法兰德斯中国商会 FCCC VCKK

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

NEWSLETTER | 26 SEPTEMBER 2016

VIP visits   Premier Li Keqiang attends UN General Assembly

Premier Li visits Canada and Cuba

One-line news

FCCC/EUCBA ACTIVITIES

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 Univer-sity 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 13th 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/rigester.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

See FCCC website: www.flanders-china.be

PAST EVENTS

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) organized a seminar on EU-China relations. This event was 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 aimed to provide a holistic overview of the state of EU-China relations for the European business community. Topics included 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.

Following a word of welcome by Markus J. Beyrer, Director General, BusinessEurope, Jörg Wuttke, President of the European Union Chamber of Commerce gave a speech, followed by two other speakers. A Q&A session and closing remarks by Mr Stefaan Vanhooren, Vice-Chairman of the EU-China Business Association (EUCBA) concluded the event, which took place on September 19 in Brussels.

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.

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
ADD: B-7F, Venture Building, High-tech Zone Qingdao, P.R.China
Tel: +86-532-8386 0670
Fax: +86-532-8386 3923
Email: info_qingdao@eupic.org.cn

ADVERTISEMENT

Hainan Airlines, your direct link from Belgium to China

MEMBERS' NEWS

Hainan Airlines celebrates 10th anniversary

On 22 September Hainan Airlines celebrated its 10th anniversary at the Tangla Hotel in Brussels. Hainan Airlines is the only airline which has direct flights between Beijing and Brussels. Speeches were given by His Excellency Ambassador Qu Xing and Mr Olivier Yang, General Manager, Hainan Airlines. The Flanders-China Chamber of Commerce was represented by Ms Gwenn Sonck, Executive Director.

AUTOMOTIVE

Hyundai to launch Genesis brand in China

South Korea's Hyundai Motor will launch its stand alone premium Genesis auto brand in China within two to three years, thereby expanding in the luxury segment. The plans come as Hyundai tries to reverse 10 straight quarters of falling profits, hit in part by sales weakness in China. “The luxury customer in China is very brand-conscious,” said Genesis Brand Chief Manfred Fitzgerald. The former executive with Audi's Lamborghini brand was speaking at the first, and so far only, standalone Genesis store, in a glitzy mall on the outskirts of Seoul featuring cars like G80 sedans. “If you don't get your brand right, you can have the best product in the world, it won't work,” said Fitzgerald. “In two, three years' time we will be entering China,” he said, declining to give sales targets for a global rollout that will follow launches in South Korea late last year and in the United States last month.

- FAW Car Co plans to sell its Hongqi business, known for the Red Flag limousine used by Chinese leaders, to its controlling parent, automaker FAW Co. FAW Car has suffered losses and plunging revenue. According to its interim report of August 27, its net profit plummeted 613.6% with a loss CNY849.1 million in the first half, while the operating income dropped 38.3% to CNY8.5 billion. About 80,700 FAW branded cars were sold, 33.2% less than in the first six months last year. Dumping of the loss-making unit will give the company a one-time gain to erase red ink. About 2,200 Hongqi H7 sedans were sold in the first seven months of the year.
- Chinese internet firm LeEco announced that it has raised USD1.08 billion to bankroll the development of its electric sports car, a critical step toward the company's ambitious goal of producing cars that are more advanced than those of Tesla Motors. Le Supercar – an internet-savvy electric vehicle – has secured investments from several Chinese companies, including Legend Holdings, Yingda Capital Management and China Minsheng Trust. Founded in 2004, LeEco started as a video-streaming service provider akin to Netflix, but expanded in smartphones, TVs, and most recently electric cars.
- Industry experts are calling for the authorities to cut subsidies for China's new energy vehicle (NEV) industry. Yang Yusheng, Member of the Chinese Academy of Sciences (CAS) who specializes in batteries, said abnormally-large subsidies bring more harm than good. “Carmakers start to produce vehicles that will bring most subsidies. Obsessed with the subsidies, they have no intention to think about what the market really needs,” said Yang at a recent forum in Beijing. China has about 200 manufacturers of new energy passenger vehicles, buses and special-use vehicles, but they lag behind global leaders in terms of quality, reliability and technology.

EXPAT CORNER

Shanghai simplifies work permit applications for expats

Foreigners will find it easier to work in Shanghai after the city released a series of policies to attract international talent. From November 1, foreigners will be able to apply for a unified work permit as the two types of work permits for ordinary foreign employees and foreign experts will be combined into one. The application process will also be simplified. Foreign workers will be classified into categories A, B and C: A for top talent, B for professional talent, C for unskilled workers or those working in the service industry. Some materials previously required to file an application will no longer be needed, such as a personal resume. Current work permits can still be used until their expiry date. Shanghai last year handled 8,599 applications for foreign expert work permits and 120,933 for employment licenses for foreign employees, more than other provinces and cities. Another new policy announced by Shanghai allows students who graduate from local universities without work experience to find employment in the Shanghai Pilot Free Trade Zone (FTZ) and the Shanghai Zhangjiang National Innovation Demonstration Zone. Previously, foreigners needed to have at least two years' work experience to apply for work and residence permits in Shanghai. By August this year, 64 foreign postgraduates had obtained work permits under the policy. Another new policy allows regional headquarters of transnational companies, investment companies and foreign-funded research and development (R&D) centers, which are registered in the two trade zones, to employ graduates from leading foreign universities, with or without work experience, the Shanghai Daily reports.

Shanghai also canceled the 60-year-old age limit to apply or get work and residence permits for high-level foreign professionals last year. If the applicants are recognized as "foreign talent" by the authorities, they could be issued permits lasting five years, and they can also apply for a permanent residence permit after working for three years if their employers back their case. A total of 96 foreign expats have been issued such 5-year visas, including 27 older than 60. Most expats need to renew their residence permits once a year, but from last year, they can have their permits renewed for 5 years after two previous renewals. More than 1,800 qualifying expats have applied for the 5-year permits.

