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

NEWSLETTER | 20 MARCH 2017

FCCC/EUCBA ACTIVITIES

China seminar: "Made in China 2025" – Tuesday, 21 March 2017, 15h30 – Technopolis Mechelen

The Flemish Center for Quality Care and the Flanders-China Chamber of Commerce are organizing a session on "Made in China 2025" on Tuesday 21 March 2017. We will examine **the consequences of this policy**. What does it mean for Flemish companies in China? And the other way around: what consequences will the quality improvement have for the Flemish manufacturing industry?

Program:

- Introduction by Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce (FCCC)
- China's quality policy by Dirk Laeremans, China expert and CEO of Orientas
- Three companies present their case study:
  - Koen Sonck, Quality Implementation Director & Senior Specialist Product Audit Q&CS, Manufacturing Quality at Volvo Car Group
  - Hans Deprettere, Sales Export Manager Asia Pacific & Middle East at Orfit Industries
  - Paul Coppens, Manager TQM and Plate System Development and GS/Total Quality Management Consumables at Agfa Graphics

Participation fees: Members; **free**; non-members: 150 €
Date: Tuesday, 21 March 2017 at 15h30, the event is followed by a networking drink.
Place: Technopolis Mechelen
Registration by following this link.

Seminar: "China's Transformation & its Global Implications" – 29 March 2017 – Brussels

China represents 50% of global economic growth. The Economist Magazine forecasted that China will overtake America to be the largest economy in the world by 2024. China has 1.3 billion consumers and 680 million mobile internet users. There is no greater moment than right now to look to China for future growth. Of course, doing business with China isn't easy. Yet, the lucrative Chinese market is hard to resist. So, how can you expand to China successfully!?

On March 29, 2017, **Professor Xiang Bing, founding dean of China's top business school, Cheung Kong Graduate School of Business** will be at EUCBA to deliver a keynote speech on **"China's Transformation: Opportunities for Business"**. During the event, we will be tackling the opportunities and issues facing European companies as they look to expand their businesses into China. A number of distinguished guests will be speaking about their diverse and insightful understandings of China's diverse markets and how you can look towards China for future growth.

Where: BNP Paribas Fortis, Koningsstraat/Rue Royale 20, 1000 Brussels
Organizer: EU-China Business Association (EUCBA)
When: Wednesday, 29 March 2017

Programme:

15:00 – 15:30	Signup & networking
15:30 – 16:00	Speeches on EU-China relations by • **Mr Jochum Haakma, Chairman, EU-China Business Association**; • **Mr Mauro Petriccione, Deputy Director General, DG Trade, European Commission** • **Mr Jo Leinen, Chair of the Delegation for the Relations with China, European Parliament**
16:00 – 16:20	Keynote speech **"China's transformation: Opportunities for Business"** by **Xiang Bing, Dean, CKGSB**
16:20 – 17:20	**Panel – Tapping into the Chinese market for growth** • **Mr Bo Ji, CKGSB European Dean (moderator)** • **Mr Bart De Smet, Chairman, Ageas** • **Mr Jo Leinen, Chair of the Delegation for the Relations with China, European Parliament** • **Mr Philippe Van der Donckt, Business Development Director Umicore and Vice-Chairman EUCBA** • **Professor Xiang Bing, Dean, CKGSB**
17:30	Networking drink

Registration at this link.
Subscription fee: 75 € (Excl. VAT)

About the Speakers from the CKGSB:

Xiang Bing, Founding Dean, Cheung Kong Graduate School of Business
Dr. Xiang Bing is the Founding Dean and Professor of China Business and Globalization at Cheung Kong Graduate School of Business (CKGSB). CKGSB is China's first independent, non-profit business school that applies a management model common among most globally-leading business schools. CKGSB maintains a campus in Beijing and locations in Shanghai and Shenzhen, in addition to representative offices in Hong Kong, London and New York.

Dr. Xiang has played an important role in developing and innovating China's management education sector. Prior to joining CKGSB, Dr. Xiang was Professor of Accounting at Peking University's Guanghua School of Management, where he pioneered the school's Executive MBA program. He was also one of the seven founding faculty members of China Europe International Business School (CEIBS) in Shanghai. Previously, Dr. Xiang served on the faculty of the Hong Kong University of Science and Technology.

Dr. Xiang's research interests include state and business relations, the reform of state-owned enterprises, innovation and the role of the private sector in China. He is a leading authority on Chinese business, innovations in China, the globalization of Chinese companies and global implications of China's transformation. Dean Xiang is also a key advocator of 'New Business Civilization' (新商业文明). His writings and cases on these subjects are considered among the most influential in China.

He has been an independent board member of a number of companies listed in Hong Kong, mainland China and the US (including two Global Fortune 500 companies). He is also a member of the boards of trustees for The United Way Worldwide (US) and for Asia House (UK), as well as a member of the International Advisory Council of Fundação Dom Cabral (FDC) and a Counselor for the One Young World Summit in Dublin.

Dr. Xiang has served as keynote speaker or panelist at influential forums and conferences in China and around the world. Recent speaking appearances have included forums held by the World Economic Forum, Asia Society, Committee of 100 (US), Deutsche Bank, The Conference Board, Yale CEO Summit, Harvard Kennedy School, The Economist, Financial Times, Global Pension Forum, the Boao Forum, Asia House (UK) and the Saint Petersburg International Economic Forum (Russia). He has offered commentary for the Financial Times, the New York Times, Bloomberg, BBC, CNN, the Sunday Times, CCTV (China), Phoenix TV, El Mundo, El Pais and L'Agence France-Presse (AFP), among other global media.

He has worked with many leading companies to offer consulting and training in China and globally. These companies include China Mobile, China Telecom, Huawei Technologies, TCL, Midea, Petro China, CNOOC, Ernst & Young, IBM (China), GE (China), Siemens (China), Goldman Sachs (Asia), Clifford Chance, Cummins, DFS, Lenovo, Bank of China and China Railway Construction Corporation, among others.

Bo Ji, Assistant Dean for Europe, CKGSB; Inspiring TEDx speaker; Chinapreneur
Bo is the Chief Representative of Europe and Assistant Dean for Global Executive Education. Bo oversees CKGSB's office in London, with the goal of helping European businesses to understand China and successfully doing business in this dynamic market. His primary responsibilities are elite network management and conference speaking throughout Europe.

Bo's global professional experience has given him a unique perspective to essential factors of China-West relations. Innovation, leadership, management, marketing & sales and overseas study are all topics that Bo is able to deliver world-class, inspiring presentations on. The list of speeches he has made at global conferences is astounding and is sure to not only captivate, but educate the audience.

