



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

NEWSLETTER | 19 SEPTEMBER 2016

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FCCC/EUCBA ACTIVITIES

EU-China Relations: An Update for Business – 19 September 2016, 14:00 – Brussels

BusinessEurope, the European Union Chamber of Commerce in China (EUCCC) and the EU-China Business Association (EUCBA) are organizing a seminar on EU-China relations. This event is supported by the Flanders-China Chamber of Commerce (FCCC). The EU-China relationship is of significant importance to the European business community, with trade in goods and services totaling over €1 billion per day. China is now the EU's second largest trading partner while the EU is China's largest trading partner.

This seminar aims to provide a holistic overview of the state of EU-China relations for the European business community. Topics include a presentation on the general business environment in China for European companies; the outcomes of the EU-China Summit held in Beijing on 13 July; the EU's new China strategy released in June; and the state of play on the EU-China Comprehensive Agreement on Investment.

Programme

13:30 – 14:00	Registration
14:00 – 14:15	Welcome by Markus J. Beyrer, Director General, BusinessEurope
14:15 – 14:40	Speech by Jörg Wuttke, President, European Union Chamber of Commerce
14:40 – 14:55	Speech by Rupert Schlegelmilch (<i>tbc</i>), Director Services and investment, Intellectual Property and Public Procurement, DG Trade, European Commission
14:55 – 15:10	Speech by Gunnar Wiegand, Managing Director for Asia, European External Action Service
15:00 – 15:50	Q & A
15:50 – 16:00	Closing remarks by Mr Stefaan Vanhooren, Vice-Chairman, EU-China Business Association (EUCBA)

Date: Monday, 19 September 2016 at 14:00

Place: BUSINESSEUROPE, Avenue de Cortenberg 168, 1000 Brussels

Registration: register via the following link: <https://www.besnesseurope.eu/eu-china-relations-update-business>

Places are limited and are based on a first come first served basis. If you cannot attend the event, please cancel your registration no later than one business day prior to the event.

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 is in charge of the secretariat-general of the EUCBA.

For any questions, please contact Gwenn Sonck at gwenn.sonck@flanders-china.be

Seminar: 'Belgian Customs and its activities in China' – 3 October 2016, 17h00 – Ghent

The Flanders-China Chamber of Commerce and the Province of East Flanders are organizing a seminar focused on 'Belgian Customs and its activities in China'. This event will take place at 17h00 on Monday 3 October 2016 at the Provincial House, Gouvernementstraat 1, 9000 Ghent.

Mr Eddy De Cuyper, Counselor, Customs Attaché, Embassy of Belgium in China, will give a presentation on procedures and regulations of the Chinese customs and other institutions, which are related to import or export. The following topics will be covered:

Belgian Customs in China, can we help you?

- Chinese customs duties
- Other related governmental services
- New Regulations for import of foodstuffs (planned for next year)
- Practical examples

The programme is as follows:

17h00	Registration
17h30	Welcome by Mr Geert Versnick, Vice Governor in charge of European and International cooperation and economic affairs of the Province of East Flanders.
17h40	Introduction by Mrs Gwenn Sonck, Executive Director, FCCC
17h45	Presentation: 'Belgian customs and its activities in China' by Mr Eddy De Cuyper, Customs Attaché, Embassy of Belgium in China
18h45	Question and answer session followed by networking drink

If you are interested in attending, please [register online](#) before 26 September 2016.

Participation fee for FCCC members: 45€, non-members: 75€ (Excl. 21% VAT)

Understanding China's Next Move – One day China immersion – 6 October 2016 – Brussels

The Flanders-China Chamber of Commerce (FCCC) and the Cheung Kong Graduate School of Business (CKGSB) are organizing a one day training session on "Understanding China's Next Move" on 6 October 2016 in Brussels.

With a population of 1.3 billion, China has become the second largest economy and is increasingly playing an important and influential role in the global economy. China's economic performance over the past 30 years has been remarkable. It is a unique development success story, providing valuable lessons for other countries seeking to emulate this success.

In the next 15 to 20 years, China is well-positioned to join the ranks of the world's high-income countries. China's policy makers are already focused on how to change the country's growth strategy to respond to the new challenges that will come.

While China has certainly garnered the spotlight in recent years, the economic model that worked so well during the years of China's development now needs to change. China has begun to confront all sorts of challenges – demographic, social, environmental, economic and political. But where is China heading?

"How the world's most populous country handles the many developmental challenges it faces, will go a long way towards determining what kind of world we inhabit," said Supachai Panitchpakdi, former Director General of the World Trade Organization. The continued rise of the Chinese economy means that switched-on business executives are increasingly keen to learn more about this country and how to engage with its irrepressible dynamism. But why listen to second-hand stories about China, when, with CKGSB, you can uncover the real China first-hand?



Inspiring speaker + China expert + Focusing on research & teaching of Innovation and Entrepreneurship + 20-year executive experience with Global fortune 500 companies

Bo has been teaching EMBA/MBA at some of the world's most prestigious business schools such as INSEAD, Esade, MIT, New York University, Hong Kong University of Science and Technology, Technology University of Munich, Tsinghua University, CKGSB, Zhejiang University, Sun Yet-Sen University, Shanghai Jiaotong University and Taiwan's National Chengchi University etc. In addition, Bo also offers advices to Chairmen and CEOs. He is also a frequent speaker at renowned international conferences, forums, TV media and annual corporate meetings.

Bo Ji
Assistant Dean of Global Executive Education
Chief Representative for Europe Cheung
Kong Graduate School of Business (CKGSB)

Programme benefits:

By immersing participants into China's contemporary context with a global perspective, CKGSB helps explore the key elements of China's social and business environment. You will learn from CKGSB's world-class faculty in the classroom and benefit from the rich experience of industry speakers. You will investigate various case studies and become involved in team projects, group discussions, company visits and cultural activities. You will also learn from and network with high-profile executives from China and around the world.

The 2016 Understanding China's Next Move program will help your understanding of:

- How to leverage China's opportunities in your company's global strategy
- How changes in Chinese consumer behaviour in creating new business opportunities
- How the globalization of Chinese companies is affecting your operation in and with China
- How to manage cross-cultural team under Chinese context
- LAST BUT NOT LEAST, how to succeed in the world's most dynamic market

Who should attend?

This program is aimed at senior executives who are responsible for strategic leadership and improving their company's performance, especially for those MNCs and private corporations planning to enter or expand their businesses throughout the Chinese market.

