



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

NEWSLETTER | 15 JUNE 2015

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FCCC ACTIVITIES

Invitation: 10th EU-China Business Summit – 29 June 2015 – Palais d'Egmont – Brussels



The EU-China Business Association is delighted to invite you to join the 10th EU-China Business Summit, taking place on 29 June 2015 at Palais d'Egmont in Brussels. The EU-China Business Summit is a joint initiative by BusinessEurope, the China Council of the Promotion of International Trade (CCPIT), in cooperation with the European Union Chamber of Commerce in China (EUCCC) and the EU-China Business Association (EUCBA).

Taking place in parallel to the EU-China Summit, the 10th EU-China Business Summit will bring together senior business leaders from large Chinese and European companies, including several CEOs. Under the overall theme of 'Building a Stronger Partnership', we look forward to interesting discussions on topical issues like investment cooperation, the digital economy and green and sustainable growth.

The EU-China Business Association is the EU-wide federation of business organizations in the EU promoting business relations with China. The Flanders-China Chamber of Commerce holds the secretariat-general of the association. For more information on the 10th EU-China Business Summit, including the draft programme and the registration you are invited to explore the dedicated website: www.eu-china-business-summit.eu.

The official invitation can be downloaded via [this link](#).

ACTIVITIES SUPPORTED BY FCCC

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

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PAST EVENTS

EXPO Milano 2015 – FCCC's participation at EU-CHINA Days – 9–10 June 2015

The EU-China Business Association (EUCBA) and the Flanders-China Chamber of Commerce invited members 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 event allowed 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. Participants also had 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, they gained easy access to enterprises, clusters and stakeholders.

The main Conference and matchmaking event of the EU-China days in Milan was a success. Over 100 Chinese companies and 280 EU companies from Italy, Germany, Spain, Belgium, Poland, France, Luxembourg, Greece, United Kingdom, Slovenia, Austria, Malta and Romania took part in over 1,000 B2B meetings on 9 June.

The main Conference was opened by welcome speeches from the organizing partners and keynote speeches by Benedetto Della Vedova, Under Secretary of State to the Minister of Foreign Affairs and International Cooperation and Ms Li Dengju, Standing Member of CPC Sichuan Provincial Committee. The panel on EU-China Business opportunities was introduced and chaired by Didier Herbert, Director DG Internal Market, Industry, Entrepreneurship and SME's with speakers from various European and Chinese business associations. including Gwenn Sonck, Secretary General of the EU-China Business Association. The second panel

focused on business support instruments. Different EU funded projects for SME internationalization were presented, notably EEN, the EU SME Center and the China IPR-SME Help desk.

On 8 June the Chinese delegation visited Expo Milan and on 10 June a visit to Parma agro-food companies took place.

Meeting with Jinan delegation and presentation on the experiences of an SME investing in Jinan – 5 June 2015 – Gent

The Flanders-China Chamber of Commerce (FCCC) organized a meeting with a delegation from the Jinan Economic Development Zone and business leaders from Jinan city. This meeting took place on 5 June at the Provincial House in Gent.

Representatives from the Jinan Economic Development Zone (JEDZ) offered an insight into the economic and investment environment of Jinan. In addition, Esco Couplings, member of the Flanders-China Chamber of Commerce, shared its experiences of building a successful plant in this zone.

Jinan is the capital of Shandong province. The Jinan Lingang Economic Development Zone was founded in 1993 and is situated in the north-east of the city, close to Jinan International Airport. The main industries in the zone are chemical engineering, electronic communications, auto parts and machinery.

The composition of the delegation and a company description can be viewed and downloaded via [this link](#).

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

The Flanders-China Chamber of Commerce (FCCC) organized a seminar focused on 'How China is improving its foreign investment climate' on 28 May 2015 in Ghent.

The investment climate in China for foreign investors is undergoing profound and hopefully positive changes recently. Mr. REN Qing, partner of Zhonglun Law Firm, shared 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 Shanghai, 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.

