,” Executive Vice President Lin Chuxue told China Daily on the sidelines of the 2015 World Hydropower Congress, a three-day event held by the International Hydropower Association in Beijing. In 2011, CTG took a 21.35% stake in Energias de Portugal for €2.69 billion and became its single largest shareholder. It was the first acquisition of this type for the Chinese company. The total installed capacity of the projects involving overseas investment by CTG is about 6,000 megawatt (MW), but the company plans to raise that figure to 25,000 MW over the next several years, about equal to the full capacity of the Three Gorges Dam project. As of the end of 2014, the company had invested in and signed contracts to build 81 overseas projects.

- Hewlett-Packard announced that it was selling a 51% stake in its China-based server business for USD2.3 billion, creating a joint venture with Tsinghua Holdings called H3C that would be the leader in China in computer servers, storage and technology services. The deal brings together HP with the investment arm of China's Tsinghua University in a company with some 8,000 employees and USD3.1 billion in annual revenue.
- Ctrip.com led a group to acquire a nearly 38% stake in eLong for about USD400 million to cement its leading position in China’s booming online tourism market. Shanghai-based Ctrip, listed on Nasdaq, together with two partners, bought the stake

from Expedia. Keystone Lodging Holdings, Plateno Group and Luxuriant Holdings also bought parts of Expedia’s stake in eLong.

REAL ESTATE

Home prices increase in more cities in April

More Chinese cities reported house price increases in April, adding to hopes that a property downturn which is weighing heavily on the economy is beginning to bottom out. Increases in new home prices were recorded in 18 cities last month, compared to 12 in March. Prices remained unchanged in four and dropped in the other 48, compared to eight and 50 in March, the National Bureau of Statistics (NBS), which monitors prices in 70 major cities, said. But analysts said that any recovery will take some time given a huge inventory of unsold homes. The property sector remains the biggest risk to the nation’s economy, which looks set for its worst year in 25 years. Policy-makers are expected to roll out more interest rate cuts and other stimulus measures later this year to boost activity. “Nationwide, prices of new homes climbed an average 0.3% in April as buying momentum continued to rebound,” said Liu Jianwei, Senior Statistician at the NBS. “However, price increases were mainly confined to first-tier and a limited number of second-tier cities whereas the rest still suffered declines.” Shenzhen continued to lead gainers among the country’s four first-tier cities with a month-on-month increase of 1.8%, followed by Beijing, Shanghai and Guangzhou, where new home prices climbed 0.8%, 0.7% and 0.4%, respectively, from March. On an annual basis, however, prices dropped in all cities except Shenzhen, where a 0.7% annual rise was recorded for new homes. In the existing home market, 28 cities recorded price increases from a month earlier, compared to 12 in March, the Shanghai Daily reports.

China Daily's calculation based on NBS data showed sales of residential property rose 16% in April from a year ago in value terms and 7.7% in floor space terms. The market recovery was mostly reflected in the first-tier cities. Official data showed home sales fell 5% in the first four months from a year earlier in terms of floor space, and inventories increased by 3.3 million square meters in April. Real estate investment grew 6% in the January-April period from a year earlier, slowing from a rise of 8.5% in the first quarter. The mortgage rate now is at the lowest since at least 1991 after three rate cuts since November last year, and more are expected. Such strong policy impetus has boosted property shares, led by Evergrande Real Estate Group with a surge of more than 40% over the past month. The boom market has also opened a window for developers to raise funds through new share placements, the South China Morning Post reports.

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RETAIL

Restaurants becoming more important to shopping malls

At their peak in 2011, Shanghai shopping malls generated a total revenue of CNY165 billion, with restaurants only representing 15% of the total. But shops are losing ground to e-commerce, and restaurants at malls are becoming more important to generate revenue. Last year, shopping mall income dropped to CNY90 billion while contribution from the restaurant business rose to 28%, according to Charlie Chen, Analyst at BNP Paribas. Competition between restaurants at malls is expected to intensify.