Bo has a strong background in both global business and executive education. He has led divisions at Fortune 500 companies including Monsanto, Cargill, Pfizer, Wrigley and Mars. He has also taught Executive MBA and MBA programs at top global business schools including MIT, NYU, INSEAD, HKUST and Tsinghua University.

About EUCBA
The **EU–China Business Association (EUCBA)** is the EU-wide federation of national non-profit business organisations in the European Union with specialization and particular expertise in exchange of knowledge on investments and trade with China. At current, EUCBA unites 20 members in 20 countries representing more than 20,000 companies – large, medium, and small, in all branches of industry, commerce and the service sector.

EUCBA promotes direct investment and trade between China and the EU through international exchange of information and joint projects of its members – providing European companies a stronger base for expanding trade cooperation with China.

About the CKGSB
Cheung Kong Graduate School of Business (CKGSB) is a world-class business school in China that aims to develop current and future leaders with a global vision, a humanitarian spirit and an innovative mind-set.

Over the past 15 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.

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, 14% of China's GDP, which demonstrates the school's impact and influence. CKGSB has a European office located at 11–12 St. James Square, London.

"How to Succeed on the Chinese Market: Understanding China's Next Move" – One Day China Immersion Programme – Monday, 22 March 2017, 09h00 – 17h00 – Ghent

The Flanders-China Chamber of Commerce, the Cheung Kong Graduate School of Business and the Province of East Flanders are organizing the One Day China Immersion Programme: **"How to Succeed on the Chinese Market: Understanding China's Next Move"**. This programme will take place on Monday May 22, 2017 at the Provincial House, Gouvernementstraat 1, Ghent.

"How to Succeed on the Chinese Market: Understanding China's Next Move" will give European executives the latest China market insights and explain how to do business with a changing China. The course contains the following 5 modules:

- Win in China - Formulas and Business Models (with case studies and group discussions): Analysis of multiple business models across a variety of industries will demonstrate exactly what it takes to establish your brand, grow your consumer base and 'win in China'

- Chinese Consumer Behaviour and Digital Marketing in China: This session will analyse the latest trend of Chinese consumer behaviours in the mobile internet era and how it differs from Western consumers. We will also study how to capitalise on the business opportunities that are presented by the unique consumer behaviours in China
- Cross-cultural Management under Chinese Context: It is essential to understand how to work with and manage a cross-cultural team that do business with China to ensure effectiveness and results
- Negotiation with the Chinese: Often viewed as difficult, mystical and unpredictable, with an in-depth understanding of Chinese negotiating philosophy, culture and tactics, Western executives could develop a complementary strategy to win

Schedule

09:00 – 09:30 Registration
09:30 – 09:45 Welcome by Mr Geert Versnick, Vice Governor in charge of European and International cooperation and economic affairs of the Province of East Flanders
Introduction by Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
09:45 - 10:55 Win in China: Formulas and Business Models
11:10 - 12:40 Chinese Consumer Behaviour and Digital Marketing in China
12:40 - 13:40 Networking Lunch
13:40 - 15:10 Cross-Cultural Management under Chinese Context
15:25 - 16:55 Negotiation with the Chinese
17:10 - 17:40 Award certificate from CKGSB, Flanders-China Chamber of Commerce & Province of East Flanders

LEARN MORE: https://goo.gl/rRABn7

Register here

If you prefer to pay through wire transfer, please contact lpwan@ckgsb.edu.cn for more payment details.

About the speaker

Bo Ji, Chief Representative of Europe & Assistant Dean of Global Executive Education

Bo is currently the Assistant Dean & Chief Representative for Europe at Cheung Kong Graduate School of Business (CKGSB), a top business school with more than 10,000 chairman/CEO level alumni in China. Bo had an over-20-year successful business career in Global Business Development, Innovation, Strategy, Supply Chain Management, M&A, etc. He served as the senior executive at the headquarters of many Fortune 500 companies such as Monsanto, Cargill, Pfizer, Wrigley and Mars. He is also a well sought conference speaker.

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

For more information, contact
Liping Wan, CKGSB: lpwan@ckgsb.edu.cn
Gwenn Sonck, Flanders-China Chamber of Commerce: gwenn.sonck@flanders-china.be

Member price: €450/ticket
Non-member price: €500/ticket

ACTIVITIES SUPPORTED BY FCCC

Business seminar “Opportunities in Chinese health care for SMEs of West-Flanders” - 23 March 2017 – Sint-Andries

As suppliers to hospitals and assisted living centers, companies in West-Flanders have developed numerous advanced products and technology which can be exported. POM West-Flanders and the Province of West-Flanders are therefore organizing a business seminar “Opportunities in Chinese health care for SMEs of West-Flanders” on Thursday, 23 March 2017 at 18h30 at Streekhuis Kasteel Tillegem, Tillegemstraat 81, Sint-Andries.

Programme

18h30	Welcome and sandwich buffet
19h00	Welcome by Mr. Philippe Vanneste, Chairman core group care economy
19h10	Opportunities in Chinese health care • Introduction by Mr. Floris Donders, Policy Advisor International Affairs Province of North-Brabant (Netherlands) • Testimonials by Mr John Gesquiere, R&D Director Televic Healthcare and a representative of QRS Healthcare (Netherlands) (to be confirmed)
19h45	Q&A chaired by Mr. Philippe Vanneste, Chairman core group care
20h00	Business opportunities in exporting know how of medical technology and adapted living to China by Mr Bernard Bruggeman, CEO Woonzorggroep GVO and Mrs. Rita Agneessens, Partner – CEO BURO II & ARCHI+I
20h30	Q&A chaired by Mr. Philippe Vanneste, Chairman core group care
20h45	End and networking drink

Participation is free of charge, but do confirm your attendance before March 17, 2017 through this link.

For more information:
Province of West-Flanders: Elsje Deseure: T 050 40 32 53
E elsje.deseure@west-vlaanderen.be
POM West-Flanders: Inge Taillieu: T: 050 14 01 64 / E inge.taillieu@pomwvl.be

2017 China (Henan) SMEs Cross-Border Investment and Trade Fair – 29 March 2017 – Zhengzhou

The China Council for the Promotion of International Trade (CCPIT), Bank of China (BOC) and the People’s Government of Henan province are jointly hosting the 2017 China (Henan) SMEs Cross-Border Investment and Trade Fair in Zhengzhou, Henan province, on 29 March 2017. The event will coincide with the 11th China (Henan) International Investment & Trade Fair. The 2017 China (Henan) SMEs Cross-Border Investment and Trade Fair will focus on modern agriculture (breeding and farming), food processing, equipment manufacturing, bio-pharmaceuticals, information technology, elderly care & medical treatment, energy saving & environmental protection, tourism & education, new energies and new materials. The event is expected to attract more than 600 domestic enterprises and more than 200 overseas enterprises from over 20 countries and regions.

