



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

NEWSLETTER | 7 NOVEMBER 2016

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FCCC/EUCBA ACTIVITIES

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](#).

Seminar on China – Opportunities for Business – Green Technologies and Green Business Perspectives – November 24, 2016, 13h30 – Beijing

Organized by the EU-China Business Association (EUCBA)
Thursday 24 November – 13h30 – Beijing – EU Delegation

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

The EU-China Business Association will take part in this mission and will be represented by Mr Philippe Van der Donckt, Vice-Chairman EUCBA and Ms Gwenn Sonck, Secretary General, EUCBA. During this mission, the EUCBA will organize a seminar focused on Opportunities for Business – Green Technologies and Green Business Perspectives. Below you can find the programme.

If you are interested in attending, please [register via this link](#) before 10 November 2016.

PROGRAMME

Introduction by Gwenn Sonck, Secretary General of the EU-China Business Association (EUCBA)

Key note speech by Bo Ji, Assistant Dean of Global Executive Education, Chief

Representative for Europe Cheung Kong Graduate School of Business (CKGSB)
Presentations by:

- Philip Bartley, Director of Development Solutions (Consortium Lead)
- Reinout van Malenstein, China IPR SME Helpdesk

Venue: EU Delegation, 15 Dongzhimenwai Street, Sanlitun, Beijing
北京朝阳区三里屯东直门外大街 15 号

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www.flanders-china.be

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- 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

Workshop on Standardization for smart grids and metering in China and India – 25 November 2016 – Brussels

Do you know that our Seconded European Standardization Experts, Mrs Betty XU, in China ([SESEC](#)), and Mr Dinesh CHAND SHARMA, in India ([SESEI](#)), can cater to your needs and boost your business in China and India? Some European stakeholders have already taken advantage of their support and benefited from their knowledge and network.

CEN and CENELEC take the opportunity of the presence of both experts in Europe to organize a one-day workshop on “Standardization for Smart Grids and Metering in China and India. State of play and perspectives”.

When? Friday, 25 November 2016 09:00-16:00

Where? CEN-CENELEC Management Centre, Avenue Marnix, 17, 1000 Brussels

Programme? [Read the programme](#)

Registration open until Wednesday, 23 November [Register here](#)

For more information: [Ms Alexandra Rentea](#) +32 (0)2 550 08 53

Join us to:

- receive first-hand intelligence about the latest standardization developments in the field of Smart Grids and Smart Metering in two major export markets, China and India
- benchmark these developments with European activities in these domains, in the presence of prominent experts from the CEN and CENELEC networks
- express your potential needs and concerns regarding smart grids and smart metering standardization in China and India, to trigger future actions in the context of the SESEC/SESEI projects
- ask any question that you may have to Dr Betty XU (SESEC) and Mr Dinesh Chand SHARMA (SESEI), and get valuable insights into the articulation between standards and market access in China and India

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

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AUTOMOTIVE

German Minister discusses production of electric cars in China

German carmakers will not be discriminated against in the electric-car market, Germany's Economy Minister Sigmar Gabriel said in Beijing after meeting with China's Minister of Industry and Information Technology Miao Wei. Quotas would require that a certain number of cars built in China be zero-emission vehicles, but the requirements would be the same for domestic and foreign companies. Miao Wei said any German carmaker that produced in China would be treated equally with Chinese companies. Volkswagen and Daimler have been taking steps to expand capacity in China, but electric-vehicle production remains at a fledgling stage. VW has signed a preliminary deal with China's Anhui Jianghuai Automobile (JAC Motor) only two months ago to explore making electric cars in a joint venture. Minister Gabriel said that German companies would not be obligated to use Chinese suppliers.

- Volvo Cars and its Chinese owner Geely are gearing up to export more premium cars to world markets. Volvo unveiled upgraded versions of its upscale S90 sedan range, which will be manufactured entirely in China for export, signaling growing confidence in its Chinese production base. Both companies also announced plans for a factory to make compact cars based on a new shared platform, including vehicles for Geely's just-launched "connected car" brand, Lynk & Co. The factory in Luqiao, 350 kilometers south of Shanghai, is owned by Geely but will be operated by Volvo.
- China's auto sector may see gross profits decline by as much as 10% to 15% in the fourth quarter as average selling prices continue to slide, according to a CLSA report. Average ex-factory prices fell by 8% to 9% between July and September, even as revenue increased 13%. Chinese carmakers saw their gross margins decline by 1% to 3%. CLSA expects shipment volumes to grow by only 3% in the fourth quarter.