- Taiwan has given Chinese e-commerce firm Alibaba Group Holding six months to wind down the operations of its online marketplace Taobao after it failed to apply for the permit required for a mainland Chinese company to do business there. An official at Taiwan's Investment Commission said a fine of NTD240,000 had also been imposed on Taobao. In March, Alibaba.com was told to leave Taiwan within six months and fined NTD120,000 for a similar reason.
- Walt Disney Co's first retail store in China opened in Shanghai's Pudong district. There was a kilometer long cue of customers before its opening. More than 2,000 Disney products, including clothing, smartphone covers, stationery and bags, are being sold in the store at prices about CNY20 to CNY50 more expensive than in Disney stores in Hong Kong and Tokyo.
- Women entrepreneurs are edging out their male counterparts in China's booming online shopping industry, according to an industry report. Figures from Taobao, one of the largest online shopping platforms, showed that 50.1% of its online shops were started by women, according to the "Women Entrepreneurs Report" published by Taobao's owner, Hangzhou-based Alibaba Group.

SCIENCE & TECHNOLOGY

More than half a million to go on study tours abroad

More than half a million Chinese pupils hope to broaden their horizons with academic trips to the U.S., Europe and other countries this year, up from about 350,000 last year, according to Shanghai-based 2limi.com, which organizes tours. Revenue for the entire industry is expected to hit CNY12 billion. New Oriental has about 100 tours on offer that include such destinations as the United States, Europe, Canada, Australia, New Zealand, Singapore, Japan and Hong Kong. Prices range from CNY10,000 to CNY50,000.

Chinese universities move up the rankings

Quacquarelli Symonds (QS), a British company specializing in education and studies abroad, published its latest "Worldwide University Rankings by Subject" report on its website recently. The rankings showed that seven universities in China this year offer subjects listed among the Top 50 around the world. Among them, Peking University had 22 subjects, including linguistics, chemistry and law, in the global Top 50. Tsinghua University was next, with 15 subjects in the list, including civil engineering, architecture, materials science and mechanical engineering. The rankings were compiled from the professional opinions of 85,062 scholars and 41,910 university officials, as well as 17.3 million academic publications and more than 100 million bits of data analysis. "Such good rankings show that China has been rewarded after investing in higher education over the past 20 years," said Ben Sowter, Chief Inspector of Research at QS. The annual global university ranking by subject is a comprehensive guide to the world's top universities in a range of popular subject areas, the China Daily reports.

- Researcher Chen Saijuan from Ruijin Hospital, who made a breakthrough in the study of leukemia, was honored by the Shanghai city government with the highest award at the Shanghai Science and Technology Awards. He led a team which decoded the leukemia mechanism through genetic screening technology and discovered a series of new molecular targets for leukemia diagnosis and treatment.

- Foreign technology companies are moving into second-tier cities to set up research centers, according to a report by Gartner. Suzhou, Xian, Chongqing and Chengdu are among the hottest locations. Tina Tang, Research Director of IT services at Gartner, said that a perfect R&D location should be close to mega metropolises, have elite universities to tap into talent and have a developed industrial park hosting major players.
- Shanghai Party Secretary Han Zheng said efforts to build the city into a science and innovation center with global influence are being stepped up. Shanghai will further simplify administrative management to reduce red tape for innovation, increase supporting funds and make them more targeted. The city will also introduce reforms to attract more professionals, including relaxing the rules on local residential certificates for foreign scientists, innovators and entrepreneurs. The process of applying for permanent residential certificates for senior foreign professionals will be cut to three months.

STOCK MARKETS

Number of stocks in Shenzhen Index raised to 500

The Shenzhen Stock Exchange increased the number of constituent stocks in its benchmark index from 40 to 500, ahead of the launch of a stock trading link between the Shenzhen and Hong Kong bourses. The constituent stocks in the Shenzhen Component Index have a combined market capitalization of CNY13 trillion, representing nearly 60% of the total of Shenzhen-listed shares. The index now covers 199 companies listed on the main board, 211 firms on the SME board for small- and medium-sized enterprises and 90 entities on the ChiNext board, with weightings at 48%, 35% and 17% respectively. The adjustment raised the weighting of information and technology-related companies to 20% from 14% while the weighting of financial and property stocks was reduced to 14% from 31%. UBS Securities said earlier that China is likely to allow overseas investors to trade stocks in the expanded Shenzhen Component Index under the link between the Shenzhen and Hong Kong stock exchanges, which is expected to launch later this year.

