法兰德斯中国商会 FCCC VCKK

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

NEWSLETTER | 27 MARCH 2017

Stock markets	Kweichow Moutai and G-bits compete to be priciest Chinese stock
	Kazakhstan metals firm wants foreign firms to be able to list in China
Travel	New Terminal 1 building put into service at Shanghai's Hongqiao airport
	Apple's Cook shows support for bike-sharing start-up Ofo
VIP visits	Israeli PM Netanyahu visits China
	Chinese Premier warns Australia against protectionism
One-line news	

FCCC/EUCBA ACTIVITIES

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 May 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

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

The Flemish Center for Quality Care and the Flanders-China Chamber of Commerce organized a session on "Made in China 2025" on 21 March 2017 at Technopolis Mechelen to 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?

Following an introduction by Gwenn Sonck, Executive Director, Flanders-China Chamber of

Commerce (FCCC), Dirk Laeremans, China expert and CEO of Orientas, introduced China's quality policy. 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; and Paul Coppens, Manager TQM and Plate System Development and GS/Total Quality Management Consumables at Agfa Graphics. A networking drink concluded the event.

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.

fuel surcharges. (Route origin PEK is not available) 2. Travel Date: 01.11.2016-31.03.2017. 3. Fare is subject to seat availability. 4. Special fare restrictions may apply. 5. Purchase by: 31.03.2017. More information about this promotion fare, please visit our website: www.hainanairlines.com

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AUTOMOTIVE

Geely withdraws Proton bid

China's Geely Automobile Holdings has withdrawn its bid to acquire a controlling stake in Malaysian automaker Proton, Geely's President An Conghui said. It had been considered the favorite to acquire a controlling stake in Proton, Malaysia's largest carmaker which also owns the Lotus sports car marque. Any successful bidder will get access to Proton's Tanjung Malim assembly plant, which has an annual production capacity of 150,000 vehicles in two shifts. Owning a car assembly in Malaysia would also qualify its owner to ship vehicles tax-free anywhere among the 10 members of the Association of Southeast Asian Nations (ASEAN). Separately, Geely, the owner of the Swedish Volvo brand, reported better-than-expected earnings for 2016, as net profit surged by 126% to CNY5.1 billion. Geely's revenue jumped 78% to CNY53.7 billion as the group sold 765,970 vehicles in 2016, up 50.2% from the previous year. Of these, 744,191 units were sold domestically, up 53.6% from 2015, according to the company's filing to Hong Kong Exchanges and Clearing. Last month it announced a 2017 sales target of 1 million vehicles, an increase of 34% from last year. The only black mark on its earnings was that exports declined sharply by 15% year-on-year to 21,779 units, and in the first two months of 2017, it further tumbled by 60% year-on-year, the South China Morning Post reports.

FINANCE

Belgium approved as a member of the Asian Infrastructure Investment Bank (AIIB)

Belgium is among thirteen countries and regions that have been approved at a Board of Governors meeting to become members of the Asian Infrastructure Investment Bank (AIIB). The others are Afghanistan, Armenia, Canada, Ethiopia, Fiji, Hong Kong, Hungary, Ireland, Peru, Sudan, Timor Leste and Venezuela. The new members still have to complete relevant procedures and transfer the first installment of their capital contribution for membership to become effective. The AIIB's membership will increase from the 57 founding members to 70. The shares allocated to the new members come from the bank's existing pool of unallocated shares. "The interest in joining the AIIB from around the world affirms the rapid progress we have made to establish the bank as an international institution," AIIB President Jin Liqun said in a statement. "I am very proud that the AIIB now has members from almost every continent and we anticipate further applications being considered by our Board of Governors later this year."

China should tackle rising levels of corporate debt, says OECD

China should urgently address rising levels of corporate debt to contain financial risks as it tries to rebalance its economy, the Paris-based Organization for Economic Cooperation and Development (OECD) said. Beijing should also step up efforts to retire “zombie” state firms in ailing industries to help channel funds to more efficient sectors and enhance the contribution of innovation in the economy, the OECD said in its latest survey of China’s economy. “Orderly rebalancing requires addressing corporate over-leveraging, overcapacity in real estate and heavy industries, and debt-financed over-investment in asset markets,” the report said. The OECD forecast China’s economy would grow 6.5% this year and 6.3% in 2018. The report warned of mounting financial risks as enterprises are heavily indebted, while housing prices have become “bubbly”. Corporate debt is estimated at 175% of GDP, among the highest in emerging economies, climbing from under 100% of GDP at the end of 2008, the report said. “Soaring property prices in the largest cities and leveraged investment in asset markets magnify vulnerability and the risk of disorderly defaults,” it said. “Excessive leverage and mounting debt in the corporate sector compound financial stability problems, even though a number of tax cuts are being implemented to reduce the burden on enterprises.” “Although the risks are rising, the firepower in the Chinese government is big enough and if there’s a problem, it’s able to sort it out,” Alvaro Santos Pereira, Director of the Country Studies Division at the OECD’s Economics Department said. Monetary policy should rely more on market-oriented tools and less on targeted government policy, the report concluded.