NOTICE

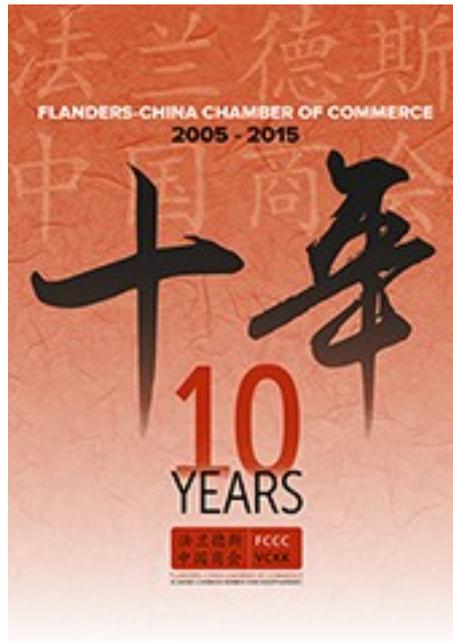
China Daily – 'Belgium Special' during State Visit to China Opportunities to advertise

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.](#)

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[Link advertisement opportunities](#)

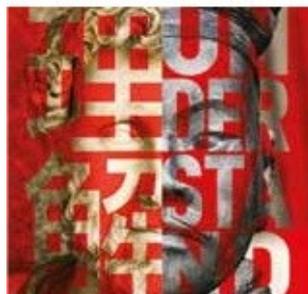
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Eastern and Western locations. Delivered by two world-class business schools, the IMD-CKGSB Executive MBA is the ideal answer for fast-rising executives who want to create value for their organizations by spanning both East and West. You'll go beyond the basics to a true understanding of the forces that will be shaping the world of business in the future.

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AUTOMOTIVE

Slow vehicle sales expected to continue

China's vehicle sales hit a new low over a three-month period in May and experts do not expect rapid recovery in the near future. Auto sales fell 4.6% month-on-month to 1.9 million units in May, a 0.4% dip year-on-year, according to the China Association of Automobile Manufacturers (CAAM). Auto sales in the first five months totaled 10.05 million units, a meager growth rate of 2.11% from the same period a year earlier, compared to a 9% year-on-year growth rate in 2014. Yao Jie, Deputy Secretary General of CAAM, said the country's auto sales have entered a period of slow growth. Many automakers started nationwide campaigns in April to cut prices to boost their sales, but despite such efforts, the situation will not change for the better in the short term, said Simon Feng, Executive Director of Menutor Consulting, adding that it is impossible to sustain high-speed growth forever. In the first five months, China sold 8.58 million passenger cars, a decent rise of 6.4% from the same period a year earlier. SUV sales in the period rose by 47.7% and MPV sales by 17.9% year-on-year. By the end of May, domestic brands held a 42.1% market share, up from 38.2% in the same period a year earlier. The combined auto capacity in China is estimated to be 40 million units in 2015, while

sales for the year are forecast to be 25 million units, the China Daily reports.

- Owners of private parking spaces in Shanghai will from July 1 be entitled to install charging facilities for electric cars. "If the management company doesn't cooperate, the person can ask their local neighborhood committee to mediate," Ye Xing, an official with the Shanghai Transport Commission said. However, in some places the electricity infrastructure will have to be upgraded. As of the end of May, there were 7,496 electric posts installed across Shanghai, of which 4,285 were privately owned.
- German automotive supplier Continental will invest CNY600 million in a joint venture to set up a new Chongqing plant that specializes in brake systems for vehicles. The venture with Chinese company Huayu Automotive Systems Co is set to start operation in the autumn of 2016 and hire 600 employees in its first phase.
- Continental, one of the world's largest tire producers, said it will invest €250 million up to 2019 to raise the production at its tire making factory in Hefei, Anhui Province.
- Robot maker Kawasaki Heavy Industries Co plans to set up a joint venture with a Chongqing-based company, whose name it refused to disclose. Kawasaki Heavy will hold more than 50% of the stake in the venture. The JV is expected to boost the sales of both companies by providing efficient welding and painting lines for automakers.

EXPAT CORNER

Green card rules relaxed for some foreigners

Permanent residency permits, or "green cards", will be easier to obtain for foreigners working in Shanghai beginning July 1. Foreigners who have worked consecutively for at least four years in Shanghai, and who have lived in China for more than six months each year with a "considerable annual salary", fixed address, good tax record and an employer's recommendation will be able to apply for permanent resident permits. Foreigners who have consecutively applied for a five-year work permit twice in Shanghai will also be able to apply a third time. Nationally, the threshold for green cards has been lowered for foreigners serving in some government-affiliated institutes and foreign-funded research and development centers. Foreigners who are vice-professors and researchers or above, have worked for at least four years and lived in China for three years with good tax records, will be able to apply for permanent resident permits at the local entry and exit management department. Launched in 2004, China's green card policy provides permanent residency for high-end foreign experts and people with large investments or for outstanding contributions to the country.

- Peter Humphrey, who was sentenced to two-and-a-half years in prison in China for illegally obtaining the personal information of Chinese citizens, was granted early release. His case was linked to corruption involving GlaxoSmithKline (GSK). His sentence was reduced by seven months. His wife was also released.

