法兰德斯中国商会 FCCC VCKK

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

NEWSLETTER | 31 OCTOBER 2016

FCCC/EUCBA ACTIVITIES

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

Seminar: "Update on the Legal Foreign Investment Regime in China and Chinese Investment Abroad" – November 8, 2016 – Brussels – organized in partnership with Linklaters

The legal environment for foreign companies in China has been undergoing some important changes in recent years. Most of these evolutions are directly linked to the implementation of China's economic reform plan and of the rule of law, which is being promoted as an essential element thereof.

The Flanders-China Chamber of Commerce (FCCC) is organizing a seminar where will be discussed how these reforms affect daily operations of foreign companies in China.

Paul Van Hooghten, Partner and Head of the Corporate Practice at Linklaters, will briefly discuss the recent challenges faced by Chinese companies when doing acquisitions in Europe.

Eric Liu, Senior Consultant of the Corporate/Mergers & Acquisitions Practice, based in Linklaters' Beijing office, will give an update on the recent regulatory developments in Chinese investors' outbound investment and the foreign investment regime in China.
Tom Vandebosch, Legal Counsel at Umicore, will join the panel discussion and will share the experiences of Umicore.

The seminar will be presented by Eric Liu, who has been advising clients on their inbound and outbound M&A transactions in relation to China and their operations in China for more than 13 years.

His presentation will deal with the foreign exchange obstacles of Chinese investors when making outbound investments and the recent reform of the foreign investment laws in China.

The lunch-seminar will take place on **Tuesday, 8 November 2016**, between **12:00-14:00** in the offices of **Linklaters**, **13 rue Brederodestraat, 1000 Brussels**. A buffet lunch will be served at 12:00. The presentations and Q&A session will conclude at approximately 14:00.

Participation fee: €90,75 (Incl. 21% VAT: 15,75 €) for members and €114,95 (Incl. 21% VAT: 19,95 €) for non-members.

If you are interested in attending this seminar, please register online before 4 November 2016.

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

FIT group business trip to the Pearl River Delta – 28 November – 3 December 2016

Flanders Investment & Trade (FIT) is organizing a multi-sectoral business trip to Guangzhou, capital of China's richest province in the heart of the Pearl River Delta from November 28 till December 3, 2016.

It should not be surprising that there are numerous opportunities for Flemish companies in a region accounting for 20% of China's GDP and about 40% of China's total trade.

FIT will organize:
- an individual meeting program tailored to your company
- a workshop about intellectual property rights with local experts
- a visit to a local company
- a networking event at the residence of the Belgian Consul-General

What? Group business trip China – Pearl River Delta
When? 28 November – 3 December 2016
Last registration date? 21 October 2016
Price: The first participant of each company pays €500
Additional participants of the same company pay €250
Organization: Flanders Investment & Trade

For more information visit the FIT website or contact: Michèle Surinx, Area Manager East Asia, tel: 02-5048791, e-mail: michele.surinx@fitagency.be

For other activities supported by FCCC, see the FCCC website: www.flanders-china.be

PAST EVENTS

"One Belt, One Road: Opportunities for Cooperation between Belgium and China" – 21 October 2016 – Brussels

The Embassy of the People's Republic in China in Belgium and the Flanders-China Chamber of Commerce organized the Forum 'One Belt, One Road: Opportunities for Cooperation between Belgium and China' on Friday 21, October 2016 in Brussels.

One Belt, One Road (OBOR) is a major initiative, launched by President Xi Jinping in 2013 that aims to connect Asia, Europe and Africa passing through over 60 countries. The overall plan consists of two parts: "Silk Road Economic Belt" and "21st Century Maritime Silk Road". OBOR offers immense business opportunities in China and in countries along the Belt and Road. During this forum participants gained a better understanding about this important initiative.

Following opening remarks by Chinese Ambassador Qu Xing, Deputy Prime Minister Kris Peeters delivered a keynote speech. Professor Qin Yaqing, Dean of China Foreign Affairs University, introduced the topic "One Belt One Road Initiative: background, actions and progress", followed by a panel discussion. After the coffee break, Mr Stefaan Vanhooren, Chairman of the Flanders-China Chamber of Commerce, introduced the second Chinese speaker, Professor Yuan Peng, who discussed what kind of contributions China expects from Europe towards the One Belt One Road Initiative. His speech was also followed by a panel discussion with Mr Frank Geerkens, Port Ambassador, Antwerp Port Authority; Mr Philippe Van der Donckt, Director Business Development Recycling Asia, Umicore; Mr Erik Uyttendaele, Senior Director – Material Planning & Logistics at Volvo Cars Gent; and Professor Jan Cornelis, VUB. The event was concluded by a reception.

Meeting with high-level business delegation from Weihai, Shandong Province – Experiences from Bekaert and Beaulieu of investing in Weihai – 17 October 2016 – Gent

The Flanders-China Chamber of Commerce and the Weihai EU Office in Ghent organized a meeting with a high-level business delegation from Weihai, Shandong Province. This meeting took place on October 17 in Gent.

The delegation of Weihai business leaders was led by Mr Xu Lianxin, Deputy Mayor of the Weihai Municipal Government. The aim of the visit was to introduce the investment environment of Weihai, Shandong province and to meet potential Flemish business leaders to discuss cooperation. Next to that, two important investors in Weihai, such as Bekaert and Beaulieu Technical Textiles, shared their experiences of building a successful plant in Weihai.

The composition of the delegation and a description of the company's activities can be downloaded here. The delegation members are active in the following sectors: IT, electrical machinery and equipment, electronics, chemicals, textiles, new materials, real estate, automotive, tourism, fisheries, etc…

The City of Weihai and the City of Ghent have a sister city agreement, while the Flanders-China Chamber of Commerce and the City of Weihai have a longstanding cooperation agreement.
Following a word of welcome by Mrs Gwenn Sonck, Executive Director FCCC, the Weihai investment environment was introduced by Mr Xu Lianxin, Deputy Mayor of Weihai Municipal Government. Presentations on the experiences of investing in Weihai were given by Mr Stijn Himpe, Vice-President Technology Rubber Reinforcement, Bekaert; and Mr Stefan Claeys, General Manager, Beaulieu Technical Textiles. A Q&A session and business matching with the Chinese delegation followed the presentations. A networking reception concluded the event.