- Shanghai authorities have cracked down on a real estate agency that organized downtown group rentals for expats. The Caojiadu Subdistrict has asked the agency named We-work to cease group renting and restore the structures of its apartments that had been subdivided. The company is Shanghai's "largest shared flat provider, targeting foreigners staying short-term in Shanghai". It owns more than 200 apartments for rent in downtown districts. 19 apartments had been found to have been illegally sub-divided and rented to foreign tenants.

FINANCE

BIS says China could face debt crisis

China's banking sector could be facing an imminent "debt crisis," the Bank for International Settlements (BIS) has warned. China's credit-to-GDP gap reached 30.1% in the first quarter of 2016, its highest level ever and far above the 10% level thought to present a risk to a country's banking system, the Switzerland-based bank said in a quarterly report. The gauge measures the difference between a country's current credit-to-GDP ratio and its long-term trend. The BIS gave China a red signal: a warning that it could face a "financial crisis" in the next three years. China's total debt hit CNY168.48 trillion at the end of last year, equivalent to 249% of national GDP, the China Academy of Social Sciences (CASS) has estimated. Because China is a key driver of world growth, a crisis in its banking sector could have catastrophic implications around the world, with the global economy still struggling to recover from the 2008 financial crisis, analysts have warned. China's credit-to-GDP gap for the period was well above all other countries in the survey, which covered 43 economies including the United States, Greece and Britain. China's "Big Four" state-owned banks reported mounting bad loans in the first half of the year. Analysts say the country's vast foreign-exchange reserves and control over the banking system could help cushion the economy from financial crises. Because most potential bad Chinese debt is held by state-owned companies and banks, the government has control over the pace of recognizing and dealing with bad loans, Andy Rothman of Matthews Asia said, as reported by the Shanghai Daily.

Chinese banks need new sources of growth

An analysis by international accounting firm PricewaterhouseCoopers (PwC) of 30 A and H-share listed banks found that the Chinese banking sector was in urgent need of new sources of growth – as the sector confronts slower profit growth, shrinking interest margins and rising non-performing loans (NPLs). PwC found that as of June 30, the overall loans balance for the 29 listed banks that disclosed NPL information increased 10.06% from the end of 2015 to CNY1.13 trillion. During the same period, the NPL ratio went up four basis points to 1.66%. On top of this, the proportion of special mention loans, potentially weak loans presenting unwarranted credit risks, rose 18 basis points to 3.57%. "The NPL balance grew rapidly despite the fact that the listed banks stepped up write-offs, packaging and selling of NPLs in the first half of 2016. The situation will continue to worsen in the second half due to shrinking net interest margins and large increases in NPLs and special mention loans," said Jimmy Leung, PwC China Financial Service Leader. "The pressure will be huge for Chinese banks to increase net profits because rising NPLs will lead to further growth in loan loss provisions," Zhou Zhang, PwC China Financial Service Partner, said. "Even worse, interest margins will keep shrinking under the influence of benchmark interest rate cuts by the central bank." In the first half of 2016, the overall net profits of 30 listed banks increased by 4.6% from the previous year to CNY774.45 billion, the China Daily reports.

- Shanghai's innovative industries may benefit from preferential taxation policies amid plans for an upgraded online service system, the city's Taxation Bureau said. "For projects and individuals that have the ability to make contributions to innovation, the tax bureau will spare no effort to support them," Guo Jianfei, Director of the city's State Taxation Bureau and Local Taxation Bureau, said. In the first five months of this year, more than 360,000 research and development (R&D) projects from 6,800 companies benefited from tax cuts.
- The China Banking Regulatory Commission (CBRC) of Henan has told lenders to grant at least CNY450 billion in new loans this year to help shore up the local economy, a rare edict that has raised concerns the local government is becoming increasingly intrusive in influencing bank business decision-making amid the economic slowdown. Such credit targets are however not in line with the central government's current macro-economic policies.
- China has designated the United States' first renminbi clearing bank, Premier Li Keqiang said as he welcomed American banks to apply to become clearing banks. The People's Bank of China (PBOC) has authorized the Bank of China's New York branch to be a renminbi clearing bank in the United States. "We also welcome banks in New York that meet the requirements to become a clearing bank for renminbi," Premier Li said.
- Sinosteel Corp has been given the green light to swap CNY27 billion of its debt for equity convertible bonds, potentially triggering more debt spin-offs by state-owned companies. Conversion from debt to equity will start after a three-year lock-up period. Sinosteel is expected to set up a special subsidiary to handle the conversions, which would receive a CNY10 billion capital injection from a Chinese central government body.
- Mortgage lending will continue to be the main business for Chinese banks through the end of this year, as they count on earnings from the dynamic property market, consultancy firm PricewaterhouseCoopers (PwC) China said. Housing loans issued by banks more than doubled to CNY2.36 trillion in the first half of this year from CNY1.1 trillion a year ago. Mortgages accounted for 62.5% of new loans by China Construction Bank (CCB), while those to businesses such as steel, cement and shipbuilding, fell 26.4% in the first half.
- Angry investors of a peer-to-peer (P2P) company protested at the Shanghai office of auditing firm Ernst & Young over its alleged role in a lending fraud. The owner of Shanghai Uprosper Asset Management Co, operator of the P2P platform Jinxing Investments, has allegedly disappeared, making assets worth over CNY400 million uncashable. EY denied that it had ties with Jinxing, or was involved in any auditing procedure of Jinxing's products. By the end of June, about one third of the nearly 4,000 Chinese P2P platforms had been involved in fraud, according to Online Lending House.
- Shanghai will open up its financial market further to foreign investment banks. It will allow foreign financial institutions to establish joint-venture securities companies with domestic firms beyond brokerage firms, Shi Haining, Director of the Financial Services Bureau of the Pudong New Area said, without providing a timeframe. Currently, foreign investment banks are allowed to partner with more than 100 local brokerage companies. The business scope of newly established foreign-funded securities firms will also be expanded to brokerage, proprietary trading and wealth management.
- The State Administration of Foreign Exchange (SAFE) is expanding its clampdown on "fake" overseas investments, after some individuals and companies were found to be using false deals to move assets out of the country.