FINANCE

China expected to retain some veto power in AIIB

China will retain veto power over major decisions by the Asian Infrastructure Investment Bank (AIIB) but relinquish that for day-to-day decisions, according to reports. The nation has gained between 25% and 30% of the bank, which give it the power to block major motions involving structure, membership, capital increases and other significant issues that require a super majority of at least 75% of the votes, both the Wall Street Journal and Reuters reported, claiming they had viewed the draft articles of association (AOA). According to the AOA, China is providing USD29.78 billion of the bank's USD100 billion capital base. India contributes USD8.36 billion, Russia USD6.53 billion and South Korea USD3.74 billion. Outside the Asian-Pacific region, Germany's allocation is USD4.48 billion, France's USD3.37 billion and Brazil's USD3.18 billion. China would have 25% to 30% of the votes, India 7.5% and Germany 4.1%.

Non-financial corporate debts could cause a crisis, BNP Paribas says

If China does not address its fast growing non-financial corporate debts, the chance that it will have a systemic debt crisis is around 15%, according to economists at French bank BNP Paribas. Debt at the household, as well as national and local government level is, for the most part, manageable, writes the bank's Chief China Economist Chen Xingdong. Estimated at CNY77.9 trillion, non-financial corporate debt grew an annualized 24% between 2008 and 2014, equal to more than half of all outstanding debt in China, which as of late 2014 was around 220% of GDP, BNP Paribas economists calculated. Some CNY66.6 trillion of this debt was issued to state-owned enterprises (SOEs). But the BNP Paribas economists do not expect a crisis anytime soon. A debt for bond swap at a government level and debt for equity swap at a corporate level would be one way to reduce the burden, suggests the report. McKinsey's China says outstanding debt totaled 282% of 2014 GDP, the South China Morning Post reports.

- Indonesia's Bank Windu Kentjana International is in acquisition talks with China Construction Bank (CCB). Foreign banks can own up to 40% of an Indonesian lender, but exceptions are possible, especially if CCB would buy another Indonesian bank. A 40% stake in Bank Windu would be worth around USD58.02 million based on current market prices.
- Booming shadow banking growth has pushed China to the outer limits of its ability to service debt and keep its economy functioning smoothly, though spillover risks from a bursting of the credit bubble are containable. With total leverage in the Chinese economy now topping 280% of gross domestic product (GDP), it was clear that credit quality was deteriorating, Primavera Capital Group Founder and Chairman Fred Hu told delegates at a Fung Global Institute forum.
- The international holding and use of the yuan fell in April from a month ago for the first time in over two years, hurt by the currency's depreciation in the first quarter, Standard Chartered Bank said. The bank's Renminbi Globalization Index, which measures business growth in major offshore yuan centers, dipped 0.8% from March to 2,154 points in April.
- China moved to regulate local government debt with the launch of another CNY1 trillion debt swap deal, the second time it has done so this year. The Ministry of Finance in March launched a CNY1 trillion debt swap deal. About CNY1.86 trillion of local government debt is maturing in 2015. Bai Chong'en, Professor at Tsinghua University, said the swaps will not change the overall liquidity in the market.
- Chinese banks granted CNY900.8 billion in new loans in May, CNY192.9 billion more than the previous month but CNY4.3 billion below May last year. M2 rose 10.8% in May from a year ago, 0.7 percentage points faster than April's growth. Total social financing rose to CNY1.22 trillion in May, up CNY163.9 billion from April.
- The People's Bank of China (PBOC) plans to accelerate the launch of its international payment system, with the first phase of the rollout by the end of this year. The system will be based in Shanghai and will enable foreign banks to be part of the yuan clearing business.
- China UnionPay aims to become a global bank card company, Ge Huayong, Chairman of China UnionPay and UnionPay International, said. China UnionPay was founded in 2002 with a view to enable interbank payment transactions in China. The company began to expand overseas in 2004. There are about 5 billion UnionPay cards in use. Still, overseas transactions account for only about 2% to 3% of its overall transactions.
- A team from the International Monetary Fund (IMF) has arrived in Beijing to assess whether the yuan should be included in the Special Drawing Rights (SDR) basket and discuss technical issues with Chinese officials. The SDR basket, which was created in 1969, is reviewed every five years. It currently includes the U.S. dollar, Japanese yen, British pound and the euro. The possible addition of the yuan is a major issue for this year's assessment.
- China's asset management industry is expected to continue expanding after the amount of funds overseen by financial institutions surged 61% last year to CNY6.7 trillion, according to a report by Fitch Ratings. Assets under management by 1,984

mutual funds in China rose 52% last year to CNY4.5 trillion, mainly driven by robust demand from retail investors.