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) organized a one day training session on "Understanding China's Next Move" on 6 October 2016 in Brussels.

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. Participants learned from CKGSB's world-class faculty in the classroom and benefited from the rich experience of industry speakers. They investigated various case studies and became involved in team projects, group discussions, company visits and cultural activities. They also learned from and networked with high-profile executives from China and around the world.

Following a word of welcome by Mr. Stefaan Vanhooren, Chairman, Flanders-China Chamber of Commerce, Mr. Bo Ji, Assistant Dean of Global Executive Education, Chief Representative for Europe Cheung Kong Graduate School of Business (CKGSB), delivered presentations on several topics:

- China's 13th Five-year Plan and its business opportunities
- Win in China: Go to China Strategy and Business Models
- E-commerce & Digital Strategy in China
- Cross Cultural Management & Negotiation

The one-day program was concluded by awarding certificates from both CKGSB and Flanders-China Chamber of Commerce.

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.

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

The Flanders-China Chamber of Commerce and the Province of East Flanders organized a seminar focused on 'Belgian Customs and its activities in China'. This event took place on 3 October 2016 in Ghent.

Mr Geert Versnick, Vice Governor in charge of European and International cooperation and economic affairs of the Province of East Flanders. Welcomed the participants to the seminar, followed by an introduction by Mrs Gwenn Sonck, Executive Director, FCCC.

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

A question and answer session followed by a networking drink concluded the event.

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 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.

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.

PRIME MINISTER MICHEL'S VISIT TO CHINA

Prime Minister Charles Michel meets Chinese President and Premier

Belgian Prime Minister Charles Michel arrived in China on October 30 for a two-day official visit. He had lunch at the Belgian Embassy with China's richest person, Dalian Wanda Chairman Wang Jianlin, and other Chinese businessmen to introduce Belgium's investment climate and attract Chinese investments. In the afternoon, several contracts and agreements were signed, including one by brewery Hughe to distribute its delirium tremens beer in China. Hainan Airlines agreed to launch direct flights between Shanghai and Brussels. About 20 agreements were signed during Prime Minister Michel's visit to China, including on juridicial cooperation between Belgium and China. Companies which signed agreements include Barco, Besix, DEME, Nagelmaekers, Projectbuilders, Proximus, and the Port of Zeebrugge. The new Sino-Belgian technology center in Louvain-la-Neuve also signed an agreement. The Prime Minister delivered the keynote speech at the China-Belgium Economic Forum organized by the Belgian Embassy and Anbang Insurance Group. He also met the Belgian community in Beijing at a garden party at the Embassy and paid a visit to the Ullens Center of Contemporary Art (UCCA) in Beijing's 798 area.

On October 31, Prime Minister Michel had official meetings with Chinese President Xi Jinping and Premier Li Keqiang. The Chinese President called on Belgium to join the Asian Infrastructure Investment Bank (AIIB) as soon as possible, and seize the opportunity of the Belt and Road construction to push forward the development of the China-Europe logistics industry and cross-border e-commerce cooperation. China and Belgium should enhance cooperation in high-tech and high added-value areas, including advanced manufacturing, new energy, environmental protection and the modern service industry, Xi said. "The consensuses I reached with Belgium leaders in the past two years have been fully implemented, and the China-Belgium relationship is progressing steadily in the direction set by the two sides," the China Daily quoted President Xi Jinping as saying. Prime Minister Michel told Xi that Belgium was willing to expand cooperation with China in areas including the legislature, investment, innovation, aerospace, the new energy digital economy, and infrastructure.

AUTOMOTIVE

Beijing to reduce license plates available annually by a third

Beijing is to slash the number of license plates it hands out for new cars by one-third in an effort to ease traffic congestion and pollution. Some people are buying struggling small businesses that hold vehicle registrations to avoid having to enter the capital's license plate lottery. Currently there are 150,000 plates available every year – 90,000 for gas-powered vehicles and 60,000 for new-energy vehicles. However, from 2018, only 100,000 will be available per year, Zhou Zhengyu, Director of the Beijing Transport Commission said. The aim is to limit the number of cars in Beijing to 6.3 million by 2020. At the latest lottery, just one in every 754 entrants received a plate.

- General Motors will launch its second production line in Wuhan during the first half of next year, adding much-needed capacity to meet the growing demands for sport utility vehicles (SUVs) in the world's largest vehicle market. The CNY7.5 billion factory in the central Chinese city that is invested by SAIC General Motors (SGM), a joint venture between SAIC and GM, is expected to make more than 300,000 passenger vehicles, mainly SUVs, a year, doubling the total capacity at the Wuhan plant to 600,000.
- China's internet game designers, social networking start-ups and video streaming companies are piling into the business of making cars, aiming to use their technology

to redefine the future of mobility. They are making multibillion-dollar bets in three growth areas: engines run on electricity or other alternatives to petrol; self-driving or assisted-driving cars; and vehicles connected to the internet.

EXPAT CORNER

Rich Chinese expats prefer U.S. West Coast

The western United States remains the most popular area for China's super-rich to settle down abroad, with Los Angeles, San Francisco and Seattle the top three locations. Seattle's popularity has risen for two years and exceeded New York to become one of the top cities where wealthy Chinese would like to invest in properties and emigrate to, according to a new report co-released by the Hurun Research Institute and immigration agency Visas Consulting Group. On average, overseas investments accounted for 15% of respondents' total wealth, and spreading financial risks has become their chief concern. More than 60% of China's richest people plan to invest in properties abroad in the next three years.