EXPAT CORNER

Academic receives first unified work permit

Joaquim Nassar, Dean of SJTU-ParisTech Institute of Technology at Shanghai Jiao Tong University, has become the first foreigner to receive the new unified work permit. When he started working at the university a year ago he applied for a foreign expert certificate, which also functioned as a work permit under the previous rules. Expatriates who were not experts needed to apply for a regular work permit. Under a pilot scheme in Shanghai and some other provinces and cities, the two permits have been merged into one. The whole application process took just three days, as Nassar was identified as a top talent. For now, the permit is issued in paper form as the program is still on trial from this month to March. From next April, the new permit will be issued as a card with a radio frequency identification chip, making it easier to carry, and to prevent it being counterfeited. The number of resident foreign experts in Shanghai bloomed to 93,000 at the end of last year, up from 88,000 in 2013. Last year, the city approved about 150,000 employment permits and expert certificates, involving nearly 40,000 employers. Under the new system, each expat will receive a unique identification number for life.

- China's exit-entry services for foreigners will be improved, and a regulation on the permanent residence of foreigners is to be issued soon. Foreigners with permanent residence permits will be given an e-certificate to make it easier to buy train and airplane tickets, and make booking accommodation or dealing with financial insurance more convenient.

FINANCE

Traveling made difficult for those who don't pay their debts

A total of 4.9 million people have been forbidden to take airplanes and 1.65 million cannot take trains because they didn't pay their debts. China has improved its credit system recently by assigning a unified social credit code to every citizen and corporation. A nation-wide information sharing platform was set up to connect 37 government departments to track

citizens credit history. Industrial and Commercial Bank of China (ICBC) has rejected 2,833 loan applications and declined 210,000 credit cards applications from discredited applicants. Moreover, Zhima Credit, a credit service owned by China's largest online commerce company Alibaba, has restricted 511,000 discredited consumers from overdrawing. The Supreme People's Court publishes personal information of individuals and names of corporations who fail to carry out court orders, the Global Times reports.

Finance Minister Lou Jiwei steps down, replaced by Xiao Jie

China's Finance Minister Lou Jiwei is stepping down as he approaches retirement age. He will be replaced by former State Administration of Taxation Director Xiao Jie. The announcement was made by the Standing Committee of the National People's Congress (NPC). Xiao, 59, Deputy Secretary General of the State Council, China's cabinet, worked for more than two decades in the Finance Ministry, and headed China's tax administration for six years. After the U.S. magazine Forbes listed China as having the world's second highest tax regime in a "tax misery" survey in 2009, Xiao published a long article arguing that China's overall tax burden was not high and had room to expand. Lou, 66, is known for his efforts to tidy up China's fragmented fiscal system and to clean up debts incurred directly or indirectly by local governments. Last week, the Finance Ministry announced that the central government would not be liable for debts incurred by financing vehicles set up by local authorities. He also played a key role in implementing China's value added tax (VAT) reform, the biggest tax regime change in decades. Lou's retirement and Xiao's appointment are part of a broad ministerial reshuffle ahead of the Communist Party Congress scheduled for next autumn.