FOREIGN INVESTMENT

Confidence of EU companies drops

Optimism about growth and profitability in China among companies from the European Union has dropped to a record low, with an increasing number planning to cut jobs, a survey by the European Union Chamber of Commerce in China showed. The survey found that 39% of EU-based companies – a record high – plan to cut costs in China this year, mostly by layoffs, compared with just 24% last year. Nearly one-quarter of the companies are pessimistic about their profitability prospects in China, according to the survey. A majority (58%) of the respondents remained optimistic about growth outlook, but that figure still represented a 10-percentage-point drop from last year, and it was the lowest since 2011. One-third of EU-based businesses said they will put investment and expansion in China on hold. The proportion of EU companies that ranked China among the top three shrank to 59%, a 9-percentage-point drop from last year. Rising labor costs, which did not even make the list of top 10 business challenges in China last year, was ranked second this year. The economic slowdown in China was ranked the top business challenge in the survey. Chamber President Joerg Wuttke said that while EU companies are diversifying their investment to other markets, they remain committed to China as there is no “second China” in sight that could compare in terms of market scale and potential. The survey was jointly conducted by the Chamber and German consulting firm Roland Berger Strategy Consultants in February and March. They surveyed 541 EU companies, the China Daily reports.

The Chinese government also needed to more uniformly enforce business rules without unduly targeting foreigners, improve internet access and guarantee protection of intellectual property, the European Chamber said. Only a quarter of the 541 European companies surveyed have research and development (R&D) centers in China, and among those the focus is primarily on how to localize products for the Chinese market rather than developing new technology that could be vulnerable to IPR infringement. “There seems to be great reluctance now to put up an R&D section in China, because of distrust,” said Chamber President Joerg Wuttke. The Chamber found that 23% of companies are pessimistic about the outlook for profitability in the next two years, up from only 16% last year. Some 28% were optimistic.

- Negotiations between China and the United States on the proposed Bilateral Investment Treaty (BIT) are at a crucial juncture. The most difficult task for the two sides is to finalize and reach a consensus on the size of the negative list, Henry Paulson, former U.S. Treasury Secretary, said during a news conference in Beijing. The negative list from China, which has not yet been disclosed to the public, identifies some industries that will not be open to U.S. investment.
- The Ministry of Commerce (MOFCOM) said China’s foreign direct investment (FDI) gained 10.5% from a year earlier to USD53.8 billion in the first five months. The investment growth was led by funds in services, which grew 23.5% annually to USD33.9 billion in the first five months and accounted for 63% of the total. The EU invested USD3.3 billion in China in the first five months, up 23.2% year-on-year.
- France-based Choice Genetics, a leading global pig genetics and breeding company, will set up a subsidiary in China. Ningbo Tech-Bank, which is listed in Shenzhen, acquired a 40.69% stake in Choice Genetics from the latter’s parent company Groupe Grimaud for USD15 million in August. Choice Genetics China will be founded by Ningbo Tech-Bank and Grimaud in Hexian county, Ma’anshan, Anhui province. Ningbo Tech-Bank said the two partners will invest USD2 million in the subsidiary.

FOREIGN TRADE

China’s imports, exports fall in May

China’s imports fell 18.1% year-on-year to CNY803.3 billion in May from the same month last year. Exports decreased 2.8% to CNY1.17 trillion year-on-year and the country’s trade surplus expanded by 65% to CNY366.8 billion. Imports fell for the seventh straight month, while

exports declined for the third month in a row despite the government cutting interest rates three times since November while also lowering the amount of cash banks must hold in reserve. "The slump in import figures is mainly due to weak demand of the global economy and drops in commodity prices," said Liu Yaxin, Analyst with China Merchants Securities in Shenzhen. "We expect trade conditions to continue to be sluggish in the following four to five months, with more government policy rolling out to stabilize the economy," said Liu. "Although exports improved, imports failed market expectation by a large margin, indicating still lukewarm domestic demand," Zhou Hao, Economist at the Australia & New Zealand Banking Group said. GDP expanded 7% in the January-March period, the worst quarterly result in six years. Exports managed to expand 0.8% in the January-May period to CNY5.4 trillion, while imports lost 17.2% to CNY4.07 trillion, doubling the trade surplus from a year earlier to CNY1.33 billion. China's bilateral trade with the European Union, its biggest trading partner, dropped by 7.1% during the period, while that with the United States, the second largest, rose 2.8%. Trade with Japan fell by 11.2%. China's coal imports dropped by 38.2% year-on-year to 83.2 million metric tons in the first five months of the year, and the average import price fell by 20.2% from the same period a year earlier to CNY392 per metric ton. The volume of the nation's iron ore imports fell by 1.1% to 378 million metric tons, while imports of refined oil rose by 1.8% to 12.69 million tons.