- The Chinese government is tightening regulations on private schools, including international ones, which will no longer be allowed to offer primary and lower middle school curricula. Following the news, shares of Dalian-based Maple Leaf dropped. The company offers international education for over 17,700 students from pre-school to upper secondary school (K12) in 11 Chinese cities. All of its high school graduates are sent to universities abroad, with about 70% of them going to Canada.
- Emma Hsu and Adam Liu, young expats from Canada and the United States, have developed an app called Spoonhunt which translates Chinese menus into English. The location-based app, with data sourced from Dianping.com and similar Chinese sites, displays names and addresses of restaurants in both Chinese and English with bilingual menus and pictures of the dishes if available.

FINANCE

China's tax authorities to target non-residents

The State Administration of Taxation (SAT) wants to collect financial information of non-residents who live in China as it takes part in a multilateral scheme to crack down on tax shelters. By exchanging information with other countries, China will be able to levy taxes on overseas financial assets, which means the days of not paying tax on foreign assets will soon end. SAT released a draft plan on October 14, in which financial institutions will be required to perform due diligence on financial accounts of foreign residents in tax matters according to Common Reporting Standard released by the Organization for Economic Cooperation and Development (OESO), aiming to help other nations protect their tax income. The move comes after China signed a multilateral agreement in December last year, which provides a mechanism to facilitate the automatic exchange of information in tax matters with other participating countries. The practice is set to start from January next year for all new financial accounts and the information collected will be exchanged with other participating countries, with the first exchange to take place in September 2018. China aims to complete due diligence on existing accounts of individuals with assets exceeding CNY6 million and companies with assets exceeding CNY1.5 million by the end of next year. Information collection on other accounts will be completed by the end of 2018. While China will hand the information to other countries, it will also get information on Chinese nationals' overseas accounts. "For Chinese individuals, the move will enable the government to have necessary information to levy taxes on their overseas assets," said Ye Weiwen at Deloitte in Hong Kong. "It signals that the days of paying no tax to the government on overseas income will end soon, especially for high net worth individuals." The news comes as an increasing number of Chinese nationals are seeking to transfer their assets overseas, given the sharp depreciation of the yuan, the South China Morning Post reports.

Five of top 10 global fin tech firms are Chinese

China cemented its status as a leading international force in financial technology services this year, claiming five of the top 10 spots in the annual list of the world's major companies in the sector. The list was compiled by the United Kingdom-based advisory firm KPMG and Australian investment company H2 Ventures. China's Ant Financial, which owns and operates the country's largest online payment platform, Alipay, topped the 100 Leading Fintech Innovators 2016 list. Student micro-loan site Qudian, formerly known as Qufenqi, was second, internet-based lending and wealth management platform Lufax ranked fourth, online insurance business ZhongAn was fifth, and internet financial services provider JDFinance was 10th. Financial technology companies are ranked based on four factors: total capital raised, rate of capital raising, location, and degree of sub-industry disruption. In the first quarter of the year, financial technology companies in China attracted USD2.4 billion from venture capital companies in nine deals, or 49% of the USD4.98 billion in investment recorded globally in the sector.

Alipay expanding services in the U.S.

China's Alipay is expanding its mobile payment app service into the United States through partnerships with payment processors First Data and Verifone to reach Chinese consumers traveling abroad. Alipay is targeting top-tier merchants across retail, luxury goods, health supplements and department stores. Verifone supplies more than 29 million payment devices and terminals worldwide. First Data serves more than six million business locations. Alipay has 450 million active users in China and is affiliated with Alibaba.com. Instead of competing head to head with major payments players in foreign markets, Alipay targets the fast growing Chinese tourism market, which numbered 117 million travelers in 2014. Alipay and rival WeChat, a unit of Tencent, together make up 90% of the Chinese mobile payments market. Sabrina Peng, President of Alipay International, said in a recent interview that her company's ambition is to become a global payments provider over the next decade, with 60% of its transaction volume coming from outside China. "We are targeting two billion users in the next 10 years," she said. French payment terminal supplier Ingenico announced in August an expanded deal with Alipay to allow merchants across Europe to use Ingenico's payment gateway to accept payments from Alipay users visiting the region. The Alipay service is also being integrated into terminals from Concardis, a payments provider for merchants in German-speaking Europe. Wirecard, also from Germany, is developing a payment system that uses two-dimensional QR barcodes popular in China to help merchants across Europe accept payments from Alipay users. Alipay has a similar deal with mobile payments start-up Zapper in Britain to allow Chinese tourists to use QR codes in more than 1,000 restaurants there, the South China Morning Post reports.

- China Oceanwide Holdings, the founder and key shareholder of China Minsheng Bank, agreed to buy New York-listed U.S. insurance firm Genworth Financials for USD2.7 billion. Genworth, founded in 1871, has nearly 4 million life insurance customers and also offers mortgage insurance products. The Beijing-based firm also promised to offer an additional USD600 million to Genworth to address its debt that will mature in 2018 and a USD525 million cash injection into its life insurance business. Upon completion of the deal, Genworth will become a standalone subsidiary of Oceanwide and will retain its current management team.
- Outstanding loans extended by China's micro-credit companies totaled CNY929.3 billion at the end of September, down CNY11.1 billion from the end of 2015. At the end of September, there were 8,741 micro-credit companies in China, the People's Bank of China (PBOC) said.
- China's central bank is conducting a trial monitoring of banks' off-balance-sheet wealth management products (WMPs), which will be included in calculating broad-based credit. Currently, the products aren't included in the assessment framework, and it is unknown when or if the People's Bank of China (PBOC) will add them. Citigroup estimated that CNY13 trillion of the products could be covered. Chinese households, companies and banks held a record CNY26.3 trillion of WMPs as of June 30.
- Bank of China (BOC) reported a 2% increase in third-quarter net profit to CNY41.8 billion. Net income was CNY134.8 billion for the first nine months of the year. Bank of China reported CNY146.034 billion of non-performing loans (NPLs) as of September 30, which meant an NPL ratio of 1.48%, up 0.1 percentage points from the end of June. Bank of China Hong Kong, Bank of China's largest offshore subsidiary, also reported that its operating profit before impairment allowances had dropped by 10.5%

in the third quarter compared with the same period in 2015 to HKD7.4 billion.