Expenditure on airport pick-up, conference registration, accommodation and meals for overseas participants during the Fair will all be borne by the organizers. It is suggested that every overseas company send no more than two participants.

Contact: Ms. Ma Yufei, +86-10-88075069, mayufei@ccpit.org

121st session of the China Import and Export Fair (Canton Fair) – April 15 - May 5, 2017 – Guangzhou

The 121st session of the China Import and Export Fair (also known as the Canton Fair) will be held in Guangzhou from April 15 till May 5. The fair is split up into several phases and is held in two pavilions: the national and the international pavilion.

National pavilion
Phase 1: April 15-19: electronics and household electrical appliances; lighting equipment; vehicles and spare parts; machinery; hardware and tools; building materials; chemical products; energy.
Phase 2: April 23-27: consumer goods; gifts; home decorations
Phase 3: May 1-5: textiles and garments; shoes; office supplies; cases, bags and recreation products; food; medicines; mechanical devices; health products.

International pavilion
Phase 1: April 15-19: electronics and household electrical appliances; building materials and hardware; machinery and equipment.
Phase 2: May 1-5: food and drink; household items; fabrics and home textiles.

Venue: China Import and Export Fair Complex, No. 382, Yuejiang Zhong Road, Guangzhou 510335, China

To register and apply for a Buyer Entry Badge, visit the Buyer E-Service Tool (BEST) on the Canton Fair official website at www.cantonfair.org.cn e-mail: info@cantonfair.org.cn

Weihai International Food Expo – 16-19 June 2017 – Weihai

Weihai International Food Expo
Date: 16th to 19th, June,2017
Venue: Weihai International Exhibition Center

Organisers: Department of Commerce of Shandong Province, Shandong Entry-Exit Inspection and Quarantine Bureau and Weihai Municipal Government

Supporting Sponsors :
Foreign Trade Development Bureau of Ministry of Commerce, China Chamber of Commerce, China Aquatic Products Processing and Marketing Alliance, Korea Trade-Investment Promotion Agency, Royal Thai Consulate-General in Qingdao, Japan C & Z Communication, Asian-International Trade and Investment Association, Malaysia China International Trade Link Association, Taiwan Cross Strait Exhibition Association.

Introduction
Weihai International Food Expo was founded in 2010,and it is China's first food exhibition focusing on exporting quality and safety of agricultural products. It is held by the Department of Commerce of Shandong Province, Shandong Entry-Exit Inspection and Quarantine Bureau and Weihai Municipal Government in June every year. It has been successfully held for 7 sessions, with in total 4228 international standard booths, 2266 exhibitors from home and abroad, 10,500 professional buyers from more than 40 countries and regions, and 11.07 billion yuan of trade intention. The exhibition area is 30,000 square meters. The Expo will invite about 3,000 purchasers from large domestic chain supermarkets and business associations, purchasers from South Korea, Japan, Russia, Malaysia, Thailand, Taiwan and other countries (regions). Exhibition scope will cover marine food, agricultural and sideline products, snack foods, imported food, alcohol and beverages, food packaging and processing machinery.

Advantages
Weihai is the largest fishing production base in northern China, China's largest frozen food export base, China's largest production and processing base for kelp, China's largest fish oil capsule production base and seafood canned production base, China's largest peanut exporting base, and the biggest base for aquatic products and concentrated fruit juice in China. As an important city for exporting agricultural products, Weihai has been the first city to construct quality and safety demonstration base in the country since 2008, and it has formed a reliable quality and safety supervision mode to enhance the quality of agricultural products

including aquatic products. Weihai City has been awarded the Shandong Provincial Government and General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China first "Quality and Safety Demonstration City of Exporting Agricultural Products in Shandong Province" award and the first batch of Quality and Safety Demonstration City of Exporting Agricultural Products in China.

Preferential Policies
For all overseas exhibitors, we will provide free booth, for which business license copy would be required. For the team leader who organizes more than 10 overseas exhibitors (1 person for each delegation), we will provide preferential policies of airport pick-ups and seeing-offs (only for Weihai Airport and Yantai Airport). For overseas purchaser, after confirmed with identification, we will provide preferential policies, including airport pick-ups and seeing-offs (only for Weihai Airport and Yantai Airport), and 3 days (with 2 nights) free accommodation. For the team leader who organizes the purchaser delegation of more than 10 overseas excellent purchasers (1 person for each delegation), we will provide preferential policies of 3 days (with 2 nights) free accommodation.

Contact and registration:
Contact person: Chen Hui, chenhuich2003@aliyun.com

ADVERTISEMENT AND SPONSORSHIP

Advertisement and sponsorship opportunities 2017

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

PAST EVENTS

China Seminar: “Doing Business in China – The People Challenges” – 17 March 2017 – Kortrijk

The Flanders-China Chamber of Commerce organized a seminar focused on: “Doing Business in China – The People Challenges”. This event took place on 17 March at Barco in Kortrijk.

According to survey of European companies based in China, one third mentioned that rising labour costs is their top HR challenge, while one quarter reports that talent shortage is their second biggest HR challenge.

During her visit to Belgium, Mrs Diana Lu, Vice-President Human Resource APAC at Barco, spoke about Chinese culture, its implications on Leadership and Talent and the HR challenges of Barco in China. She also gave valuable information about retaining talent in China.

Her talk was preceded by an introduction by Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce, and followed by a Q&A session and an optional tour of Barco. During Mrs Lu’s talk, a sandwich lunch was served.

Pictures New Year Reception available for download

The link to the pictures of the FCCC New Year Reception which took place on 6 February 2017 at KBC Bank in Brussels is now available.