- Australia has imposed anti-dumping duties on silicon metal imported from China. The Australian Government Anti-Dumping Commission set dumping and subsidy duties of 18.3% for Hua'an Linan Silicon Industry Co and 6.3% for Guizhou Liping Linan Silicon Industry Co. Other companies will face an anti-dumping duty of 27% and subsidy duty of 37.6%.
- The Ministry of Commerce (MOFCOM) will publish draft standards for export of machinery products from China, as part of its overall efforts to limit low-quality shipments. The new standard system will ensure that only durable and low-carbon emission products are exported, said Qi Jun, President of the Beijing-based China Construction Machinery Association (CCMA). He added that China's construction machinery producers are gradually losing their low-cost labor advantage and need better brand recognition.
- The Chinese middle class is acquiring a taste for imported fruit, which is considered safer than domestic fruit. Avocados from Mexico were now the fastest increasing item, said Mabel Zhuang, China consultant of the Produce Marketing Association. Imports of avocados have increased annually by more than 400% in the past three years. Avocados were followed by lemons and limes, with year-on-year growth last year of more than 300%, blueberries at 160%, and bananas at 140%.

HEALTH

Heightened vigilance for MERS

Chinese authorities have so far not issued any travel alert for South Korea over the Middle East respiratory syndrome (MERS) outbreak. "Since the SARS crisis, China's epidemic prevention and control system has been very sound," Dr Lu Hongzhou, of the Shanghai Public Health Clinical Center, told the South China Morning Post. "It is impossible for a large-scale outbreak of MERS to occur in China". Still, China is facing a heightened risk of more MERS cases because of frequent contacts with areas of the Middle East and South Korea that have been hit hard. Mao Qun'an, Spokesman for the National Health and Family Planning Commission, said that China faces a "substantially increased risk" of more imported cases. He Xiong, Deputy Director of the Beijing Center for Disease Control and Prevention, urged South Korea to provide more timely and detailed information about the outbreak.

IPR PROTECTION

SIPO releases report on IP trends

The State Intellectual Property Office (SIPO) released a comprehensive report in Beijing on the latest development trends in China's intellectual property sector. The report analyzes trends from 2010 to 2014 in IP creation, utilization, protection and environment. SIPO received 928,000 applications for invention patents in 2014, a 12.5% rise from a year ago. International

filings through the Patent Cooperation Treaty (PCT) increased 14.2% to 26,000 last year. Trademark applications surpassed 2.88 million, an increase of 21.5% over 2013, copyright registrations reached 992,000 and more than 2,000 applications for new plant varieties were filed in 2014. But improving IP quality is just as significant as increased numbers and requires more joint efforts, said Han Xiucheng, Director of SIPO's Intellectual Property Development and Research Center. Patent-collateralized loans surged 92.6% to CNY48.9 billion nationwide last year, while trademark-collateralized loans reached CNY51.9 billion, up 29% year-on-year. In 2014 more than 94,000 IP infringement complaints were filed across the country, about 24,000 of them related to patents and 67,400 of them involving trademark disputes. Guangdong topped all 31 provinces in terms of its IP comprehensive development index. Beijing ranked second and Shanghai third, followed by Zhejiang and Jiangsu provinces, the China Daily reports.

- Fourteen Chinese organizations, individuals and works won the World Intellectual Property Creativity Award. Launched in 2001, it rewards those who excel at copyright creation, application and protection. The winners were selected by the World Intellectual Property Organization (WIPO) and the copyright administrations in each of the more than 70 participating countries.