- China's shadow bank lending has grown to more than 80% of the economy, fueled partly by off-balance-sheet lending originating from lightly-regulated fintech platforms. According to Moody's research, lending via the shadow banking system grew by 19% annualized in the first half to reach CNY58 trillion, or a 82% of GDP.
- The Shanghai Gold Exchange (SGE) and Dubai Gold and Commodities Exchange (DGCX) signed an agreement in Shanghai which makes the DGCX the first foreign exchange to use the SGE's renminbi-denominated gold benchmark. The SGE is in talks with other exchanges about similar cooperation.
- China's big five banks are losing money from writing off bad debt at a rate faster than they have been able to earn profits or raise capital this year. Total losses from bad assets amounted to CNY273.7 billion in the nine months ended September, versus the CNY776.9 billion in net profits and CNY1.8 trillion in new capital they raised mostly through bond and rights issues so far in 2016.

FOREIGN INVESTMENT

Russia and Kazakhstan top partners in OBOR

Russia and Kazakhstan rank first and second on a list of 64 countries and regions cooperating with China in its One Belt One Road (OBOR) Initiative. Thailand, Pakistan and Indonesia occupy the third, fourth and fifth places. The Belt and Road Initiative Big Data Report 2016 analyzed five aspects of cooperation between China and the 64 countries – policy communication, connectivity, trade, finance and public support – and assigned an index number based on the comprehensive findings. The report was written by the Belt and Road Initiative Big Data Center at the State Information Center. China's cooperation with 32 countries, or half the overall number, "needs to be enhanced," according to the report. Domestically, Guangdong, Zhejiang, Shanghai, Tianjin and Fujian are the top five provinces and municipalities regarded as "highly participating" in the initiative. Foreign direct investment (FDI) into countries along the initiative routes showed good momentum, with 81.7% of the provinces and regions' FDI higher than USD1 billion, while 77.42% of the provinces and regions' had FDI growth greater than 20%, the China Daily reports.

FOREIGN TRADE

Cheaper yuan does little to boost exports

A 10% fall in the yuan's value against the U.S. dollar over the past 15 months has done little to boost sales of Chinese goods abroad, according to dozens of exporters at the Canton trade fair, the South China Morning Post reports. The Chinese currency has depreciated steadily against the U.S. dollar since the People's Bank of China (PBOC) devalued the yuan by 1.9% on August 11 last year, hitting a multi-year low of CNY6.77 to the dollar on October 25. But Chinese exports, in dollar terms, shrank 7.5% in the first nine months to USD1.5 trillion. Even in yuan terms, exports dropped by 1.6%. Chinese exporters attending the China Import and Export Fair in Guangzhou (Canton Fair) played down the exchange rate's role and said they were pinning their hopes on stronger offshore demand and better products. "We have lowered our prices in dollar quotes for foreign clients because of the yuan's depreciation but we haven't seen immediate results," Todd Zhao, a salesman at Shanghai Huayuan New Composite Materials, said. A dozen Chinese exporters at the fair said they were more concerned about economic conditions overseas. Some buyers said there were not enough new products at the fair.

- China's coal imports from North Korea in September fell by more than a quarter from August, after a push from the United States to tighten sanctions on North Korea for its recent nuclear test. China imported 1.8 million tons of anthracite coal from North Korea last month, 27% below the 2.465 million tons imported in August, which was the highest since at least the start of 2016. For the first nine months of 2016, North Korea provided about 13% of China's total coal imports.
- China's foreign merchandise trade surplus fell in September. Income from merchandise trade stood at USD178 billion last month, while expenditure was

USD133.9 billion, resulting in a surplus of USD44 billion. In terms of foreign service trade, China reported a deficit of USD23.3 billion in September.

- Trade Ministers from China, Japan and South Korea agreed to strengthen trade and economic cooperation between the three neighbors, as well as speeding up the negotiations on a trilateral free trade deal and the Regional Comprehensive Economic Partnership (RCEP).

HEALTH

"Healthy China 2030" blueprint released

China wants to increase the average life expectancy of its citizens to 77.3 years by 2020 and 79 years by 2030, up from last year's 76.34, according to the "Healthy China 2030" blueprint. The document noted that industrialization, urbanization, an aging population, as well as environmental and lifestyle changes had created new health challenges, and nationwide strategies are needed to solve "major and long-term health-related issues." The number of people "frequently participating in physical exercise" should increase to 530 million by 2030 from 360 million in 2014, and the smoking rate of those aged 15 or above should be lowered to 20%. China aims to have three certified or assistant doctors, and 4.7 registered nurses, for every 1,000 residents by 2030, when China will also have a nationwide network for monitoring food safety and recording food-borne diseases, according to the blueprint.

- Chinese medical experts are starting their first genome research into congenital heart disease. They will look for genetic causes and environmental factors that cause the disease with the aim to detect it early so precise treatment can be initiated. Congenital heart disease affects up to 200,000 children annually in China. It is also the top cause of child death and disability.