The pictures can be downloaded from this link:
https://www.flanders-china.be/en/events/pictures#

NPC & CPPCC SESSIONS

Highlights from Premier Li Keqiang's press conference

Chinese Premier Li Keqiang took a wide range of questions during his media briefing at the end of the annual session of the National People's Congress (NPC) on March 15 in Beijing, including on the economy and China-U.S. relations. Premier Li highlighted the damage that any trade war between China and the U.S. would inflict, saying American companies would be the first to suffer. "We don't want to see any trade war breaking out between the two nations. That wouldn't make our trade fairer," Li said. "Our hope on the Chinese side is that no matter what bumps this relationship hits, we hope it'll continue to move forward in a positive direction. I believe whatever differences we may have we can all sit down and talk to each other and work together to find solutions." Li added he felt optimistic about the development of Sino-U.S. relations. Li dismissed allegations by U.S. President Donald Trump that China was stealing American manufacturing jobs, saying trade with China created over 1 million jobs in the U.S. last year alone.

On relations with Hong Kong, Premier Li gave details of the new initiative to allow Hong Kong investors to invest in the Chinese bond market, which will be launched this year. The scheme follows the stock connect system between Hong Kong, Shanghai and Shenzhen, and will help maintain Hong Kong's position as an "international financial center" as well as opening more investment channels for Hong Kong residents, the Premier said. On tensions in the South China Sea, Li said China does not want to see Southeast Asian countries compelled to "pick a side" between Beijing and Washington, and China would continue to support ASEAN's leadership role in regional affairs. Talks with ASEAN over a code of conduct in the region have made substantive progress, he added. On the economy, Li said his big achievement over the past four years since he took office as Premier was that he has kept the Chinese growth rate at a reasonable range. Fears last year about a hard landing turned out to be premature as the Chinese economy stabilized, largely thanks to government-backed infrastructure spending. "The talk that there will be a hard landing in China should end now," he said. Li added that China's steady economic growth over the past four years was not achieved by all-out stimulus, but by upgrading industry and increasing consumption. About the growth target of 6.5% for 2017, Li said the growth rate was "not low, and not easy to achieve", and China would remain an important force empowering global economic growth. Li said the biggest challenge was to reduce administrative procedures and red tape.

Li also said that "tensions on the Korean peninsula may lead to conflict" and bring harm to all parties. "It's common sense that no one wants to see chaos on their doorstep," he said, but he did not mention the dispute with South Korea and the U.S. over the deployment of the THAAD anti-missile system in South Korea. Premier Li said China will continue to support a united European Union and a strong euro. He did not say anything about the Communist Party Congress to be held later this year, which will see changes among the top leadership. Neither did he touch on corruption, human rights, Tibet or Xinjiang during his answers to journalists' questions, the South China Morning Post reports.

CPPCC concludes its session in Beijing

The Chinese People's Political Consultative Conference (CPPCC) concluded its annual session on March 13, with more than 2,000 members participating in the 11-day session having provided 5,210 proposals for policymakers. Economic issues were the focus of 34.7% of all proposals, down from 42% in 2016. Last year, CPPCC National Committee Members submitted 5,375 proposals. Although the number fell this year, "the quality of proposals has risen significantly", according to a CPPCC document. Proposals addressed issues such as energy consumption, poverty reduction, and the production of safe, quality goods. More attention was focused on environmental protection and social development. Poverty reduction was also an important focal point this year. China lifted 12.4 million people in rural areas out of poverty in 2016, although there were still 43.35 million people living below the poverty line at the end of 2016, the China Daily reports.

- The National People's Congress (NPC) passed the General Provisions of the Civil Law, the opening chapter of a civil code planned to be enacted in 2020. The provisions, which take effect on October 1 this year, were adopted with 2,782 of 2,838

National People’s Congress Deputies present voting in favor. The compilation of five books that deal with property, contracts, tort liability, marriage, and inheritance, began late last year and work on the books is progressing.

- Of the 2,838 Deputies to the National People's Congress (NPC) who attended the closing ceremony, the overwhelming majority voted in favor of documents submitted, including the Government Work Report, the work report of the NPC Standing Committee, the work reports of the top court and top procuratorate. Lawmakers filed 514 motions: 492 on legislation, 16 on NPC supervision and six on other issues, according to the NPC.
- A pledge to contain fast rising home prices was added to the Premier’s annual work report on the closing day of the NPC session on March 15. Several lower-tier cities have raised the bar for home purchases this month as speculators from outside flood smaller markets, with home prices nationwide continuing to rise.
- The government will cut business taxes and administrative fees at a faster pace to ease the burden on the nation's enterprises, Premier Li Keqiang said at the first meeting of the State Council since the annual gatherings of the National People's Congress and the Chinese People's Political Consultative Conference.

AUTOMOTIVE

Alibaba invests in Swiss WayRay

Alibaba Group Holding has led an USD18 million funding round in a Swiss developer of augmented reality (AR)-enabled car navigation systems. The Switzerland-based start-up WayRay said it had closed the USD18 million Series B financing led by Alibaba, after spending USD10 million to create a patented technology for transparent holographic displays. WayRay also announced it had entered a partnership with China’s Banma Technologies, an Alibaba-backed internet-connected car maker, to develop a new AR car infotainment system, which is expected to be a combination of AR navigation, driving assistant notifications, a virtual dashboard and more features. It will be built into one of Banma’s 2018 car models, which may become the world’s first vehicle in production with a holographic AR head-up display. The AR head-up display is expected to improve safety as the navigation information, warnings and traffic data are placed right on the windscreen. At the moment, WayRay is the world’s only developer that integrates AR systems into cars. Vitaly Ponomarev, Founder and Chief Executive of WayRay, said the company aims to sign contracts with major global car manufacturers in 2017 to implement its ground-breaking infotainment system.

- An international new energy vehicle expo scheduled for late May in Nanjing, Jiangsu province, is expected to attract nearly 1,000 new energy vehicle manufacturers as well as suppliers of batteries and charging equipment from China and abroad.
- Qingdao Doublestar Group, one of the oldest rubber companies and a leading tire manufacturer in China, may acquire a 42.01% stake in South Korean tire maker Kumho Tire, becoming its largest shareholder. Doublestar has two tire production plants – one in Qingdao, Shandong province, and the other in Shiyan, Hubei province with a combined annual production capacity of 15 million tires.

FINANCE

China raises money market rates for second time in 2017

The People’s Bank of China (PBOC) raised its monetary market rate for the second time this year, and injected fresh funds into the country’s banking system, following the quarter-point rate increase by the U.S. Federal Reserve. The PBOC raised the reverse repo rate by 10 basis points, and injected CNY303 billion of funds into 17 of China’s financial institutions via the medium-term lending facility (MLF), setting the six-month MLF rate at 3.05% and the one-year MLF at 3.2%. The MLF tool was first introduced in 2014 to help commercial and policy banks maintain liquidity by allowing them to borrow from the central bank. The reverse repo, or repurchase, is a process whereby the central bank purchases securities from banks through bidding with an agreement to sell them back in the future. The U.S. FED for the second time in three months increased its benchmark interest rate by 25 basis points amid rising confidence in economic growth. Following the FED's move, Hong Kong's Monetary Authority raised the interest rate by the same margin to maintain the stability in the Hong Kong dollar's peg to the U.S. currency.