Shanghai stock index reaches new highs

Shanghai stocks closed at a fresh seven-year high on May 22. The Shanghai Composite Index rose over 8% last week to close at 4,657.60. Infrastructure builders were given a boost when the National Development and Reform Commission (NDRC) approved rail projects worth CNY450 billion. Investors were also bullish on the nuclear sector as China plans to have 30 million kilowatt of nuclear power capacity by the end of this year. The index rose further on May 25 as the government announced a plan to seek private capital for projects worth CNY1.97 trillion to help revive sluggish investment. The Shanghai Composite Index was up by 3.35% to close at 4,813.80, posting the biggest single-day rise since January 21, while the Shenzhen market ended 1.9% higher. The two markets saw combined transactions amounting to more than CNY2 trillion. Investors in Shanghai each booked an average profit of CNY156,400 in the January-April period. Beijing took second place with the average gain for each investor at CNY80,200. Nationwide, the average profit generated from the A-share market was CNY14,000. According to iFind's data, among the 2,547 listed stocks in the A-share market, only 14 saw their share prices fall in the first four months. Some 397 stocks more than doubled their share prices during the period, while 685 stocks soared by more than 80%.

- Huatai Securities Co, China's largest brokerage by trading volumes, launched its initial public offering (IPO) in Hong Kong. Huatai plans to raise as much as HKD34.7 billion in what could be the largest IPO in Hong Kong so far this year. The offering price represented a 27-40% discount to its A shares, making it appealing to investors. The IPO has attracted 13 cornerstone investors, including Pony Ma, Chairman and CEO of Tencent, and William Ding, Founder and CEO of news portal NetEase.

- China’s Hanergy Thin Film Power Group lost nearly half its market value of almost USD40 billion in 24 minutes on May 20, prompting trade in the stock to be suspended. The company is under investigation by Hong Kong’s market watchdog for alleged market manipulation. Before the plunge, Hanergy had seen its value climb five-fold since September. At its share price peak in March, it was worth USD48 billion, more than its nearest two dozen rivals combined.
- Shanghai-based Focus Media, which delisted from Nasdaq in 2013, has decided to re-list on the Shenzhen Stock Exchange instead of Hong Kong. The return to the capital market will be made through a reverse merger with a Shenzhen-listed company. The case highlights Hong Kong’s diminishing competitiveness to attract companies in the fields of technology and innovation to its stock exchange.
- HKEx Chief Executive Charles Li said the Shanghai-Hong Kong stock connect quota will increase “very soon” while he hopes to establish a link with commodity exchanges in mainland China and set up a network of domestic warehouses for physical metal deliveries in three to five years. At the opening of the annual LME Asia Week in the Hong Kong Convention Center, he called for HKEx and LME to work together with mainland commodities exchanges and traders.
- China led in the number of initial public offerings (IPOs) by technology companies globally in the first quarter. Eight Chinese technology companies went public, down 27% from a quarter earlier, PricewaterhouseCoopers (PwC) said in its Global Technology IPO Review. The Chinese technology companies raised a combined USD1.1 billion in proceeds, down 26% quarter-on-quarter.

TRAVEL

Shanghai to launch official taxi-booking app

Shanghai will start an online car-hailing services platform soon, the first city in China to legalize car-hailing smartphone applications. To be launched on June 1, the officially backed service will be jointly operated by the traffic and transportation authorities, taxi companies and third-party car hailing service provider Didi Dache. The merged Didi Kuaidi holds a 78% share of Shanghai's car-booking market, according to Analysys International. Market rival Uber, which has an 11% market share in China, is not included in the new platform. There were 172 million mobile app car-booking accounts in China last year. Analysts said Shanghai's move to give third-party car-hailing apps official public backing may inspire other cities to follow suit, helping develop and grow the market.

