法兰德斯中国商会 FCCC VCKK

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

NEWSLETTER | 24 APRIL 2017

FCCC/EUCBA ACTIVITIES

China: Opportunities in the Healthcare market – Monday 15 May 2017 – Barco – Kortrijk

The Flanders-China Chamber of Commerce is organizing a seminar on opportunities in the Chinese healthcare market. This event will be held on Monday 15 May at 14h30 at Barco, Beneluxpark 21, 8500 Kortrijk.

The seminar is organized in cooperation with the Cheung Kong Graduate School of Business, Flanders Investment & Trade, Agoria Healthcare Technlogy Esscencia, MedTec Flanders and the Regional Development Agency West-Flanders.

Opportunities for healthcare?

Healthcare reform has become one of the priorities of the Chinese government. China's healthcare market is growing quickly – around 17% per annum in recent years. It is now the second largest market in the world for medical devices and pharmaceuticals. China's healthcare service market is also quickly becoming one of the largest in the world.

During this seminar, Mr. Bo Ji, Chief Representative and Assistant Dean of the Cheung Kong Graduate School of Business, will give you a better understanding of the opportunities in the fast-growing Chinese healthcare market. This will be followed by testimonials from Barco and Televic, sharing their experiences on the Chinese market.

The program is as follows:

13h30	Registration
14h00	Barco Company Tour (optional)
15h00	Introduction by Ms Gwenn Sonck, Executive Director, Flanders-China Chamber of Commerce
15h05	Business Opportunities in the Chinese Healthcare market *Mr. Bo Ji*, Chief Representative, and Assistant Dean, Cheung Kong Graduate School of Business
15h50	Experiences of Flemish companies on the Chinese healthcare market *Mr. Filip Pintelon*, Senior Vice-President GM Healthcare, Barco, *Mr Olivier Billiau*, International Sales and Marketing Director, Televic
16h30	Questions and Answers
17h00	Announcement of the China Immersion Programme for the Health Industry
17h10	Networking

PRACTICAL
When: Monday, 15 May 2017
Location: Barco, Beneluxpark 21, 8500 Kortrijk
Price: Members: €75 (excl. VAT) — Non-members: €115 (excl. VAT)

If you are interested in participating, kindly register via this link: goo.gl/ByyAR8

This is a very informative event for companies active in the Health Industry including Pharmaceuticals, Biotechnology, Nutrition, Medical Insurance, Medical devices and applications, as well as Healthcare and life sciences.

One Day China Immersion Programme – "Understanding China's Next Move" – 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: **"Understanding China's Next Move"**. This programme will take place on Monday May 22, 2017 at the Provincial House, Gouvernementstraat 1, Ghent.

"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

Conference: "Sharing Chinese & Western Leadership Insights" – 22 May 2017, 18h30 – Antwerp

"SHARING CHINESE & WESTERN LEADERSHIP INSIGHTS"

LEAD-IN and the Flanders-China Chamber of Commerce are organising their joint conference which explores Western and Chinese models of business leadership with an expert panel of business leaders and academics.

Different cultures can have radically different leadership styles and it is important for international organisations to understand them. As European business continues to expand into China, and Chinese companies establish operations around Europe, employers need to integrate both Chinese and European perspectives into their leadership models.

Understanding the inherent differences between Chinese and European leadership styles is essential for successful talent management programs. Our conference will give you a clear understanding of the similarities and differences between Chinese and European leadership styles and how to apply them to your company.

Topics we will explore:

- What are the similarities and differences in Western and Chinese leadership models in business?
- How do Chinese/European companies innovate, deal with human capital and strategy?
- What is the leadership impact of Chinese corporate leadership on long-term future planning, innovation, human relationships, strategic planning, M&A and value creation?

- How should Western executives adapt to leading in a Chinese company?
- What are the main leadership challenges for Chinese companies coming into Europe?
- How do you become an inspirational leader in a Chinese/European business venture?
- Where do Western and Chinese leadership models converge?

Keynote speaker: Mr Bo Ji, Chief Representative for Europe and Assistant Dean of China's top business school, Cheung Kong Graduate School of Business.

Panelists

- Bo Ji, Chief Representative for Europe and Assistant Dean, Cheung Kong Graduate School of Business.
- Charlene Wu, Chairman, Anbang Belgium
- Philip Eyskens, Senior Vice President Legal, IT and M&A, Bekaert
- Dirk Coorevits, General Manager, Soudal

PROGRAM

- **18h30:** Registration
- **19h00:** Welcome by Jacques Vandermeiren, CEO Port of Antwerp
- **19h05:** Introduction on Chinese & Western leadership models by Bo Ji
- **19h25:** Panel debate
- **20h15**: Q&A
- **20h30:** Cocktail reception

PRACTICAL INFORMATION
When: 22 May 2017
Location: Port House Antwerp, Zaha Hadidplein 1, 2030 Antwerp
Time: 18h30 - 22h
Price (Excl. VAT): Members €50 — Non-members €100
Members of the FCCC can obtain the discount code by sending a request to: info@flanders-china.be

REGISTRATION
If you wish to participate in this event, please register via the following link; goo.gl/JlwziU

About the Cheung Kong Graduate School of Business

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 USD1 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.

About the Speakers

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 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.

ACTIVITIES SUPPORTED BY FCCC

2017 Chinese Enterprises Outbound Investment Conference – 26-27 May 2017 – Changsha

The 2017 Chinese Enterprises Outbound Investment Conference will be held on May 26-27 at Meixi Lake Hotel in Changsha, Hunan province.