- Vice Minister of Finance Zhu Guangyao said that China's debt calculation is open and transparent and the risks remain controllable. "The IMF estimated China's non-financial debts at CNY153.4 trillion in 2015, accounting for 220.4% of GDP," Zhu said. He also dismissed worries about rising debt, calling the level "reasonable", as debt ratios of central and local governments were well below 40%.
- Chinese insurer Anbang Insurance Group unveiled a three-year loan program that will offer a total of €10 billion to help Chinese startups and smaller companies to do business in Europe. The loans will be extended through Anbang's banking subsidiary Bank Nagelmackers in Belgium. Under the program, each individual entrepreneur will get a maximum €1 million loan. So far 10 Chinese business owners have been approved for financing.
- China started trading in credit default swaps last week, with analysts saying that it remains to be seen whether the new hedging tool would help investors deal with the rising risk of corporate defaults as the economy slows down. On October 31, 15 CDS transactions were conducted in the interbank market with a total CNY300 million of notional principal. Ten Chinese financial institutions, including the country's four biggest banks, participated in the trading of the first batch of CDS.
- Deutsche Bank's sale of a 20% stake in Chinese Huaxia Bank to PICC Property & Casualty has received regulatory approval. Deutsche Bank invested in Huaxia in 2006. Deutsche Bank wrote down the value of the stake to €2.8 billion as of September 30. The Huaxia divestment frees up capital and boosts Deutsche Bank's capital ratio to 11.6%.
- The six-member Shanghai Cooperation Organization (SCO) agreed to advance the establishment of a development bank and fund to boost financial cooperation. The proposal was signed by member countries at the 15th meeting of the heads of government of the group, which consists of China, Russia, Kyrgyzstan, Kazakhstan, Tajikistan and Uzbekistan. Chinese Premier Li Keqiang also said China is open to the establishment of a free-trade zone among the SCO members.
- The Agricultural Bank of China (ABC) has to pay a USD215 million penalty for violating New York's anti-money laundering laws. It was also ordered to install an independent monitor. Bank officials engaged in "intentional wrongdoing," including masking suspicious transactions at the New York branch, the New York State Department of Financial Services (DFS) said. The New York branch of ABC ramped up its dollar-clearing activities through foreign correspondent accounts starting in 2013, even though the regulator had warned the bank not to increase those

transactions until it significantly upgraded its internal compliance program.

- Investment bank China International Capital Corp (CICC) will acquire China Investment Securities Company (CISC) for CNY16.7 billion. The purchase marks a major strategy change for CICC, which hitherto has focussed solely on institutional and wealthy clients, unlike other Chinese investment banks. Beijing-based CICC is purchasing Shenzhen-based CISC from Central Huijin Investment, a unit of China's sovereign wealth fund China Investment Corp (CIC), which owns about 28.4% of CICC.
- The Asian Infrastructure Investment Bank (AIIB) is "on track" to meet its first-year targets, including lending USD1.2 billion by the end of 2016, President Jin Liqun said. The AIIB was set up to help meet the massive demand for infrastructure in Asia and as a key part of China's "One Belt, One Road" strategy.

FOREIGN TRADE

STO Express to conquer Europe with fleet of planes and trucks

STO Express became the first major Chinese delivery firm to set up its own dedicated fleet of planes and trucks for deliveries across Europe, with the first flight landing in Prague. The company says it wants to grab a quarter of the China-related market share from big global delivery firms like DHL, UPS, TNT and FedEx in the next one or two years, as its fees are only half theirs. STO Express will operate three cargo flights between Hong Kong and Prague weekly, and its own truck fleet will carry items from Prague to all countries in Europe, including the UK. "Having our own cargo plane and truck fleet will save costs for customers, reduce delivery times by 3 to 7 days, and we can now provide customers with a complete delivery tracking service," said Wayne Yu, Vice President of STO Express Europe.

Better figures at Canton Fair, but trade still challenging

China's foreign trade will be challenged by the uncertain global economic environment in the near future, despite increases both in the number of overseas buyers and transactions at the Canton Fair. Xu Bing, Spokesman of the China Import and Export Fair, said the slow growth of the global economy would have large impacts on the country's trade. "Chinese export-oriented companies need to develop more innovative and competitive products to ensure overseas deals," said Xu, during a news conference after the 120th Canton Fair concluded on November 4 in Guangzhou. The event, which is held twice a year, is widely regarded as the barometer of China's foreign trade. According to Xu, more than 185,000 overseas buyers from 213 countries and regions attended the fair, an increase of 4.6% year-on-year. Export deals worth CNY187.3 billion were reached during the event, an increase of 3.2% compared with last year, according to the organizers. Much of the increase was from buyers from the emerging economies, as well as those from the United States and Europe, which increased by 6.53% and 10.91% year-on-year, respectively. However, Xu warned that the boosted sales are not a positive signal for future trade, given that the global economy is still uncertain. "The outbound demand for Chinese goods remains relatively low. Only through technology and innovation can Chinese products become competitive in global trade," he said. China's foreign trade volume shrank by 1.9% year-on-year to CNY17.53 trillion in the first three quarters of the year, while exports declined to CNY10.06 trillion, down 1.6% from that of last year, the China Daily reports.