- The China Securities Regulatory Commission (CSRC) introduced new restrictions for financial institutions seeking to outsource fund management to external fund managers. Regulators are worried that such funds are used as a shadow banking channel by lenders to make risky bets in corporate bonds or equities, without effective management by the external fund house.
- Bank of China's overseas corporate loan growth surpassed domestic corporate loan growth in 2016 for the first time, signaling a new stage of internationalization. The contribution of its overseas loans to total loans rose from 19% to 23%. The bank supported Chinese companies in about 3,200 “going global” projects from 2009 to the end of 2016. Currently, BOC has nearly 600 overseas branches and representative offices.
- Lufax, China’s biggest peer-to-peer (P2P) lender backed by Ping An Insurance, is planning to set up a platform to facilitate global asset allocation for middle income earners in Asia and Chinese investors. The Singapore-based platform will be launched this year. Lufax, originally established as a P2P platform five years ago, aims to transform itself into the largest wealth tech company in China.
- CITIC, China’s largest state-backed conglomerate that acquired McDonald’s mainland and Hong Kong business in January, saw net profit for 2016 rise 3% on-year to HKD43.1 billion, partly thanks to a gain of HKD10.3 billion by selling its mainland residential property assets to China Overseas Land and Investment. Total revenue slid 4% to HKD380.8 billion. Citic Bank, China’s eighth-largest commercial bank that made up around 90% of CITIC’s assets, reported a 1.1% increase in net profit, while Citic Securities saw net profit fall 48% due to the high base in 2015 and a lackluster A-share market last year.
- Ping An Insurance Group’s net profit rose 15% year-on-year to CNY62.4 billion last year, the biggest annual profit since 2003. Retail business contributed 65.4% of the total net profit last year, an increase of 7.3 percentage points from a year ago. The number of customers rose 20% year-on-year to 131 million, while profit per customer increased 7.8% to CNY311.51.
- China’s large state-owned banks are expected to disappoint when they report earnings for 2016 this week. The Agricultural Bank of China (ABC) is expected to post the largest profit decline of 2% to CNY177.3 billion, according to a poll of 21 analysts by Bloomberg. This will mark the lender’s first earnings drop since 2010. Industrial and Commercial Bank of China (ICBC), Bank of China (BOC) and Bank of Communications (BoCom) may even have slipped into a loss. Meanwhile, China Construction Bank (CCB) is set to perform the best with a 0.2% rise in profit to CNY228.1 billion. The poor performance was caused by falling interest income, which traditionally provided the bulk of the banks’ revenues.

FOREIGN INVESTMENT

China's Silk Road Fund seeking investment projects in Europe

China's Silk Road Fund is looking for investment projects in Europe. The fund, which provides financing for China's "One Belt, One Road" initiative, is seeking investment opportunities with a unit of the European Investment Bank (EIB), the European lender's Vice President Jonathan Taylor said. "Cooperation between the European Investment Fund (EIF), a subsidiary of the EIB, and the Silk Road Fund are under discussion," Taylor said at the start of a five-day trip to China. "Discussions between the EIF and the Silk Road Fund are centering on investment in Europe." China pledged to contribute USD40 billion to set up the Silk Road Fund three years ago. The capital came from the country's foreign exchange reserves, the China Investment Corp (CIC), which manages the sovereign wealth fund, the Export-Import Bank of China, and the China Development Bank (CDB). The fund has cooperation agreements with lenders in European countries such as France and Russia. China launched the "One Belt, One Road" initiative in 2013 to extend its influence in 60 counties, stretching through South-east and West Asia to the Middle East and central Europe. Beijing will hold a high-level summit on the initiative in the middle of May and leaders from over 20 countries have agreed to attend. The EIB invested €298 million in China to support climate-related projects last year, and is aiming to invest €500 million in the country this year, including on urban transport, forestry and energy efficiency, the South China Morning Post reports.

China drawing up rules to control overseas investment

China plans to publish rules this year on outbound investment (ODI) by Chinese firms that would spell out the sectors in which investing is encouraged and those where it is restricted. Chinese regulators have clamped down in recent months on outbound deals as part of efforts to stem rising capital outflows that have contributed to a weakening yuan. Chinese Commerce Minister Zhong Shan said earlier this month that a small number of Chinese companies had invested overseas "blindly and irrationally" in investments that China does not encourage. Therefore, the State Administration of Foreign Exchange (SAFE) will more closely monitor "irrational" investment in property, entertainment, sports and other sectors. Efforts to contain outbound investment appear to be having a significant effect. Non-financial outbound investment fell 52.8% from January to February from the same period last year, with amounts in the property and entertainment sectors down over 80%. Chinese firms invested about CNY1.1 trillion in 164 countries and regions in 2016, a year-on-year increase of 44.1%.

