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

NEWSLETTER | 13 JULY 2015

ACTIVITIES SUPPORTED BY FCCC

Business trip to China by Unizo and Howest – October 2015

Unizo and Howest are organizing a business trip to China in October 2015. More information is available on the website http://groups.alkreizen.be/cnunizowvl.

PAST EVENTS

10th EU-China Business Summit – 29 June 2015 – Brussels

The EU-China Business Association invited 500 business leaders and officials to join the 10th EU-China Business Summit on 29 June 2015 at Palais d'Egmont in Brussels. The EU-China Business Summit is a joint initiative by BusinessEurope, the China Council 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). The business summit is recognised as the highest-level platform for exchanges between EU and Chinese business and political leaders and brought together a number of high-level business leaders from large Chinese and European companies, including several CEOs. President Jean-Claude Juncker and Premier Li Keqiang made keynote addresses during the opening session.

Under the overall theme of "Building a Stronger Partnership" interesting discussions were held on topical issues like investment cooperation, the digital economy and green and sustainable growth. Commission Vice President Jykri Katainen introduced the panel on investment cooperation.

The thematic session 1: "New opportunities for EU-China investment cooperation" was moderated by Mr Stephen Phillips, Chairman of the EU-China Business Association (EUCBA). The second thematic session focused on "Green economy and sustainable growth" and the third one on "Industrial transformation in a digital world".

FCCC Chairman Bert De Graeve, Chairman of Bekaert, participated in the CEO dialogue with European and Chinese CEO's and Mrs Malmstrom, European Commissioner for Trade.
The EU-China Business Association is the EU-wide federation of business organisations 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 you are invited to explore the dedicated website: www.eu-china-business-summit.eu

The EU-China Business Summit was organized with the support of the Flanders-China Chamber of Commerce (FCCC).

FCCC and BNP Paribas Fortis: Breakfast debate at Westin Beijing – 24 June 2015

The Flanders-China Chamber of Commerce (FCCC) and BNP Paribas Fortis organized a breakfast debate on June 24, 2015 in the Westin Beijing Hotel during the Royal State Visit. The theme of the breakfast debate was "How strong is China's economic and financial engine? Business environment outlook for foreign strategic investors". Minister-President Geert Bourgeois of the Government of Flanders attended the debate and delivered the conclusions.

Following a word of welcome by Mr Max Jadot, CEO of BNP Paribas Fortis, Mr Eric Raynaud, CEO of BNP Paribas Asia Pacific, introduced BNP Paribas in China. Next, Ms Gwenn Sonck, Executive Director of the Flanders-China Chamber of Commerce (FCCC) introduced the Chamber. Mr Jurgen F. Conrad, Chief Economist ADB China talked about “Growth and structural reforms in the PRC”. “Renminbi internationalisation: the next step” was introduced by Mr Chi Lo, Senior Economist of BNP Paribas Investment Partners Greater China.

A Q&A session preceded the conclusions of the breakfast debate presented by Mr Geert Bourgeois, Minister-President of the Government of Flanders, and Minister for Foreign Policy and Immovable Heritage.

More than 100 participants attended the breakfast debate.

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.

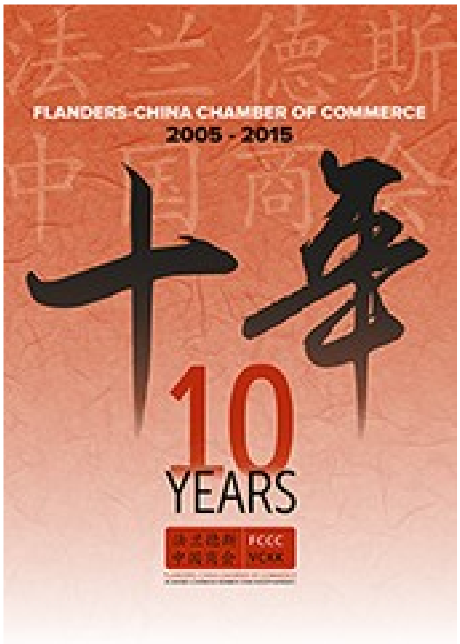
The main Conference and matchmaking event of the EU-China days in Milan was a success. Over 100 Chinese companies and 280 EU companies from Italy, Germany, Spain, Belgium, Poland, France, Luxembourg, Greece, United Kingdom, Slovenia, Austria, Malta and Romania took part in over 1,000 B2B meetings on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

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

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Save time, fly in comfort and have the possibility to connect
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via Beijing to your destination in Hong Kong.