- The new Taiwan-Pingtan-Europe rail-sea transport route will slash cargo costs between Taiwan and Europe. The trial run of the rail-sea link took place in November 2015, which saw cargo transported from Taiwan to Pingtan, and eventually to Hamburg in Germany. Pingtan is applying for the normal operation of the new link after the trial run. Sea transport between Taiwan and Europe takes about 32 to 45 days. Air transport takes seven days but costs at least 10 times more than via the sea route. By comparison, the sea-rail link takes only around 13 days.

MACRO-ECONOMY

Manufacturing activity accelerates

China's manufacturing activity grew at the fastest pace in more than two years in October, as the economy continued to stabilize and the supply-side reform achieved results. The official Purchasing Managers' Index (PMI) added 0.8 points from a month earlier to 51.2 last month, according to the National Bureau of Statistics (NBS) and the China Federation of Logistics and Purchasing (CFLP). The October figure pointed to a third straight month of growth, and was the highest since July 2014. Meanwhile, the Caixin China General Manufacturing PMI, focussing on smaller and private manufacturers, also rose to 51.2 in October, the fastest pace since March of 2011. "China's manufacturing PMI surprised the market on the upside," said Li Wei, Economist at Commonwealth Bank of Australia. "We expect industrial production growth to accelerate to 6.4% in October, up from 6.1% a month earlier." The components of the official PMI showed that new orders rose to 52.8 in October from 50.9 in September, while production improved to 53.3 from 52.8. China's economy grew 6.7% from a year earlier in the third quarter, in line with the pace in the first two quarters and well within the government's target of between 6.5% and 7%. The official non-manufacturing Business Activity Index, which measures the services sector, rose 0.3 points from a month earlier to 54 in October, the highest since December, the Shanghai Daily reports. The Caixin/Markit services purchasing managers' index rose to 52.4 in October on a seasonally adjusted basis from 52.0 in September, posting the strongest reading since June.

- China's drive to reduce overcapacity and streamline its coal industry has sent prices of the commodity soaring. Efforts initially aimed at reversing a four-year collapse and help mining companies repay debts have pushed coal prices higher and faster than anyone anticipated. The fuel burned in power stations has doubled, while the coal used in steel making has more than tripled. The boom has also turned mining companies from some of the worst performing stocks into the best.
- China has relaxed rules to allow farmers to transfer their land rights to promote more efficient, large-scale farms and the development of modern agriculture. China's Agriculture Minister Han Changfu told a news conference that the separation of rural land ownership rights, contracted rights and operating rights is a key reform step. Farmland in China is collectively owned and farmers only have the right to contract and use the land.
- China faces a talent gap in fulfilling its ambition of moving up the value chain of the global economy. There was a big mismatch between the education given to the labor force and the skills demanded by its employers, which could cripple efforts to move from low-end manufacturing to high-value-added businesses, according to a survey by JPMorgan, and Tsinghua and Fudan universities. It also pointed to inadequate vocational training for China's 260 million migrant workers as a serious problem.

MERGERS & ACQUISITIONS

Wanda Group acquires Dick Clark Productions

Conglomerate Wanda Group is buying the maker of the Golden Globes Awards show, Dick Clark Productions, for "approximately USD1 billion," it said. Real estate developer Wanda has invested heavily in film, buying Hollywood studio Legendary Entertainment earlier this year. The latest deal marks its entry into television. The company called it "a big step forward in expanding Wanda's map in the entertainment industry." Dick Clark Productions owns the television rights to events ranging from Miss America to the New Year countdown in New York's Times Square. It describes itself on its website as "the world's largest producer and proprietor of televised live event entertainment programming" and owning "one of the world's most unique and extensive entertainment archive libraries." "Obtaining top television production rights brings about complementary and coordinated development for Wanda's current focuses on the film, tourism, and sports industries," Wanda said, adding that the present management would remain in place. Wanda, headed by China's richest person Wang Jianlin, now describes itself as the world's biggest movie theater operator and biggest sports company.