- Robert Bosch plans to open a new joint venture for gasoline engine management systems in Chongqing, an automotive electronics plant in Changzhou, Jiangsu province, a power tools plant in Chengdu, and a thermo-technology joint venture with Guangdong Vanward New Electric, a gas appliance exporter based in Foshan. Bosch Chairman Volkmar Denner told China Daily that his company would develop connected mobility, smart city and smart home products from a long-term perspective. In 2016, Bosch invested around CNY5.4 billion in China, including establishing a research and development (R&D) facilities in Suzhou and Nanjing.
- Frontier Services Group (FSG) is planning to built two operation bases in Xinjiang and Yunnan, Erik Prince, Executive Chairman of the firm, said. He is better known as the founder of the private military company Blackwater, now known as Academi, which provides executive security services and specialized training. FSG will provide Chinese companies protection services abroad.
- Morocco and the Haite Group signed a memorandum of understanding (MOU) to invest USD1 billion to build an industrial and residential park in Morocco's northern city of Tangiers. The park will host hundreds of Chinese companies in numerous industries, including car manufacturing, aerospace, aviation spare parts, electronic information, textiles, and machinery manufacturing. The project will cover an area of 2,000 hectares and generate 100,000 jobs.
- Huawei is making a massive investment in research and development (R&D) in New Zealand. The plans include the building of a cloud data center and establishment of innovation labs in Christchurch and Wellington. The company plans to spend NZD400 million over five years on the projects.
- China's centrally-administered SOEs have 9,112 business entities operating in about

185 countries and regions. The SOEs have total overseas assets of more than CNY5 trillion and 346,000 employees operating overseas, Xiao Yaqing, Director of the State-Owned Assets Supervision and Administration Commission (SASAC) said.

- Foreign companies have no obligation to transfer their technologies to local partners under a joint-venture format in China, the Ministry of Commerce (MOFCOM) reiterated. Spokesman Sun Jiwen said there are no compulsory technology transfer obligations for foreign investors, and most industries are completely open for them. Only a few sectors deemed sensitive have equity share limits and restrictions. These were reduced from 43 to 15 in 2015.

FOREIGN TRADE

South Korea complains to WTO over Chinese boycott

South Korea has complained to the World Trade Organization (WTO) about Chinese retaliation against South Korean companies over the deployment of a U.S. anti-missile defense system in the South. South Korea and the United States say the sole purpose of the Terminal High Altitude Area Defense (THAAD) system is to guard against missile launches from North Korea, but China says that its powerful radar could penetrate into its territory and endanger its security. “We have notified the WTO that China may be in violation of some trade agreements,” South Korean Trade Minister Joo Hyung-hwan told parliament in response to questions about China’s reaction. It would be up to South Korea to follow up on its complaint to the WTO for any action to take place, analysts say, either by continuing to raise its concerns and spelling out what China is doing wrong, or by launching a trade dispute. The first step would be to formally “request consultations” with China. China is South Korea’s largest trading partner and the dispute over THAAD has resulted in a sharp decline in Chinese tourists visiting the South’s shopping districts. Chinese authorities have also closed nearly two dozen retail stores of South Korea’s Lotte Group, although Beijing has never explicitly linked the restrictions to the THAAD deployment. China’s Ministry of Foreign Affairs said it supports normal business and other exchanges between China and South Korea, the South China Morning Post reports.

China asks WTO to examine surrogate country approach

China has asked the World Trade Organization (WTO) to create an expert panel to examine the so-called “surrogate country” approach used by the European Union to calculate anti-dumping measures applied to Chinese exports. When China joined the WTO in 2001, it was agreed that member states should treat it as a non-market economy after 15 years. The deadline passed late last year, but the EU still applies tough rules that protect the bloc from cheap Chinese products. China asked the WTO to establish a panel to rule on its demand that the EU stop using a “surrogate country” system – judging the price of Chinese goods against a third country’s – to determine whether China is selling its products below market prices. “China is disappointed that it needs to seek action by the WTO’s Dispute Settlement Body (DSB) in order for the European Union to remedy the obvious and egregious WTO-inconsistency of its measures,” China’s Representative to the WTO said. China said previously that the refusal to grant it market economy status is an example of “covert protectionism” and “double standards” by the West. The EU has opposed the creation of the panel, but under WTO rules, if China makes a second request, it will automatically be set up. WTO’s panels of independent trade and legal experts take several months to decide. They can authorize retaliatory trade measures if they rule in favor of a plaintiff.

- The Trump administration has announced sanctions on 30 foreign companies and people from 10 countries, including China, accusing them of engaging in nuclear or missile proliferation activities with Iran, North Korea, and Syria.

HEALTH

Hong Kong team makes H7N9 breakthrough

A team of researchers at the University of Hong Kong has discovered how the deadly H7N9 virus has attained a higher ability to infect humans while also being contagious among avian species, placing the city at the forefront of bird flu drug development. Scientists analyzed the DNA of H7N9 virus strains collected since the 2013 outbreak, and identified a gene mutation that allowed it to adapt to human cells. The research, headed by Professor Chen Honglin of the university's State Key Laboratory of Emerging Infectious Diseases, was published in the scientific journal Nature Communications. Chen said the findings could "help monitor the emergence and transmission of the bird flu virus in humans and prevent human-to-human infection, as well as provide a new target for antivirus drug development". He added that it was rare for avian viruses to be transmitted to humans, but the mutation in this case was particularly aggressive and adaptable. There is currently no publicly available vaccine to protect against the H7N9 virus infection. The first confirmed infections of the new H7N9 strain of bird flu were reported in China in March 2013. There were a total of 1,329 confirmed human H7N9 cases around the world since then, claiming at least 492 lives. Most of the cases were from mainland China, while Hong Kong registered 21, and 10 other cases were distributed across Taiwan, Canada, Macao, and Malaysia, the South China Morning Post reports.