Program:
Friday, May 26, 2017

14:00-17:00	Registration
18:00-20:00	Welcome dinner (by invitation only) Welcome speeches by Mr. Wang Jinzhen, Vice Chairman of the China Council for the Promotion of International Trade (CCPIT) and by the Governor of Hunan province

Saturday, May 27, 2017

08:00	Registration
09:00-09:40	Opening ceremony hosted by the Changsha Municipal Government
09:40-10:00	Agreement signing ceremony and release
10:00-10:20	Coffee break
10:20-11:20	Plenary session 1: Tendency of transnational investment – keynote speaker of the Development Research Center of the State Council
11:20-12:20	Plenary session 2: International cooperation on production capacity – keynote speaker of the National Development and Reform Commission (NDRC)
12:20-13:30	Buffet luncheon
13:30-15:10	Parallel meeting 1: Agricultural international cooperation – keynote speaker of the Ministry of Agriculture Parallel meeting 2: Overseas economic and trade cooperation zone – keynote speaker of the Ministry of Commerce
15:10-15:30	Coffee break
15:20-17:10	Parallel meeting 3: Support service for transnational investment – keynote speaker of the Silk Road Fund Parallel meeting 4: Intelligent manufacturing – keynote speaker of the Sany Heavy Industry Co
17:30	Buffet dinner

Confirmation of attendance to be received before May 10.

Contacts:
Ms. Zhang Yingping zhangyingping@ccpit.org
Mr. Yu Biao yubiao@ccpit.org
Ms. Guan Cong guancong@ccpit.org

2017 China-EU SME Cross-Border Investment and Trade Conference – 2 June 2017 – Brussels

The Bank of China, in partnership with EUROCHAMBERS, and supported by the EU-SME Centre and the EU-China Business Association (EUCBA), is organizing the 2017 China- EU SME Cross-Border Investment and Trade Conference.

Time: 2 June 2017.
Venue: Brussels
Participating enterprises: Around 100 Chinese enterprises and 200 EU enterprises will be invited to attend the Cross-Border Matchmaking Event, which conducts several rounds of "One to One" negotiation and connection.
Industry focus: Agriculture & Food Industry; Bio-Pharmacy & Health Care; Chemical Industry; E-Commerce; Environment and Renewable Energies; High Technology; High-end Equipment Manufacturing; Winter Sports and Cross-Border Tourism
Advantages:

- During the 19th EU-China Summit
- To realise China-EU bilateral benefits – Multi-Industry Matchmaking
- One to one on site negotiations
- Debt-Equity Combination Financing – BOC Customized Service

Fee: Registration: Free of Charge
Lunch and Coffee Breaks: Provided by BOC for all Participants
Interpreters (Chinese-English): Available during the Conference
Registration: www.bocsmeevent.eu
Contacts:
Tel: 0032-2405 6663；0032-2405 6691
Email: sme.be@bankofchina.com
sme.be@mail.notes.bank-of-china.com
Contact Address : 20 Avenue des Arts, 1000 Brussels, Belgium

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

Seminar: Win in China: Doing business with a Changing China – How to tap into the Chinese market for growth – 19 April 2017 – Antwerp

The Flanders-China Chamber of Commerce, the City of Antwerp and the Port of Antwerp organized a seminar focused on '*Win in China: Doing business with a changing China'* on 19 April at the Port of Antwerp.

In December 2016 the City of Antwerp, The Port of Antwerp and Antwerp World Diamond Centre held another successful mission to China. The bonds between partner cities Antwerp and Shanghai were strengthened, contacts were made, allegiances forged, toasts raised and contracts signed. Given the good relationship between both cities and the growing economic importance of China, the future opportunities are legion. During the mission Mr. Bo Ji already taught us how to better understand the Chinese and enhance our negotiating power. The response to this lecture was very satisfactory therefore we requested Mr. Ji Bo to give us more insights into a changing China.

Following a word of welcome by Mr. Luc Arnouts, Chief Commercial Officer, Port of Antwerp, keynote speaker Mr. Bo Ji was introduced by Mr. Christian Leysen, Board Member of the Flanders-China Chamber of Commerce. Mr. Bart De Wever, Mayor of the City of Antwerp, delivered the closing speech. A networking reception concluded the event.

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 delivered a keynote speech at EUCBA on "China's Transformation: Opportunities for Business". During the event, the opportunities and issues facing European companies as they look to expand their businesses into China were discussed. A number of distinguished guests spoke about their diverse and insightful understandings of China's diverse markets and how you can look towards China for future growth.

Speeches on EU-China relations were given 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

A panel discussion on "Tapping into the Chinese market for growth" included:

- Mr Bo Ji, CKGSB European Dean (moderator)
- Mr Bart De Smet, Chairman, Ageas

- Mr Philippe Van der Donckt, Business Development Director Umicore and Vice-Chairman EUCBA
- Professor Xiang Bing, Dean, CKGSB

A networking drink concluded the event.

Coastair: We Fly Cargo

AUTOMOTIVE

1,400 cars on display at Shanghai auto show

One thousand domestic and international exhibitors showcased 1,400 cars – including 113 world premieres – at the biennial Shanghai auto show last week. Although traditional cars account for the majority of new models, visitors to the event – which runs until April 28 – will also notice trendsetting new energy vehicles (NEVs). According to the event's organizers, automakers are exhibiting 159 electric cars, plug-in hybrids and fuel-cell cars this year, 12 more than at the Beijing auto show last year. Jaguar Land Rover is showcasing an electric concept car, the Jaguar I-Pace SUV, the first of its kind from Jaguar. The model will be available starting in the second half of 2018. Another British brand, Bentley Motors, is showing its electric concept car, called the EXP 12 Speed 6e. The automaker said one of its aims is to gauge public opinion in the Chinese market to help to shape its future strategy. "Bentley is fully committed to China, it is a vital market for us. We are focusing on developing an electric model in the future that will meet the luxury mobility needs of customers right here and around the world," said Wolfgang Duerheimer, Bentley's Chairman and CEO.