- China's Ministry of Commerce hopes the German government's recent investigation on a cross-border acquisition by a Chinese company is "an exception" and doesn't represent its economic policy against Chinese businesses. Spokesman Shen Danyang said that even though Chinese investment in Germany has grown rapidly in recent years, the total volume is still relatively small. It is unnecessary for German officials to worry that German technology and jobs will be lost as a result of Chinese investment. His comments came after Germany's Federal Ministry for Economic Affairs and Energy withdrew its approval of Fujian-based Grand Chip Investment Fund's takeover of German chip equipment maker Aixtron late last month.

REAL ESTATE

Home sales in Shanghai fall on government measures

Sentiment among both home buyers and real estate developers dimmed sharply in Shanghai in October as government measures proved effective in cooling the overheated market. The area of new homes sold, excluding government-funded affordable housing, fell 16.3% from September to 869,000 square meters, the lowest in eight months, Shanghai Centaline Property Consultants Co said in a report. On a year-on-year basis, the figure marked a 42.5% plunge. Only 299,000 sq m of new houses were released locally in October, a month-on-month drop of 56.2% and a year-on-year dive of 82.8%. "This monthly supply is a record low for Shanghai since the city introduced the online registration requirement for property sales," said Lu Wenxi, Senior Manager of Research at Centaline. On October 8, Shanghai announced measures including increasing land supply and strengthening supervision of capital to cool its red-hot property market, following the steps by other cities where home prices have surged rapidly. Sources of funding for land purchases will be regulated and supervision over new home prices will be strictly monitored while property market information will be released regularly to stabilize the market, the Shanghai Daily reports. New homes were sold last month at an average CNY43,838 per sq m, down 2.2% from September but up 31.7% from the same period a year earlier. A total of 413 houses priced at CNY80,000 per sq m and above were sold in Shanghai last month, a monthly drop of 28.2%.

- China Evergrande Group, China's second-largest property developer, is in "early stage" talks to buy Cala Homes, an upmarket British developer based in Edinburgh, for close to GBP700 million. Cala, which builds large, high-end homes across affluent areas of Britain such as around the M25 motorway which circles London, in the Midlands and Scotland, reported revenue of GBP587.1 million for the year ended June 30, 15% higher than a year earlier.

RETAIL

China's consumer spending to rival the EU's

China's middle class will account for more than a third of its population by 2030, taking consumer spending to the level now seen in the European Union, according to The Economist Intelligence Unit (EIU). About 35% of the population will have in excess of USD10,000 of annual disposable income by then, up from about 10% today. Private consumption, which includes both goods and services, as well as rent, is expected to grow by 5.5% on average each year, faster than the expansion of the country's gross domestic product (GDP). "We expect that the purchasing power of individual Chinese consumers in 2030 will be roughly akin to that of South Korea today or the U.S. in 2000," said Dan Wang, China Analyst at the EIU. Inequalities in wealth were expected to persist, although most of the high-income earners would likely emerge in interior provincial cities such as Chongqing, Xian and Changsha. "Compared to the U.S. and South Korea, China has a much bigger percentage of low-wealth population, mostly because of the large rural population," Wang said. "China's inequality in wealth is generally considered lower than that in the U.S. and South Korea, but it is likely to be higher in the future," she added. "As development deepens, wealth will depend more on capital rather than labor. People owning more capital to start with will be able to accumulate wealth a lot faster." The EIU report divides mainland consumers into four types, depending on annual disposable income: low income (less than CNY13,000), lower-middle income (CNY13,000-67,000), upper-middle income (CNY67,000-200,000) and high income (above CNY200,000), the South China Morning Post reports.

- Yum China Holdings, a separate company carved out from Yum Brands that started trading in New York last week, said it will continue focusing on the direct operating business model in China, rather than franchising. Micky Pant, CEO of Yum China, said expanding taco restaurant Taco Bell and lamb hot pot restaurant Little Sheep will drive the growth of Yum China in the next few years. Yum China is going to triple its current number of restaurants from more than 7,000 to around 20,000 across China in the next few years.