AUTOMOTIVE

Output of new energy vehicles is soaring

Chinese automakers produced more than 25,000 new-energy vehicles in June, four times as many as in the same month of last year. They produced 10,500 electric cars, up 200% year-on-year, and 6,663 plugin hybrid cars, a surge of 700%, according to the Ministry of Industry and Information Technology (MIIT). The output of electric commercial vehicles in June hit 6,218, up 500% year-on-year, while the output of plug-in commercial hybrid vehicles grew 148% to 1,645. The June data brought total output of new-energy vehicles in the first half of this year to 78,500, up 300% year-on-year. The Ministry of Commerce (MOFCOM) said earlier this year that China will continue to build charging facilities in cities and allow tax exemptions and subsidies on new-energy vehicle purchases. In March, the Ministry of Transport aimed for 300,000 new-energy commercial vehicles on the roads by 2020.

Vehicle sales drop on stock market plunge

Passenger vehicle sales in China fell in June as slowing growth in the world's second-largest economy and plunging share prices dampened consumer demand. Sales of saloon cars, multi-purpose vehicles (MPVs), sport-utility vehicles (SUVs) and minivans declined 3.2% in June from a year ago to 1.43 million units, the China Passenger Car Association (CPCA) said. "The stock market turmoil has led more people to put off their plan to buy new cars," the CPCA said, adding that dealers complained that some customers who had put down deposits had become "unwilling" or "did not have the cash" to pay the balance of their purchase. Downward pressures on the broader Chinese economy had also affected the auto market as growth in industrial companies' profit slowed. "All organizations' car buying enthusiasm is waning," the CPCA said. Sales in the first six months of this year rose 8.4% year-on-year to 9.89 million units, the CPCA said. The China Association of Automobile Manufacturers (CAAM) said it expected full-year sales – including both passenger cars and commercial vehicles – to increase by 3% this year, the lowest increase since 2011. The Association in January projected sales to grow by 7% to more than 25 million, after posting a 6.9% increase last year. Vehicle sales in China grew by 1.4% to 11.85 million units in the first half of this year. Passenger car sales in that period increased by 4.8% to 10.09 million vehicles, though commercial vehicle sales declined by 14.4% to 1.75 million units.

FINANCE

Fosun eyes acquisition of German bank

Fosun Industrial has announced a proposed acquisition of a German private bank, Hauck & Aufhäuser Privatbankiers (H&A), for a maximum of €210 million. Shareholders who hold more than 80% of the shares in the German bank have accepted the offer. The acquisition will enhance the company's capabilities of providing financial services in Europe in the areas of private banking asset management, financial markets and fund custody services, to individual, corporate and institutional clients.

- The World Bank has removed a critical portion from the recently released China Economic Update report on China's economy, saying the section had not been adequately reviewed. "Wasteful investment, over-indebtedness, and a weakly regulated shadow-banking system" had to be addressed, said the removed section of the World Bank's report.
- China has nominated Jin Liqun, 66, former Chairman of China International Investment Capital Corp (CiiCC), as its candidate for President of the new Asian Infrastructure Investment Bank (AIIB). He had previously been Vice Finance Minister and Vice President of the Asian Development Bank (ADB).
- China opened a gold link for Hong Kong investors. The link between the Chinese Gold and Silver Exchange Society of Hong Kong (CGSE) and the Shanghai Gold Exchange (SGE) allows members of the CGSE to buy and sell the metal with offshore yuan on the SGE.