Volume brands are even more ambitious in their efforts to seize a share of the world's largest new energy car market, which sold half a million such vehicles in 2016 and is expected to sell even more this year. Volkswagen is displaying an electric crossover concept that features both coupe and SUV characteristics. VW will launch 15 new energy cars in China in the next three to four years. By 2025, NEVs are expected to account for more than 15% of total passenger vehicle sales in China, according to the Society of Automotive Engineers of China. The market has until now been dominated by Chinese brands, such as BYD, Roewe and BAIC Motor, and more startups are joining the race. NextEV, backed by Tencent and investment firm Hillhouse Capital, brought 11 models to Shanghai, including the Nio EP9. Little-known carmaker Singulato Motors is bringing its "intelligent electric" iS6 to the show. The car will be outsourced to an original manufacturer, as the company has no production permit yet for its plant in Tongling, Anhui province. In addition to new energy cars, Chinese automakers are demonstrating strength in SUVs, including those from Geely's Lynk & Co and Great Wall's Wey, the China Daily reports.

A total of 83 domestic models made their debut, show organizers said, led by Shanghai Automotive Industry Corp, Geely and Guangzhou Automotive Group. Some 832,300 sport utility vehicles (SUVs) were sold in China in March, with domestic makers having nine of the top 10 best-sellers, according to the China Association of Automobile Manufacturers (CAAM). SAIC expects to double sales to 600,000 units this year. Its Roewe RX5, a compact SUV, had sold more than 140,000 units by March since its debut last July. Also eying expansion overseas is GAC, which is planning a U.S. debut in 2019. GAC unveiled its GA8 SUV under the Trumpchi brand, the company's top selling series, with the model due on the Chinese market by December. SUV sales accounted for 37% of the total vehicle sales in China last year, up from a mere 5.7% a decade ago.

- Yang Rong, the automotive tycoon who went on a self-imposed exile in the United States after losing a 2002 feud with Bo Xilai, then Governor of Liaoning province, is making a comeback to the industry that made him China's third-wealthiest businessman almost two decades ago. He owns 13.5% of Hong Kong's Hybrid Kinetic

Group, a producer of lithium-ion batteries and hybrid vehicles, and is Chairman of the company. At the Shanghai auto show, Hybrid Kinetic unveiled two SUVs -- the five-seat K550 and the seven-seat K750 -- which it describes as prototypes.

- Future Mobility Corp (FMC), an electric car start-up considered one of China's "Tesla challengers," said it will unveil its first concept smart car in the second half of this year before starting mass production in 2019. Daniel Kirchert, President of FMC, said that the concept car will be a mid-size SUV priced between CNY300,000 and CNY400,000 and featuring a host of smart technologies. The company is ramping up preparations for a production line with a capacity of 300,000 units in Nanjing.

EXPAT CORNER

Smart green cards to be issued

China will replace green cards issued to foreigners with "smart card" versions beginning in July. Under the new directive from the Ministry of Public Security, holders of foreigners' permanent residence cards can apply to renew the current permits with a new one embedded with a readable chip that contains identity information. The card can be swiped at various government agencies and institutions, making it easier and faster for foreigners to carry out some procedures such as buying train tickets. The introduction of the new green card is part of efforts by the government to attract more skilled foreigners to settle in China. In the 10 years after 2004 when the green card scheme was introduced, 7,356 foreigners have been granted permanent residency, even though more than 900,000 foreigners were working in China last year. The number of cards issued has risen recently, with 1,576 foreigners approved for permanent residency last year, 163% more than in 2015. But many green card holders still view the document as merely symbolic rather than of practical use. Many officials do not recognize the card. The Ministry of Public Security said it is aware of the issue and would rename it the Foreigner's Permanent Residence Identity Card. The new name, in both Chinese and English, would be printed on the card. Zhang Jianguo, Director of the Administration of Foreign Experts Affairs, said that foreign talent was an "indispensable source" of the nation's innovation strategy.

FINANCE

New tax cut measures announced

China will take new tax cut measures to spur corporate dynamism and competitiveness, Premier Li Keqiang said. Some piloting taxation incentives will be applied to more areas, while the country's value-added tax (VAT) reform will be consolidated. The tax burden on businesses will be further eased by around CNY350 billion. Starting from July 1, four VAT brackets will be streamlined into three, with tax rates of 17%, 11% and 6% targeting different products. Tax cut incentives for small enterprises with limited profits will apply to a wider range from January 2017 to December 2019. Businesses with profits under CNY500,000, instead of the previous CNY300,000, will be made eligible for preferential measures. Pre-tax deduction for innovation-based tech firms will be further expanded from 50% of R&D cost to 75% from 2017 to 2019. Tax incentives currently given to venture capital firms will be extended to their investment in fledgling high-tech companies from this year in eight regions including Beijing, Tianjin and Shanghai, as well as in the Suzhou Industrial Park. Further tax cuts for commercial health insurance will be applied nationwide, with an upper limit of CNY2,400 to be deducted per person, the Shanghai Daily reports.

- China has taken a small step to relax its controls over yuan outflows, as there is a smaller risk of capital exodus and greater market confidence in the value of the yuan. The People's Bank of China (PBOC) in early January required commercial banks to stop processing cross-border yuan payments unless the banks could show at the end of every month that the amount of outbound yuan matched the sum that came in, but that restriction has now been scrapped. The move is expected to help boost liquidity in offshore yuan markets, especially Hong Kong.
- The disappearance of CNY3 billion from China Minsheng Bank's private banking accounts has once again highlighted Chinese banks' weak internal controls and the risks associated with the sale of so-called "innovative" wealth-management products.