- China's policymakers support opening financial markets for capital and investment to flows both in and out of the country, according to People's Bank of China Vice Governor Pan Gongsheng. Scrutiny of foreign companies transferring profits out was "not excessive", he added. A healthy foreign-exchange market helped all participants, said Pan, who also heads the State Administration of Foreign Exchange (SAFE), which executes currency policy. Funds in yuan aren't fully convertible to other currencies under current capital account rules. Companies must provide supporting documentation including tax records and audit reports when they plan to transfer profit out of the country.
- Hong Kong could become a member of the Beijing-led Asia Infrastructure Investment Bank (AIIB) at a meeting at the end of June as long as lawmakers' approve a HKD1.2 billion share buy-in, payable over five years. The buy-in will secure an approximate 0.7% stake in the AIIB. Hong Kong would like to become the corporate treasury center for the AIIB. Over 30 countries are applying for membership.
- China's holdings of U.S. Treasuries have declined to USD1.05 trillion in January, down USD7.3 billion from December, but the drop could be underestimated as the tally of Belgium, which analysts say is holding Chinese custodial accounts, dropped USD8.2 billion to USD112 billion, the lowest since August 2015.
- Guo Shuqing, Chairman of the China Banking Regulatory Commission (CBRC), urged banks to draft new rules on wealth and asset management, and to more tightly control risky leveraged investments. Funds raised from wealth management products should support real economic activity, he added. Guo made the comments in a speech at a meeting of the China Banking Association.
- Russia's central bank has opened its first overseas office in Beijing, marking a small step forward in forging a Beijing-Moscow monetary alliance to bypass the U.S. dollar in the global monetary system. It is a "very timely" move to aid specific cooperation, including bond issuance, anti-money laundering and anti-terrorism measures between China and Russia, said Dmitry Skobelkin, Deputy Governor of the Central Bank of Russia. Russia is preparing to issue its first federal loan bonds denominated in Chinese yuan.
- Net foreign exchange sales by Chinese banks continued to drop in February signaling a let-up of capital outflow. Banks bought USD108.8 billion worth of foreign currency and sold USD118.9 billion, resulting in net sales of USD10.1 billion last month, according to the State Administration of Foreign Exchange (SAFE). The deficit fell from January's USD19.2 billion and USD46.3 billion in December.
- The China Banking Regulatory Commission (CBRC) has eased licensing rules for foreign-owned banks on investment banking services in the country, and their investment into domestic banking institutions. Wholly-owned foreign banks, joint ventures and their branches can now cooperate with their parent groups overseas to assist Chinese companies expand globally through overseas bond sales, IPOs, mergers and acquisitions (M&As), and other financing activities. They can also invest in some domestic financial institutions. By the end of last year, foreign banks had set up 39 locally-incorporated entities in China, 121 subsidiaries and 166 China representative offices.

FOREIGN INVESTMENT

More of China's ODI going to Belt and Road regions

Economies along the Belt and Road Initiative and emerging industries have become hot spots for China's outbound direct investment (ODI). Chinese investments in regions along the route grew by 5.8% year-on-year to USD1.79 billion in the first two months of the year, claiming 13.3% of the total ODI. A sharpened investment focus on the real economy and emerging industries is raising ODI figures in manufacturing and information technology. Investment in the two sectors took up a combined 42.3% of the total investment in the first two months, compared with just 17.1% a year ago. But the country's overall non-financial ODI slumped by 52.8% year-on-year to USD13.4 billion during the first two months, mainly dragged down by a plunge in sectors such as the offshore property market, culture, sports and entertainment. Analysts said the drop is temporary and the nation's "going global" strategy has not changed. "The government remains firm in encouraging Chinese companies to go overseas and promote the renminbi as an international currency. So we are not going to see a downward trend in ODI," Morgan Stanley Economist Zhang Jun said. Han Qi, Senior Analyst at Morning Whistle, a Shanghai-based consultancy specializing in overseas investment, said ODI could show signs of picking up in the second half of the year. Chinese outbound investment in the offshore property market plunged by 84.9% and in the culture, sports and entertainment segments by 91.6% in the first two months, the Shanghai Daily reports. China's outbound investment measured in yuan has plunged 53% in the first two months of 2017 from a year ago, China's Ministry of Commerce (MOFCOM) said.

FOREIGN TRADE

China speaks out against trade protectionism

China opposes the many forms of trade protectionism and supports free trade, Vice Premier Zhang Gaoli said. The country will also stick to its stance of economic opening-up and further improve the business environment for foreign investors, Zhang told the China Development Forum. "China is willing to work with other countries to oppose various forms of trade and investment protectionism. We should unwaveringly push forward economic globalization. We cannot halt our steps because of temporary difficulties," he said. Zhang said world policy makers should make the globalization process more inclusive by putting more emphasis on equality. "The world economy is in a deep adjustment, growth is weak and trade protectionism is rising," he said. Government officials, scholars and entrepreneurs from around the world participating in the three-day forum in Beijing expressed their concerns about worsening trade protectionism dampening the prospects of the already weak global economic recovery. "My main concern is that the policies of both the U.S. and the UK for 2017 will further push the world away from free trade, thereby reversing globalization's momentum, which has been so good for the entire world," Christopher Pissarides, Nobel Laureate and Economist at the London School of Economics, said at the forum, as reported by the China Daily.

- China sent its Special Representative on Latin American Affairs Yin Hengmin to a high-level dialogue on Asia-Pacific economic integration in Chile, but Foreign Ministry Spokeswoman Hua Chunying said that the gathering was "not a meeting of the Trans-Pacific Partnership as some media have said". Representatives from 15 countries, covering all signatories of the Trans-Pacific Partnership (TPP), all members of the Pacific Alliance, as well as China and the Republic of Korea, were invited to the two-day meeting in Vina del Mar.