- The National Association of Financial Market Institutional Investors (NAFMII) has issued new rules on credit default swaps (CDS). The Association supervises the issuance of commercial paper and some other types of debt in China's interbank bond market. CDS could help bond investors better manage risks.
- The Asian Infrastructure Investment Bank (AIIB) held a groundbreaking ceremony for its new headquarters at the Beijing Olympic Park. At present, the Beijing municipal government is providing a temporary office for the AIIB on Financial Street in downtown Beijing. The AIIB headquarters will have a floor area of about 250,000 square meters. The office complex will be built in compliance with the strictest low-carbon standards, according to the builder, Beijing Inno-Olympic Group Co.
- Hong Kong insurance companies have become highly sought after as takeover targets, drawing interest from both mainland Chinese and international insurers. Asia Financial Holdings President Bernard Chan, who oversees the second largest general insurance company in Hong Kong, said the pace of mergers and acquisitions (M&As) in the insurance sector this year underscores the global interest in gaining a foothold in Hong Kong. The frenzied pace of deal-making is unlike anything he has seen in two decades. There were eight takeovers of Hong Kong insurers by overseas and mainland companies in the first eight months this year, up from six last year and three in 2014.
- One-third of more than 3,000 peer-to-peer (P2P) online lending platforms in China have been found to be problematic, the 2016 Blue Book of Internet Finance says. Small and medium-sized companies (SMEs) find it easier and cheaper to get loans through P2P platforms than borrowing from banks, while lenders are lured by higher returns offered by the online platforms. By the end of 2015, nearly 2,600 P2P platforms were operating in China – an increase of 65% compared with 2014.
- London's offshore yuan activities continue to surge despite Brexit uncertainties. London's renminbi-denominated business transactions in August were 60% higher than July's. The China Construction Bank (CCB) celebrated the milestone of clearing CNY10 trillion of offshore renminbi transactions between June 2014, when it was appointed by the People's Bank of China (PBOC) to be London's official renminbi clearing bank, and August 2016.

FOREIGN INVESTMENT

Private companies leading in outbound investment

China's private companies have taken the lead over state-owned enterprises (SOEs) in the country's surging outbound investment for the first time. Private enterprises are leading in both the amount invested and the number of mergers and acquisitions (M&As) abroad. The change has taken place as outbound direct investment (ODI) surpassed foreign direct investment (FDI) last year. Private companies account for 65.3% of total ODI, which amounted to USD145.7 billion by the end of last year, according to the 2015 Statistical Bulletin of China's Outward Foreign Direct Investment. Meanwhile, ODI surged by more than 18% last year, exceeding the USD135.6 billion in FDI, said a report jointly issued by the Ministry of Commerce (MOFCOM), the National Bureau of Statistics (NBS) and the State Administration of Foreign Exchange (SAFE). "The private companies have really become an important force in driving the growth of outbound investment," said Zhang Xiangchen, Deputy International Trade Representative at the Ministry of Commerce. Private deals account for 75.6% of the total amount of overseas acquisitions, Zhang added. Chinese aviation and shipping conglomerate HNA Group bought total foreign assets worth at least USD17 billion last year. Even though SOEs still have a competitive edge over their private peers in such highly regulated industries as electricity, energy and mining, that has not dimmed the enthusiasm of private companies for overseas growth, the China Daily reports.

- Israel expects to entice more investment from China, especially in the high-tech sector, participants said during the "Go for Israel" conference in Shanghai. Israeli exports to China totaled USD3.25 billion last year, compared with USD261 million in 2000. China is Israel's biggest trade partner in Asia and the third-biggest around the world. Chinese investors spent USD470 million purchasing Israeli high-tech companies last year.

FOREIGN TRADE

Increase in coal and oil imports

China's coal output fell 10.2% year-on-year to 2.18 billion tons during the first eight months of the year. The fall eased from the previous three months, but it still marked the fifth consecutive month of declines of over 10%. Coal imports rose 12.4% from a year earlier to 1.56 trillion tons during the period on surging demand. In August alone, coal imports surged 52.1% year-on-year to 265.9 billion tons. Crude oil output fell 9.9% year-on-year in August, the biggest monthly drop since 2003. Imports have trended upward after private refineries were given permission to import crude last year. In the first eight months, China's crude oil imports rose 13.5% compared with the same period of last year, while refined oil output gained 2.1%. China's oil giants plan to reduce oil output due to flagging prices. Sinopec, the largest oil refiner in China, and PetroChina, the largest oil and gas producer, have both lowered their oil production targets for 2016.

Foreign trade situation remains "complicated and severe"

China's foreign trade remains under considerable pressure as uncertainties mount, the Ministry of Commerce (MOFCOM) said, describing the current situation as "complicated and severe." Although August trade data suggests an improving trend, China should not be "blindly optimistic" on its outlook, and further measures need to be taken to stabilize growth, MOFCOM Spokesman Shen Danyang said. China's foreign trade improved markedly in August due to stronger domestic and external demand. Yuan-denominated exports rose 5.9% year-on-year, while imports increased 10.8%. But in the first eight months of the year, foreign trade was down 1.8% from a year earlier, with exports dropping 1% and imports falling 2.9%. The weak performance comes against a backdrop of flagging trade growth worldwide. Last year was the fourth-consecutive year that global trade growth was below GDP growth, according to the World Trade Organization (WTO). Protectionism is also on the rise. Shen said that in the first eight months of the year, China was subject to 85 trade remedy probes, an increase of 49% year-on-year. The probes involved trade of USD10.32 billion, an increase of 94% year-on-year. Criticism that China's investment environment for foreign businesses had worsened was rejected by the Ministry of Commerce as biased. China's foreign service trade amounted to CNY3.01 trillion during the first seven months of the year, up 24.6% year-on-year. The service trade accounted for 18.2% of the country's total imports and exports in the January-July period, 2.8 percentage points higher than in 2015. Exports of telecommunications, computing and information services grew by 20.8% to CNY103.96 billion during the first seven months. China's foreign service trade volume grew from USD362.4 billion in 2011 to USD713 billion in 2015, the Shanghai Daily reports.