An accidental inquiry from an investor exposed the fact that the WMPs sold by a Minsheng branch didn't even exist. The Manager of the bank branch has been arrested. Although defaults of WMPs issued by smaller banks, non-bank financial institutions and online lenders are not uncommon in China, such incidents at big banks are rare.

- China increased its holding of U.S. Treasury securities in February by USD8.6 billion after a reduction by USD7.3 billion in the previous month. Its total holding now amounts to USD1.0597 trillion. China's foreign exchange reserves climbed to USD3.009 trillion at the end of March. Concerns about capital outflows from China have receded lately.
- China's tax revenue grew faster in the first quarter. The tax authority collected CNY3.33 trillion, excluding export rebates, up 11.8% from a year ago. The central government collected CNY1.54 trillion, and local governments received CNY1.79 trillion, up 11.1% and 12.4% respectively. The service sector contributed 55.7% of the total.
- Net forex sales by Chinese banks rose slightly in March. Banks bought USD145 billion worth of foreign currencies and sold USD156.6 billion, resulting in net sales of USD11.6 billion last month, according to the State Administration of Foreign Exchange (SAFE). "Generally speaking, the pressure of cross-border capital outflow eased significantly in the first quarter. Supply and demand of foreign currencies have become more balanced," said SAFE Spokeswoman Wang Chunying. In the first quarter, banks' net forex sales were USD40.9 billion, down 67% from a year earlier.
- Ant Financial, the payment affiliate of Alibaba Group Holding, has acquired Singapore-based payment service HelloPay Group, the payment subsidiary of e-commerce firm Lazada group, which is majority-owned by Alibaba after a USD1 billion deal in 2016, and will be rebranded as Alipay in relevant markets, including Singapore, Malaysia, Indonesia and the Philippines. The rebranded service will remain independent of Alipay's existing app, which has 450 million users in China.

FOREIGN INVESTMENT

Doing business in China increasingly challenging, says AmCham

U.S. companies in China face one of the most challenging environments in decades this year, the American Chamber of Commerce in China (AmCham) says. Political and economic transitions in the United States and China, an increasing perception of animosity toward foreign businesses, and slowing growth are dimming the outlook. Investment barriers remain high, the Chamber said in its annual American Business in China White Paper. "The pace of economic reforms and market opening has been slow and faltering," AmCham said. While administration, regulatory transparency and intellectual property protection have improved, policies designed to support domestic industries and national champions have narrowed the space for participation by foreign companies, it said. About 81% of its members reported feeling less welcome in 2016 than previously, up from 77% in 2015. "We are experiencing a clear increase in uncertainty as the U.S.-China relationship enters a new era," AmCham Chairman William Zarit wrote in his introduction to the report. "The Trump administration is still finding its feet, and China itself will be undergoing a political transition this year. Multinational companies spanning this relationship, both American and Chinese, are paying close attention to developments as they make their plans." More transparency would aid the government's anti-corruption fight and give private companies more confidence that their investments would be fairly protected under the law, Zarit concluded.

Non-financial ODI is trending downwards

China's non-financial outbound direct investment (ODI) slumped 30.1% in March from a year earlier as authorities kept a tight grip on capital outflows to help support the yuan and safeguard the country's foreign exchange reserves. Non-financial ODI totaled USD7.11 billion last month, according to the Ministry of Commerce (MOFCOM). For the first three months of this year, non-financial ODI tumbled 48.8% to USD20.54 billion from the same period last year. Outbound investment in countries involved in China's "One Belt, One Road" infrastructure initiative was USD2.95 billion in the first quarter, or 14.4% of the total. Non-financial ODI tumbled 52.8% in January-February from the same period last year, with amounts in the property and entertainment sectors down more than 80%. Many Chinese firms are unable to close deals because they cannot secure official permission to transfer yuan into foreign exchange. While Beijing says it supports legitimate overseas investment, regulators have warned they would pay close attention to “irrational” investments in property, entertainment, sports and other sectors, China’s non-financial outbound investments rose from USD5.5 billion in 2004 to a new high of USD170.11 billion in 2016, according to the National Bureau of Statistics (NBS). This figure is expected to continue growing in the coming years despite the country’s recent capital controls, consultancy EY said. Earlier data showed foreign direct investment (FDI) into China rose 1% to CNY226.51 billion in the first quarter from a year earlier, the South China Morning Post reports.

FOREIGN TRADE

Premier Li calls for importing more high-quality goods

Premier Li Keqiang called for greater balance in foreign trade not only through promoting exports but also importing more high-quality goods. Li spoke at the start of a two-day visit to Weihai, a port city in Shandong province. “As a major trading country in goods, China wants a balanced foreign trade instead of intentionally pursuing a trade surplus,” he said. The year’s first three months saw trade in goods increase by 21.8% to CNY6.2 trillion year-on-year, according to the General Administration of Customs. Local officials reported to Li that Weihai’s exports in the first quarter far exceeded imports. Shandong’s imports and exports exceeded CNY419 billion last year, an increase of 28.9% year-on-year, the highest among the nation’s coastal provinces. In the first quarter, Weihai’s exports of food and agricultural goods grew quickly. Exports of vegetables and related products increased by 37.8% during the first three months, compared with the same period in 2016. Besides the Port of Weihai, Premier Li also visited Sunjiatong Hospital; the Dishang Group, a clothing manufacturer; and the local market regulatory office.