FOREIGN INVESTMENT

China's exposure to Greece is limited

Greece's debt default will not affect China's investment as it has only a small number of assets in the country, Shen Danyang, Spokesman for the Ministry of Commerce (MOFCOM), said. China has invested USD1.3 billion in Greece, mainly in the fields of shipping, telecommunication and photovoltaic cells. Chinese contractors in Greece signed USD45.2 million of new project contracts and completed USD22.4 million worth of projects in the first five months of this year in fields such as shipbuilding and ship maintenance. Greece has invested USD96 million in 130 projects in China. Beijing-headquartered China Ocean Shipping (Group) Co, the country's biggest shipping company, has invested €4.3 billion in a 35-year management lease for the No 2 and No 3 piers at Greece's Piraeus Port.

- China's newly established free trade zones (FTZs) in Guangdong, Tianjin and Fujian, had received CNY22.6 billion in contracted overseas investment at the end of May, over a month after their setup. The Guangdong FTZ drew CNY7.8 billion, Tianjin CNY11.7 billion, and Fujian 3.2 billion, accounting for 45.3%, 69.4% and 53.6% of the total in their respective regions.

FOREIGN TRADE

U.S. raises tariffs on imports of Chinese solar panels

The United States Department of Commerce is imposing higher tariffs of up to 238.95% on imports of Chinese solar products. The Department had conducted a review of whether Chinese solar manufacturing firms had received subsidies from the government between March 2012 and November 2013. Producers now face anti-dumping and anti-subsidy rates of about 31% on Chinese products. The review and tariff rates are part of an ongoing trade dispute between the U.S. and China that was initiated by SolarWorld, a Germany-owned U.S.-based company that filed a petition accusing Chinese manufacturers of receiving subsidies from the government and dumping them in the U.S market. SolarWorld had said that firms from the Chinese mainland avoided duties by taking production of certain solar panel parts to Taiwan instead. The rates apply retroactively. Jigar Shah, President of the Coalition for Affordable Solar Energy, said that the final determination was “another disappointing move” toward protectionism for the U.S. solar industry.

- China’s trade associations will be given more independence. All operational, financial and personnel affiliation between the government and trade associations will be severed and by 2018 the government will stop sponsoring them and instead contract their services as outside agents. Those that are linked to government departments or public institutions will have to separate their staff, work and property. A pilot project involving 100 associations will start this month.

HEALTH

Online sales of medicines skyrocketing

Online sales of medicines are skyrocketing in China, with the total value reaching CNY7 trillion last year, compared with CNY4.3 trillion in 2013 and just CNY100 million in 2010. The China Medicine Market Development Blue Paper contains online sales data from more than 300 government-recognized outlets and covers over-the-counter (OTC) medicines and health products such as dietary supplements. Prescribed drugs and medical appliances are not included. The best-selling medicines are donkey-hide gelatin products used to treat bleeding and insomnia, followed by treatments for erectile dysfunction and remedies for hair loss, the report says. Other popular items include vitamins, calcium supplements, treatments for digestive problems and constipation, non-oral pain management products, gynecology drugs and eye drops.

- China has set up the world's largest cancer registry through its 308 leading hospitals, covering more than 300 million people. At least 3 million people develop cancer each year in China, and the registry is expected to expand to include 40% of the nation's population of 1.36 billion by 2020. It will register more medical institutions as they become qualified sites for cancer surveillance. Cancer claims 2.2 million lives in China and costs at least CNY100 billion each year.

MACRO-ECONOMY

China's growth probably dipped below 7% in second quarter: survey

China's GDP growth probably slowed further in the second quarter, a survey has found, as a slowdown in investment and trade weighed on the economy. The median forecast in a poll of 14 economists indicates gross domestic product (GDP) expanded 6.9% in the second quarter, marginally down from 7.0% in the first three months of this year. That would be the worst quarterly result since the first quarter of 2009, in the depths of the global financial crisis, when the Chinese economy expanded by 6.6%. The National Bureau of Statistics (NBS) will release the official GDP figures for the first quarter of 2015 on July 15. “According to the figures we have now, economic activities remained very sluggish, particularly fixed-asset investment, which grew 11.4% in May, a multi-year low,” ANZ Economist Liu Ligang said. “Exports were weak and imports were even more so.” Authorities want investment to slow as part of their plan to diversify economic growth away from big-ticket projects to increasingly wealthy consumers. But too fast a deceleration could be harmful, the South China Morning Post reports.