- China has completed quarantine procedures on U.S. imports of beef with bones, and would allow U.S. bone-in beef and boneless beef for cattle under 30 months to enter the Chinese market again. Imports have been banned since 2003, with China citing concerns over the spread of bovine spongiform encephalopathy, also known as "mad cow" disease. The ban came after a cow with the disease was found in Washington state. China is already the world's largest consumer of pork, and demand for beef is surging. The Chinese government has also kept in place bans on imports from the European Union due to mad cow disease concerns 16 years ago, but is reportedly in talks with Ireland to lift restrictions sometime this year.
- Trade between the Chinese mainland and Taiwan reached USD95.55 billion in the first seven months of 2016, down 9.8% year-on-year, according to China's Ministry of Commerce (MOFCOM). Mainland exports to Taiwan totaled USD22.57 billion from January to July, a 12.7% year-on-year drop, while the island's exports to the mainland grossed USD72.98 billion, a decrease of 8.8% from the same period a year earlier. Taiwan is currently the seventh-largest trading partner of the Chinese mainland.

HEALTH

U.S. court voids China Vitamin C price fixing decision

A U.S. appeals court threw out a USD147.8 million price-fixing verdict against two Chinese companies that were accused of conspiring to raise prices and lower supply of vitamin C sold to U.S. purchasers. The 2nd U.S. Circuit Court of Appeals in New York said the case should not have gone to trial after China, in a "historic act," formally advised that its laws required the vitamin C makers to violate the Sherman Act, a U.S. anti-trust law. Circuit Judge Peter Hall said the Brooklyn judge who presided over the March 2013 jury verdict should have deferred to China's interpretation of its own laws, regardless of the country's motives. Hall said principles of international comity, and the "stark differences" between the U.S. and Chinese legal and economic regulatory schemes, meant the judge should not have asserted jurisdiction. "Recognizing China's strong interest in its protectionist economic policies and given the direct conflict between Chinese policy and our antitrust laws, we conclude that China's interests outweigh whatever anti-trust enforcement interests the United States may have in this case," Hall wrote.

- Lung cancer is the leading killer in rural China. The disease claimed 66,100 lives last year, overtaking breast cancer as the third leading cause of cancer deaths in females in 2015. "The incidence and mortality of lung cancer has dramatically climbed in China's rural population over the past 10 years," said surgical oncology Professor Zhou Qinghua at the first West China International Conference on Lung Cancer recently held in Chengdu, Sichuan.

MACRO-ECONOMY

Economists debate industrial policy

An escalating debate on industrial policy between two of China's most prominent economists is causing a rethink of the country's industrial development model and government intervention in market forces. Justin Lin, a Taiwan-born Economist who served for many years as an economic adviser to the Chinese leadership and worked as the World Bank Chief Economist, believes China should continue with government direction on which industries should be encouraged and subsidized, to better leverage the country's competitive advantages. Opposing that view is Zhang Weiying, a liberal Economist who teaches at Peking University, who countered that industrial policies led to nothing but distortion and overcapacity so China should let the market decide which industries would thrive.

- Alibaba Group Holding has surpassed Tencent Holdings and China Mobile in market capitalization. Alibaba's shares have risen 28.8% this year to USD104.64, making the operator of the Taobao.com and Tmall e-commerce platforms the world's 10th-largest company by value, according to Bloomberg. PetroChina, the country's largest oil producer, is the sole resources-related company among Asia's top 10, occupying the seventh spot. China's state-owned banks occupy four of the top 10 slots, led by the Industrial and Commercial Bank of China (ICBC).
- Rio Tinto Group, the world's second-largest mining company, is becoming more optimistic on the outlook for commodities demand in China after recent data pointed to a pickup in the construction market. "The drop that we had experienced for the last two or three years in China seems to have plateaued," Chief Executive Officer Jean-Sebastien Jacques said in an interview with Bloomberg Television in New York. "We are becoming much more what I would describe as cautiously optimistic in relation to China."
- China had 232 chemical-related accidents from January to August this year, causing 199 deaths and 400 injuries, according to Greenpeace. The majority of China's 33,625 chemical facilities are located in densely populated eastern coastal regions, Greenpeace said, and regulations and their implementation needed to be tightened significantly.
- Shanghai ranks fifth in the Asia and Pacific Knowledge Competitiveness Index this year due to its ability to transform innovation into economic growth, according to a report issued at the opening of the Pujiang Innovation Forum 2016. Shanghai edged up from sixth last year, with Beijing sixth from seventh. Singapore topped the list.
- The National Development and Reform Commission (NDRC) has held an "urgent" meeting with coal producers in response to steel industry pleas to increase output. The NDRC rejected the request to ramp up output of coking coal but approved higher

thermal coal production for 74 major miners. The meeting came after a similar gathering two weeks ago at which the authorities decided to relax production curbs on some coal mines.

MERGERS & ACQUISITIONS

Two top steel companies to merge

China's top steelmakers Baoshan Iron and Steel Co and Wuhan Iron and Steel Group will merge to create the world's second-largest steel entity. Baoshan is ranked fifth in terms of world production capacity, while Wuhan is 11th. After the take-over, Wuhan Steel will delist from the A-share market on the Shanghai Stock Exchange. The two companies have a joint annual production capacity of more than 60 million tons, making it the second-biggest producer behind ArcelorMittal. The new entity will be called China Baowu Iron and Steel Group. The Chinese government also gave its final approval for the merger. The market value of the new group will surpass CNY108.5 billion, and its total assets will be worth CNY700 billion. The merger is in line with the Chinese government's efforts to overhaul the steel sector, upgrade quality and cut overcapacity. Chi Jingdong, Deputy Director of the China Iron and Steel Association (CISA), said the central government wants to consolidate 60% to 70% of the nation's steel output into 10 giant groups to enhance their competitiveness. Shanghai-based Baosteel's net profit plummeted 83% to CNY1 billion last year, while Wuhan Steel lost CNY7.5 billion, compared with a CNY1.3 billion net profit in 2014. Restructuring of another two Chinese steel giants, both based in Liaoning province, Ansteel and Benxi Steel Group, is next on the agenda. Ansteel is the world's seventh biggest mill, and Benxi steel ranks 21st. The listed arms of the two groups suspended trading in Shenzhen pending statements on the restructuring, the Shanghai Daily reports.