- China and Ireland have signed a formal protocol on beef exports to China. The protocol is related to inspection, quarantine and veterinary health requirements for Irish frozen beef to be exported to China. China imposed a ban on Irish beef after Europe’s mad cow disease outbreak in 2000. Beef consumption in China increased almost six-fold between 1990 and 2015 and is forecast to rise further over the coming years. However, Chinese beef production has not kept pace with rising demand. Irish agri-food exports to China have risen from €240 million in 2012 to €780 million in 2016.
- Shanghai’s foreign trade in the first quarter jumped 20.1% from a year earlier to CNY751.13 billion amid improving external and domestic demand, reversing a 4.1% drop in the same period of last year. Exports gained 13.2% and imports surged 25.3%.
- China is pushing the U.S. to relax controls on exports of high-tech goods. Based on data from 2004 to 2009, if the U.S. were to liberalize export barriers against China to the same level as those applied to France, U.S. exports to China would increase by an estimated USD45.7 billion to USD76 billion, narrowing the deficit by 20.3% to 33.7%, according to the Carnegie Endowment for International Peace, a leading U.S.-based think tank. U.S. multinational companies also contribute to a large portion of the deficit. Part of their production overseas will eventually go back to the U.S. and get registered as imports.
- U.S. President Donald Trump has ordered a comprehensive investigation of steel imports that could result in broad restrictions on imports of steel from China. The investigation will determine the extent to which Chinese steel imports have undercut the ability of domestic producers to meet increasing demand from U.S. military equipment manufacturers, U.S. Commerce Secretary Wilbur Ross said. The domestic steel industry is running at 71% of capacity while foreign imports account for 26% of the domestic steel market, Ross added.
- China Southern Airlines has banned shark fin shipments and promised to “actively participate” in animal conservation. The decision is significant as the company is based in Guangzhou, the world’s largest trading hub for the delicacy, and it narrows the options for Chinese importers. It means that 51% of international airlines, based on seat capacity, have now banned the cargo. Among the big three Chinese airlines,

only China Eastern has yet to declare a position. Worldwide, 17 of the 19 biggest shipping lines measured by container capacity have banned shark fin, impacting 71% of the global market.

- China should open up its services sector to ease trade tensions with the U.S. and bolster global trade, according to Changyong Rhee, the Asia-Pacific Director at the IMF. The medical, health, legal and financial services sectors are among areas that could be liberalized, he said in Washington.
- Railway authorities of China, Belarus, Germany, Kazakhstan, Mongolia, Poland and Russia have signed an agreement to deepen cooperation on China-Europe freight rail services. The countries will jointly push for better railway infrastructure for a safe, smooth, fast, convenient and competitive rail route, according to the agreement. The countries will expand the rail services to more areas with faster customs clearance.

MACRO-ECONOMY

GDP growth forecasts revised upwards

Several financial institutions, including Deutsche Bank, JPMorgan Chase and Nomura Securities, have revised up their prediction of China's economic growth this year. Zhang Zhiwei, Chief China Economist at Deutsche Bank, raised the forecast for China's full-year GDP growth rate to 6.7%, saying that he did not see the immediate need for the government to launch a new round of fiscal stimulus. China's growth beat analysts' expectations in the first quarter, expanding 6.9% year-on-year. "March industrial production, retail sales and fixed-asset investment all came in above expectations," said Zhu Haibin, Chief China Economist at JPMorgan. Zhao Yang, Chief China Economist at Nomura Securities, raised his forecast for GDP growth by 0.2 percentage point to 6.7% "We believe the resilient growth in Q1 was supported more by production and investment than other factors, as growth of industrial production and fixed-asset investment (FAI) both accelerated in year-on-year terms in the first quarter," Zhao said. China's economy has grown between 6.7% and 7.2% for the past 11 quarters. Some economists also believed that the strong momentum is likely to extend into the second quarter. The robust growth of private consumption has been driving the strong performance of the Chinese economy, Bloomberg reported, citing data from e-commerce platform JD.com, the Shanghai Daily reports.

The International Monetary Fund (IMF) expects the Chinese economy to grow by 6.6% in 2017, down from 6.7% in 2016. It published to forecast ahead of meetings of the IMF, the World Bank and the Group of 20 major economies last week in Washington. China's economy grew at a 6.9% annual pace from January to March, the fastest in more than a year.

- China's steel production amounted to 72 million tons in March, nearly the total output of the United States last year. China's steel prices had plunged for 33 trading days in a row as of April 17, reaching a five-month low at CNY3,590 per ton on average. Lange's steel price index posted the largest and longest decline since June after it shrank by 12.7% from its peak on February 28. China's steel prices surged more than 70% from a year earlier to peak around CNY4,110 per ton at the end of February.
- Chinese start-up companies are increasingly looking to expand abroad in the early stages of operations – even as their home market offers plenty of growth opportunities. Start-up company managers said that technology and innovation should not be bound by borders. Beyond the prospects of better financial returns, start-ups also see surviving in the global marketplace as a test of their businesses' viability and resilience.
- China's military is offering to fund 2,000 projects to private Chinese firms and institutes for research on equipment and weapons, a move that experts said will further boost military-civilian integration and upgrade military technologies. The Central Military Commission's Equipment Development Department recently released a guideline on its website, saying that China plans to invest CNY6 billion this year for research in shared technology and other research. Private Chinese firms have been allowed to carry out research and manufacture military equipment since 2005, and more than 1,000 private firms have gained approval to enter the military industry.
- Premier Li Keqiang called at a meeting for boosting the nation's economic

transformation and pace of growth by promoting technological innovation, emerging industries and effective investment and consumption. Hundreds of governmental officials and well-known entrepreneurs were present at the meeting, which focused on enhancing new development concepts and new economic drivers. Li called for cultivating emerging sectors and upgrading traditional industries by focusing on technological innovation to enhance productivity.