- A trial helicopter service launched by Chinese general aviation operator Reignwood Star Co and China’s biggest taxi hailing platform proved a hit in Beijing. More than 10,000 applicants signed up for the helicopter service using Didi Kuaidi’s platform, but only 100 managed to hail a ride during a three-day trial run from May 15. The 230 kilometer Beijing-Tianjin round trip in a Bell-429 helicopter costs CNY3,500 per person, while a round trip to suburban Yanxi Lake costs CNY1,999.
- Beijing and Hebei province have signed an agreement to transfer management of Hebei's two main airports in Shijiazhuang and Qinhuangdao to Capital Airports Holding Co, the company running Beijing Capital International Airport, to further deepen the coordinated development of the Beijing-Tianjin-Hebei region. A fund was also set up to support airport development.
- Dalian Wanda Group has agreed to invest CNY150 billion to build a large Wanda Cultural Tourism City and 28 Wanda Plazas in Chongqing. “The deal is one of the company's largest ever and will make Wanda Chongqing's largest investment partner,” the real estate developer said on its website. Wanda aims to lower the revenue contribution from its property business to less than 35% of total revenue by 2020 from the current 66%.

VIP VISITS

Premier Li Keqiang visits Latin America

Premier Li Keqiang is visiting Latin America. In Brasilia, Li and Brazilian President Dilma Rousseff watched the signing ceremony of agreements worth over USD53 billion on a wide range of topics including trade, industrial cooperation and climate change. Wang Zhen, a former Chinese Ambassador to Uruguay and Venezuela, said the action plan for industrial production marks the start of a new era of economic cooperation between China and Brazil. The deals also include the start of a feasibility study of a transcontinental railway linking Brazil's Atlantic coast and Peru's Pacific coast. China has been Brazil's largest trade partner since 2009, accounting for 18% of the country's foreign trade. Despite a slight decrease, bilateral trade last year reached USD78 billion. China had invested more than USD18.9 billion in Brazil up to last year.

Li is the highest-ranking official from China to visit Colombia since the two nations established diplomatic ties 35 years ago and his visit was hailed as historic by President Juan Manuel Santos. The two countries' leaders discussed the possibility of initiating talks aimed at signing a free trade agreement (FTA). In talks with Peruvian President Ollanta Humala, Li called for cooperation in the oil, clean energy, mining, agriculture, forestry and fishery sectors. Ten cooperation agreements were signed. On the last leg of his Latin American tour, Premier Li visited Chile, where he held talks with President Michelle Bachelet. China and Chile agreed to upgrade their free trade agreement to cover more products and bring more tax cuts. 18 cooperative agreements covering fields such as trade, finance, public infrastructure facilities construction, energy, industrial capacity cooperation, astronomy and cultural exchanges were signed. China also award CNY50 billion of QFII quotas to Chile to promote financial cooperation.

ONE-LINE NEWS

- The public submitted 1,463 pollution reports through the 12369 telephone hotline last year, and most were related to air pollution, the Ministry of Environmental Protection said. Five provinces in central and eastern regions —Henan, Shandong, Jiangsu, Hubei and Guangdong – accounted for the highest number of reports, at 43% of the total nationwide. Henan province ranked No 1, the Ministry reported.
- Yao Mugen, former Vice Governor of Jiangxi province, has been indicted for abuse of power and graft, the Supreme People's Procuratorate said. He is accused of taking advantage of his positions at the provincial government to seek benefits for others, and accepting huge amounts of cash and gifts.
- Yu Yuanhui, Communist Party Secretary of Nanning, capital city of Guangxi, has been accused of corruption. Yu was reported to be carrying out official duties the day before he was detained. Eleven Alternate Members of the Communist Party Central Committee, including Yu, have come under investigation for alleged corruption since President Xi took power in 2012.

ANNOUNCEMENTS

Looking for traineeship

Miss TIAN Yuchen would like to find a 6-month internship from this July in UI/UX Designer or Web Developer or Graphique Designer related enterprises in Belgium or France.

She is an engineering student majored in electronics and automation at Lorraine University. She studied alone in France for the previous four years, and is very intelligent and independent. She is 1.73 meters tall and good-looking. C.V. (in both English and French) and a self-recommendation letter showing her qualifications is available by sending an e-mail to info@flanders-china.be

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

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