- An Australian-led consortium with Chinese investment won a 50-year lease for the Port of Melbourne, Australia's biggest container and cargo port, for AUD9.7 billion. The consortium includes Queensland Investment Corp and Global Infrastructure Partners, which was acting partly on behalf of China's sovereign wealth fund CIC Capital. China was also part of an Australian-led consortium that secured an 98-year lease in 2014 for the world's biggest coal export port in Newcastle.
- Authorities in New Zealand gave the final go-ahead to the country's biggest meat cooperative Silver Fern Farms (SFF) to sell a 50% stake to Shanghai Maling, China's biggest meat processor. SFF is the largest livestock processing and marketing entity in New Zealand, and owned around 1,769 hectares of land. The investment is expected to result in SFF reducing its debt to nil and having cash reserves, allowing the company to invest in and improve the efficiency of its plants, as well as advance its value-added strategy. Shanghai Maling has direct control of 800 supermarket and retail stores.
- China's Ministry of Commerce (MOFCOM) approved Marriott International's deal to buy Starwood Hotels & Resorts Worldwide, paving the way for the combined company to become the world's largest hotel group. It was the only review pending after the companies secured pre-merger approvals from more than 40 countries, including the United States and Canada as well as the European Union. The combined company will have a value of USD36 billion and 1.1 million hotel rooms. Marriott International plans to double its presence in China. It already operates a total of 260 properties in China, with another 300 in the pipeline.

REAL ESTATE

Rush to buy homes in Hangzhou ahead of new restrictions

The transaction volume of apartments in Hangzhou jumped more than 180% week-on-week between September 12 and 18 as investors flocked to the city to buy second homes before the launch of home purchase limits on non-resident buyers, who would no longer be allowed to buy a second home in the city's central districts, in a bid to curb rapidly rising house prices, curb speculative buying and prevent risks. Hangzhou became the fourth tier-two city to curb property purchases in 2016, following Xiamen, Hefei and Suzhou. The curbs are an indication that home prices in Hangzhou are expected to rise further. Property agents in the city said that home prices are rising so fast because supply is failing to keep pace with demand. Almost 39% of new flats in Hangzhou have been bought by non-local residents so far this year.

- Legend Holdings has agreed to sell 42 property projects in 16 cities to developer Sunac China for CNY13.79 billion. The projects cover an aggregate site area of about 6,937,180 square meters, a total gross floor area of approximately 18,022,199 sq m, and an unsold area of about 7,300,535 sq m. The deal includes equity interest in some 40 companies that hold the rights to the property projects, as well as the onshore and offshore debt related to them. Sunac said the deal would allow it to expand its property developments.
- The number of Chinese cities recording new home price growth in August from a month earlier rose by 13 to 64 cities, according to the National Bureau of Statistics (NBS), which tracks prices in 70 cities. Prices declined in four cities and remained unchanged in two. Zhengzhou in central Henan province outpaced all with a month-on-month increase of 5.6% for new home prices, accelerating from a 2% rise in July. It was closely followed by Shanghai and Hefei in Anhui. Beijing reported a month-on-month gain of 3.8%. With prices rising at the fastest rate in over five years, the policy environment is likely to shift again, cooling the property market in the leading cities.
- Only about 50,000 square meters of new homes were sold in Shanghai during the three-day Mid-Autumn Festival holiday, the lowest in four years. The new houses were sold for an average CNY47,750 per sq m, a week-on-week jump of 14.4% and a record in the city.
- Shanghai's real estate investment market will probably maintain its double-digit growth in transaction value this year with domestic buyers playing a bigger role than their overseas counterparts, global property consultancy DTZ/ Cushman & Wakefield said. En bloc real estate investment deals, excluding land transactions and confined to property acquisitions worth more than USD10 million each, will likely total USD70 billion in the city in 2016, which could represent a 20% jump from about USD58 billion in 2015.
- The city of Nanjing has introduced a "lottery" system for land sales, the first of its kind in China, as land-hungry developers jostle for plots in the red-hot property market. If more than two bidders are willing to pay the ceiling price, a lottery would decide who would get the land. The municipal authorities in Hangzhou have tripled their revenues from selling land in the first eight months year-on-year, while land revenues for authorities in Suzhou, Hefei, Wuhan, Zhengzhou, Shenzhen and Ningbo all doubled in the same period, according to Centaline Property. On a nationwide basis, fiscal revenues from land sales surged 14% to CNY2 trillion.
- Shanghai maintained its top ranking in the country for real estate development and was followed by Shenzhen, Beijing, Guangzhou and Suzhou, the Urban Land institute, a global non-profit research and education organization, said. Shanghai, where the average price for residential properties jumped one-third during the 12-month period through June, was singled out as "the only city in the Chinese mainland with liquidity for foreign investors," according to the Chinese Mainland Real Estate Markets 2016 report. Shenzhen, where the market is mainly driven by IT and private equity sectors, has seen the most robust momentum over the past year with new home prices surging more than 47% – the highest pace in the country – between June 2015 and June 2016.