- China has made new progress toward carrying out supply-side structural reform in the first quarter of the year, the National Bureau of Statistics (NBS) said, including cutting overcapacity, reducing inventories, deleveraging, lowering costs and strengthening weak links. The capacity usage rate of major industrial firms rose 2 percentage points from the fourth quarter of last year to 75.8% in the January-March period, while coal output dropped 0.3% year-on-year, the NBS said. The amount of unsold commercial housing space fell by 6.4% year-on-year, 3.2 percentage points higher than at the end of last year.
- Shanghai's gross domestic product (GDP) grew 6.8% in the first quarter from a year earlier to CNY692.28 billion. The growth was 0.1 percentage points faster than in the same period of last year but slower than the national level by the same margin. Industrial production climbed to CNY782.15 billion during the three months, a year-on-year rise of 7.1%, the highest first-quarter gain since 2012.
- China's grain output is expected to decline by 1% this year to about 610 million metric tons, and its agricultural trade deficit will decrease to about USD35 billion, according to the Green Book of Rural Areas (2016-17), released by the Chinese Academy of Social Sciences' Rural Development Institute. Last year, grain output fell by 0.8% to 616.2 million tons, the first decline since 2004.
- Chinese manufacturers are not well prepared for the coming wave of digitalization, McKinsey & Co suggested in a report when it launched a Digital Capability Center at Tsinghua University, the fifth it has set up after those in the United States, Germany, Italy and Singapore, to facilitate the application of smart production and digital operation to reshape manufacturing. As the world's factory, China produced 70% of mobile phones, 80% of air conditioners and 91% of personal computers, but its manufacturing productivity was still only a quarter of developed countries, McKinsey said. Less than 5% of Chinese manufacturers were first movers or pioneers with innovative business models and advanced digitalization, such as Haier, Lenovo and Huawei, it said.

MERGERS & ACQUISITIONS

Big-ticket Chinese deals in tech, media and telecoms fall in Q1

The total value of mergers and acquisitions (M&As) in China's technology, media and telecommunications (TMT) sector shrunk by 50% in the first quarter, which could augur badly for deal-making in the industry for the rest of this year, according to Mergermarket. There were 54 China-related TMT deals worth USD8.8 billion recorded in the first three months of this year, down from 60 transactions totaling USD17.5 billion in the same period last year. The top 5 Chinese buyers in the TMT field include GigaDevice Semiconductor, Tianjin Yingrui Huixin Corporate Management, Wolong Real Estate Group, and Sunbird Yacht. "That drop-off in both the number and size of deals in the first quarter is a reflection of China's more stringent capital control, which has been implemented since late November last year," said Mergermarket Financial Researcher Sophie Jin. "There is a probability that China-related technology, media and telecoms deals in 2017 would see their lowest level in years." Jin added, however, that transactions involving the semiconductor industry may be less impacted by the government's capital controls since expansion initiatives in this field form part of the country's national development strategy.

Bright Food sells its majority stake in Weetabix

Shanghai-based food conglomerate Bright Food Group Co has confirmed it will sell the majority of its stake in UK brand Weetabix to U.S. cereal company PostHoldings. The sale is projected to be worth USD1.76 billion. Bright Food will remain as a stakeholder in the brand and continue to help it expand in the Chinese market, according to the company. "The move will help Bright Food better leverage its financial and human resources for its globalization strategy," said Pan Jianjun, Spokesman for the state-owned conglomerate, which has made several acquisitions globally in recent years. Bright Food acquired a 60% stake in private equity firm Lion Capital in 2012 for GBP1.2 billion, making it the largest overseas deal made by a Chinese company in the food and beverage sector worldwide at the time. Weetabix's overall sales declined by 1.6% to GBP346 million by the end of 2015. The UK market accounted for more than 80% of its sales. Pan denied that the sale was due to the stagnant performance of the brand, adding that China has become the third-largest market for Weetabix in the five years since the acquisition. Statistics from Nielsen showed that sales of ready-to-eat cereals dropped at a combined annual growth rate of 1.5% from 2009 to 2014, while sales of overall breakfast foods are growing. Among Chinese consumers aged from 20 to 49 and interviewed by the consultancy in 2016, 67% opted for Chinese traditional breakfast foods like noodles or dumplings instead of Western foods, the China Daily reports.

- HNA Airport Holding Group is close to buying out the 30% stake of engineering conglomerate Odebrecht in Brazil's second-busiest international airport, Rio de Janeiro International Airport, commonly known as Galeão. A corruption scandal has severely limited Odebrecht's access to credit and new contracts in Brazil and almost a dozen other countries. Before the deal can be concluded, Odebreacht still needs to pay overdue licensing fees.
- Fidelity & Guaranty Life (FGL) terminated its USD1.6 billion agreement to be purchased by China's Anbang Insurance Group Co. Anbang, one of China's most active cross-border acquirers, was unable to get approval from the U.S. states of Iowa and New York, where FGL does business, within the time frame set out in an extended takeover agreement. Nevertheless, the deal had received clearance from the Committee on Foreign Investment in the United States (CFIUS).
- The number and value of overseas mergers and acquisitions made by Chinese enterprises plunged in the first quarter of 2017 amid tougher regulatory requirements on authenticity and compliance, PricewaterhouseCoopers (PwC) said in a report. Chinese enterprises concluded 142 M&A deals worth USD21.2 billion overseas from January to March, a year-on-year drop of 39% and 77%, respectively. Privately owned enterprises became the most active investors last year, outperforming their state-owned counterparts for the first time.