MACRO-ECONOMY

People's Bank of China adjusts forecasts

The People's Bank of China (PBOC) has lowered its full-year GDP growth forecast to 7% from the previous estimate of 7.1% issued in December as first-half economic momentum turned out to be weaker than expected. The PBOC also slashed other forecasts: consumer price inflation to 1.4% from 2.2% previously; exports to 2.5% growth from 6.9% previously; imports to a 4.2% contraction from growth of 5.1%; and the growth of retail sales to 10.7% from 12.2%. China's consumer price index (CPI) growth fell in May due to lower food prices. The CPI increased 1.2% in the month from a year earlier, slowing from rises of 1.5% in April and 1.4% in March. Food prices, which account for nearly a third of the CPI shopping basket, rose just 1.6% in May, compared with 2.7% in April. The producer price index (PPI) fell 4.6% in May, marking the 38th consecutive monthly drop. Industrial production grew 6.1% from a year earlier last month, up from 5.9% in April and 5.6% in March. Retail sales rose 10.1% to CNY2.4 trillion in May, accelerating from the gain of 10% a month ago. Fixed-asset investment (FAI) added 11.4% to CNY17.1 trillion in the first five months, easing from the 12% gain in the first four months.

- Premier Li Keqiang said China is confident of keeping its annual growth rate around 7% for a fair period of time by persisting with its reform and opening-up and tapping its huge potential. He made the remarks when meeting with the 14 members of the Global CEO Council in Beijing. But Li admitted there will be "twists and turns" as foreign companies try to expand business in China.
- The China Wealth Index, compiled every two months by the Bank of Communications (BoCom) and Nielsen to gauge sentiment among Chinese households, stood at 133 in May – the highest in two years, and up from 128 in March and 132 in January. "The dazzling stock market rally in the past two months has made people enthusiastic about investment," said Lian Ping, Chief Economist at BoCom.
- China's urbanization and economic growth will require huge amounts of electricity and water, which will exacerbate its water crisis, according to RobecoSAM. The average European consumes 150 to 400 liters of water a day for personal use, while the figure for the United States is 560 liters. But the figure is only 130 liters in China. Every percentage-point increase in the urbanization rate could lead to an additional 1.6 billion cubic meters of water demand a year, according to the Chinese Academy of Sciences (CAS).

MERGERS & ACQUISITIONS

Deals in telecom, media and technology on the rise

The value and number of deals of private equity and venture capital investment in China's telecommunications, media and technology industry (TMT) in 2014 rose to the highest level in three years. China's TMT sector drew USD15.9 billion in PE/VC investment last year, more than double 2013's USD7.13 billion, PricewaterhouseCoopers (PwC) said in its China MoneyTree Report. Last year saw 1,241 deals sealed, 47% more than in 2013.

- Bright Dairy & Food Co is raising up to CNY9 billion to buy a 77% stake of Israeli food company Tnuva from its parent Bright Food Group. Bright Dairy said the move is to introduce strategic partners to lay the foundation for its future expansion.
- The National Energy Administration (NEA) said the government will offer unspecified financial support for the merger of coal companies. Many small coal companies are eager to merge with diversified mining companies.

REAL ESTATE

New housing market recovering

China's new housing market recovered amid improving confidence. More than CNY2.07 trillion worth of new homes, excluding government-funded affordable housing, were sold nationwide during the first five months of this year, a year-on-year rise of 5.1%. That compared with a fall of 2.2% in the first four months and a 9.1% drop in the first quarter. By area, 319.35 million square meters of new houses were sold nationwide between January and May, almost flat from the same period a year ago. "A series of easing policies introduced by the government have effectively turned around market expectations and restored home buyers' confidence over the past few months, particularly in large key cities," said Wang Baobin, Senior Statistician at the National Bureau of Statistics (NBS). "Secondly, many real estate developers have launched marketing and pricing strategies to reduce their inventories and lastly, comparatively stable home prices also helped boost market demand," he added.

- Kaisa Group Holdings, the first Chinese developer to have defaulted on offshore debts, appointed a new Chief Executive, Zheng Yi. Kaisa said Zheng has extensive experience in urban redevelopment projects. Such projects delivered above-industry-average profit margins to Kaisa, but also got it into trouble due to close relationships with local government officials.

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SCIENCE & TECHNOLOGY

China has the most universities in Asia ranking

China has overtaken Japan as Asia's No 1 nation for world-class universities, according to the Asia University Rankings 2015 published by Times Higher Education. The Chinese mainland has 21 universities in the top 100, up from 18 last year, with Peking University in fourth place and Tsinghua University fifth. Six Hong Kong universities and one from Macao are in the top 50. Although the University of Tokyo maintains its place on the list as Asia's top institution, Japan slips to second place with 19 representatives in the top 100, down from 20 last year. "This really is China's year. With three new entrants and some of the country's established universities climbing up the tables," Phil Baty, Editor of the Times Higher Education Rankings, said.