The World Health Organization (WHO) and the United Nations Food and Agriculture Organization (FAO) have urged the Chinese government to take more precautionary measures to prevent a possible bird flu epidemic as the virus may become capable of human-to-human transmission. China reported 352 human cases of H7N9 in the first two months of the year, resulting in 140 deaths.

- A team of Chinese scientists in Chongqing have developed a method to determine a blood type within two minutes, a procedure which now takes about half an hour. The researchers at the Southwest Hospital affiliated with the Third Military Medical University said that they have designed a dye-assisted paper-based procedure that is not only quicker, but also more cost effective. The procedure could be suitable for use in emergencies.
- Police detained eight executives – including one foreigner – of French bakery Farine in Shanghai for allegedly using expired flour. Four bakeries of the chain were sealed by local authorities. They also confiscated bread and white flour. The bakeries violated China's food safety law by using food items beyond their expiry date.
- Beijing has announced a plan to end markups on drug prices and adjust the cost of 435 medical services in the boldest move yet to improve China's health care system. From April 8, a medical service fee will replace drug markups, registration and treatment fees. Drug prices were previously marked up by as much as 15%, but this will now not be allowed in more than 3,600 hospitals and medical institutions in the capital. Most prices for the 5,300-plus medical services offered at the city's public hospitals were set in 1999, 75% of which have been below cost.
- The Australian operation of Alibaba Group is using the blockchain technology to track the product life cycle of food products and curb the spread of counterfeit food online. Blockchain technologies are mainly used to track transactions of bitcoin and other cryptocurrencies.

IPR PROTECTION

Chery Automobile files complaint against Mercedes-Benz

Chinese automaker Chery Automobile Co has filed a complaint with the Trademark Office of the State Administration for Industry and Commerce (SAIC) over Mercedes-Benz's use of the "eQ" name for a line of green-energy vehicles. Chery has used the name "eQ" for its two-door battery electric car for two years and wants Mercedes-Benz to stop using the name. Mercedes showed off a concept car for its forthcoming line of electric vehicles last year, saying it would build its first eQ car in a German factory by the end of the decade. A ruling in Chery's favor would be a blow to Mercedes in a key market for new-energy vehicles as more electric cars are sold in China than in the rest of the world combined. China aggressively promotes green cars to fight air pollution.

- The Intellectual Property Court in Beijing has overturned a ruling by the Beijing Intellectual Property Office that Apple violated a patent of Shenzhen Baili, which led to an order to stop selling the iPhone 6 and 6 Plus in Beijing. Sales, however, were not suspended while Apple appealed against the administrative order. The Shenzhen firm had accused Apple of having “copied” the exterior design of Baili’s 100C smartphone, which has a curved edge and rounded corners.

MACRO-ECONOMY

China defends globalization at the Boao Forum

“We should try to solve the economic imbalance, promote a more inclusive economic globalization and let it light every corner of the world,” Vice Premier Zhang Gaoli said at the Boao Forum for Asia, an annual summit to deliver Asian voices on global issues. China would “firmly maintain the World Trade Organization-centered multinational free trade system and push forward the early implementation of a China-ASEAN free trade zone, and the early conclusion of Regional Comprehensive Economic Partnership (RECP) talks,” Zhang said. The RECP is widely regarded as an alternative to the Trans-Pacific Partnership (TPP), which has been abandoned by U.S. President Donald Trump, and which did not include China. Trade is expected to be one of the key topics at a meeting between Trump and Chinese President Xi Jinping, expected to take place at the Mar-a-Lago estate in Palm Beach, Florida, on April 6 and 7. Zhou Xiaochuan, Governor of the People’s Bank of China (PBOC), said at the Forum that globalization was “a challenge that you can’t avoid”. Zhou said that reallocating resources to manufacturing would simply not be efficient for some countries. Instead, he called for nations to give more training to laborers who would move from one sector to another, and to focus on strengthening knowledge-based industries. Zhou said international policy coordination would take time, and that hopefully there would be clearer language on free trade and globalization at the G20 summit in July in Hamburg, the South China Morning Post reports.

- According to a survey by the People’s Bank of China (PBOC), the percentage of bankers feeling confident about the economy jumped to 64.9% in the first quarter, from 53.7% in the preceding three months. However, 20.3% of bankers said monetary policy was “relatively tight” in the January-March quarter, up from 5.7% the previous quarter. Business confidence among entrepreneurs improved notably in the first quarter, to 61.5% of respondents from 54.1% in 2016’s fourth quarter.
- Chinese cities are becoming cheaper to live in globally following the yuan’s depreciation against the U.S. dollar, the Economist Intelligence Unit (EIU) Worldwide Cost of Living Survey showed. Shanghai’s ranking fell five places but it remained the most expensive city in mainland China, followed by Shenzhen and Dalian. Beijing dropped the most in the past year, falling 16 places to 31st in the global ranking. Singapore topped the global ranking for the fourth year running, with Hong Kong at no. 2. The biannual survey compared the prices of over 160 items in 140 cities around the world with the collated prices converted into U.S. dollar. New York was used as the basis for comparison.