- Fourteen provinces and major cities in China have raised the minimum wage so far this year. Shenzhen and Shanghai have increased their minimum wages to more than CNY2,000 per month, the highest rises. The standard minimum wage in Guangdong province is set at CNY1,895, the third highest. Beijing ranks fifth highest with a standard minimum wage of CNY1,720 per month.
- The Chinese government plans to spend CNY250 billion to foster growth in areas of the economy most in need of support. The authorities would also speed up the construction of big public-service projects, such as the building of roads.
- China’s consumer inflation quickened to 1.4% year-on-year in June, beating market expectations. The producer price index (PPI) fell 4.8% in June from a year earlier, the National Bureau of Statistics (NBS) said.
- China's middle-income class grew by 203 million people in the 10 years after 2001, a Pew Research Center report found. More than half of the world's middle-class population was living in the Asia and South Pacific region by 2011 – a jump from 31% to 51% in a decade. Largely due to Asia, the world's middle-income population doubled in that time, from 399 million to 784 million.

MERGERS & ACQUISITIONS

Chinese companies to increase M&As in the mining sector

Chinese companies should be looking to increase their overseas investments in the global mining industry. Sluggish demand in the sector has left foreign firms struggling to cope with falling commodity prices after a brief boom last year and in 2011. Mining of iron ore has dropped for a fifth consecutive month. This slowdown has produced unexpected opportunities. “The market value of these mining companies with good quality assets is declining as prices in commodities, such as iron ore, copper and even gold, fall,” Wang Jiahua, Vice Chairman of the China Mining Association (CMA), said. “This is a good time for Chinese companies to look overseas for acquisitions or mergers.” By 2011, Chinese companies had invested, or bought, 284 foreign firms based in countries ranging from Australia to Guinea, the China Daily reports.

REAL ESTATE

Strong momentum in high-end residential market in Shanghai

Sales in Shanghai’s high-end residential market soared in the first six months of this year and the strong momentum may continue through the second half. 820,000 square meters of new homes priced CNY50,000 per sq m and above were sold across the city, a surge of 155% from the same period a year earlier, according to Shanghai Deovolente Realty Co. The total area sold translated to 4,429 homes transacted in the first half, with sales of 1,398 units in June alone, both a record in Shanghai. Carlby Xie, Director of Research at Colliers International China, attributed the outstanding performance to “stimulus measures including loosening mortgage policies as well as interest rate cuts.” Meanwhile, Colliers predicted the average price of new homes may rise 20% in the second half of this year from the first half. New homes were sold for an average CNY31,615 per sq m in Shanghai during the first six months of this year, an increase of 10.7% from the second half of last year and a gain of 19% from the same period a year ago, according to Colliers’ data. Shanghai’s Grade A office rents also continued to rise on both sides of the Huangpu River in the second quarter of this year, with domestic financial companies and multinational retailers driving the demand. Rents at Grade A office buildings in the Pudong New Area’s central business district gained 3.9% quarter-on-quarter to CNY10.80 per sq m per day between April and June, JLL said. Rents in the Puxi CBD rose at a slower pace of 1.8% to CNY9.10 per sq m per day, the Shanghai Daily reports.

- China Vanke acquired a large residential 290,628 square foot site in Hong Kong's Tuen Mun for HKD3.8 billion after beating 9 rivals, including Sun Hung Kai Properties, Cheung Kong Property Holdings, Henderson Land Development, Wheelock Properties, Paliburg Holdings and Regal International. The site plot ratio is 2.9, meaning it can generate a gross floor area of up to 841,745 sq ft.

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STOCK MARKETS

Stock markets recovering from plunge

Following a stock market plunge of more than 30% in three weeks time, the Chinese government took several drastic measures to stop the fall. After a few more days of stock market panic, the index started to go up again on July 9. Chinese stocks had more than doubled in just 12 months even as the economy cooled and company earnings weakened. Almost USD3 trillion in market value – more than the entire economic output of Brazil – has been wiped out since markets went into reverse. The average loss of individual stock accounts has been around CNY420,000. At one point, 702 firms out of roughly 2,800 firms listed on the main Shanghai and Shenzhen bourses, requested trading halts. The plunge was partly caused by investors forced to sell due to margin calls. On July 9, the stock market rebounded strongly, with the benchmark Shanghai Composite Index surging by 5.76%, or 202.14 points, to close at 3,709.33. Nearly 1,300 stocks jumped to the 10% trading limit, while trading in more than half of the stocks remained suspended.