RETAIL

Michelin releases its first Shanghai Guide

Michelin released its first Shanghai dining guide, awarding from one to three stars to 26 restaurants in the city, with T'ang Court in The Langham Shanghai the only one to get the top three-star rating. Six restaurants have been awarded two Michelin stars. They include Canton 8 – the world's cheapest restaurant with two stars – Hong Kong-based 8 ½ Otto e Mezzo Bombana, known for its fine-dining Italian cuisine, and Ultra Violet. Of the Shanghai restaurants awarded one star, Hong Kong Cantonese chain Lei Garden's two locations, in the city's IFC and iapm malls, were listed along with Seventh Son and Da Dong, among others. The 224-page guide, priced at CNY168, was released in both Chinese and English. The

Shanghai Daily reported that one day after receiving a Michelin star, Tai'an Table, a Western restaurant in Changning district, has been forced to shut down for operating without licenses. The restaurant had applied for a business and a catering license when it opened in April, but authorities denied to issue the licenses as regulations do not allow catering venues in a residential building. The restaurant plans to relocate to a new venue, chef Stan Stiller confirmed.

Beer consumption down 6% in first half

Beer consumption in China contracted in the first half by 6% from a year earlier as rainy weather dampened consumption. China's biggest beer maker China Resources Beer (CRB) reported first half sales of CNY15.21 billion, compared to CNY15.50 billion last year. Industry wide beer sales declined 3% in the first quarter on year, and 10% in the second quarter on year. Anheuser-Busch InBev China saw sales decline in the second quarter compared with the first, but the pace of the decline was less than the industry average. China's No 2 brewery Tsingtao saw its sales plummet further than the industry as a whole. Regional brewer Yanjing, which has operations in Beijing, Guangxi and Inner Mongolia, also underperformed. "We believe Yanjing, as a regional player, will feel more pressure amid continuing market consolidation as national market leaders are expanding their presence into Yanjing's strong markets," JP Morgan Analysts led by Ebru Sener Kurumlu said in a research report. "We believe Tsingtao continues to remain under pressure given that it is losing market share to international brands in the premium segment and domestic brands are giving it a hard time in the mid-market." CRB's efforts over the last 10 years to bolster its market share could lead to better bargaining power with distributors and retailers, and increased margins, Kurumlu said. China's beer prices, along with the profit margins of brewers, are well below the global average, the South China Morning Post reports.

- DJI, the world's biggest maker of remote controlled drones, has opened its first retail store in Hong Kong, allowing customers to test-fly the drones before buying. The store occupies three floors in the newly opened 535 Mall on Jaffe Road in Causeway Bay. It is the company's third Asia store, after opening outlets in Shenzhen and Seoul over the past 10 months. The company's top-of-the-line drone is the Phantom 4, which retails for HKD9,299. Research firm Teal Group predicts global sales of civilian drones will soar to USD10.9 billion by 2025, up from USD2.6 billion for this year.

SCIENCE & TECHNOLOGY

China sets up GeneBank

China's national GeneBank officially opened in Shenzhen, with the aim of promoting human health research and conserving global bio-diversity. It was established by Shenzhen-based BGI, one of the world's leading genomics organizations. The bank has saved more than 10 million bio-samples and established cooperation and research relations with over 100 organizations. Wang Jian, BGi's President, said the bank's mission is to "preserve the essence of a billion years of evolutionary history and deposit the life foundations of billions of people." Mei Yonghong, the bank's Director, said it was not only a database, but combined a bio-information bank, a bio-samples and genetic resources bank, and a living resources bank of plant, animal and microbe species. "Generally speaking, we collect biological resources in the world, read the genetic data of living things with sequencers, use supercomputers to obtain the results, and write the gene code on the synthesis and editing platform," Mei said. The national gene bank is the fourth of its kind to open around the world following similar centers in the United States, Britain and Japan.

- Chinese and Canadian scientists say they have successfully carried out a form of teleportation. The two teams working independently have teleported near-identical versions of tiny particles called photons through cables across Calgary in Canada and Hefei in Anhui province. The forms of teleported photons were destroyed in one laboratory and recreated in another more than 8 km apart in the two cities through optical fibre. Similar experiments have been carried out before, but only within the same laboratory.

- Germany’s Siemens opened a digital research institute in Suzhou to tap into China’s smart transport and digital manufacturing markets. The institute will have seven laboratories, two of which are already operational. One of them, a smart transport lab, develops applications that allow integrated connectivity in traffic systems.
- China’s Ministry of Agriculture began an investigation following claims by Wei Jingliang, a former PhD student at the Chinese Academy of Agricultural Sciences’ Institute of Animal Sciences, that a national GMO testing center had forged lab maintenance records for 30 projects on genetically modified (GM) organisms. The incident is expected to further shake public confidence in genetically modified food.
- Peking University ranks 29nd in the latest Times Higher Education World University Rankings 2016-2017, with Tsinghua University at 35, and the highest ranking university in Hong Kong, the University of Hong Kong, in the 43th spot. The complete list of 980 universities, or 5% of the world’s higher education institutions, includes 52 from the Chinese mainland. Overall, 290 Asian universities from 24 countries are included in the list and 19 are among the top 200, up from 15 last year.
- China's second space laboratory, Tiangong II, began conducting in-orbit tests. All of the spacecraft's scientific instruments have finished their self-examination since the lab was launched on September 15 from the Jiuquan Satellite Launch Center. Its predecessor, Tiangong I, is expected to fall to the ground in the second half of next year, and most of its structure will burn up during its reentry into the atmosphere.
- Beijing aims to become one of the world's influential technology centers by 2020, Yan Aoshuang, Director of the Beijing Municipal Science and Technology Commission, said. By the end of 2015, half the academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering were working in Beijing. The capital is also home to 412 scientific research institutions, the most in the country. Beijing has 12,000 high-tech companies, accounting for one-sixth of the nation's total.
- Initial results from the quantum satellite that China sent into space are encouraging. A quantum channel has been well established between the satellite and ground stations, Pan Jianwei, the nation’s leading expert in quantum physics, said at a technology exhibition in Hong Kong.
- The world’s largest radio telescope - the 500-meter Aperture Spherical Radio Telescope (FAST) - began operating in Guizhou province. Built at a cost of CNY1.2 billion, the telescope is larger than the Arecibo Observatory in Puerto Rico. Researchers said FAST would search for gravitational waves, detect radio emissions from stars and galaxies and listen for signs of intelligent extraterrestrial life.