- Chinese manufacturers are more active than the global average in increasing research and development (R&D) expenditure to upgrade technology and drive growth, a KPMG survey showed. Around 93% of all respondents in China said they plan to spend at least 4% of revenue on R&D over the next 24 months, up from 65% in the past two years and compared to 74% of global manufacturers.
- Jobs in internet development and applications were China's best-paid professions, with last year's graduates in those jobs earning an average monthly salary of CNY4,582, according to education analysis firm Mycos. These were followed by graduates in computer- and data-processing jobs. Graduates in those high-paying professions studied computer science or technology and software engineering.
- Chinese scientists have changed the genetic make-up of japonica rice, which could ease the country's chronic smog problem by lowering the amount of fertilizers containing nitrogen that farmers use. Although it has just 7% of the world's farm land, China consumes over one-third, or 35%, of the world's nitrogen fertilizers, leading to massive pollution of the country's soil, water and air.

STOCK MARKETS

MSCI defers decision on inclusion of A shares in global benchmark

Global index compiler MSCI delayed including the Chinese A shares in its benchmark index as there were still some issues over market access, but said that it was working with the China Securities Regulatory Commission (CSRC) to address the issue. MSCI and the CSRC will form a working group to tackle the remaining accessibility issues and the index provider will include the A shares in the MSCI Emerging Markets Index as soon as the issues are resolved, which may happen "outside the regular schedule" of its annual market classification review, it said in a statement. The index is tracked by roughly USD1.7 trillion of funds globally, according to Bloomberg. Inclusion of Chinese A shares may happen as early as the fourth quarter. An increasing number of overseas funds have already considered including A shares in their portfolios. MSCI's rival FTSE announced the creation of two transitional emerging market indexes that included A shares in late May.

- In the last week of May, a record 4.5 million securities accounts were opened while the turnover of the two mainland stock markets crossed CNY2 trillion – 10 times the average daily turnover between 2007 and 2013.
- Shares in CRRC, the newly created unit after the merger of China's two largest train makers CNR and CSR, delivered an upbeat performance in its first day of trading on June 8. Hong Kong-listed CRRC jumped as much as 13% at one stage before finishing up 5% by the midday break at HKD15.8, while the Shanghai traded shares were suspended after hitting the daily 10% limit. The two locomotive makers merged

last year, 14 years after they split from each other to spur competition.

- Shares of China National Nuclear Power Co (CNNP), a unit of one of the country's three largest state-owned nuclear operators, rose by the daily limit when they debuted in Shanghai. The company raised about CNY13.2 billion. About CNY9.2 billion of the proceeds will be used in building and operating 10 coastal nuclear power stations in Jiangsu, Zhejiang, Fujian and Hainan provinces, with the rest going to working capital for business expansion. CNNP became the first nuclear asset to be listed on the A-share market.
- The London Stock Exchange (LSE) has struck a deal with Haitong Securities to promote Chinese flotations on London markets, including helping Chinese investors access the LSE's capital markets, and developing yuan exchange-traded funds tracking Chinese securities. There are currently 57 Chinese companies listed in London, of which only eight are on the main market.
- Four foreign institutions, including the Brunei Investment Agency, were added to the Qualified Foreign Institutional Investors (QFII) program, bringing the total number to 285, the China Securities Regulatory Commission (CSRC) announced. As of May 29, overseas institutions received QFII quotas amounting to USD74.47 billion.
- Chinese companies have tapped the booming stock markets for a record USD97.1 billion this year. The year-to-date total, the highest achieved for the period, is 81% more than the USD53.6 billion raised over the same time last year, data firm Dealogic reported. The number of deals increased by 77 to 434 from 244. The Shanghai Composite Index has soared 52% this year, while the Shenzhen Composite Index has risen 115%.

TRAVEL

Possibility of tax refunds expanded

Foreign tourists can now claim tax refunds on purchases made across China. Tourists who have lived on the Chinese mainland for no more than 183 days a year will be eligible for a rebate of 11% on consumer goods bought at designated department stores. The minimum purchase to qualify for a tax refund is CNY500 at any one store in a day. A pilot tax refund program was launched in Hainan province on January 1, 2011. The new policy announcement increases the number of products that are eligible for refunds and the purchasing sites.