Programme mix:

8:30 – 9:00	Registration
9:00 – 9:05	Welcome by Ms. Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
9:05 – 10:15	China's 13 th Five-year Plan and its business opportunities: Latest insights of the Chinese government plan & how European business can benefit from many opportunities arising from it.
10:30 – 11:45	Win in China: Go to China Strategy and Business Models (with case studies and group discussions): Analysis of multiple business models across a variety of industries will demonstrate exactly what it takes to establish your brand, grow your consumer base and win in China.
12:00 – 13:30	Networking Lunch and Guest Speaker.
13:30 – 14:45	Chinese Consumer Behaviour and its Business Opportunities: This

session will analyze the latest trend of Chinese consumer behaviours at the mobile internet era and how it differs from western consumers. We will also study how to capitalise on the business opportunities that are presented by the unique consumer behaviours in China.

- 15:00 – 16:15 E-commerce & Digital Strategy in China: With the increasing focus on the internet as the platform for business leaders, learning how to successfully operate online products and services is essential for any forward thinking business.
- 16:30 – 17:45 Cross Cultural Management & Negotiation under Chinese Context: It is essential to understand how to work with and manage cross cultural teams that do business with China to ensure effectiveness and results.
- 17:45 – 18:00 Award certificate from both CKGSB and Flanders-China Chamber of Commerce

Date: 6 October 2016.

Location: Flanders-China Chamber of Commerce – Brussels

All materials and lectures will be delivered in English

Tuition : FCCC Members : 500 € (excl. 21% VAT) / Non-Members : 875 € (excl. 21% VAT)

Deadline for subscription : 20 September 2016. Register via : www.flanders-china.be

ABOUT CKGSB

As a world-class business school from China, Cheung Kong Graduate School of Business (CKGSB) aims to develop current and future leaders with a global vision, a humanitarian spirit and an innovative mind-set. Established in Beijing in November 2002 with generous support from the Li KaShing Foundation, CKGSB is China's first faculty-governed, non-profit, independent business school.

Over the past 13 years, CKGSB has developed into a prominent business school with 45 full-time professors, who have earned their PhDs or held tenured faculty positions at leading business schools such as Harvard, Wharton and Stanford. Their research have provided the basis for over 300 case studies of both China-specific and global issues. CKGSB also stands apart for its unmatched alumni network. More than half of the 10,000+ CKGSB alumni are at the CEO or Chairman level and, collectively, lead one-fifth of China's most valuable brands. Together, their companies shape over \$1 trillion in annual revenue, demonstrating the school's impact and influence.

In addition to its main campus in the center of Beijing, CKGSB has campuses and teaching facilities in Shanghai, Shenzhen and New York, as well as offices in Hong Kong and London. The school offers innovative MBA, Finance MBA, Executive MBA, Dual-Degree EMBA with IMD, Korean EMBA, Finance EMBA, Doctor of Business Administration and Executive Education programs.

EU-China Business and Technology Cooperation Fair China Tour 2016 – 2-8 November 2016 – Chengdu, Qingdao

The European Commission, the Enterprise Europe Network and EUPIC are organizing a tour to the EU-China Business and Technology Cooperation Fair China from 2 to 4 November 2016 in Chengdu (2 to 6 November) and Qingdao (6 to 8 November). This tour is organized with the support of the EU-China Business Association (EUCBA) and the Flanders-China Chamber of Commerce. The fair will gather 1,500 participants of companies, state/regional governments, clusters, business associations, EU-China Cooperation experts, universities, R&D institutions from west and north China, the European Commission, EEN partners, and European countries who are seeking potential collaboration and partnerships with their counterparts.

Chengdu is the centre of West China. It is also the initial station of the Chengdu-Europe Express Railway to Lodz, Poland. Forbes listed Chengdu as one of "The Next Decade's Fastest Growing Cities Globally".

Leading industries are ICT, environment, renewable energy, new materials, life sciences, bio-pharmaceuticals, aviation, and modern agriculture.

Qingdao is located at the intersection of two Silk Roads, both through the continent and over the sea. It is the converging point for Asia-Pacific economic integration. 70% of China's academicians and 30% of senior researchers on maritime sciences and technologies are based in Qingdao. The EU is now the No 1 trading partner for Qingdao.

Leading industries are maritime equipment, maritime bio-pharmaceuticals, renewable energy, new materials, maritime environment, ICT, home appliances, and rolling stock.

For more information, go to this link : <http://www.eu-china.org.cn>

Registration: <http://www.eu-china.org.cn/riregister.html> (sic)

EU-China Business Association - www.eucba.org - Flanders-China Chamber of Commerce - gwenn.sonck@flanders-china.be

ADVERTISEMENT AND SPONSORSHIP

Advertisement and sponsorship opportunities 2016

The Flanders-China Chamber of Commerce offers several advertising and sponsorship opportunities in order to give your activities more exposure to potential new clients and collaboration.

If you are interested in advertising or sponsoring or need more information, please send an e-mail to: gwenn.sonck@flanders-china.be
www.flanders-china.be

The sponsoring opportunities are the following:

1. SPONSORING OF ACTIVITIES

During FCCC activities, you can put a banner of your company at the event and distribute documentation of your company and obtain free invitations.

Invitations are distributed via E-mail and the FCCC website and newsletters. The events are announced in different media channels.

The fee is according to each different event.

2. SPONSORING AT THE FCCC WEBSITE

Your logo will be displayed on the FCCC home page with click through to your own website or to your own page on the FCCC-website

GOLDEN SPONSOR (12 months): 1.950 €

SILVER SPONSOR (6 months): 1.450 €

3. SPONSORING IN THE FCCC WEEKLY NEWSLETTER

Every Monday, the weekly Newsletters are sent and posted on the FCCC website.

Number of recipients every week: 1200 executives dealing with China

GOLDEN SPONSOR (12 months): 1.950 €

SILVER SPONSOR (6 months): 1.550 €

SPONSOR (3 months): 895 €

4. SPONSORING IN THE QUARTERLY E-NEWSLETTER IN CHINESE AND ENGLISH LANGUAGE: "NEWS FROM THE HEART OF EUROPE: FLANDERS"

- Newsletters are also posted online at the FCCC website
- 1 issue every quarter
- Number of direct recipients: +/- 2000 Chinese and Belgian business leaders, local authorities and institutions
- Distributed through the different Chambers of Commerce in China
- Your logo on the electronic newsletter and a 200-word profile of China activities

GOLDEN SPONSOR: 1.650 € -3 issues

SILVER SPONSOR: 1.250 € - 2 issues

Amounts are excl. VAT.

5. SPONSORING EU-CHINA ACTIVITIES

The EU-China Business Association (EUCBA) is an association of Associations in the European Union countries promoting business relations between European enterprises, institutions and their Chinese counterparts. It is an International non-profit organisation registered in Belgium.