28 companies agreed to withdraw their initial public offerings (IPOs) that had already been approved by the Shanghai and Shenzhen trading authorities, but the central government later decided to suspend all public offerings. China's 21 largest brokerages agreed to pool a CNY120 billion fund aimed at propping up the stock market. But the fund represented only around 15% of recent daily trading volumes. They also pledged not to sell shares in their own proprietary trading accounts so long as the Shanghai Composite Index stayed below the 4,500-level and to begin share buybacks to boost their own stock price. The China Securities Regulatory Commission (CSRC) said it would allow the People's Bank of China (PBOC) to provide liquidity support to the China Securities Finance Corp, the margin finance agency, to help the government stabilize the stock market. "The market crash could dash the government's hopes for the stock market being an effective fundraising channel," said Wang Feng, Chairman of Shanghai-based private equity group Yinshu Capital.

China's 90 million registered individual investors generate about 80% of daily stock market turnover through 257 million equity investment accounts. The stock market crash will have only a limited impact on China's real economy, however, as equity investments represent only a small proportion of household wealth allocation, said Wang Tao, Economist with UBS. More than half (54%) of people's wealth is in savings, with only about 20% in equities. Any loss of gains wouldn't significantly dampen household consumption, he said. Nevertheless, stock market inactivity could result in the financial sector's contribution to economic growth falling by about 0.5% in the second half, UBS added. The sector contributed about 0.7% last year and 1.3% in the first quarter. "We maintain our 6.8% GDP growth forecast for this year," Wang said. Hong Kong stocks also saw one of their worst days in history, with the key index losing more than 2,000 points at one point, as the market reeled from panic sell-offs on the mainland and uncertainties over Greece.

On Friday, July 10, a total of 66 stocks resumed trading, pushing the benchmark stock index to its biggest two-day gain since 2008. The Shanghai Composite Index surged 4.5% to close at 3,877.8 points. More than 1,300 stocks jumped to the 10% trading limit. Trading of more than 1,300 stocks, nearly 50% of the A-share market, remained suspended on Friday. Current suspensions have locked up value of USD2.4 trillion, or 36% of the market capitalization. Except for the1382 companies on voluntary trading halt, only 7 out of 1300 companies declined on July 10. Chinese police are investigating trading irregularities. The Ministry of Public Security sent a task force led by Vice Minister Meng Qingfeng to the China Securities Regulatory Commission (CSRC) to investigate "malicious short-selling". "The outlook for the stock market in the coming week remains full of uncertainties," according to Joseph Tong, Executive Director of Sun Hung Kai Financial.

- China Vanke's Board has approved a share buy-back of up to CNY10 billion, making it the first Chinese firm to launch such a plan to prop up its shares in the market. "In order to protect investors' interest, the proposed price of the repurchase of the company's A-shares should not exceed CNY13.70 per share, the closing price on July 3, 2015," the company said.
- The first eurobond by a Chinese issuer started trading on the London Stock Exchange (LSE). The Bank of China (BOC) has issued a €500 million bond listed in London, via its Hungarian branch, as part of a wider bond program to offer funding for China's "One Belt, One Road" projects.
- The Strategic Emerging Industries Board, a new fund-raising platform proposed for Shanghai that would have helped technology and fast-growing companies take off will probably be postponed after Beijing closed the window on domestic flotations. The new platform in Shanghai was expected to take innovative companies with a special voting rights structure or different governance standards.
- First-time share sales in Hong Kong jumped 50% in the first half of the year to USD17.8 billion, the busiest first half in at least a decade, Bloomberg-compiled data show. Mainland firms traded in Hong Kong entered a bear market, hurting potential listings of companies including the first Sino-foreign investment bank and China's biggest convenience store chain.
- After almost a month of watching Chinese stocks in free fall, some U.S. fund managers are buying shares at what they consider distressed prices, though they predict continuing volatility – and perhaps more declines – ahead.
- The Standing Committee of the National People's Congress (NPC) is expected to amend the Securities Law to create a financial stabilization fund and give government intervention in the stock market a well-defined legal basis. The buffer fund would be able to address a financial market crisis or stabilize stock prices.