- China Eastern Airlines is close to introducing new wide-body aircraft to its fleet, possibly the Airbus A350-900 or Boeing B787-9, as its North American routes have turned profitable for the first time, Chairman Liu Shaoyong told the South China Morning Post in an exclusive interview on the sidelines of the International Air Transport Association's annual general meeting in Miami. China Eastern reported net profit of CNY1.5 billion for the first quarter of 2015 compared with a net loss of CNY247 million in the same period last year.
- The requirement of an entry permit for Taiwan residents traveling to China's mainland is to be scrapped, Yu Zhengsheng, Chairman of the Chinese People's Political Consultative Conference (CPPCC) announced. This will make life easier for the hundreds of thousands of Taiwanese who travel to the mainland for work or leisure every year. Taiwanese made more than five million visits to the mainland in 2014. The entry permit will be replaced with a card allowing automatic entry.
- Beijing's Palace Museum, also known as the Forbidden City, has introduced a real-name registration system for the purchase of tickets. Visitors now have to present ID cards or passports. The daily number of visitors will also be kept below 80,000. The real-name system will keep ticket scalpers and unlicensed tour guides out of the museum. It advises visitors to book tickets in advance online. At present, visitors only have access to 52% of the museum. The proportion will rise to 65% later this year and 76% next year.

VIP VISITS

Myanmar's opposition leader Suu Kyi visits China

Myanmar opposition leader Aung San Suu Kyi visited China and met President Xi Jinping in Beijing. Since her release from house arrest in 2010, Suu Kyi has said that her country must maintain friendly relations with China. Suu Kyi's father Aung San, leader of Myanmar's independence movement, sought help from the Chinese Communist Party (CCP) in 1940 to drive away the British, while Suu Kyi's mother kept good relations with the first generation of Chinese Communist Party leaders, including the late Premier Zhou Enlai. Suu Kyi had repeatedly expressed her wish to visit China.

ONE-LINE NEWS

- Shanghai has launched an award program to select 40 multinational companies in the fields of innovative policies, local cooperation, talent development, and corporate social responsibilities. The program is organized by Shanghai Daily and Eastday.com and sponsored by the Shanghai Information Office and the Shanghai Commission of Commerce. The winners will be announced in late October.
- Zhou Yongkang, former Member of the Communist Party's Politburo Standing Committee and Minister of Public Security, was sentenced to life imprisonment by the Tianjin No 1 Intermediate People's Court for accepting bribes – directly and through his family – worth CNY130 million, abusing his power and disclosing state secrets. He was also deprived of his political rights for life and had his personal assets confiscated. He had retired in 2012.
- The Chinese government has issued a draft environment tax law that proposes targeting air, water, noise and solid waste pollution through levies on polluters. The following rates were proposed: CNY1.4 per 4 kg of suspended solids for water pollutants, a range of CNY5-30 per ton for solid waste and CNY1.2 per unit for air pollutants. Provincial governments may raise the rates according to local environmental conditions.
- The Chinese Communist Party's Central Commission for Discipline Inspection (CCDI) has carried out inspections at six major state-owned enterprises (SOEs): China Huaneng Group, Baosteel and Wuhan Iron and Steel, China State Construction, China Shipbuilding Industry Corp, and China Ocean Shipping Co. The Commission has pledged to inspect "all important backbone state-owned firms and financial institutions" this year.
- Qiao Shi, 91, former Member of the Chinese Communist Party's Politburo Standing Committee and Chairman of the National People's Congress (NPC) from March 1993 to March 1998, passed away in Beijing.

ANNOUNCEMENTS

"China Unlimited" Creative Contest

This year 2015 is celebrated the 40th anniversary of EU-China diplomatic relations. The anniversary was officially kicked off on May 6, 2015. The "China Unlimited" Creative Contest is one of the highlights of this year's celebrations. European citizens are encouraged to participate and submit their pieces of art (picture, essay, drawing, video, etc.) related to China and to the EU-China relationship. This contest is a way to trigger people's creativity and to gather each and everyone around the EU-China friendship. The winners in each category win a 10-day trip to China to discover the country. That prize is transferable if the participant proves that he/she already lives in China and wishes to offer the prize to his/her relative or friend.

The "China Unlimited" Creative Contest will last until July 2015, being the most visible event to the European audience. Coorganized by the Mission of the People's Republic of China to the European Union and by Atlas International Culture, this contest will benefit from a large visibility during the year through promotion at EU-China related events, web promotion, press coverage, etc. More information at:

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

New addresses, telephone and fax numbers of the Flanders-China Chamber of Commerce (FCCC)

Please note the new addresses, telephone and fax numbers of the Flanders-China Chamber of Commerce (FCCC).

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Flanders-China Chamber of Commerce

Offices: Ajuinlei 1, B-9000 Gent – Belgium

New telephone and fax numbers: Tel.: +32/9/269.52.46 – Fax: ++32/9/269.52.99

Registered office: Zenith Building, Koning Albert-II laan 37, 1030 Brussels

E-mail: info@flanders-china.be

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