The FCCC holds the secretariat-general of the EUCBA.

The EUCBA organises high-level EU-China events and also publishes a Quarterly newsbulletin.

www.eucba.org

If you are interested in advertising or sponsoring or need more information, please send an e-mail to: gwenn.sonck@flanders-china.be

ACTIVITIES SUPPORTED BY FCCC

Alibaba, China's biggest sales platform, invites you – 21 September 2016 – Antwerp

Tmall Global, the international online marketplace of China's e-commerce giant Alibaba, is coming to Belgium. Through this platform, companies from all over the world can explore the enormous demand of Chinese consumers for foreign products, without having a base in China.

Participate in an exclusive workshop on September 21, 2016, and discover how you – as a Belgian company – can utilize the opportunities Alibaba is offering on Tmall Global. During the workshop you will also receive more information about the group business trip Flanders Investment & Trade (FIT) is organizing to Alibaba headquarters in Hangzhou (China) in March 2017.

The program of the workshop is available [on the registration page](#).

What? Workshop 'Alibaba invites you'

When and where? Antwerp, 21 September 2016 – 09:30

Registration: before 16 September 2016

Price: participation in the workshop is free of charge

Organization: Alibaba Group, Flanders Investment & Trade, RetailDetail, City of Antwerp

Guizhou (China) SME Cross-border Investment and Trade Cooperation Conference – October 18-19 – Guizhou

To create a new landscape for open Guizhou, promote local enterprises' foreign cooperation, let the world know more about Guizhou and share Guizhou's natural, ecological, mineral and cultural resources, and attract more overseas enterprises to invest and do business in Guizhou, the Guizhou Provincial Government and Bank of China (BOC) will co-host the "2016 Guizhou (China) SME Cross-border Investment and Trade Cooperation Conference" in Guiyang, Guizhou on October 18-19.

The conference will arrange B2B talks on site between about 150 foreign enterprises and nearly 1,000 enterprises in the province, and arrange video conferences for some of them. An

international investment forum and business attraction programs will be held at the same time, and inspection of industrial parks and introduction to the investment environment will also be arranged for clients.

Located in the southwestern hinterland of China, Guizhou is an important traffic hub in southwest China, a key forest zone in southern China, and a crucial ecological barrier in the upper reaches of the Yangtze River and the Pearl River. Reputed as the "city of forest, capital of summer resort, province of mountain parks and colorful Guizhou", the province and its capital city Guiyang boast a pleasant climate, fresh air, abundant vegetation, quality tea and spirit, rich mineral reserves and strong ethnic flavor.

In recent years, Guizhou's economic growth has ranked among the top in China in many indicators, and has created a special "new Guizhou phenomenon" in western China that features leapfrog development. While tapping advantages in big data, big ecology, big health and big tourism, Guizhou has tried hard to link with the world through all kinds of international platforms and activities. Leveraged on big events like Eco Forum Global, the China Big Data Industry Summit and China-ASEAN Education Cooperation Week, and taking the "1+7" open platform as a window, Guizhou has carefully deployed open channels and laid out a clear economic path for it to merge into the global market. In the 12th Five Year Plan period, it brought in 76 of the top 500 enterprises, fully demonstrating how attractive it was in the world. **The Conference will focus on electronic information, medical care, food and beverage, tourism, equipment manufacturing, new type of building materials, modern service, e-commerce, ethnic medicine, and modern agriculture.**

Some of the expenses of the foreign clients and their entourage, including airport pickup, conference fees, as well as accommodation, food and beverage costs during the Conference, will be covered by the organizer.

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E-mail: kjchzx_gz@mail.notes.bank-of-china.com

Deadline: September 30, 2016.

CFR 2016 Suzhou Annual Conference "Global talent meets global business" and business networking event – 27 October 2016 – Suzhou

The global executive search firm CFR is organizing the CFR 2016 Suzhou Annual Conference "Global talent meets global business" on Thursday 27 October 2016, 14h00 – 17h00 at the Jinji Lake Grand Hotel in Suzhou, China. The focus of this conference will be "Human Resource Challenges in a Global Business Context", relating to both inbound and outbound business to and from China.

Three speakers, among them the HR Director of Bosch Investment China and the CHRO & VP of HuaXiang Group who will have interesting presentations with their opinions and theories on this topic. Rik Vera, CEO of Nexxworks will make an interesting presentation about "Connect to many engaged motivators". Following the speakers, we will have a panel discussion on the items presented.

CFR Members worldwide and offshore businesses with a presence in China, together with Chinese global businesses, will be attending this conference.

Agenda

13H30 Registration

14H00 Welcoming by Christine Van Velthoven, CEO, CFR Global Executive Search

14H10 Mr. Pierre Fan, HRD of Bosch Investment China

14H50 Ms. Christine Zhou, CHRO & VP of HuaXiang Group

15H30 Coffee break

15H45 Mr. Rik Vera, CEO of Nexxworks

16H25 Panel discussion and QA (Host: Howard Zhu)

17H30 End of the HR Conference

Dress code: Business

Following the conference there is a business networking event. Come and meet CFR

members from all over the world plus local government officials, diplomats, chambers of commerce and business owners. We estimate the attendance of about 150 people or more. This is the perfect opportunity to generate business prospects and making closer contacts while enjoying a drink and walking dinner.

Agenda

18H30 Registration
19H00 Keynote; Christine Van Velthoven
19H10 Keynote; Local Government
19H20 Mr. Philippe Snel, Managing Partner De Wolf Axten Shanghai office
19H30 Walking dinner and networking
21H00 End of the Business Network Event

Dress code: Business

Please confirm your attendance by email to astrid.devos@cfr-china.com

This event is free of charge.

Business Tour to Shenzhen – 16-21 November 2016 – Shenzhen, China

The Dragon-STAR Plus project team is going to organize a business tour to Shenzhen, China during the China Hi-Tech Fair 2016 in Shenzhen, China on 16th – 21st, November 2016 to support technological and research collaboration between Chinese and European organizations (ICT and green technologies sector).

The 5-day programme will include participation in the China High-Tech Forum, workshop on EU-China cooperation on ICT and green technologies, B2B meetings, visit to the Hi-Tech fair and visits to local leading companies in Shenzhen. The Dragon-STAR funding will provide support for accommodation for 7 nights (including breakfast) at the Wyndham Grand Shenzhen Hotel, for each European organization seeking co-operation with Chinese organizations. It is expected that a minimum of 10 European organizations will benefit from this scheme.