STOCK MARKETS

The Postal Savings Bank Corp launches Hong Kong IPO

The Postal Savings Bank of China (PSBC), which operates more than 40,000 bank branches in China, will offer its shares at HKD4.76 each in what could be Asia’s largest initial public offering (IPO) this year. The IPO is fully subscribed for retail investors. The PSBC raised about HKD58 billion in its initial public offering (IPO) and is set to go public in Hong Kong on September 28 – making it the world's biggest IPO since Alibaba Group went public raising USD25 billion in September 2014. Clarence Kwok, Chief Investment Consultant at Bluestone Securities, said that PSBC had priced itself near the bottom of analyst expectations, reflecting the market's low response to the H shares, and said the bank's oversubscription rate might be less than 1.6 times. According to the PSBC prospectus, the non-performing loan (NPL) ratio of the bank reached 0.78% as of June 30 this year. Kwok said the NPL ratio was lower than the average 1.73% of the big commercial banks and the allowance coverage ratio was higher than the other large commercial banks' average of 154.73%, which was an advantage. The state-owned retail bank has over 40,000 outlets and over 500 million retail customers.

- A record number of internet companies are expected to go public in 2017, according to the 2016 Internet Entrepreneurship and Innovation White Paper by the Tencent Research Institute. As many as 22 internet companies went public in 2014, but Tencent predicts that 2017 will set a new record.
- Xinhuanet.com, the online platform of China’s official Xinhua news agency, has

received the green light for an initial public offering (IPO). The company plans to issue 51.9 million shares, equal to 25% of total equity after the flotation, to raise about CNY1.5 billion. People.cn, the online platform of People's Daily, went public on the Shanghai bourse in early 2012, raising CNY530 million. The China Securities Regulatory Commission (CSRC) also approved the IPO applications of 11 other companies, including the Bank of Shanghai.

TRAVEL

Dalian Wanda Chairman Wang opens second theme park in Hefei

Dalian Wanda Chairman Wang Jianlin has opened a CNY24 billion theme park in Anhui province. The Wanda Cultural Tourism City includes a theme park with hotels, a water park, movie theatre, and residential flats across a 1.6 sq km area just a short drive from downtown Hefei. The company is betting that charging less for admission than Shanghai Disney will make up for a lack of globally recognizable characters, like Mickey Mouse. It is Wang's second theme park, following the opening of Wanda City in Nanchang, Jiangxi province, in late May. The company eventually hopes to have 15 such parks across China by 2020, pushing Disney to the sidelines in the race to capture the growing domestic tourist market. "A tiger has no chance of beating a pack of wolves," Wang famously said before opening the first park. He also bluntly vowed to make the Disney Resort in Shanghai "unprofitable for 20 years", citing its high operating cost, slow ability to adapt and pricey admission. Wanda is charging CNY218 for a single admission to the Hefei theme park and CNY308 for a family, while a multiple-entry ticket is priced at CNY788. By comparison, Shanghai Disney charges CNY370 per person on regular days and CNY499 during peak days, the South China Morning Post reports.

- More international air routes between Urumqi and major cities in Western Europe, Egypt and India will be launched in the next decade. Urumqi International Airport operates 24 international passenger routes, but it doesn't provide direct services to Western Europe. Air China will launch a Chengdu-Urumqi-Rome route by year's end following approval from the Civil Aviation Administration of China (CAAC) this month. The capacity of Urumqi Airport will be expanded by 40 million passengers a year.
- Deutsche Lufthansa and Air China signed a cooperation agreement that will enable the two members of the Star Alliance group to take on competition from the rival Skyteam partnership and boost earnings. The flag carriers of Germany and China plan to share revenue on China-Europe routes when the venture takes off next year. The joint venture is the closest the two carriers can get under restrictions on foreign control of Chinese airlines.
- Chinese train manufacturing giant CRRC Corp vowed to cooperate with major manufacturers in Europe to "explore new markets" in the region. The company has presented the concept of a two-deck transcontinental train, which combines passengers and freight. The China Railway Group has set up just under 100 overseas branches and 11 research centers.
- Beijing Capital International Airport is helping foreign airports translate signs and train their staff to deliver services in Chinese to improve the travel experience for Chinese tourists. Han Zhiliang, the airport's General Manager, said at the Fifth Beijing Global Friend Airports CEO Forum that his company has helped Charles de Gaulle International Airport in Paris, Incheon International Airport in South Korea and several airports in Thailand to check and correct signs written in Chinese.
- TourIst groups that arrive in Shanghai on cruise ships will be given 15 days of visa-free stay from October 1. Cruise passengers must belong to tourist groups organized by travel agencies that are legally registered in China. More than 1.6 million cruise ship passengers entered China via Shanghai ports last year, up 35.5% from 2014. In 2015, the number only included 69,000 foreigners.
- China is designing its next generation of trains that can carry passengers at a top speed of 500km/h and cargo at 250km/h with wheels that can adjust to fit different track gauges used around the world. The country is using high-speed rail as the next spearhead to gain a technological edge over the United States, Japan and Europe. The domestic high-speed tracks already cover 20,000 km, or 60% of the world's installed network.

VIP VISITS

Premier Li Keqiang attends UN General Assembly

Chinese Premier Li Keqiang attended the 71st session of the UN General Assembly and delivered a speech. U.S. President Barack Obama met with Premier Li Keqiang at the United Nations General Assembly in New York and urged China to continue addressing industrial overcapacity. In his address to the UN General Assembly, Premier Li Keqiang warned against the rise of protectionism and assured that China will press ahead with its opening-up policy. “In the course of economic globalization, there may be certain groups and sectors that have been hit and affected,” he said. “But we cannot give up eating for fear of choking,” he added. “Economic globalization is in the long term interest of all countries,” he said, “All parties must resolutely oppose all kinds of protectionism, and to uphold the free trade system of the World Trade Organization.” After finishing his speech, Li had a brief exchange with Japan’s Prime Minister Shinzo Abe. Premier Li also reiterated assurances that China will remain open to overseas investment and global trade. In a show of support to the United Nations, Li said China will provide an additional USD300 million in aid to the UN along with providing support to developing countries, including African nations.