SCIENCE & TECHNOLOGY

China launches its most powerful rocket yet

The first launch of the Long March CZ-5 carrier rocket took place at the new Wenchang Satellite Launch Center in Hainan province on November 3. China's fourth launch center, located about 19 degrees north of the equator, is suitable for launching geosynchronous satellites, heavyweight satellites, large space station components, and lunar and interplanetary missions. The Long March 5 rocket can carry up to 25 tons into low earth orbit. The arrival of the CZ-5 means the gap between China and the U.S. in space has narrowed from decades to years and the game will change profoundly from now on, according to several space analysts. The U.S. has built more powerful rockets in the past, including the Saturn V, the largest rocket ever flown in human history, but they have all been retired, allowing China, which has suffered severe delays in its large rocket project, to slowly catch up. But SpaceX's Falcon Heavy would have twice the power of the CZ-5 if it is successfully launched in a couple of years, while NASA's SLS rocket, with its first launch scheduled in late 2018, will be even larger. China hopes to match it with its planned CZ-9 booster.

- Shanghai Zhaoxin Semiconductor Co has unveiled China's first self-developed chips used in computers, challenging the duopoly of Intel and AMD. It plans to sell 1 million computers with the new chip by 2018, said Ye Jun, Chairman and CEO. The advantage of the self-developed chip is its high-level security, which will be used in government bureaus, state-owned firms and the military.
- The China Aerospace Science and Technology Corporation (CASC) has unveiled the first satellite smartphone designed for use with China's first mobile communications satellite, Tiantong-1 (TT-1). It will go on sale in two to three months and compete with Inmarsat-based phones. For now, coverage is limited to the territory of China and the whole South China Sea. Coverage will expand to the whole world after a network of TT satellites is launched in the next five years.

TRAVEL

Private capital welcome at civilian airports

The Civil Aviation Administration of China (CAAC) has released a notice saying that private capital will be allowed into the construction and operation of civilian airports and affiliated facilities in various ways, including franchising, transfer of management rights, and stock holding. Private investments can be made in airport terminals, logistics and warehousing, ground services and other operations of entirely civilian airports without the approval from agencies, according to the CAAC announcement. "The civil aviation market offers a great potential for domestic private investment, which has witnessed a decline and huge capital outflow," Li Xiaojin, Professor with the Economics and Management College of the Civil Aviation University of China, told the Global Times. Compared with nations like the U.S. and Brazil, China's aviation infrastructure is underdeveloped, said Li. While the U.S. has about 13,500 airports and Brazil more than 4,000, China had only a little more than 500 airports as of 2013. Sanhe Airport in Hebei province, 60 kilometers away from Beijing, is the first airport specializing in corporate and business travel.

Universal Studios theme park being built in Beijing

Construction has begun on a multibillion-dollar Universal Studios theme park in Beijing. The complex is due to open in 2020 and has an investment of CNY50 billion. Theme parks are being built in the country faster than anywhere else in the world, with more than 300 projects

reported to have been funded in recent years. The first Disneyland on the Chinese mainland opened last June in Shanghai at a cost of USD5.5 billion. Last year, 21 theme parks opened, and a further 20 were under construction. Box office receipts in China are booming, with universal films such as “Harry Potter” and “Transformers” big hits among Chinese film fans. The Beijing theme park will be the third in Asia after Singapore and Osaka. It is also planning a park in South Korea. As well as a theme park, the 4-square-kilometer complex in Beijing includes resort hotels and a retail complex.

- Airbus Group’s new completion and delivery center in Tianjin will deliver its first A330 to its customer in September 2018. Basic construction work on the center is now finished. The center has so far recruited more than 110 employees, or nearly 40% of the total planned recruitment. The Tianjin operations will be responsible for equipping cabins, furnishings, exterior painting and flight-testing. Rival Boeing revealed that the city of Zhoushan in Zhejiang province is to be the location of its first overseas single-aisle jet B737 completion and delivery center.
- Chinese officials said the country is about to make a giant step forward in civil aviation with the first test flight of the C919 later this year or in early 2017. The news on the single-aisle, 168-passenger, twin-engine jet has been a highlight of the China International Aviation and Aerospace Exhibition in Zhuhai. Shanghai-based China Eastern Airlines will become the first to take delivery of the C919. Within one year of the test flight, China Eastern will start discussions to purchase five C919 aircraft.
- Jetstar Japan, the largest low-cost carrier in Japan by sales revenue, announced that it will launch direct flights between Shanghai and Tokyo. The new route, which offers 1,440 seats weekly between Tokyo's Narita airport and Shanghai's Pudong airport, gives travelers a low-fare option with prices that can be as low as CNY198. Masaru Kataoka, Chairman of Jetstar Japan Co, said the fast growing numbers of Chinese tourists visiting Japan will ensure there is stable demand for the new route.
- China Railway Construction Corp (CRCC) has signed an agreement with the Zambian government for a CNY15.09 billion railway line, linking Chipata and Serenje. The single-track railway will be 388.8 kilometers in length. Having a presence in 78 countries and regions, CRCC has won orders worth CNY679 billion in the first three quarters of this year, representing a year-on-year growth of 22.04%.
- Transport authorities in China’s biggest cities are still struggling to reach consensus on final rules to regulate car-hailing services after draft regulations issued by the government a month ago sparked fears that they may suffocate the flourishing sector. The period of public consultation on the issue has ended, but only Hangzhou and Ningbo have so far issued final rules.