A Call for Applications is open and available at: www.dragon-star.eu/14029-2/

Deadline for application: September 15th, 2016

DRAGON-STARPLUS follows its predecessor (DRAGONSTAR), in its important mandate to provide support services to European and Chinese researchers and policy makers, and to offer a flexible platform to facilitate policy discussions between European and Chinese stakeholders. Dragon-STARPLUS aims at significantly contributing to the ongoing bilateral collaboration activities and policy dialogues. The project will have a positive effect on policy drafting and implementation, on-going research collaboration, reciprocity, member & associated states cooperation (funding agencies), addressing societal challenges, innovation, social-economy and technology.

China Hi-Tech Fair 2016 (CHTF) is the largest and the most influential scientific and technological fair in China. It has played an important role in commercialization, industrialization and internationalization of high-tech achievements as well as promotion of economic and technological cooperation between China and other countries. Being part of CHTF, the China High-tech Forum has won an extraordinary reputation by its high-profile speakers since 1999.

EU trade mission to Beijing on circular economy – 23-25 November 2016 – Beijing

The European Union is organizing a trade mission to Beijing from November 23 till 25 for companies in the circular economy. The mission is being organized concurrently with the China International Circular Economy Exhibition (<http://en.chinacace.org> – www.chinacace.org). The aims and the sectoral focus of the European trade mission are as follows:

- To help EU green business and in particular SMEs to operate internationally by exploiting green business opportunities in the European Union and in China
- To promote green business partnerships in targeted sectors by participating in

- matchmaking events with local entrepreneurs
- Resource efficiency and sustainable use of natural resources
- Eco-innovation
- Chemicals
- Waste management
- Water management
- Energy saving

More information on the European-Chinese circular economy trade mission is available at:
<https://ec.europa.eu/eusurvey/runner/RegistrationCEMChina>

The mission is organized by the Directorate-General Environment of the European Commission. Contact person is Senior Expert Véronique Hyeulle (Veronique.Hyeulle@ec.europa.eu – tel: 02-2990235)

PROJECTS

Projects by the EU Project Innovation Centre (Qingdao) (EUPIC)

Business Offer: A Chinese company looking for leather/textile/plastic bags importer and sales agent.

Business Offer: A Chinese company provides serial products of supermarkets shopping cart.

Business Request: An electric motor manufacturer is looking for motors & controllers, intelligent equipment.

For more detailed information, contact:

EU Project Innovation Centre (Qingdao)

EEN North China

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Email: info_qingdao@eupic.org.cn

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AUTOMOTIVE

GAC Motor to expand capacity to 1 million by 2020

GAC Motor will expand its annual output capacity to one million vehicles by 2020 from current levels of 400,000, amid growing demand for high-end Chinese cars, President Wu Song said. The company sold 226,000 vehicles in the first eight months of this year, up 148% year-on-year, a much higher growth rate than the 11.4% in the Chinese car market. GAC Motor is considering building production lines in Southeast Asia. The company, which was founded in 2008, has begun construction of its assembly line in Urumqi, capital of Xinjiang, focusing on production of medium and high-end SUVs and new energy vehicles (NEVs). The company is aiming for an initial annual production of 50,000 cars at the CNY1.6 billion plant, located in the Urumqi Economic and Technological Development Zone. It will eventually target making 200,000 cars annually under the Trumpchi brand when it is fully operational. GAC Motor is also planning to improve its assembly facilities in Hangzhou, Zhejiang province, after the company acquired GAC Gonow in March, the joint venture between Guangzhou Automobile Group Co and Zhejiang Gonow Holdings Group Co.

CAAM reduces NEV sales forecast following subsidy scandal

The China Association of Automobile Manufacturers (CAAM) has slashed its annual forecast for the country's new energy vehicle (NEV) sales by a steep 43% to 400,000 from 700,000, days after Beijing slapped penalties on several carmakers over the subsidy fraud scandal. The near-halving of the forecast came a day after the Ministry of Finance named, shamed and punished at least five automakers that defrauded the government out of almost CNY10 billion worth of subsidies intended to promote the use of electric and hybrid cars. In a major blow to China's booming electric vehicle industry, which has benefited from CNY30 billion in subsidies last year alone, Beijing said four automakers had cheated authorities by raising their claimed new energy vehicle sales, while one bus manufacturer fraudulently received allowances without even producing any electric vehicles. 330,000 electric and plug-in hybrid vehicles were purchased in China last year, more than quadruple the number from a year earlier. The first eight months of the year has seen production of such vehicles in China double to 245,000 over the same period last year, cementing the country's position as the world's largest new energy vehicle market after the U.S., the South China Morning Post reports. China's crackdown on electric-vehicle (EV) subsidy fraud since the start of this year may deter demand short term, but longer term it bodes well for the industry's growth by knocking out low-quality manufacturers and giving industry leaders a technology edge, analysts say.

FINANCE

Chinese local government finances improve but imbalances still pose risk

The fiscal position of Chinese local governments improved in the first half of the year, and the positive trend is expected to continue, according to Moody's Investors Service. Nicholas Zhu, Vice President and Senior Analyst at the ratings agency, said monetary and fiscal stimulus continued to support GDP growth during the period, and grew at a faster pace in nine provinces versus seven last year. The latest Moody's statistics show debt and equity financing at local government level grew at a faster pace in 13 provinces, growth in industrial production accelerated in 12 provinces, while fixed-asset investment (FAI) growth increased in nine. Local government revenues, including tax and non-tax revenues, rose by 11% compared with a year earlier, and land sales, another major source of revenue, increased by 10%. Those revenues will continue rising in upcoming quarters, said Moody's, because of the stabilization of the Chinese economy, and in the real estate market in many provinces, particularly. In the six

months, 22 provinces reported increases in new residential and commercial real estate construction starts on a year-on-year basis, the South China Morning Post reports. But Moody's Zhu also noted that "regional and local governments' economic and fiscal positions vary widely, with some provinces heavily exposed to excess-capacity industries such as coal, steel and basic manufacturing lagging behind".