MERGERS & ACQUISITIONS

Sinolight, Poly agree to merge

China moved one step closer to reducing the number of centrally-administered state-owned enterprises to 100, after Sinolight Corp agreed to merge with China Poly Group Corp. China Haisum Engineering Co, a listed arm of Sinolight, said in a regulatory filing that the latter had signed a restructuring framework agreement with property group China Poly. The move comes as the country drives through consolidation in many of its SOEs, including the railway, shipping, construction materials, and steel sectors. The merger requires regulatory approval, but would not affect normal operations. Two of China's nuclear power developers also announced plans to merge. The Shanghai-listed units of China National Nuclear Corp, a holding company for reactor design and technology, and China Nuclear Engineering Corp Group, a company focusing on construction, said in regulatory filings that a strategic reorganization was under way. After the two mergers are completed, the number of enterprises listed under the State-owned Assets Supervision and Administration Commission (SASAC) will be reduced to 100 from the current 102. China's centrally-administered SOEs performed well in the first two months of this year with combined profits surging 29.1% year-on-year to CNY168.6 billion, the China Daily reports.

- Zhonghong Group has bought Blackstone Group's 21% stake in SeaWorld Entertainment. Zhonghong is paying a 33% premium, but the deal includes licensing and consulting deals for theme-park development in China. Two Zhonghong Executives will join SeaWorld's board.
- Air Products & Chemicals, based in Pennsylvania in the U.S., is pulling out of its bid to buy control of Yingde Gases Group Co, which would have given it as much as a 22% share of China's market for industrial gases. PAG Asia has acquired a 47.2% stake in Yingde and is seeking total control of the company.
- HNA Group agreed to buy a 25% stake in Old Mutual's U.S. asset management unit for about USD446 million. Old Mutual is selling down its holdings in OM Asset Management to HNA in two tranches. The first, comprising 9.95%, would be completed within 30 days, with a second 15% stake taking place in the second half. After the transactions with HNA, Old Mutual's holding of OM Asset Management would drop to about 26% from about 51% now.

REAL ESTATE

Secondary home market attracting capital

China's CNY6.5 trillion pre-owned home market is attracting growing interest and rising levels of capital. In the latest buyout of a company involved in the sector, in late February Shenzhen-listed Kunming Department Store spent CNY6.18 billion on a 94% stake in property agency Weiye 5i5j Group, through a share swap and cash, with the remaining 6% stake for CNY378 million in a share transfer deal. The total CNY6.56 billion buyout of the country's second largest property agent valued the company at 32.8 times its 2015 net profit. The deal is still pending due to the securities regulator's inquiry into whether it is a back-door listing. On January 3, Shenzhen-listed Hubei Guochuang Hi-tech Material Co, an asphalt producer, said it planned to buy Qfang.com, an agent in Shenzhen, outright for CNY3.8 billion. In another deal, Sunac China Holdings bought a 6.25% stake in China's largest home agent Homelink, for CNY2.6 billion, valuing the online-to-offline agency network at CNY41.6 billion, or 51.4 times its 2015 net profit. The purchase came just nine months after Homelink's series-B fundraising, when a private equity fund owned by China Renaissance, Baidu and Tencent valued the company at just CNY36.8 billion. In 2015, its after-tax profit surged nearly ten-fold from 2014 to CNY809 million, while last year Homelink handled more than CNY1 trillion worth of transactions, earning an estimated net profit of CNY1.14 billion. Homelink's core business remains as a pre-owned property agent, which charges 2.7% of any transaction value as commission – the highest of any Chinese agent. The company runs some 8,000 outlets across 28 cities with 130,000 agents. In Beijing alone, it claims over 60% of the market. 5i5j runs 2,215 stores in 15 cities, with 45,000 agents. Experts are predicting the trend to buy second-hand homes will continue to grow in major cities too, the South China Morning Post reports. In Beijing, pre-owned home transactions were 5.67 times that of new home sales last year, according to Centaline Property, and in Shanghai it was worth four times.

Beijing announces new property purchasing policy

Beijing has released a new property purchasing policy, which is likely to cause terminations of existing contracts and help cool down the capital's property market. Under the new policy, buyers who own a property in Beijing or have loan records in or outside the capital, will face an increased downpayment if they want to move home or buy second properties in the city. "The regulation will have a more direct and obvious effect on the pre-owned property market," Ren Qixin, Deputy General Manager of Yahao Real Estate, said. Buyers looking to trade their current house for another one need to pay at least 80% of the downpayment for property valued at more than CNY4.68 million, while most Beijing properties are valued at a higher price. "The average price of a Beijing property is CNY6 million per unit," said Zhang Dawei, Analyst at Centaline Property. The policy raises the possibility that buyers could withdraw from contracts due to the financial pressure of meeting the downpayment. "The deleveraging effect was obvious. Most pre-owned property buyers will have to pay 80% as downpayment. It will cool down the pre-owned market, and slow down the sell-one-and-buy-another situation," said Ren. "With reducing demand, we hope to see housing prices fall," Hu Jinghui, Vice President of real estate agency 5i5j said. To target faked divorces, Beijing housing mortgage applicants who have been divorced for less than one year will be regarded as second-home buyers, rather than first-home buyers, and therefore will have to pay a higher downpayment and mortgage rate. In the past, many couples got a divorce solely to buy another property under favorable first-home policies.