HEALTH

Man detained for polluting the air in Beijing

The environmental watchdog in Beijing has for the first time detained a man for discharging untreated emissions into the air. A new environmental police squad was set up in January to crack down on causes of air pollution, including open-air barbecues, garbage incineration and the burning of wood. An inspection by the environmental watchdog of a heating supply company in Mentougou district found that a key air pollutant reduction component did not function at all due to "operation against regulation" by a staff member, which resulted in the emission of pollutants such as sulfur dioxide at 10 times the allowed level. The company was ordered to rectify the problem and fined. The staff member was questioned and confessed to "abnormally operating" a facility to avoid supervision, thus causing air pollution. He was put under administrative detention by the Beijing police. Beijing will expand funding to reduce air pollution in 2017, including phasing out hundreds of thousands of automobiles and replacing coal furnaces in hundreds of villages, the municipal government said. The number of days with severe air pollution in Beijing fell to 39 last year, down from 46 in 2015, 47 in 2014 and 58 in 2013.

MACRO-ECONOMY

Economic stabilization confirmed by latest data

China's industrial output in January and February rose 6.3% compared with the same period a year ago, the National Bureau of Statistics (NBS) said. Fixed-asset investment (FAI) also strengthened, rising 8.9% in the first two months of the year. Property investment climbed 8.9% in the same period, accelerating by 2 percentage points from a year ago, while floor space sold jumped 25.1% year-on-year. Taken together with a 4% increase in exports in the first two months of 2017, these data confirm signs of stabilization compared with the second half of last year and eased worries that China's growth may soon lose steam. Some leading financial institutions, including the China International Capital Corp (CICC) and the International Monetary Fund (IMF), have already lifted their full-year growth estimates for China. China's fixed-asset investment was driven by infrastructure construction, which jumped 27.3% year-on-year in the first two months, almost double the pace in the same period last year. Private investment, which accounts for more than 60% of the total fixed-asset investment, grew 6.7% in January and February, accelerating from the annual increase of 3.2% in 2016 and marking the fastest growth since March 2016. The Australia and New Zealand Banking Group said in a note that China's first-half GDP may reach 6.6% to 6.7%, supported by investment in infrastructure and real estate. Retail sales, meanwhile, grew more slowly at 9.5% year-on-year, down from 10.4% for the same period last year. Foreign trade increased 20.6% year-on-year, compared with a 12.6% decrease in the same period last year.

- Private investors will be encouraged to play a bigger role in upgrading the manufacturing sector, as China steps up efforts to widen access to key industries, Miao Wei, Minister of Industry and Information Technology said. Speaking at the three-day China Development Forum in Beijing, he said investment in manufacturing grew by only 3% last year, partly because the sector yields lower returns than the real estate and financial sectors.
- China will continue to deepen its supply-side structural reform to address economic imbalances while holding the bottom line to contain risks in the financial and property markets. He Lifeng, Chairman of the National Development and Reform Commission (NDRC), warned about capital abandoning real economic activities and engaging in financial speculation, as well as excessive funds flowing into the property sector.

REAL ESTATE

Despite restrictions, Beijing home sales remain at record levels

Beijing home sales remain at record levels despite toughened home-buying rules being imposed on the city. 1,491 primary residential units were sold from March 6 to 12, representing 24% growth on the same period last month, according to Centaline Property. Average new home prices in the city also climbed 6.85% to CNY42,970 per square meter. "In anticipation of further price growth, home-buyers have been rushing to the market since the end of last year," said Guo Yi, Marketing Manager at Yahao Real Estate, a Beijing-based property consultancy. "Market liquidity is abundant, institutions and individuals still have easy access to low cost capital," she said. The second hand market is even more frenzied, say experts. The Beijing authorities have been implementing the strictest home-buying regulations in the country, including a 35% down payment requirement for first-home buyers and a 50% threshold for those who already own an apartment in the city. Non-locals must have worked in the capital for at least five consecutive years even to be eligible to buy a flat. The city has also set further price caps on some newly launched projects, shortened the mortgage duration of second-home borrowers from 30 years to 20 years, and reduced discounts on mortgage rates for first-time buyers. But Guo conceded the situation will be hard to improve as long as the serious shortage in supply continues. "Only 420,000 square meters of new land for commodity apartment development was released last year in Beijing, compared with an 8,000,000 sq m annual demand," Guo said. Also in other first- and second-tier cities sales have been brisk in the past few weeks, because there is still a big demand. Most developers are unwilling to cut home prices because land prices remain elevated and developers' cash flow is healthy due to strong sales last year, Morgan Stanley analysts said, as reported by the South China Morning Post.

In the latest development, the Beijing municipal government has taken new measures to discourage home buying, including raising down payments for most property deals for second home purchases to an unprecedented 80%. Down payments for second-time "ordinary home" buyers was raised to a minimum 60%, from 50% before, while second-time "non-ordinary home" buyers will have to pay a minimum of 80%, up from 70%.The capital's authorities introduced the distinction between an "ordinary" and "non-ordinary" home on September 30. Homes larger than 144 square meters, or with a price 20% higher than government-set guidelines, are defined as "non-ordinary". In Dongcheng and Xicheng districts in Beijing, the average asking price for flats has reached about CNY120,000 per sq m, according to Homelink.

Anbang denies investment in flagship New York Trump property

Anbang, China's insurance conglomerate and an active overseas acquirer, has denied a report it is set to pay USD400 million as part of a group of investors buying a USD4 billion office block at 666 Fifth Avenue in New York, owned by President Donald Trump's son-in-law and Senior Adviser Jared Kushner. Anbang and its Chairman Wu Xiaohui made global business headlines in 2014, when it bought the New York based historic Waldorf for USD1.95 billion. He is also known in China as a well-connected businessman, being the son-in-law of former Chinese leader Deng Xiaoping. The Fifth Avenue property was bought by Kushner Companies in 2006 for USD1.8 billion, which at the time was the highest price paid for a single building in Manhattan. The company's spokesperson said it "is in active discussions around 666 Fifth Avenue, but nothing has been finalized", Reuters reported. The New York Times reported in January that Anbang Chairman Wu and Jared Kushner were nearing agreement on a joint venture to redevelop the building.

Major developers aim for sales target of CNY500 billion

The revenue of some leading Chinese real estate companies will hit CNY500 billion this year, and the industry will be further consolidated as competition intensifies, according to a research report by the China Index Academy, the Development Research Center of the State Council and Tsinghua University. It said their average growth rate would exceed 40% in 2017, boosted by the rosy market, sufficient land reserves and solid cash flow. Guangdong-based property developers Evergrande Group and Country Garden Holdings both aim to realize a sales target of CNY500 billion this year, while Greenland Group and China Overseas Property Group expected to see their sales exceed CNY300 billion in 2017. The report added that the trend of further consolidation and concentration among the biggest players in the property sector continued with the top 100 property developers gaining a market share of 40.8% last year, up 4.7 percentage points and reaching a record high. First-tier cities, such as Beijing, Shanghai, Guangzhou and Shenzhen, and second-tier and mainly provincial capital cities remained the development focus of the major real estate companies. The report said these cities contributed nearly 80% to their total profits, the China Daily reports.