REAL ESTATE

Beijing property market freezing up

The property market in Beijing is freezing up after the city government stepped up control measures on home purchases since March 17. Sales in the primary and secondary residential markets in the city have slumped while apartments built on commercial and office land, an alternative product, also faced a bleak future. As of March 16, just 1,106 units of new private homes were sold this month, down 66% from a month earlier and 79% year-on-year, according to real estate consultancy Yahao. Sales of apartments built on commercial and office land also dried up. From a peak of 2,265 units sold in the week before the tightening, only 62 units were sold in the first week after, falling further to 53 and then 31 in subsequent weeks. The average selling price also eased to CNY34,828 per square meter from CNY47,727 during the period. Yahao's Deputy General Manager Gao Shan said the price caps imposed on primary homes also dampened developers' willingness to sell new projects, further squeezing supply in the market. So far this month, only two projects were released for sale while most others were put on hold as the regulated prices made it virtually impossible for developers to generate any profits. A price cap of CNY150,000 per sq m has also been placed on the second-hand market across the city, the South China Morning Post reports.

Home prices stabilizing

Home prices in major cities continued to stabilize as China's latest restrictive measures took effect. Of the 70 large and medium-sized cities surveyed, 24 saw prices rise slower year-on-year in March, up from 20 in February, the National Bureau of Statistics (NBS) said. The average new home prices rose slower year-on-year in all 15 first-tier and large second-tier cities. The price hikes were between 0.2 and 0.6 percentage points slower than those in February. On a monthly basis, prices in six of the 15 cities declined from February, while another six saw price hikes of below 0.5%. “March is traditionally a hot sales season, but new home prices in 15 first and second-tier cities rose slower year-on-year under targeted and differentiated measures to curb home prices in various cities,” said Liu Jianwei, NBS Senior Statistician. New home prices in Beijing rose 0.4% month-on-month in March, while Shanghai’s fell 0.1% and Shenzhen’s slid 0.3%. Since October, the Chinese government has implemented a slew of measures to cool runaway housing prices, including restrictions on home purchases and increased minimum downpayment requirements. The property market picked up pace in February, however, which has led to the biggest wave of tightening of home purchase and lending rules since mid-March, the Shanghai Daily reports.

SCIENCE & TECHNOLOGY

Chinese students in the U.S. asked to return home after their studies

Speakers at the Penn Wharton China summit in Pennsylvania, attended by 1,500 students mainly from China, called on Chinese students in the U.S. to go back to China after their studies because Chinese companies needed their talents. Speakers included the Chinese Consul in New York and former Ambassador to Belgium, Mrs. Zhang Qiyue. “We’re going through crucial changes every day and every minute,” Zhang said. “We’re trying to promote political, economic, cultural, social, and ecological development all at the same time. These transformations will come with great opportunities.” The Penn Wharton summit participants cited the importance of creative industries in the effort to reach the government’s development goals. Chinese investment in U.S. entertainment companies, including Dalian Wanda Group’s USD3.5 billion acquisition of Legendary Entertainment last year, underscores this demand. “The biggest crisis we have in China’s arts and entertainment industry is the lack of skills,” said Zhang Jizhong, Producer of a number of television series for state broadcaster CCTV. More than 328,000 students from China were registered at U.S. colleges and universities in 2016, up from 62,582 a decade earlier, according to the New York-based Institute of International Education.

Tianzhou-1 launch marks new milestone for space station

China launched its first unmanned cargo spacecraft, Tianzhou-1, into space, a crucial step for the country in building a space station by around 2022. Tianzhou-1 was launched into space by a Long March-7 Y2 carrier rocket from the Wenchang Space Launch Center in Hainan province. The cargo ship docked with the orbiting Tiangong-2 space lab to provide fuel and other supplies, and conduct space experiments. Without a cargo transport system, China’s future space station would run out of power and basic necessities. The successful Tianzhou-1 docking made China the third country after Russia and the United States to master the technique of refueling in space. The Tianzhou-1 can carry over 6 tons of supplies, exceeding the loading capacity of Russian cargo ships in active service. Tianzhou-1 will enable three astronauts to stay in the future space station for 180 days.

- The Springer Nature publishing company has retracted 107 research papers by Chinese authors published in the journal Tumor Biology after learning about irregularities in their peer review process. The authors had supplied the journal’s editors with made-up contact information of third-party reviewers. The latest move constitutes the single largest withdrawal of academic papers, according to Retraction Watch, which monitors academic fraud.
- The Netherlands seeks closer clean technology collaboration with China, such as converting fertilizers into electricity and recycling wasted heat, said Sigrid Bollwerk, Manager at the Energy Research Center of the Netherlands. The Netherlands hopes the two countries can develop new technologies in oil and gas together to “help cut carbon emissions and lower energy costs,” Bollwerk added.