- Developer China Aoyuan Property is looking to expand into more cities in China's booming Greater Pearl River Delta (PRD) to reach its goal of CNY50 billion in annual sales by 2019. Aoyuan already has a presence in most cities in the delta, and is speeding up land acquisition in Shenzhen and neighboring cities such as Huizhou. While a number of big cities further tightened home-buying policies over the weekend to cool the market, Aoyuan is "cautiously positive" about the overall market, as there is still an under-supply of new-homes in China's first- and leading second-tier cities.
- Over half of Chinese households (52.2%) think housing prices are too high and more than a quarter worry they will rise more, according to a survey by the People's Bank of China (PBOC). That was a slight decline from the previous quarter but higher than in the first three months of 2016. The survey showed 27.2% of households expect housing prices to rise in the second quarter. Despite steep prices, 22.9% of households plan to buy properties in the next three months. The PBOC also asked banks to appropriately adjust mortgage lending policies in 2017 to match local housing conditions.
- HNA Group Co and at least one partner are bidding to acquire Manhattan's 245 Park Avenue for USD2.21 billion, one of the highest prices ever paid for a New York skyscraper. The 158,000-square-meter office tower, with tenants including JPMorgan Chase & Co, is being sold by Brookfield Property Partners and its 49% partner in the property, the New York State Teachers' Retirement System. If completed, the deal would bring Chinese ownership to the heart of midtown Manhattan's financial core.
- Country Garden, China's third largest developer, has reported better-than-expected profit growth for 2016, driven by strong house sales, especially in smaller cities. Core profit rose 22% from a year earlier to CNY12 billion, and net profit was up 24% to CNY11.5 billion. The Guangdong-based developer has set a 2017 contract sales target of CNY400 billion, a 30% jump from 2016.

RETAIL

Tencent remains China's most valuable brand

The 100 most valuable Chinese brands boasted a combined brand value of USD557.1 billion last year, up 6% from 2015, as consumers focused more on premium instead of price, according to The Brands China Top 100, a study done by WPP and Kantar Millward Brown. Technology firms, banks and telecom providers were the biggest contributors to boosting brand value in China. Tencent remained China's most valuable brand, growing its brand value 29% to USD106 billion. Education and travel were the fastest growing sectors, up 46%. The ranking combined financial data from Bloomberg News and Kantar Worldpanel with opinions gathered from interviews with over 400,000 consumers. Lenovo was the most export-focused brand in the Brandz China Top 100.

SCIENCE & TECHNOLOGY

Shanghai science & technology awards presented

The Shanghai Science and Technology awards – the city's highest awards for science and technology achievements – were handed to 265 projects and individuals. For the first time, there were two winners of the top award. Hu Lili, Director of the R&D Center of High Power Laser Optical Components of the Shanghai Institute of Optics and Fine Mechanics, won the top prize for developing technologies for the mass production of large-sized phosphate laser glass that can amplify the energy of a laser. Hu and his team spent 12 years developing key technologies for the mass production of "nd-doped" phosphate glass. The second top award winner is Yu Wenxian, Professor of the School of Electronic Information and Electrical Engineering of Shanghai Jiao Tong University. He and his team have made a series of breakthroughs on location applications to produce a satellite navigation system to make tracking more accurate. The technology developed has helped to create China's largest indoor map database, which is used by internet companies including Tencent and the country's largest map service provider Amap. The international cooperation awards went to Michail

Ivanov from Russia and Jun Chen from the United States, the Shanghai Daily reports.

- The highest sea level along China's coast in decades has prompted scientists to warn of a greater risk of marine disasters. The average sea level recorded last year was 82 mm higher than the average for the period covering 1993 to 2001, according to the State Oceanic Administration (SOA). It was 38 mm higher than that of 2015.

STOCK MARKETS

Kweichow Moutai and G-bits compete to be priciest Chinese stock

Liquor supplier Kweichow Moutai and gaming service provider G-bits Network Technology are vying to become the most expensive stocks on China's equity markets. After being briefly unseated by G-bits during intraday trading on March 14, Kweichow Moutai has regained its lead as the priciest stock on the Shanghai and Shenzhen stock exchanges. The two stocks are the only ones trading above CNY300 among China's 3,100-plus publicly-traded companies. Investors seem to favor Moutai due to the strong and growing demand for its products. Alexandre Werno, Executive Vice General Manager of Fortune SG Fund Management Co, says Moutai has solid fundamental support for its stock price, while the share-price gain of G-bits – which debuted on the Shanghai exchange on January 4 – is mostly the result of speculative buying of new listings, which are often subject to manipulation, due to their small proportions of free-floating shares. "Moutai will hold the title of the country's most-expensive stock for the foreseeable future," he said. "Sales are quite stable these days. Demand is always higher than supply. Therefore Moutai has the power to increase its retail price. This has driven the stock price higher." The Chinese liquor distilled from sorghum is gaining favor among retail consumers, thanks to rising incomes, rather than public spending by government officials, the South China Morning Post reports. Kweichow Moutai expects first-quarter profit to rise 16% from a year earlier, accelerating from a 7.4% increase for the whole year of 2016.