MACRO-ECONOMY

Record 400 billionaires from China in Forbes rich list

Wang Jianlin, Chairman of Dalian Wanda Group, retains the No. 1 spot in the latest Forbes list of China's richest, with a CNY215 billion fortune. This year there are a record 400 billionaires and billionaire families from mainland China on the list, up from 335 a year ago. Total wealth held by the 400 on the list grew 14% to USD947 billion from USD830 billion a year earlier. Jack Ma, Founder of Alibaba Group, ranked second, with his wealth climbing nearly 30% from USD21.8 billion last year to USD28.2 billion. Tencent Chairman Ma Huateng saw his wealth soar from USD17.6 billion last year to USD24.5 billion this year, an increase attributed to a roughly 45% rise in Tencent's Hong Kong-traded shares in the past year. The top three billionaires are the same as on the recently published Hurun China Rich List 2016. "The increase in the number of billionaires and billionaire families shows that great business opportunities exist in China as the country's structural changes continue." said Russell Flannery, Senior Editor of the Forbes China Rich List. The Forbes list ranked Wang Wei, Chairman of the delivery service SF Express, as fourth wealthiest person in China worth USD18.5 billion. His net wealth soared from USD4 billion last year, after the parent company SF Holdings Group, in which he has a 68% stake, received government approval for a stock market listing. William Ding at NetEase staged a dramatic rise from No. 10 to No. 5 on the list, passing Baidu's Robin Li.

Central Committee meeting, Politbureau comments on the economy

The 6th Plenum of the 18th Central Committee of the Chinese Communist Party named General Secretary Xi Jinping the "core" of the Party leadership, cementing his power, and passed two resolutions on the conduct of party members, strengthening the fight against corruption. Four members of the Central Committee were expelled from the Party. Following the meeting of the Central Committee, the Political Bureau focussed on China's economy. China will focus on combating asset bubbles and preventing economic and financial risks while "continuing to moderately expand aggregate demand and push forward supply-side structural reform". Economic growth has remained sound in the first three quarters, and much headway has been made in reducing excessive production capacity and lowering production costs, said a statement released after the Politbureau meeting. However, some problems remain, such as growth gaps between different regions, industries and enterprises. It was agreed at the meeting that facing the “new normal” situation, China should adopt a pro-active fiscal policy and prudent monetary policy. The nation should also prevent asset bubbles from continuing to accumulate and resolve economic and financial risks, steps that analysts said became necessary after economic growth stabilized in the third quarter. “Growth will remain stable in the fourth quarter, but one of the uncertainties is the rising economic and financial risks caused by the abnormal rises in housing prices," said Su Jian, Economist at Peking University. “Policymakers will pay attention to both growth stabilization and risk prevention,” he added. Zhang Yiping, Economist with China Merchants Securities, said: “China's policy focus has shifted to risk prevention, as indicated by the recent tightening of the real estate market and policies to cut corporate leverage.” The meeting also stressed pushing forward supply-side structural reform and maintaining “reasonably ample” liquidity in the financial market.

- China is expected to reach the annual targets set for cutting overcapacity in the coal and steel sectors ahead of schedule this year, according to Xu Kunlin, Vice Chairman of the National Development and Reform Commission (NDRC). More than 80% of the target reductions were already reached in the two sectors by the end of September and some large scale state-owned enterprises (SOEs) have already reached their year-end targets, he said. Annual targets set for coal capacity and steel capacity reduction are 280 million and 45 million metric tons, respectively.
- Profits of China’s state-owned enterprises (SOEs) fell 1.6% year-on-year to CNY1.72 trillion during the first three quarters of the year, the Ministry of Finance said. In the January-September period, profits of SOEs under central government control shed 5.4% from a year earlier, while those of locally-administered SOEs rose 8.1%. The profit decline in SOEs was partly due to the country’s drive to reform its growth model and cut overcapacity.
- China’s largest coal producers are urged to exploit their most efficient mines at full capacity to ensure sufficient supply in winter, while the smallest and the less efficient mines with outdated facilities must be shuttered, according to the National Development and Reform Commission (NDRC). China’s coal prices have more than halved since 2011, as an energy boom fed by breakneck economic growth led to a mining binge and oversupply of the fuel.
- Hong Kong was ranked fourth in the annual “Doing Business” report by the World Bank, up from last year’s fifth place, while China moved up to 78th from last year’s 84th place. New Zealand was ranked first, toppling Singapore from the top spot. Starting a business required the smallest number of procedures in New Zealand and took the shortest time – only half a day.
- Competition for white-collar jobs eased while average salaries continued to rise. In the third quarter, an average of 38 applicants competed for one white-collar vacancy across the country, down from 45 in the second quarter and 48 in the first three months, according to New York-listed Zhaopin, a major online career platform in China. Average white-collar monthly salaries nationwide jumped 4.1% to CNY7,531 in the third quarter, up from CNY7,233 in the second quarter. Beijing remained the city with the highest white-collar pay at an average of CNY9,886 monthly.
- It will be possible to search for information on 50,000 companies in Shanghai to check their creditworthiness following the launch of the Shanghai Commerce Credit Platform on the website shcredit.gov.cn. The information includes the companies’ license and track record such as awards or punishments, market ratings by industry associations, as well as ratings from third-party companies.
- Public-private partnerships (PPPs) funded 10,471 local projects worth CNY12.46 trillion as of September. The Ministry of Finance said that Guizhou province topped the country’s provincial regions for the number of PPPs and more than half of the projects involved public works, transport and urban development. Chinese authorities have explored funding infrastructure through PPP models since late 2013.
- Growth in China’s industrial firms slowed in September from the biggest monthly rise in three years. Profits in September rose 7.7% to CNY577.1 billion, slowing sharply from August’s 19.5% jump, the National Bureau of Statistics (NBS) said. Industrial profits in the first three quarters rose 8.4% from a year earlier to CNY4.64 trillion.

- Profits of China's major industrial firms – those whose annual revenue from their main operations reaches or exceeds CNY20 million – rose 7.7% year-on-year to CNY577 billion in September, compared with 19.5% in August, the National Bureau of Statistics (NBS) said. The total profits of those firms for the first nine months reached CNY4.64 trillion, up 8.4% from the same period a year ago. Profits in industries such as electronics, steel and electricity registered a significant drop in growth.
- Structural reform could allow China to contribute up to 30% annually to global economic growth in the next five years, according to Chi Fulin, President of the China Institute for Reform and Development. He also called for markets to be opened wider, especially the services market, which is forecast to double in value in 2020 compared with the CNY24.3 trillion recorded in 2012.