TRAVEL

First Chinese electric train to be exported to Macedonia

The first of six passenger trains ordered by Macedonia has been completed at a plant operated by Zhuzhou Electric Locomotive, a subsidiary of China Railway Rolling Stock Corp at Zhuzhou, Hunan province. It is set to become the first electric multiple unit train to be exported from China to Europe. China so far only exported electric locomotives, subway trains and light rail trains to Europe. It is the first time a Chinese electric multiple unit train has met technical specifications adopted by the European Commission. Macedonia specified that the trains should be able to travel at 140 kilometers per hour, but they are able to reach 160 km/h. The trains will run on the 215-kilometer railway that links Tabanovce in northern Macedonia with Gevgelija at the country's southern border with Greece, passing through the capital, Skopje. Vlado Misajlovski, Macedonia’s Minister of Transport and Communications, said the completion of the train was a significant moment in the relationship between his country and China and for China-Europe rail transportation, the China Daily reports.

Chinese hotel groups set to merge

Two of China's hotel and resorts operators, Plateno Group and Jin Jiang Hotels, are on track to merge to create China's biggest player in the industry. The two hotel groups, which own and manage more than 4,000 hotel properties and 500,000 rooms combined, would keep running their brands separately after the strategic merger. However, consolidation of the duo's database, membership program, sales and purchasing functions would begin to forge the biggest hotel group by number of rooms in China. Plateno Group operates 14 hotel brands – including 7 Days Inn – three customer-centric lifestyle brands, 3,000 hotels, and shops in 300 cities in China. Jin Jiang Hotels own and manage 1,566 hotels with 235,500 rooms and has business and equity partnerships with international players including Marriott, Hilton, Inter-Continental, Fairmont Raffels and Accor. Currently leading the market is Homeinns Hotel Group, which operates more than 2,600 hotels across 338 cities in China. It has the largest number of rooms in China (31,600), according to the latest report by the China Tourist Hotels Association, the China Daily reports.

- Investment in railway construction reached CNY186 billion in the first five months of 2015, up 22% from a year earlier.
- China’s top taxi hailing app Didi Kuaidi said it raised USD2 billion in two weeks. It is looking to raise “a further few hundred million dollars” from new investors in the coming month, it added. Competitor Uber, which launched operations in China last year, said last month that it planned to invest CNY7 billion in China. Didi Kuaidi’s deal is the largest private placement done by a non-public company in the internet sector globally to date.
- The Civil Aviation Administration of China (CAAC) has banned privately-owned Okay Airways from buying more aircraft and ordered it to cut down flying hours, as the airline was overworking its pilots. The CAAC said it made its decision after examining the flight mission documents and crew schedules for 60 pilots and 15 co-pilots from January to May. Beijing-headquartered Okay Airways has a fleet of 30 aircraft – Boeing B737s and Chinese MA60 planes. Its main hub is Tianjin Binhai International Airport.
- Hainan Airlines plans to launch the first direct flights between China and the Czech Republic on September 23. There will be three flights a week. It will be Hainan Airlines' seventh route to Europe. The Czech Republic is an important stop along the Silk Road Economic Belt to the West. About 210,000 Chinese nationals visited the Czech Republic last year.

VIP VISITS

President Xi attends BRICS Summit and SCO Council

President Xi Jinping attended the 7th BRICS Summit and 15th Meeting of the Council of the Heads of State of the Shanghai Cooperation Organization (SCO) in the central Russian city of Ufa, capital of the Republic of Bashkortostan. At the BRICS Summit, President Xi Jinping said that economic cooperation in the five-member BRICS bloc, which also includes Brazil, South Africa and India, should be stepped up. An agreement on the New Development Bank (also called the BRICS Bank) entered into force during the meeting. The “Strategy for BRICS Economic Partnership” will be the key guideline for expanding trade, investment and cooperation in wide-ranging areas including manufacturing and energy, according to the Ufa Declaration. The Shanghai-based bank, with an initial authorized capital of USD100 billion, plans to raise money both on local markets and internationally, and to issue its first loans in

April next year, said its President, India's K.V. Kamath.