Kazakhstan metals firm wants foreign firms to be able to list in China

Kazakhstan government-backed Eurasian Resources Group, which is seeking Chinese finance for four metals projects involving a total investment of USD6 billion, has called on Beijing to open up China's stock markets to foreign firms to raise funds. The company, the world's largest producer of ferrochrome – an intermediate material used to give stainless steel its anti-corrosion properties – is in talks with Chinese firms on four projects. Luxembourg-based Eurasian was previously listed on the London stock exchange, until it was privatized in late 2013 by a consortium led by the Kazakhstan government that now owns a 40% stake. Eurasian Resources Chief Executive Benedikt Sobotka said the company would be interested in listing on mainland China's stock markets to help raise funds for its projects, but current regulations made it "almost impossible" to do so. "Mining projects are good investments as they provide good long term returns," he said.

- Wu Jianguo, 49, a former stockbroker who fled Shanghai 14 years ago with CNY3.6 million stolen from clients, has been sentenced to 13 years in prison for embezzlement and misappropriation of funds.
- Chinese brokerages, including the country's biggest, CITIC Securities Co, reported a sharp drop in profits in 2016 as lackluster stock market activity dragged down commission incomes. Brokers in China have been struggling after a stock market boom came to a turbulent end in 2015. Two of China's top listed brokerages – GF Securities and Changjiang Securities – saw their 2016 net profit drop 39.2% and 36.8%, respectively, last week.

TRAVEL

New Terminal 1 building put into service at Shanghai's Hongqiao airport

The newly renovated Terminal 1 building at Hongqiao International Airport has opened to the public, while the old T1 building will be closed for reconstruction, the airport authority said. All domestic and international flights at T1, mainly of China Eastern and Spring Airlines, moved to the renovated Building A terminal. It was the airport's largest renovation since its opening in 1921. The building's floor area has been expanded by almost 40%. The T1 building will service 42 international and 68 domestic flights daily. Among the key features of the renovation is a direct link to the terminal from the Yan'an Road highway. Previously, drivers had to exit the highway to a ground-level road to reach the T1 building. The new design is expected to relieve traffic congestion near Hongqiao airport. A three-story, 70,000-square-meter parking facility with 1,250 parking lots has been built next to the terminal. The full renovation will be completed by mid-2018 when Building B of T1 will open to the public. Once completed, Terminal 1 will be primarily a base for Spring Airlines and a small number of other carriers operating charter flights to Japan and South Korea.

Apple's Cook shows support for bike-sharing start-up Ofo

Apple CEO Tim Cook visited the Beijing-based bike-sharing start-up Ofo amid intensified fund-raising competition in China's so-called "Uber-for-bikes" market. One of the country's major players in the red hot app-enabled domestic bike-sharing market, Ofo is backed by Chinese car-hailing firm Didi Chuxing in which Apple made a rare investment of USD1 billion in May 2016. Cook described the investment in Didi as "a chance to learn more about certain segments of the China market". Neither Apple nor Ofo revealed the purpose of the visit, so it is unknown whether Apple is interested in directly investing in the business, which is battling with Tencent-backed Mobike in gaining a dominant share in the fledgling but rapidly growing sector. "There is potential for cooperation between Ofo and Apple. For example, Apple Watch can be used to record and share exercising data when riding a bike," said Wang Xiaofeng, Senior Analyst with Forrester Research. Cook's visit comes three weeks after Ofo announced a USD450 million investment from investors including Didi Chuxing, MatrixPartners China and Citic Private Equity, which together brings the valuation of the three-year-old company to more than USD1 billion. Its biggest rival Mobike said in February that its funding in 2017 totaled USD300 million. Ofo's daily orders in China for bike renting has exceeded 10 million and it is now looking to expand abroad. During his trip to Beijing, Tim Cook also took part in the high-profile 2017 China Development Forum, discussing the future of some key technologies, such as virtual and augmented reality, the South China Morning Post reports.

- The number of flights landing and taking off from Beijing Capital International Airport will be cut by more than 300 a day in April to allow for runway maintenance. The world's second busiest airport will close one of its three runways between April 2 and April 29. About 40% of flights take off or land on this runway every day. The closure will reduce flights by about 20% and the number of passengers by 10% to 15%.
- China Southern Airlines, Asia's biggest carrier by passengers, is in advanced talks to sell a stake to American Airlines for about USD200 million. The sale likely would take place through a private placement. China Southern has a market value of about USD10 billion. An investment in China Southern would allow American to strengthen its presence in the Chinese market. Rival Delta Air Lines acquired a minority stake in China Eastern Airlines in 2015. China Southern and Delta are members of the SkyTeam global airline alliance. American is in the competing Oneworld group, which doesn't have a China-based partner.
- China is expected to get moving soon on construction of Indonesia's beleaguered high-speed rail project. China Development Bank (CDB) could disburse pre-agreed loans for the 142 km Jakarta-Bandung rail line as early as the end of this month. The project has been stalled for over a year amid delays in government clearances and local resistance to the route, but if it does go ahead, it will be a milestone in China's ambitions to export its high-speed rail technology.
- Domestic and foreign airlines plan to open more than 100 new international routes linking China with regions along the Belt and Road Initiative in the coming aviation season, the Civil Aviation Administration of China (CAAC) announced. The routes are mostly to Russia, countries in Central, Southeastern and Southern Asia, as well as the southern Pacific Ocean region. The 2017 summer and autumn civil aviation season started on March 26 and will end on October 28.
- China Railway Corp said that it had replaced all cables provided by Shaanxi Aokai Cable Co that supplied a substandard product that might ignite and release toxic

gases. The problematic cables were first found to have been used on subway Line 3 in Xian. Eight people at the private company have been detained, and local police also shut down the company's production sites. Beijing metro said no lines in the capital used Aokai's products.