MERGERS & ACQUISITIONS

HNA Group to buy a 25% stake in Hilton Hotels

HNA Group plans to buy about 25% of hotel operator and manager Hilton Worldwide Holdings from biggest shareholder Blackstone Group for USD6.5 billion. Blackstone took Hilton private in 2007 for USD26.7 billion, including debt. In 2013, the private equity firm listed the company in the biggest-ever hotel IPO. This is HNA Group's second investment in the U.S. hotel sector. The company agreed in April to buy Carlson Hotels, the owner of the Radisson hotel chain, including its 51.3% majority stake in Rezidor Hotel Group, for an undisclosed sum. Overseas mergers and acquisitions (M&As) by Chinese companies have touched a record USD181 billion so far this year, about 70% more than the whole of last year. The transaction is expected to close in the first quarter of 2017. Post-deal, Blackstone's stake will likely fall to around 21%, which could make HNA the single largest shareholder in Hilton. The Hilton deal would boost the value of HNA's overseas assets, which is currently estimated to be more than CNY600 billion. HNA has stakes in, or operates, nearly 2,000 hotels globally, including various brands of luxury and business hotels.

Germany to reconsider approval for take-over of Aixtron by FGC

The German government has withdrawn its approval for a Chinese takeover of chip equipment maker Aixtron, citing security concerns and throwing up an unexpected hurdle for the €670 million deal. The government had cleared the deal on September 8 but Aixtron said that the Economy Ministry had now canceled the clearance certificate for Fujian Grand Chip Investment Fund (FGC), a Chinese investment fund controlled by businessman Liu Zhendong, and planned to reopen a review of the takeover. The decision to rescind the approval was based on "previously unknown security-related information," Germany's Deputy Economy Minister Matthias Machnig told Die Welt. Earlier this year, Berlin reluctantly approved the €4.5 billion takeover of German industrial robot maker Kuka by Chinese household appliance maker Midea. Eric Schweitzer, President of Germany's DIHK Chambers of Industry and Commerce, warned against putting up further hurdles to Chinese investment in an interview in Handelsblatt. German foreign investment in China was worth more than €40 billion in 2014, far outweighing Chinese investment in Germany of roughly €1.4 billion. However, Chinese business takeovers in Europe jumped 44% last year, the Shanghai Daily reports. Aixtron makes machines used in the production of red, blue, green and white light emitting diodes, as well as chips for memory, power management and nanotechnology. Its products are not directly designed for the defense sector. The Geman Economy Ministry review will likely take several months, a Ministry Spokeswoman said, declining to give details on why it withdrew clearance for the deal.

- China's Zijin Mining Group Co and Shandong Gold Mining Co have held separate talks with Barrick Gold Corp to buy a 50% stake in its Veladero gold mine in Argentina. Veladero is one of Barrick's five core mines, expected to produce between 580,000 and 640,000 ounces of gold this year. The high quality of the mine, production capacity and the prospect for geographical diversification have appealed to the state-owned Chinese companies. Barrick is the world's biggest gold miner.
- Dairy firm Inner Mongolia Yili Industrial Group Co will acquire a 37% stake in China Shengmu Organic Milk and plans to expand in the high-end milk products market. Yili also plans to invest CNY538 million in a dairy production line in New Zealand and

spend about CNY2.5 billion in a domestic project to improve the quality of value-added dairy products, in addition to investing in an R&D center and a cloud business platform in China. By 2017, the output value of the global organic milk market is expected to reach USD15.1 billion, with an annual compound growth rate of 9.1%, according to Transparency Market Research.

- ChemChina is ready to offer more concessions to win European Union anti-trust approval for its USD43 billion bid for Swiss pesticide and seed group Syngenta. Syngenta expects the transaction to close around the end of March, rather than this year as first planned, but insisted it would go ahead despite increased scrutiny by watchdogs gauging the impact of big deals on farmers and consumers.
- China's State Grid International Development (SGID) has won a bid for a stake in ADMIE, a subsidiary of Greece's state-backed Public Power Corp (PPC). It bid €320 million for a 24% stake in ADMIE, which operates more than 11,000 km of high-voltage power lines in Greece. PPC's shareholders will meet on November 24 to make the final decision. The deal is expected to be concluded by March 2017.
- The major source of conflict for Chinese companies acquiring an overseas company was the centralized leadership, where most decisions were made by top management rather than a more consultative approach. The two problem areas for Chinese companies acquiring overseas firms were inexperience, and not investing enough in due diligence and staff that specialize in handling mergers, according to a study by Stenvall Skold and Co. “Chinese companies are quite reluctant to spend money on advisors or consulting services. It’s a mindset – if something is physical, they are willing to pay for it. If it’s something that’s a report, they don’t see the same value as they see in physical goods,” Carl-Johan Skold said.
- Shanghai Electric Power will buy a controlling stake in K-Electric, a power generation and distribution company in Pakistan’s largest city of Karachi, for USD1.77 billion. When completed, the deal will be the biggest M&A in Pakistan in a decade.

REAL ESTATE

Li Ka-shing sells complex in Pudong

Hong Kong tycoon Li Ka-shing has sold the Century Link complex in Pudong’s Lujiazui district to a company majority-owned by China Life Insurance Co for CNY20 billion, paring his investment on the mainland while the yuan has taken a tumble. The Century Link complex comprises two 34-story towers and retail space. The yuan has depreciated by 2% against the U.S. dollar since mid-August, after having weakened by 6.6% in the past year.

- The average land price in 105 major Chinese cities monitored by the Ministry of Land and Resources reached CNY3,767 per square meter in the third quarter, up 1.4% from the previous quarter. Land for housing was priced at an average of CNY5,781 per sq m in the third quarter, up 2.11% from the previous quarter. The average land price for industrial use nationwide stood at CNY776 per sq m between July and September, up 0.69%.