VIP VISITS

Premier Li completes eight-day Eurasian tour

Chinese Premier Li Keqiang attended the meeting of the heads of government of the six-member Shanghai Cooperation Organization (SCO) in Kazakhstan, and paid a visit to Kyrgyzstan. He also visited Latvia, where he attended the 16+1 Summit of 16 Central and Eastern European (CEE) countries. It was the first time for a Chinese Premier to visit Latvia since it declared independence from the Soviet Union in 1991. China regards Latvia as an important transit station for China-EU trade, and stands ready to participate in major infrastructure projects including Rail Baltica and the “three-sea harbor district cooperation initiative”, said Li. The three-sea harbor initiative refers to cooperation programs concerning the Adriatic Sea, the Black Sea and the Baltic Sea, proposed by Li during the 4th leaders' meeting between China and the CEE countries last year. On October 20, a new rail freight route was inaugurated linking Riga and Yiwu in Zhejiang province, and the first cargo train arrived in Riga on November 5. Premier Li arrived in St. Petersburg on November 6 for the 21st China-Russia Prime Ministers' Regular Meeting and an official visit to Russia. Li is also scheduled to meet Russian President Vladimir Putin in Moscow.

- President Xi Jinping said China and France should properly implement the Hinkley Point C nuclear project in Britain. Xi made the remarks when meeting with visiting

French Foreign Minister Jean-Marc Ayrault. China is keen to establish itself as an exporter of nuclear expertise and building a plant in the UK would open the door to other markets. President Xi also said China and France should promote the implementation of the Paris Agreement on climate change.

ONE-LINE NEWS

- China Hongqiao, the world's largest aluminum smelter, has been found violating Chinese environmental regulations on over half of its capacity, and has been ordered by the environmental protection watchdog to cease production on lines with a combined annual capacity of 3.61 million tons. The firm was also ordered to stop construction of a 1.32 million ton-a-year smelting plant.
- Beijing-Based iReader and Amazon China are tapping overseas markets to introduce top Chinese-language books to global readers. iReader has attracted more than 2 million downloads of English titles and some Russian and Korean titles in overseas markets. In 2017, iReader will translate more Chinese-language titles for global readers.
- New managers have been appointed for China Baowu Iron & Steel Group following the merger between Baoshan Iron & Steel Group and Wuhan Iron & Steel Group. Baowu Steel boasts an annual capacity of nearly 80 million tons, only behind Luxembourg-based ArcelorMittal. Ma Guoqiang, previously Chairman of Wuhan Iron & Steel, is now Chairman and Party Secretary of Baowu. Chen Derong, previously General Manager of Baoshan Iron & Steel, now holds the same position at the new company.
- Cai Qi, 60, was appointed Acting Mayor of Beijing, replacing Wang Anshun. He said he would promote the integrated development of the Beijing-Tianjin-Hebei area and push forward supply-side structural reforms. Previously Cai was Executive Deputy Director of the National Security Commission of the Communist Party of China.
- The annual meeting of the International Business Leaders' Advisory Council (IBLAC) to the Mayor of Shanghai took place on November 6. The one-day meeting discussed the challenges and opportunities of making Shanghai a smart city, the transformation of industries, the role of small and medium-sized enterprises, supply of talent, and the use of data to pursue the goal of becoming a global city of excellence. Mark Weinberger, Chairman and CEO of Ernst & Young, was elected the new IBLAC Chairman for the next two years.
- Li Liguo, Minister, and Dou Yupei, Vice Minister of Civil Affairs, have been placed under investigation for corruption.



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