- The board of the Southeastern Pennsylvania Transit Authority in Pennsylvania in the U.S. approved the purchase of 45 multi-level rail carriages from CRRC MA for its regional rail network, saying they offered the best value. The multilevel coaches will meet "Buy America" requirements, with 60% or more of the parts, labor and fabrication done in the U.S. CRRC beat Bombardier and Hyundai Rotem to win the order. The carriages will be produced primarily at CRRC MA's main U.S. manufacturing facility in Springfield, Massachusetts.

VIP VISITS

Israeli PM Netanyahu visits China

Israel wants to boost cooperation with China in technology, Israeli Prime Minister Benjamin Netanyahu told Chinese Premier Li Keqiang, as he led a business delegation to Beijing to promote commercial ties. Li praised Israel's advances, saying it was a world leader in some technologies. Netanyahu told a meeting of more than 600 Israeli and Chinese businesspeople that Israel is well-positioned to help China upgrade its products, services and utilities with better technology. "I think that there is an extraordinary capacity for China to assume its rightful place, as it's doing, on the world stage. We are your perfect junior partner for that effort," Netanyahu said. The Israeli Prime Minister had a meeting with Chinese President Xi Jinping and also met with the heads of large Chinese corporations including Dalian Wanda, Alibaba, Lenovo, and Baidu. The leaders of China and Israel also discussed a possible free trade agreement. Bilateral trade has been around USD8 billion for the past few years, but over the past decade, Israel's exports to China tripled to USD3.3 billion in 2016, with technology – from cyber security to agri-tech – leading the way. Half the investments in Israeli funds in 2015 involved at least one Chinese investor, and 40% of funds raised by Israeli venture capital firms came from Chinese backers, the Shanghai Daily reports. The Israeli Prime Minister has asked Chinese President Xi Jinping to lift foreign currency restrictions for Chinese investors in Israeli technology companies. While one-third of foreign investment in Israel last year came from China, some startup executives complained that financing deals were being canceled because Chinese investors could not take money out of the country.

Chinese Premier warns Australia against protectionism

China's Premier visited Australia and New Zealand. He warned against protectionism, saying his country planned to close its USD50 billion a year deficit with Australia by expanding the trading relationship rather than retreating from it. Premier Li Keqiang said in a speech in Australia's Parliament House that globalization created "some problems," but that free trade was not to blame. "We believe that to resolve the trade imbalance, we need to continue to expand trade," Li said. Li and Australian Prime Minister Malcolm Turnbull discussed the expansion of the two-year-old bilateral free trade agreement (FTA) between the two countries. During Li's visit China removed the last remaining restrictions on imports of Australian beef. New Zealand said it did not plan to "choose sides" on trade between the United States and China, as Premier Li Keqiang arrived for a visit. China is now the country's second-largest commercial partner, with two-way trade worth NZD23 billion last year. New Zealand Trade Minister Todd McClay said closer ties with Beijing need not affect relations with Washington. Premier Li is holding talks with New Zealand Prime Minister Bill English in Wellington on March 27. English said his government wants the free trade agreement to cover 90% of goods exported by 2030, up from just over half currently.

ONE-LINE NEWS

- Some major internet companies in China are appointing mid-ranking public relations and human resources managers to head their Communist Party committees as they try to build closer ties with the government. The approach differs from the state firms, where the Party Secretary usually heads the company. The party committee of a private company usually does not have great significance in business management.

- China plans to carry out environmental spot checks on companies and local governments across the country this year to try to rein in pollution. Inspections teams were sent to 16 cities and provinces in 2016, including Beijing and Shanghai.
- China ranked 79th among 155 countries in happiness between 2014 and 2016, said the World Happiness Report 2017 published by the Sustainable Development Solutions Network (SDSN), a global initiative launched by the United Nations. It beat countries such as Greece (87), Portugal (89) and India (122). Norway came at the top of the list.
- Tencent Holdings, China's biggest social media and online entertainment company, posted a 47% rise in quarterly profit, helped by strong growth in new revenue streams such as payment and cloud services. Net profit for the three months through December rose to CNY10.53 billion, while full-year profit stood at CNY41.1 billion, up 43%, as revenue rose 48% to CNY151.94 billion.
- Carrie Lam has been elected Chief Executive of Hong Kong for a five-year term. With 777 votes to her name, she beat John Tang with 365, and Woo Kwok-hing with 21 in the Special Administrative Region's Election Committee.
- China Mobile, the world's largest wireless network operator, expects the implementation of further tariff cuts ordered by the Chinese government to cost the company at least CNY7 billion in lost revenue and profit this year. Premier Li Keqiang has called on the country's three telecommunications operators to completely remove domestic long-distance and roaming charges this year, lowering internet access and leased line fees for small and medium-sized enterprises (SMEs), and cut international long-distance voice tariffs.

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