RETAIL

Microsoft to triple number of stores in China

Microsoft plans to triple the number of its franchised stores in China to 400 in two years. The plan came shortly after the firm unveiled a new all-in-one desktop personal computer to target creative professionals and consumers. Isaiah Cheung, Vice President at Microsoft Greater China, said China is the second biggest market for its Surface PC, only after the United States. “We believe China will overtake the U.S. as our largest market one day,” Cheung said. Currently, the firm has 115 franchised stores in the Chinese mainland and has established closer partnerships with major retail chains such as Suning Commerce Group. The firm is also planning to open its first China Microsoft store, owned and operated by Microsoft itself. “We are looking for the proper timing and location to open the store. After all, we don't have to worry about its revenue now, given the strong sales performance in China,” Cheung said.

- There are 4,600 malls in China, with the number likely to more than double to 10,000 by 2025, according to an estimate by Deloitte. While retail sales have held steady, China's online shopping has been booming, growing 33% in 2015, on track to reach USD1 trillion this year, according to Ecommerce Europe. To attract customers Chinese malls are experimenting with ever more extravagant initiatives, such as offering a haunted house, a pet world for young children, a cooking studio, or blind date activities.
- China's food consumption in urban areas is set to keep its 4.6% compound annual growth over the next 10 years to hit USD1.1 trillion in 2026 as urbanization continues and disposable incomes rise. Higher spending on packaged foods and a shift by consumers toward premium products are likely to lift overall expenditure, a joint report by Bright Food Group and the Netherlands-based Rabobank said.

SCIENCE & TECHNOLOGY

China's R&D spending rising the most

China leads the world in the growth of research and development (R&D) spending. "Measured by purchasing power parity (PPP), China spent over USD300 billion in R&D last year," said Huw Andrews, innovation group leader of PricewaterhouseCoopers China. "Excluding the United States, no other country spent more than China did." A study done by Strategy&, PwC's strategy consulting business arm, revealed that 130 Chinese companies were among the world's Top 1,000 public innovation firms that spent the most in R&D this year, up from 123 in 2015. The Chinese firms spent a combined USD46.8 billion in R&D, up 18.6% from USD39.4 billion last year. The growth rate was higher than the 8% increase in North America. "In light of the innovation-driven development strategy at the national level, Chinese companies are shifting their advantage from competitive cost to innovation in the global market," Adam Xu, leader of digital practice with Strategy& said. Alibaba and ZTE were the biggest spenders among public companies in China, ranking 61st and 70th on the global list. But Huawei, which is privately owned and is not tracked by the study, should be the de facto top spender. Volkswagen, Samsung Electronics Co and Amazon.com topped the global list by spending in R&D, but Apple, Google and 3M were considered by global innovation professionals as the most innovative companies in the world, the study said.

- There were nearly 600 international schools in China as of last year, which fall into three categories – those set up specially for foreigners, private schools offering international curriculums, and public schools with such programs. Excluding the first type, there are about 480 schools open to Chinese students, according to a report on the development of international schools in China released last year by educational think tank Newschool Insight Media. Shanghai has the most number of all three such schools – 88 in total and 50 of the second and third types, followed by Beijing and Guangdong.
- China has started to develop its first exascale computer capable of performing 1,000 petaflops, or a quadrillion calculations per second, 10 times the speed of China's TaihuLight, which topped a 2016 global supercomputer speed list. The Ministry of Science and Technology recently funded three research institutions to develop prototypes. Sugon, which built the Dawning supercomputers, was the first to kick off the exascale computer project. The computer would be built by 2020.

STOCK MARKETS

Xinhuanet debuts on Shanghai exchange

Xinhuanet Co debuted on the Shanghai Stock Exchange with its shares surging 43.99% to CNY39.87 per share. A total of 51.9 million shares became available on the market after the IPO, accounting for a quarter of the company's total capitalization. According to the company's prospectus, it plans to use the funds raised to expand its business in multi-media services, its cloud platform, mobile internet services, the e-government Big Data analytic system and online education. Xinhuanet Chairman and President Tian Shubin said Xinhuanet will continue to integrate technology, capital and talent into its media business in the future to speed up the drive toward a world-class internet culture company. Zhao Peilin with the China International

Capital Corp (CICC), sponsor of the IPO, said that investment in online education will bring considerable returns to the company. Xinhuanet is the second state media organization to go public. People.cn, the website of the People's Daily, was listed in early 2012. Xinhuanet.com was established 20 years ago to provide around-the-clock news in various languages to domestic and foreign audiences, the Shanghai Daily reports. Shares of Xinhuanet soared by their daily limit in their trading debut on the Shanghai Stock Exchange. The shares began changing hands at CNY33.23, 20% higher than their initial public offer (IPO) price of CNY27.69.

ZTO Express raises USD1.4 billion in U.S. IPO

Chinese package delivery company ZTO Express has raised USD1.4 billion in the biggest U.S. initial public offering (IPO) of the year, giving the Shanghai-based company a market value of over USD12 billion. The company wants to use USD720 million of its IPO proceeds to buy more trucks, land, facilities and equipment. Its Chinese competitors SF Express, YTO Express, STO Express and Yunda Express, have all unveiled plans for listings in Shenzhen and Shanghai but with a backlog of about 800 companies waiting for approval to go public in China and frequent changes to the rules, a New York listing is regarded as a quicker and more reliable way of raising funds and tapping a broader mix of investors. ZTO's existing shareholders, including private equity firms Warburg Pincus, Hillhouse Capital and venture capital firm sequoia Capital, will also get much more leeway and flexibility to exit their investment under us market rules. In China, they would be locked in for one to three years after the IPO. As concerns grow about a weakening Chinese currency, the New York IPO also gives ZTO more stable U.S. dollar-denominated shares it can use for global acquisitions, the Shanghai Daily reports.