- Shanghai police are investigating two crippled online peer-to-peer lending platforms affiliated to Shanghai Kuailu Investment Group on suspicion of illegally pooling of public deposits. The two lending platforms, Jinlu Fund and Dangtian Wealth, are suspected of pooling funds from public investors without legal operational certificates. Kuailu Investment has been involved in a cash redemption crisis since the start of 2016. It sold wealth management products at a high 10% annual return.
- Industrial and Commercial Bank of China (ICBC) is to appoint Gu Shu, 49, as its new President. He had been Vice President of the bank. An official appointment will be announced after the bank's board meeting. Former President Yi Huiman replaced retired Chairman Jiang Jianqing. "ICBC is in critical phase in transforming its business model to fit into the overall economic transition in China," said Zeng Gang, Senior Researcher at the Chinese Academy of Social Sciences' Institute of Finance and Banking. Gu joined ICBC in 1998 and became the bank's Vice President in 2013.
- New loans grew more than expected in China last month but were still dominated by home mortgages driven by the housing boom in major cities. The monthly total grew to CNY948.7 billion, compared with July's total of CNY463.6 billion. "The stronger August credit data could help buoy short-term economic performance," DBS Economist Nathan Chow said. "But it's questionable whether such stronger growth, mainly due to the real estate sector, is sustainable and healthy." Household loans, mostly home mortgages, contributed 71% of total new bank loans in August.
- China is about to lift a ban on its state-owned enterprises (SOEs) buying terminals from Bloomberg as a goodwill gesture to foreign investors. In a similar manner to how it was imposed in 2012, the lifting of the ban comes unannounced and in a low-profile style. Beijing had already started to gradually relax the restriction over the past year, after repeated lobbying efforts by the New York-based company. There are now more than 5,500 Bloomberg terminals in China – up from 3,000 four years ago.
- Chinese businesses saved CNY210.7 billion as of the end of July under a reform plan to replace business tax with value-added tax (VAT). Tax reform was expanded to construction, property, finance and consumer services in May, the last four industries to be covered by the VAT reform.

FOREIGN INVESTMENT

Hinkley Point power station gets British green light

Britain gave the go-ahead for the Hinkley Point power station project, its first nuclear plant in a generation, but set conditions to address concerns about China's role in the landmark European project. China has a one-third stake in the project and analysts had warned that Britain could have jeopardized relations with China if it scrapped the deal. The announcement came two months after Prime Minister Theresa May ordered a review of the GBP18 billion deal brokered under her predecessor, David Cameron. Jean-Bernard Levy, Chief Executive of the French state-owned power company EDF, said the move "relaunches nuclear power in Europe." Britain's Business Secretary Greg Clark told parliament that the plant's construction would create 26,000 jobs and would guarantee 7% of Britain's electricity needs for 60 years. One of Downing Street's prime concerns was over the security implications of allowing China to take such a large stake in a critical infrastructure project. After Hinkley, the government will take a special share in all future nuclear plant projects, ensuring it can block changes in ownership that could affect national security, which could possibly make Chinese investments more difficult. The Chinese companies, which are putting up a third of the financing of Hinkley, are backing two other nuclear plants, in Sizewell and Bradwell, and the latter may be allowed to use Chinese reactors.

- At least 31 local governments in Huaian, Jiangsu province, cooked the books on

foreign investment inflow levels to meet unrealistic targets set by higher-level governments. The fraud underlines the mindset still prevalent among lower officials that GDP growth must be achieved at all costs. Making matters worse, Jiangsu officials were found to have used taxpayer money to bribe “fake foreign investors” and middlemen to inflate foreign direct investment inflows. Many township and county-level governments were able to boast about strong FDI inflows, when in reality the amount was much less.

FOREIGN TRADE

Dispute over grain subsidies goes to WTO

China’s rice, wheat and corn subsidies are in line with WTO rules, the Commerce Ministry (MOFCOM) said after Washington launched legal action against what it says are “unfair” trade incentives worth USD100 billion. Government support for the sector was a “common international practice,” a MOFCOM official said. But according to U.S. officials, China has been paying higher subsidy levels than the internationally agreed 8.5% above reference prices for grain commodities.

- A Chinese freight train has opened a new route to northern Afghanistan on a 13-day, 7,000 km trip to Hairatan via Kazakhstan and Uzbekistan. China’s Ambassador to Afghanistan, Yao Jing, was on hand as the train arrived and described the journey as symbolic of Beijing and Kabul’s shared goal to deepen their “strategic” partnership. China and Afghanistan share a border but are not linked by paved roads or rail lines.
- The appreciation of the Japanese yen is benefiting some high-end Chinese manufacturers thanks to their pricing competitiveness over overseas rivals.
- Former British Business Secretary Peter Mandelson was in Hong Kong to promote trade between the former British colony and the UK in the face of Brexit, which he expected to happen within two years. He described the general reaction to Brexit in Hong Kong as one of “bewilderment”.

IPR PROTECTION

Trademark financing mechanism launched in Hubei

The Hubei provincial Administration for Industry and Commerce signed an agreement with the Bank of Communication's Hubei branch to launch the first trademark financing mechanism in Central China. Companies can collateralize their trademarks with the bank or entrust guarantee institutions to acquire loans. Hubei companies had more than 200,000 valid trademarks in total by June this year.

- China now has the largest number of micro-organism-related patents around the world, according to a report by the World Data Center for Microorganisms at the Institute of Microbiology of the Chinese Academy of Sciences (CAS). China has published the world's second-largest number of related documents, behind the United States. To date, China has stored more than 182,000 bacterial strain species in 33 preservation centers.
- An intellectual property institute jointly set up by the State Intellectual Property Office (SIPO), the Liaoning provincial IP office and the Dalian University of Technology was inaugurated at the university. It will be built into an important IP research center and training base to serve the province and Northeast China.

MACRO-ECONOMY

Lower profit decline for SOEs in first seven months

The profit decline posted by China’s state-owned enterprises (SOEs) narrowed during the first seven months by 6.5% year-on-year to CNY1.31 trillion during the January to July period, according to the Ministry of Finance. The pace of decline was slower than the 8.5% drop

registered in the first half. SOEs fared better and their profits showed signs of stabilizing, the statement said. Profits of SOEs under central government control dropped 9% while those of locally-administered SOEs dipped 0.3% compared with a year earlier. SOE revenues edged up 0.2% to CNY24.88 trillion, compared with a 0.1% drop in the first half. SOEs in the coal, transport, property development and pharmaceutical industries posted substantial profit growth, while the oil, petrochemical and tobacco sectors reported a plunge in profits. Steel and non-ferrous metal companies suffered losses. An economic downturn, which trimmed China's economic growth to 6.7% in the first half of the year, has put pressure on SOEs, which are at the forefront of a government drive to restructure the country's growth model and reduce overcapacity, the Shanghai Daily reports.