The six-nation Shanghai Cooperation Organization (SCO) decided to start procedures for India and Pakistan to join the group as full members. It would be the first expansion since the group's establishment in 2001. The meeting also elevated Belarus to observer status, and took in Azerbaijan, Armenia, Cambodia and Nepal as dialogue partners. President Xi Jinping also confirmed that he has invited his Russian counterpart Vladimir Putin to visit China in September and attend the country's activities commemorating the 70th anniversary of the end of World War II.

ONE-LINE NEWS

- China plans to cut mobile data and broadband rates by 30% this year and is looking to cancel roaming fees for mobile users. Most 4G mobile packages don't have roaming fees so that users pay the same rates for local and long-distance calls.
- Li Xiaolin, daughter of former Premier Li Peng, has officially assumed the position of Vice President of China Datang Corp, one of the five biggest state-run power generation enterprises. She was previously Vice President of China Power Investment Corp, another large state-run electricity company.
- China Petroleum & Chemical (Sinopec) says it expects its second-quarter net profit to rise more than 10 times from that in the first quarter. It posted an 84.6% year-on-year fall in net profit to CNY2.17 billion in the first quarter.
- Lenovo Group held on to its lead as the world's largest supplier of personal computers in the second quarter of 2015, but suffered its first year-on-year decline since early 2013. Lenovo recorded total shipments of 13.4 million personal computers in the quarter to June, down 7.5% from 14.5 million units a year ago, for a 20.3% global market share.
- Cheng Siwei, one of China's leading economists and a former Vice Chairman of the National People's Congress (NPC), died of illness on July 12 at the age of 80. He was known as the father of China's ChiNext stock market and the development of the venture capital sector. He had also been Dean of the School of Management under the Graduate University of the Chinese Academy of Sciences (CAS).

ANNOUNCEMENTS

8th China (Weihai) Fishing Gear Manufacturing Center Expo (CGC EXPO Weihai 2015) – October 16-18, 2015 – Weihai, China

The 8th China (Weihai) Fishing Gear Manufacturing Center Expo (CGC EXPO Weihai 2015), will be held on October 16-18 in Weihai, China.

CGC 2015 Preview:

- 1047 companies applied for the booths, already beyond the venue holding capacity
- Free admission exclusively for pre-registered buyers
- Much cheaper hotel (5-star hotel, USD70/80 per night), taxi, and seafood within the city

Review of CGC 2014:

- 77,769 visitors, including international, domestic and public visitors
- 535 international buyers from 49 different countries and regions
- 703 exhibitors, including 11 international exhibitors

For more information:
E-mail: lijiang@chinafish.cn Web: www.cgcexpo.com www.chinafishshow.org

"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: www.chinaunlimited.eu/

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).

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

FOUNDING MEMBERS

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Your banner at the FCCC website or newsletter
Companies interested in posting a banner/an advertisement on the FCCC website, FCCC weekly newsletter or bi-weekly sectoral newsletters are kindly invited to contact the FCCC at: info@flanders-china.be

Organisation and founding members FCCC
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Mr. Egbert Lox, Vice-President Government Relations, NV UMICORE SA
Mr. Wim Eraly, Senior General Manager, KBC Bank SA

Membership rates for the second half of 2015:
- SMEs: €195
- Large enterprises: €485

Contact:
Flanders-China Chamber of Commerce
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Website: www.flanders-china.be

Share your story:
To send your input for publication in a future newsletter mail to: info@flanders-china.be

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The FCCC Newsletters are edited by Michel Lens, who is based in Beijing and can be contacted by e-mail michel.jc.lens@gmail.com . Disclaimer: the views expressed in this newsletter are not necessarily those of the FCCC or its Board of Directors.