China and the United States will keep developing positive relations no matter who wins November’s U.S. presidential election, Chinese Premier Li Keqiang told an economic forum in New York, but he declined to comment on which candidate he favored. Li also responded to complaints from foreign business leaders about restricted access to the Chinese market by saying China was open to foreign investment, although some economic sectors were not yet mature. “The areas of the Chinese economy open to foreign investment will only increase and China will only open its door even wider. The door will not close,” Li said. Frictions are not the dominating element in China-U.S. economic relations, Li added, but they should not be ignored and both sides should work to resolve differences before they spread to other areas of the relationship. Referring to negotiations on a bilateral investment treaty between the two nations, Li said they would eventually reach an agreement if they took a pragmatic approach.

China’s national plan for the implementation of the 2030 Agenda for Sustainable Development was released at the United Nations headquarters in New York when Premier Li Keqiang chaired a roundtable on sustainable development goals (SDGs). The 2030 agenda, endorsed and launched at the UN Summit for Sustainable Development last year, is a blueprint for eradicating poverty across the world in the years leading up to 2030. China is pledging an additional USD100 million in annual aid to UN development agencies by 2020 on top of the amount in 2015, Li said. In New York, Li also met representatives of the media, think tanks and leaders from economic and financial circles, and attended a reception hosted by the Economic Club of New York, a non-profit membership organization.

Premier Li visits Canada and Cuba

Following his visit to New York, Premier Li visited Canada and Cuba. A new annual dialogue between the heads of government of Canada and China was inaugurated, and a feasibility study on a China-Canada free trade area is to be launched. China is now Canada's second-largest trading partner, with a bilateral trade volume of USD67.2 billion in 2015, a year-on-year increase of 10.1%. A China-Canada free trade deal would generate USD7.8 billion in additional economic activity within 15 years, supporting 25,000 new Canadian jobs, according to the Canadian Council of Chief Executives and the Canada-China Business Council. Both countries also set the ambitious new goal to double bilateral trade between Canada and China by 2025, and concluded a tourism agreement that seeks to double two-way visits by 2025. China has also sealed a landmark deal on the return of stolen assets with Canada, one of the main destinations for fugitive corruption suspects. Under the agreement, the two countries will share the assets if their origin cannot be confirmed. It is the first international deal Beijing has signed on recovering stolen assets since it embarked on its high-profile global hunt for graft fugitives two years ago. Twenty-five of China’s most wanted are believed to be living in Canada, but the two countries do not have a formal extradition treaty. In the last two years, 1,915 suspects in more than 70 countries had been repatriated, along with CNY7.47 billion.

Following talks with Cuban President Raul Castro, Li Keqiang said China would help Cuba industrialize. More than 20 agreements were signed in Havana, including on finance and infrastructure. The Premier also met former Cuban leader Fidel Castro.

ONE-LINE NEWS

- Ying Yong was elected Shanghai's Executive Vice Mayor taking charge of development and reform, commodity prices, finance and taxation. The city's former Executive Vice Mayor Tu Guangshao has become the Deputy Chairman and General Manager of China Investment Corp (CIC), a sovereign wealth fund responsible for managing part of the country's foreign exchange reserves.
- China has secured the return of corruption suspect Chen Wenhua from France, the first such case since the two countries signed an extradition treaty that took effect in 2015. China plans to still further expand "Operation Skynet", a multi-agency effort to bring back corruption suspects from abroad. Chen fled to France in March 2013 after being accused of embezzling more than CNY20 million in public funds between 2009 and 2012.
- Shanghai authorities have stepped up efforts to crack down on both ships using fuel oil containing excessive sulphur, a major air pollutant, and gas stations that sell substandard oil.
- Jack Ma, the founder and Executive Chairman of Alibaba Group, has been named special adviser on youth entrepreneurship and small business to the United Nations Conference on Trade and Development (Unctad). The appointment, which was announced in Geneva, followed Ma's recent stint as Chairman of the small business development task force advising the G20.
- Beijing announced it would stop classifying its residents as either urban or rural residents in the household registration system, or hukou, a move academics say will pave the way for more equal social benefits. 30 of China's 31 provinces, autonomous regions and municipalities (with the exception of Tibet) have already implemented such reforms. In the past, China had separate social security programs for urban and rural residents, with urban residents better protected.
- Xu Gang, former Vice Governor of Fujian province, admitted taking bribes when he appeared at the Hefei Intermediate People's Court. Between 2002 and 2013 he is said to have taken advantage of his official positions to seek benefits for others in exchange for bribes worth CNY19.77 million.
- State-owned Guangxi Non-ferrous Metals Group Co in Guangxi has been declared bankrupt, despite a nine-month restructuring push. The company had neither submitted a restructuring plan within six months of the court's initial ruling, nor had it applied for an extension. The court decided to end the restructuring procedure and declared the firm bankrupt.
- China announced its determination to crack down on telephone scams following a number of cases that highlighted a growing problem. Public Security Minister Guo Shengkun called the scams a "major public hazard" that required the combined efforts of various departments. Last year, police registered 590,000 telecom fraud cases, compared to 2011's 100,000, leading to losses of CNY22.2 billion.

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Contact:

Flanders-China Chamber of Commerce
Offices: Ajuinlei 1, B-9000 Gent – Belgium
New telephone and fax numbers: Tel.: +32/9/269.52.46 – Fax: ++32/9/269.52.99
Registered office: Zenith Building, Koning Albert-II laan 37, 1030 Brussels
E-mail: info@flanders-china.be
Website: www.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.