- Liaoning province is to sell shares in seven state-owned enterprises (SOEs) to private investors in order to balance the province's social security accounts and improve the companies' performance. Private investors will be allowed to buy up to 20% of each of the seven SOEs. The companies are Liaoning Transportation Construction Investment Group Co, Liaoning Water Resources Management Group, Liaoning Energy Investment (Group) Co, Liaoning Dalian Fishery Group, Fushun Mining Group Co, Shenyang Coal Trade Group Co, and Tiefsa Coal Industry Co, according to the Shenyang United Assets and Equity Exchange. The market value of the seven companies is CNY401.07 billion. SOEs under the central and local governments accounted for more than 30% of the province's GDP, compared to the national average of 23%.
- Guiyang, capital Guizhou province, topped the list of best-performing cities in China, beating even a couple of coastal megacities, according to a study by the Milken Institute, based on a mix of economic factors in 33 first- and second-tier cities and 232 third-tier cities across China. Guiyang, which moved from the 11th position in last year's inaugural ranking, to the top position this year, is followed by Shanghai and Tianjin. The Belt and Road Initiative has helped Guiyang attract more investment, thus spurring economic growth.
- China's industrial output grew the fastest in five months in August at 6.3% from a year earlier amid consistent demand following a rebound in manufacturing activities and exports in July. Heavy industry, including electrical machinery and automobiles, showed a large increase last month, taking up a substantial share of economic output. If momentum holds up, China's GDP could keep a growth rate of 6.6% to 6.7% in the third quarter from 6.7% in the second. Private investment growth also was flat at 2.1% for the period. Retail sales increased 10.6% in August.
- China's crude oil output dropped to the lowest in more than six years as the country's state-run energy firms continued to pump less from ageing, high-cost fields. Production in August dropped 9.9% from a year ago to 16.45 million tons, or about 3.89 million barrels a day, the lowest since December 2009. Output is down 5.7% during the first eight months of the year. China's crude oil imports increased to the highest in four months in August to about 7.77 million barrels a day.
- China's massive infrastructure investment may not be having the desired effect, according to a study from the University of Oxford's Saïd Business School, which argues that more than half of China's infrastructure investment in the last three decades cost more than the benefits it generated. Unless China shifts its focus to fewer and higher quality types of public works that leave a positive legacy "the country is headed for an infrastructure-led national financial and economic crisis, which is likely also to be a crisis for the international economy," according to the Saïd Business School.
- Premier Li Keqiang vowed to improve the competitiveness and quality of China's manufacturing sector by adopting more international standards. The Premier made the vow while meeting more than 600 delegates to the 39th General Assembly of International Organization for Standardization (ISO) in Beijing. China is an ISO founding member, and Beijing is hosting the event for the second time in 17 years.
- Profits nearly tripled at private steel mills in Hebei province in the first seven months. The rising profitability could complicate the central government's efforts to further cut capacity. Hebei has more steel capacity than Japan and the United States combined. Private steel mills in the province reported CNY17.1 billion in combined profits over the seven months, up 283% from a year earlier.

- The business confidence index compiled by the People's Bank of China (PBOC) rose 2.2 percentage points to 51.2% in the third quarter, higher than at the same time last year. An index measuring exports and profitability showed noticeable improvement in the third-quarter survey.

MERGERS & ACQUISITIONS

VC and PE investors facing challenges

China's venture capital (VC) and private equity (PE) investors are facing challenges due to dying start-ups and difficulties in cashing out, according to Ni Zhengdong, Chairman of Zero2IPO Group. "Chinese venture capital and private equity investors made investments too quickly in the past three years and the start-ups they invested in used up their money and failed to finish the next round of financing," said Ni. Metao, a Chinese cross-border e-commerce provider that started in October 2013, for example, failed to finish its series C funding and closed down at the beginning of this year. It received series B funding of USD30 million in 2014 from VC and PE institutions Vertex Venture Holdings and Matrix Partners. It also remained difficult for venture capital and private equity investors to cash out – as China abandoned the plan of creating a strategic emerging industries board on the Shanghai Stock Exchange and delayed carrying out the registration-based initial public offering (IPO) system. As of June 30 there was a backlog of 894 companies waiting for IPOs on the A-share market, according to the China Securities Regulatory Commission (CSRC). There were only 162 exits of VC and PE investors in the first half, mainly through IPOs and mergers and acquisitions (M&As), the China Daily reports.

- Alibaba Group affiliate Ant Financial Services, operator of Alipay, took over biometric security technology company EyeVerify, paying USD70 million. The deal marks Ant Financial's first investment in the U.S. five months after it closed a record USD4.5 billion round of private equity financing, the single largest private placement by an internet company. Earlier this year, Ant Financial and EyeVerify entered into a licensing agreement in which the U.S. firm's Eyeprint ID technology was integrated into Ant Financial's payment authentication platform.

REAL ESTATE

Greenland Group building tallest residential building in Western Europe

Shanghai-based developer Greenland Group said a 67-story, 241-meter tower it is building in London is set to become the tallest residential building in Western Europe. The GBP800 million development with a gross floor space of 98,000 square meters in West India Quay at Canary Wharf, known as The Spire London, will be the second-tallest building in London when it is completed in 2020, just second to the 310-meter Shard. Zhang Yuliang, Chairman and President of Greenland Group, said the project is Greenland Group's most important in Europe so far, and it will provide good quality new housing to London residents. Prices of the apartments are expected to be between GBP595,000 pounds and GBP3 million pounds. Sale of the apartments will start as early as October this year. Greenland Group purchased the land parcel for The Spire London from Commercial Estates Group earlier this year, the second purchase it has made in London in recent years. Other Chinese developers are also active in London. In June 2013, Wanda Group announced that it would develop the 203-meter-tall One Nine Elms, a residential community. Researchers said that Chinese buyers' demands for high-end overseas properties is a major aspect of these developers' ambition and confidence in expanding overseas, particularly in cities with good education resources. A major factor influencing Chinese people's overseas property purchases is their children's education and the proximity of real estate to decent schools, according to a recent report by online property information platform juwai.com, the China Daily reports.

- New home sales in China surged 40% in the first eight months of this year to CNY5.7 trillion although the pace of increase slowed, according to the National Bureau of Statistics (NBS). During the eight-month period, 774.8 million square meters of new homes were sold, up 25.6% from the same period a year earlier. Real estate inventories have been declining for six consecutive months so far this year, dropping

by 30 million sq m. Investment in all types of property rose 5.4% in the first eight months of this year.