- Baoneng Group subsidiary Jushenghua has pledged 182 million in China Vanke A-shares as collateral to Ping An Securities in a repurchase agreement. The shares represent 1.65% of Vanke's total issued capital. The pledge comes amid a ban on Baoneng Group Chairman Yao Zhenhua from working in the insurance industry for 10 years, a move announced by the China Insurance Regulatory Commission (CIRC) last month when Foresea Life Insurance, a unit of Yao's Baoneng group of companies, was found to have provided "fake materials" and "violated rules for using an insurance fund".
- The planned re-election of China Vanke's 11-member Board of Directors on March 27 is likely to be delayed until at least early May amid an unsettled fight among shareholders for control of the company. Currently Baoneng Group, Vanke's largest shareholder with a 25.4% stake, and China Evergrande, the third-biggest shareholder with a 14.07% holding, have no seats on the board. China Resources, formerly the second largest shareholder which this year transferred its entire 15.29% stake to Shenzhen Metro Group, still occupies three seats.
- Hong Kong-listed homebuilder Agile Group Holdings, which is very active in Hainan province with a huge tourism property project, posted better-than-expected 2016 core

earnings. Pensioners from China's Northeastern provinces flock to Hainan every winter to escape the smog and cold in their home provinces. Agile bought another two Hainan sites, in Clearwater Bay and Haikou, recently where land costs are around CNY3,000 per square meter, bringing its total land resources on the island to 5.74 million sq m. Agile's core earnings for 2016, excluding foreign exchange losses, increased 13% to CNY2.7 billion. Net profit grew 32.5% to CNY3 billion, while revenue was up 8.5% to CNY46.7 billion.

- Milway Development, a unit of HNA Group, has paid HKD7.44 billion for its fourth plot of development land at Hong Kong's former Kai Tak airport. The site sold at a price slightly exceeding the market expectation of between HKD6.1 billion to HKD7.4 billion, raising concern it could add fuel to the already hot residential market. After combining all four sites into a big plot, it will yield a total gross floor area of 2.02 million sq ft with an average land cost of HKD13,416 per sq ft.
- Between January and February, CNY912.1 billion of new homes, excluding government-funded affordable housing, were sold across the country, a year-on-year increase of 22.7%, the National Bureau of Statistics (NBS) said. But the gain slowed from the 36.1% rise in 2016. The area of new homes sold during the two-month period rose 23.7% from a year earlier to 124.39 million sq m. The rise accelerated from the 22.4% gain last year, according to the Bureau's data. China's investment in property development grew 8.9% year-on-year in the first two months of this year, 2 percentage points faster than the overall growth rate of 2016. For residential properties, investment rose 9% year-on-year, and the floor space of new housing construction grew 14.8% from a year ago.
- February home prices in China's 70 largest cities jumped 12.4% from a year ago. Compared to a month earlier, February prices rose 0.4% after seasonal adjustments by Goldman Sachs, based on data released by the National Bureau of Statistics (NBS). Sanya, the tourism city in Hainan province, attracted the most buying interest, with February prices gaining 1.3%, while Hefei, the provincial capital of Anhui, reported a 40.5% annual gain in prices.
- Since March 15, Beijing, Qingdao, Nanjing and Ningbo have stepped up their home-purchase restriction policies. Nationally, home sales by volume for the first two months of this year were up 26% year-on-year, reflecting a slowdown from 34.8% growth for 2016, according to the National Bureau of Statistics (NBS).

RETAIL

Chinese TV accuses Nike of dishonest advertising

Nike has become the latest foreign brand to be caught by China's annual consumer protection "name-and-shame" TV show on March 15. Consumers claim to have been misled into believing that Nike's Hyperdunk basketball shoes included high-tech sole cushions. The show, watched by hundreds of millions of viewers during the annual "315 Gala," could deliver a backlash to Nike in its second largest market and profit center. The company's shares fell almost 1% to USD56.75 in U.S. trading while the show was being aired. Nike was singled out for having falsely advertised its "limited edition" basketball shoes that sell for over USD200 in China. Nike said that it had sold 300 pairs of the Hyperdunk 2008 FTB in China, inaccurately stating that the shoe contained air bags, adding that it had offered compensation and an apology to consumers.

SCIENCE & TECHNOLOGY

China to fund scientific research to battle smog

China is to set up a special fund and pool the country's best scientists to find out the "unique" cause of smog that frequently blankets north China in winter, Premier Li Keqiang said. "The cause of smog should be discovered as soon as possible so our response will be more effective". The government is determined to spend as much as needed for the research, he said, to enable the country to fight and win the battle against smog. "The weather is not something humans can control," Li said, "but we can choose our behavior and transform the model of development." China's notorious smog problem may have been worsened by climate change in the polar regions, according to a study published in the U.S. journal Science

Advances. The findings may provide some clues why China's smog problem has failed to ease despite cuts in pollution-causing emissions. Melting ice around the North Pole and increasing snowfall in Siberia reduced the amount of cold air, impeded its southerly route and contributing to China's severe air pollution, according to the researchers.

- China is developing a system to recover parts of rockets used in space launches to bring down costs and make its space program more commercially competitive. The parachute system would bring the rocket engine and booster safely back to the ground so they can be reused in future launches. The recovery system is under development at the China Academy of Launch Vehicle Technology in Beijing.

TRAVEL

Cathay Pacific suffers unexpected loss

Cathay Pacific Airways unexpectedly posted its second loss in nine years and said the passenger yield on major routes will remain under pressure in 2017, amid a slump in business travel, increasing competition with cheaper Chinese carriers serving mainland routes and the dwindling number of visitors flying into Hong Kong. The carrier's 2016 loss amounted to HKD575 million, as revenue fell 9% to HKD92.75 billion. Passenger yield was down 9.2% to HKD0.54.