STOCK MARKETS

Analysts suggest to sell A-shares in May

Some analysts say this May is a good time to sell Chinese A-shares, as an anti-corruption storm is brewing in the financial sector, which has already jarred investors’ nerves and sparked panic capital flight from speculative stocks. “The situation is getting tense,” said Yan Kaiwen, Equity Analyst at China Fortune Securities. “The most important thing is that regulators are tightening the screws.” “We will resolutely clamp down on any attempt at disturbing the market order and never relent in our fight,” said Liu Shiyu, Chairman of the China Securities Regulatory Commission (CSRC). Xun Yugen, Chief Strategist for Haitong Securities, advised A-share investors to “sell in May”. “Beware of a cold spell in later spring,” he said, citing concerns on the “policy side”. De-leveraging is the priority of Chinese authorities in 2017, but it will cause a liquidity squeeze in financial markets and a spike in interest rates, Xun said. More than a dozen stocks plummeted recently without any major news, including Ping An Insurance, Industrial Bank, Jiangsu Xiuqiang, and Guangdong Super Telecom. “The ‘flash crashes’ in these stocks’ prices suggest money has started to escape without considering the cost,” Yan said. “I think they have noticed the risks and reacted early.” Their has also been excessive speculation related to the newly established Xiongan New Area near Beijing. Xun from Haitong Securities also suggested investors keep a close eye on the U.S. President’s three major policies on immigration, income tax cuts, and border tax, which could “further complicate trade frictions between China and the U.S.,” the South China Morning Post reports.

- China is creating a consortium, including state-owned oil giants and banks, and its sovereign wealth fund, that will act as a cornerstone investor in the initial public offering (IPO) of Saudi Aramco. Due to list next year, Aramco’s potential USD100 billion equity sale that is expected to be the world’s largest to date. Saudi Aramco’s board is expected to meet in Shanghai in May.
- Feng Xiaoshu, a former Member of the Review Committee under the China Securities Regulatory Commission (CSRC), has been banned for life and fined CNY499 million for trading stocks under his mother-in-law’s and sister-in-law’s names. He made an illicit profit of CNY248 million.

TRAVEL

China-made passenger jet almost ready for take-off

The C919, China’s large homegrown passenger jet, has finished its first high-speed taxiing test, coming one step closer to its maiden flight. Most ground-based pre-flight evaluations have been completed. The C919 is a single-aisle,168-seat, twin-engine jet for medium-haul flights, designed to compete with the updated Airbus 320 and the new-generation Boeing 737, which currently dominate the market. As of last November, COMAC had received 570 orders for the C919 from more than 20 customers.

- Zhou Hang, Founder of Yidao Yongche, the premium vehicle-sharing company controlled by LeEco, has admitted the company has cash flow problems but blamed the situation on misappropriation of CNY1.3 billion in funds by the controlling shareholder – an allegation LeEco has rejected. Yidao drivers have accused the company of not getting paid.
- China is considering turning the entire Tibetan plateau and surrounding mountains into a huge national park to protect “the last piece of pure land”. It would be called the Third Pole National Park and become the world’s biggest national park. The plateau covers an area of more than 2.5 million sq km. The park would be more than 250 times larger than the Yellowstone National Park in the U.S.

VIP VISITS

EU Vice President Mogherini meets Chinese Premier in Beijing

China and the European Union should jointly press ahead with economic globalization and free and fair trade, Premier Li Keqiang said as he met with Federica Mogherini, the EU’s High Representative for Foreign Affairs and Security Policy. Li said China supports European integration and expects the EU to remain united, stable and prosperous. China and the EU held their seventh round of high level strategic dialogue in Beijing. State Councilor Yang Jiechi co-chaired the talks with Mogherini. The meeting laid the groundwork for the 19th EU-China Summit in Brussels this June. Mogherini said Xi’s speeches raised high expectations that

China and the European Union can work together on multilateralism, rules-based global order and trade. State Councilor Yang Jiechi said the Chinese side continued to challenge the EU over its refusal to grant the nation market economy status, which Beijing argues is required under the terms of its accession to the World Trade Organization (WTO) in 2001.

- Heads of state from 28 countries will attend a major summit on May 14 and 15 in Beijing to discuss China's "Belt and Road Initiative", although leaders from major Western countries will not attend. The summit will be China's major diplomatic event this year. Leaders who will attend include Russian President Vladimir Putin, Philippine President Rodrigo Duterte, Turkish President Recep Tayyip Erdogan, Vietnamese President Tran Dai Quang and Myanmar's leader Aung San Suu Kyi. Heads of state from Hungary, Italy, the Czech Republic, Switzerland and Spain would also attend, as well as African leaders from Kenya and Ethiopia.

ONE-LINE NEWS

- Lenovo Group said it plans to pour USD1.2 billion into the research and development (R&D) of artificial intelligence (AI), the internet of things (IoT) and big data over the next four years. Chairman Yang Yuanqing said his company aims to find a new growth engine through heavy R&D investment and partnerships with global companies such as Google and Amazon. The company is expected to unveil a new handset that comes with Amazon's voice recognition technology Alexa. Lenovo controls 20% of the global personal computer market
- The General Office of the State Council and the General Office of the Communist Party of China (CPC) Central Committee have amended regulations on officials' personal information declarations, requiring that they disclose their families' overseas assets. More than 9,100 officials have been bypassed for promotion after they were found to have concealed personal information, while 124,800 were punished for making false declarations.
- China Mobile, the world's largest wireless network operator, will likely face slowing growth this year after it posted lower-than-expected earnings in the three months ended March 31. China Mobile reported a 3.7% increase in first-quarter net profit to CNY24.8 billion. China Mobile's total first-quarter revenue climbed 3.7% to CNY184 billion. China Mobile signed up 33 million new 4G subscribers in the first quarter.
- Apple may face legal action for allegedly monopolizing iPhone apps in China, the No 1 market for its App Store, after the Beijing Dare & Sure Law Firm called for Chinese app developers to join in a proposed class-action lawsuit. Apple's iOS operating system does not allow iPhone users to download apps anywhere other than its App Store.
- Consumer goods sales rose 10.9% year-on-year in March, 1.4 percentage points faster than in the first two months. Consumption contributed to 77.2% of GDP in March, up 2.2 percentage points over the same period last year.

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