- The Suzhou branch of the Industrial and Commercial Bank of China (ICBC) was fined CNY250,000 by the banking regulator for overlooking downpayments raised via property agencies. It is the first time the CBRC has issued a fine of this kind. Downpayment accounts for at least 30% of the total housing price in five big cities and 25% in other cities in China.
- Investors should dump Hong Kong real estate stocks if Donald Trump wins the U.S. presidential election in November, according Hans Op 't Veld, head of listed real estate at PGGM, a Dutch pension fund manager who oversees almost USD13.5 billion of property equities globally. A Trump win could bring about more protectionism and hurt world trade, which would have a significant impact on China and Hong Kong, he said. "China is the producer for the world, so you don't want to be in China" if Trump wins, he said.
- Hong Kong's property market transactions rose by 35% in the first two weeks of this month. Led by a sharp surge in sales of new apartments, other types of real estate also benefited from an overall improvement in sentiment and recorded brisk sales for the period September 1 to 14, data from Midland Realty shows. It said the number of transactions in the primary market was 1,139, up 74.2% from the same period in August, while sales of second-hand homes rose 19.5% to 2,144 and sales of non-residential properties climbed 13.8% to 462.
- More than half of Chinese believe property prices are currently "too high to accept," according to a quarterly survey by the People's Bank of China (PBOC). A total 53.7% of the respondents considered the surging price of real estate is beyond their reach, up 0.3% from the end of last quarter. Based on a database of 20,000 savers from 50 cities nationwide, the survey also said half of respondents considered that commodity prices in the past three-month period were too high.
- Chinese investors are increasingly eyeing the Japanese property market, especially bed-and-breakfast facilities. Prices surged nearly 30% in the last couple of years on the back of demand for hospitality-related realty, particularly B&B units, from Chinese investors. Property agencies in Japan think Chinese investors are convinced millions of Chinese tourists visiting Japan every year present great investment opportunities. In some tourist attractions like Tokyo and Osaka, there is a serious shortage of hotels.

RETAIL

Chinese sports apparel firms post strong growth

Most of Hong Kong's listed Chinese sports apparel firms such as Anta Sports Products, Li Ning and Xtep International posted double-digit growth in their first-half sales recently, as Chinese consumers strive for a healthier lifestyle. But with foreign rivals Nike, Adidas and Under Armour making an all-out China expansion effort, the intensifying battle to win and retain the hearts of customers is likely to become a lot more costly. Anta, the supplier for the Chinese team at the Rio de Janeiro Olympic Games registered a better-than-expected 17% surge in net profit for the first six months of the year to CNY1.13 billion, with sales leaping by 20%. Li Ning revealed a reversal in its fortunes to CNY113 million in net income compared with a loss of CNY29 million a year earlier. Its revenue jumped 13% year-on-year in the same period. Running shoe maker Xtep's net profit for the same period rose 10.6% from a year earlier. "The sportswear market in China is in a good position, as Chinese consumers become more active in playing sport and the government issues policies promoting it," said Jack Chuang, Greater China Partner with OC&C Strategy Consultants. Football is tipped to become the next promising market, the South China Morning Post reports.

SCIENCE & TECHNOLOGY

First commercial space industry base to be built in Wuhan

China's first commercial space industry base will be built in Wuhan, capital of Hubei province. The Wuhan National Space Industry Base will focus on the development of carrier rockets and satellites, commercial launch services and applications of satellite data. The base plans to

establish an annual production capacity of 50 carrier rockets and 140 commercial satellites by 2020, said Zhang Di, Deputy Dean of the Fourth Academy of the China Aerospace Science and Industry Corp, after a signing ceremony between his company and the governments of Hubei and Wuhan at the Second China Commercial Aerospace Forum. More than 700 government officials, military officers and experts from the space industry and universities attended the forum in Wuhan. In mid-February, the Fourth Academy set up the nation's second commercial launch provider, Expace Technology Co, as the backbone of the Wuhan space base, with Zhang as the new company's Chairman. The company, which has registered capital of CNY300 million, has signed CNY100 million of launch contracts with several domestic clients. Expace has received orders for more than 10 launches using the Academy's solid-fuel Kuaizhou, or Fast Vessel, rockets. Expace's launch rate of around USD10,000 for each kilogram of payload is much lower than the average charge in the international market, which ranges from USD25,000 to USD30,000. The first flight of a Kuaizhou rocket took place in September 2013. In China, a commercial launch generally refers to a space launch activity paid for by an entity other than a Chinese government department or military agency. China has launched 53 Long March rockets to carry 61 satellites into space for 24 foreign clients, the China Daily reports.

China launches its second space lab

China's new space lab Tiangong-2 blasted off from the Jiuquan Satellite Launch Center in the Gobi desert on September 15. Consisting of three parts, weighing over 60 tons, it will be able to dock with two manned spacecraft and one cargo spacecraft. The station is designed to house a maximum of six astronauts. China plans to send at least six astronauts in two groups to the space station each year. Zhu Zongpeng, Chief Designer of China's space lab system, said construction of the space station will be completed by around 2020 and it will enter into service around 2022, with an initial designed life of at least 10 years. Astronauts could soon be stationed in orbit for missions that last more than one year. With the International Space Station (ISS) set to retire in 2024, the Chinese space station will make China the only country with a permanent space station. In April 2017, China's first cargo ship Tianzhou-1 will be sent into orbit to dock with the lab and provide the space station with fuel and other supplies.

China is set to unveil the world's most accurate atomic clock – the Cold Atomic Clock in Space (CACCS) – which would lose just one second in one billion years. This is more accurate than the world's current best clock, the NIST-F2 atomic clock operated by the U.S. National Institute of Standards and Technology in Boulder, Colorado. The Chinese clock will be operated in space. It will be able to beat the U.S. clock because it will have escaped the negative influence of gravity. CACCS was launched aboard Tiangong-2. Another instrument, the Gamma-ray Burst Polarimeter (Polar), developed in collaboration with the European Space Agency (ESA), is capable of studying the most powerful explosions in the universe.

- A group of scientists are proposing cloud seeding on a massive scale on the Tibetan plateau to create more rain to flow into rivers in China's arid north. But other researchers have cast doubts on the project saying it is likely to be doomed to failure. Intensive cloud seeding in the skies above Tibet and the neighboring region could create more than five billion cubic meters of water a year in rain to flow ultimately into the Yellow River, nearly twice Beijing's annual water consumption.

STOCK MARKETS

Postal Savings Bank launches biggest IPO since 2014

Postal Savings Bank of China, which operates more branches in the country than any other bank, plans to raise as much as USD8.1 billion in an initial public offer (IPO) on the Hong Kong Stock Exchange. The bank, operating 40,057 branches in mainland China, plans to sell 12.1 billion shares, raising between USD7.3 and USD8.1 billion. The amount raised makes Postal Savings Bank the fourth-largest Chinese bank to raise capital, and places its IPO at number 25 among the list of the world's biggest stock offers to date. The bank will price the offer on September 21, and its shares will begin trading in Hong Kong on September 28. The Beijing-based bank is China's seventh-largest lender, with loans of CNY2.7 trillion. Postal Savings Bank's Chairman Li Guohua said at a Hong Kong press briefing that the bank will plough 10% of its future net profits into dividends. Still, the offer attracted limited interest from overseas

investors, with few making commitments to buy the shares, fund managers in Hong Kong said. The IPO price range values the bank at between 0.93 and 1.02 times its expected book value of CNY298.9 billion for 2016, as estimated by the six joint sponsors. China Postal Group owned 83% of the bank as at the end of 2015. Other major domestic shareholders include UBS with 4.99%, China Life Insurance Co with 4.87%, and China Telecom with 1.66%.