- An airline in Inner Mongolia is offering an all-you-can-take "subscription" service on its new flight route for CNY500 a month. The flight from Urad Middle Banner to Baotou was inaugurated last week. Previously, the only way to travel between the two places was by car or a three-hour bus ride. The flight cuts the travel time down to just 50 minutes. The Cessna 208 Caravan used on the route can take only 8 passengers at a time.
- Boeing and Chinese plane manufacturer Commercial Aircraft Corp of China (COMAC) will start to build a Boeing 737 completion center in Zhoushan at the end of March, set to make its first delivery in 2018. This is Boeing's first overseas facility as part of its 737 production system, and aimed to deliver 100 Boeing 737 planes a year.
- It is estimated that more than 280,000 rental bikes are in service in Shanghai, with the number expected to reach 500,000 by June, according to Guo Jianrong, Secretary General of the Shanghai Bicycle Association. Shanghai is the first city to issue draft guidelines to regulate the bike-sharing industry.
- Train and rail equipment manufacturer China Railway Rolling Stock Corp made a major breakthrough in overseas markets in 2016. Its total value of orders from abroad surged by 40% year-on-year to USD8.1 billion in 2016. Exports reached 102 countries and regions and about 83% of countries with railroads are using CRRC products.
- Chinese railcar manufacturer CRRC Sifang America broke ground in Chicago at a USD100 million plant that will build railcars for the city's transit authority and become the company's North American hub for the assembly of railcars. CRRC Sifang will supply more than 840 new railcars to replace approximately half of the agency's fleet.

VIP VISITS

China, Saudi Arabia sign USD65 billion in deals as King visits

Saudi Arabia's King Salman bin Abdul-Aziz al-Saud oversaw the signing of deals worth potentially USD65 billion during his visit to Beijing. The King is promoting investment opportunities in the kingdom, including the sale of a stake in Saudi Aramco, which is expanding its refining and chemicals portfolio to diversify assets and secure long-term agreements for its oil. Saudi Arabia has sought to boost oil sales to China by working mostly with China's top three state oil firms. An MOU with state-run Norinco will look into building refining and chemical projects in China, while Saudi Basic Industries Corp (SABIC) and Sinopec have agreed to develop petrochemical projects in China and Saudi Arabia. The Norinco deal would involve exploring the possibility of a greenfield refinery and chemical plant in Panjin, Liaoning province, while also upgrading an existing refinery and petrochemical facility in the same location. Sinopec and SABIC jointly run a refinery in Tianjin. Agreements also include an MOU for Sandi Arabia to participate in China's Chang'e-4 moon mission and a partnership agreement for drone manufacturing. This week Israeli Prime Minister Benjamin Netanyahu is scheduled to visit China.

U.S. Secretary of State meets Chinese leaders in Beijing

U.S. Secretary of State Rex Tillerson wrapped up his first official visit to China on a positive note – agreeing with President Xi Jinping to build constructive bilateral ties while pledging to improve understanding and cooperation on international issues. The trip also paved the way for the first meeting between Xi and U.S. President Donald Trump in Mar-a-Lago, Florida, in early April. "You have made a lot of active efforts to achieve a smooth transition in our relationship under the new era," Xi told Tillerson. "And I also appreciate your comment that the China-U.S. relationship can only be defined by cooperation and friendship." Xi said the two countries could be good partners, and as long as both sides maintained this understanding, ties would proceed "in the right way". Xi said that through telephone conversations and messages he had reached a consensus with President Trump to improve exchanges. Tillerson also held talks with Chinese State Councilor Yang Jiechi and Minister of Foreign Affairs Wang Yi.

Analysts now believe there is a favorable environment for both sides to conclude a bilateral investment deal. "They both could agree over the next six to 12 months to produce an agreement that would increase American access to China and encourage Chinese investment in the U.S. that would generate jobs," said Dr David Lampton at the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University. Chinese companies invested a record USD45.6 billion in the U.S. economy in 2016, according to the Rhodium Group.That amount is triple the figure recorded for 2015, when USD15 billion worth of Chinese investment in the U.S. led to 13,000 full-time jobs.

- Chinese Vice Premier Wang Yang paid a four-day official visit to the Philippines, where he attended the opening ceremony of the China-ASEAN Year of Tourism and the China-Philippines Economic and Trade Forum. Chinese companies signed agreements with their Philippine counterparts to purchase USD1.7 billion worth of fruit and other products. As many as 73 trade deals were signed in Manila, also regarding lumber, copper cathodes and nickel ore. Philippine President Rodrigo Duterte plans to attend the Belt and Road Forum for International Cooperation in Beijing in May.
- The Chinese government encourages more companies to invest in Rwanda's major infrastructure construction projects in such areas as transportation and energy, President Xi Jinping said while meeting with Rwandan President Paul Kagame. Xi added that China would like to support Rwanda's construction of special economic zones. He added that China's policies toward Africa will not change and the steps to push forward China-Africa cooperation will not slow down.
- Premier Li Keqiang will make official visits to Australia and New Zealand this week to boost economic ties with the two countries. The visits will be the first to the two countries by a Chinese Premier since 2006. In 2008, New Zealand was the first developed economy to sign a free-trade agreement (FTA) with China.

ONE-LINE NEWS

- Chinese courts at all levels concluded 25,916 foreign-related cases of all types last year, up by 9.38% year-on-year. The number of new maritime cases rose by 25.33% and new intellectual property cases by 49.22%, many linked to the One Belt, One Road initiative.
- Yang Xiaodu, Minister of Supervision, has warned businesspeople against colluding with officials, as more tycoons are being targeted for financial malpractices. China Securities Regulatory Commission Chairman Liu Shiyu said last month the authorities would go after more "big crocodiles" or wealthy corrupt businesspeople to clamp down on manipulation of the stock market.
- Beijing's last large coal-fired power plant has suspended operations, meaning the

capital has become the first city in China to have all its power plants fueled by clean energy. After the suspension of the plant, about 1.76 million tons of coal, 91 tons of sulfur dioxide and 285 tons of nitrogen oxide emissions a year will be cut. Beijing has 27 power plants, all fueled by clean energy with a total installed capacity of 11.3 million kilowatts.

QUOTES OF THE WEEK

"Almost every year I have heard a prediction of the Chinese economy having a hard landing. But I believe that our economic performance in the past several years should suffice to put a full stop to such prophesies of a hard landing. As for the projected target of GDP growth this year at about 6.5%, I have read some foreign media describing it as a move by the Chinese government for moderate downward adjustment of GDP growth. I should point out that 6.5% growth is not low speed and will not be easy for us to meet."

Premier Li Keqiang at the press conference in Beijing following the close of the annual session of the National People's Congress on March 15, 2017.

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