- Meitu, the developer of a Chinese selfie app, is seeking an initial public offering (IPO) in Hong Kong, which could become the second-biggest tech listing, next only to online game developer Tencent, which went public at about USD2 billion in Hong Kong in 2004 and now is worth nearly USD260 billion. The Xiamen-based company, founded in 2008, is also a manufacturer of mobile phones and cameras. It is said to plan to raise between USD500 million and USD1 billion. The monthly active users of Meitu reached 446 million as of June, up 81% year-on-year.
- Shares of China Resources Pharmaceutical Group fell in their trading debut in Hong Kong as one of the largest initial public offerings (IPOs) in the city this year failed to garner investor interest. "Such pharmaceutical stocks, though with decent fundamentals, are not in fashion now. Investors are now seeking tech companies with high growth momentum," said Louis Tse, Director of VC Brokerage. CR Pharmaceutical has three major Shenzhen-listed drugmakers: CR Sanjiu, CR Double-Crane and CR Dong-E.

TRAVEL

Anbang's purchase of California hotel called off

Anbang Insurance Group's planned takeover of the landmark Hotel del Coronado near San Diego, California, has collapsed after the seller, Blackstone Group, called off the transaction following opposition from the Committee on Foreign Investment in the United States (CFIUS), which reviews acquisitions of American businesses by non-U.S. entities for national-security risks. The hotel is one of the most valuable of the 16 luxury properties that were part of Strategic Hotels & Resorts, a real estate investment trust that Blackstone acquired last December for about USD6 billion. The firm agreed in March to sell Strategic Hotels to Anbang for USD6.5 billion. Anbang had completed the purchase of 15 of the 16 hotels in the portfolio last month. The remaining hotel is located on a peninsula that is also home to the Coronado U.S. naval base. The military facility comprises eight installations that lie on either side of the hotel, including an amphibious base, landing fields, and warfare training center. It is one of the main training grounds for the Navy SEALs. "People are over reacting and there is great fear about Chinese companies expanding their investment in the U.S., particularly at a time when the presidential election is setting up China as the bogeyman. This is apparently has acted as a damper to Anbang's purchase attempt," said Shaun Rein, Managing Director of Shanghai-based China Market Research Group. The lack of transparency of Anbang's ownership structure remains a major concern.

- China is on track to fulfill its annual railway investment target of CNY800 billion as it hit CNY542.3 billion in the first three quarters, up 10.3% year-on-year. China had planned 45 railway projects for 2016, with more than 3,200 kilometers of new rail lines, including 1,300 kilometers of high-speed rail lines. The National Development and Reform Commission (NDRC) earlier this month approved feasibility reports for two railway projects with total investment of CNY79.47 billion in Guizhou, Guangxi and Xinjiang.
- China Railway Rolling Stock Corp will start researching and developing a magnetic levitation (maglev) train that can reach 600 km per hour – the fastest train of its kind currently in service. The group will build a maglev rail line of up to 5 kilometers to test the train. The project will be led by CRRC Qingdao Sifang Co in Shandong province, one of the country's three bullet train makers. The world's first maglev line was launched in Shanghai in 2002, connecting a metro station to Shanghai Pudong International Airport with speeds of up to 430 kph.
- Shanghai Pudong International Airport has been punished for its poor punctuality rate. It will be prohibited to apply to operate any new or extra flights for the next two months. Beijing Capital International Airport, and airports in Xiamen and Nanjing, have also received the same punishment for similar poor performances.
- China’s Didi Chuxing is planning to expand outside of China. President Jean Liu said the company “aspires to be a global company”, and it may directly compete in markets where there are no strong local ride-sharing companies. Prior to merging with Uber China in August, the company was largely focused on gaining a larger share of its domestic market and competed fiercely with Uber China.

ONE-LINE NEWS

- Apple’s revenue from Greater China, once seen as the company’s next growth engine, fell almost 30% in the fiscal fourth quarter, after dropping 33% in the preceding period. Revenue from Greater China doubled in the year-earlier quarter.
- Thanks to China’s “Fox Hunt 2016” campaign, police returned 634 fugitives, including 16 listed in an Interpol red notice, after they fled China. Forty-eight had been at large for more than five years, 17 of them for over a decade.
- Baoshan Iron & Steel Co predicted an up to 800% annual growth in net profit this year to CNY9 billion after its net earnings in the first three quarters surged 148.3% year-on-year, helped by cost cutting and a rebound in steel prices. Domestic steel prices rose 20.6% year-on-year in the third quarter, Changjiang Securities said.
- Lu Xiwen, former Deputy Party Secretary in Beijing, has been charged with accepting bribes by the Jilin Intermediate People's Court. She was expelled from the Party and removed from her post earlier. She used her job to benefit her relatives' business projects, or to benefit other enterprises in exchange for bribes.
- China and the United States are in “advanced negotiations” on returning to China five of its most wanted corruption suspects who have fled to the U.S. The five include Yang Xiuzhu, former Vice Mayor of Wenzhou and Xu Chaofan, former Bank of China Regional Director in Guangdong province.
- CNOOC, China's biggest offshore oil and gas producer, posted a 15% fall in third-quarter sales as output declined 7.7%. Revenue from oil and natural gas was CNY30.75 billion in the three months ended on September 30.
- China Telecom reported a 7.2% increase in total net profit to CNY17.543 billion for the past three quarters, on the back of strong growth in 4G network users and mobile service revenue. The world’s tenth largest wireless network operator had 212.49 total mobile subscribers at the end of September, of whom 107.49 million are 4G users. Its revenue grew 7.1% to CNY263.816 billion a year ago.
- Malaysian Prime Minister Najib Razak arrived in Beijing for a week-long visit, mainly to secure Chinese investment. He is expected to discuss cooperation in education, defense, agriculture, trade and investment, tourism and culture, and science and

technology. In the past year, China has been a white knight for Najib, buying up assets in troubled 1MDB by outbidding everyone else.

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Membership rates for September-December 2016 (excl. VAT):

- SMEs: €140
- Large enterprises: €300

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- SMEs: €385
- Large enterprises: €975

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