- China will soon allow individual investors to open no more than three stock trading accounts for Shanghai-listed shares, after detecting a growing number of new accounts with fake identities in recent months. The China Securities Regulatory Commission (CSRC) is expected to announce the rule change after the Mid-Autumn Festival holiday (September 15-17), but individuals who have already opened more than three accounts prior to the new ruling will not be affected. The new rule would increase competition between brokerage firms for clients and lead to a further reduction in commissions.
- More and more Chinese firms listed in the mainland and Hong Kong are paying out dividends to investors despite tumbling earnings, JP Morgan Asset Management said. The trend has helped equity income investment for the first time outperform stock benchmarks during the past year, and looks sustainable thanks to the improving cash flow management of Chinese companies, said Lilian Leung, Manager of the JP Morgan China Income Fund that debuted last week. The number of A-share listed firms that paid dividends reached 1,993 in 2015, up from 704 in 2006. The total amount paid surged to CNY831 billion last year from CNY131 billion in 2006.

TRAVEL

China to add more than 6,800 new aircraft by 2035

China will become the world's first trillion-dollar aviation market, Boeing predicted, adding more than 6,800 new aircraft to its commercial fleet worth USD1.03 trillion by 2035. Passenger traffic is estimated to increase 6.4% annually in China over the next 20 years. Aviation is expected to play a key role in China's economic development. Chinese carriers have been expanding their fleets and adding new point-to-point services to cater to both leisure and business travel demand from an increasing number of affluent consumers in China and throughout Asia, Boeing said. Of the 6,810 new aircraft it will need during the 2016-2035 period, 75% will be single-aisle planes with 90-230 seats, Boeing said. A total of 1,560 wide-body aircraft would also be needed. China's rapidly growing e-commerce business – already the largest in the world – also drives demand for cargo planes, with 180 new freighters and 410 converted freighters forecast to be added over the next two decades. A quarter of Boeing's deliveries over the last three years were to Chinese airlines. Boeing and Airbus will face rising competition from Chinese aircraft manufacturers. In November last year, Commercial Aircraft Corp of China (COMAC) rolled out the C919, China's first domestically developed narrow-body passenger plane to compete with Boeing's 737 and Airbus' A320.

- Hainan Airlines plans to start on December 2 the first non-stop flight between Las Vegas and mainland China. The airline will use Boeing 787 Dreamliners planes for the service on Mondays, Wednesdays and Fridays. The flights take 13 hours going west and 12 hours going east. Vegas tourism officials are celebrating the news as casino companies continue to court Chinese nationals and Chinese-Americans.
- About 2,520 flights out of Hong Kong to Shanghai and popular weekend destinations, such as Sanya, Ningbo and Hangzhou, will be suspended from October 30 until November 26 to upgrade Hong Kong's air traffic control system. Flights to regional destinations including Bangkok, Taipei, Singapore, Osaka, Seoul, Tokyo and Bali will also be scaled back. Long-haul routes affected include Auckland, Sydney, Vancouver, New York, Dubai and Los Angeles.
- Hong Kong Airlines has ordered nine Airbus A330 wide-body jets with a total list price of USD2.3 billion. Hong Kong airlines operates an all-Airbus fleet made up of 11 A320s, 22 A330s and 5 A330-200 and is set to expand this to 50 aircraft with deliveries in 2018. The airline flies to 30 destinations in the Asia-Pacific and will launch flights to Auckland, New Zealand in November.

VIP VISITS

Premier Li attending UN General Assembly

Premier Li Keqiang is expected to announce a raft of “pragmatic moves” supporting the United Nations in addressing global challenges when he attends the 71st session of the UN General Assembly from September 18 to 21. The Premier is also scheduled to meet with representatives of various U.S. organizations, exchanging views on developing relations between the world's two largest economies. After the UN's annual meeting, he will fly to Canada and Cuba, on a trip expected to end on September 28. China hopes the annual session of the UN will result in a convergence of efforts in fighting global challenges such as terrorism, the refugee and immigration crises, cyberspace security, and the spread of infectious diseases.

- Common interests between China and Vietnam far outweighed differences, Chinese President Xi Jinping told Vietnam's Prime Minister Nguyen Xuan Phuc, calling for their dispute in the South China Sea to be resolved through talks.

ONE-LINE NEWS

- The former Party Secretary of Hubei Province, Li Hongzhong, 60, has been appointed Party Secretary of Tianjin, days after the announcement of a corruption investigation into the former Mayor Huang Xingguo. Last month, the Communist Party announced it was investigating Yin Hailin, a city planning official who became Tianjin's Vice Mayor in 2012, also on suspicion of corruption.
- Next year's Fortune Global Forum – the fifth to be held in China – will be held in the city of Guangzhou in November or December. “There is no country in the world that holds greater interest for multinational company CEOs,” said John Needham, Managing Director of Fortune Global Forum. Since the first forum held in Shanghai in 1999, the number of Chinese companies on the Fortune Global 500 list has increased from less than 10 to 103.
- The Chief Executive of China's second largest dairy firm, China Mengniu Dairy, and three of the company's Non-Executive Directors have resigned less than a month after Mengniu posted a dismal 20% decline in first half earnings. CEO Sun Yiping, 49, is being replaced by Lu Minfang, 47, Chairman of Mengniu's formula offshoot, Yashili International. Lu is also a high-ranking veteran of France's Danone, the Inner Mongolia-based company's second-largest shareholder.
- The Shanghai People's Congress gave its approval to confer honorary citizenship on two expatriates for their contribution to the city. The two are American Linda Tsao Yang, who is the Honorary Chairman of the Asian Corporate Governance Association, and Malaysian Fatt Heng Wong, General Manager of Roche Diagnostics (Shanghai).
- Chen Chuanping, former Vice Governor of Shanxi province, and Sun Hongzhi, former Vice Director of the State Administration of Industry and Commerce (SAIC), have been charged with corruption. To date, more than 140 officials of ministerial level or above have been probed, charged or convicted in corruption investigations since the end of 2012.

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