

BUSINESS TIANJIN

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2012
MAY

A portrait of Paul Harris, a middle-aged man with glasses, wearing a dark suit, light blue shirt, and a blue and white striped tie. He is smiling and has his hands clasped in front of him. The background is dark with some blurred elements.

No Ghost in the Machine

Paul Harris
Rolls-Royce Regional
Director of Asia Pacific

22

- 32 Giving Credit
- 40 IPR Protection for the Medical Devices Industry
- 44 Building a Strong Employer Brand
- 49 CIETAC Releases New Arbitration Rules

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Contents

Business Tianjin / May 2012



▲ No Ghost in the Machine

Dialogue with Paul Harris, Rolls-Royce Regional Director of Asia Pacific

On 17 April Rolls-Royce opened their first showroom in Tianjin. It is the 13th showroom for Rolls-Royce in China, is located in Heping District, and covers 366 square metres. At the opening event, the new Ghost model was revealed by Paul Harris, the Regional Director of Asia Pacific, and Jenny Zheng, the General Manager for Greater China. [See P22](#)



◀ Developments in the Regulation of Stock Incentive Plans

A Stock incentive plan is a type of stock-based employee compensation which is usually used by the employer to attract, retain, motivate and reward senior executives and key employees. In order to make their employment conditions more attractive and competitive, more and more foreign invested enterprises (FIEs) or representative offices (ROs) in China have tended to adopt stock incentive plans by granting their key employees stock or stock options of their overseas operations that are listed on foreign exchange stock exchanges. [See P36](#)



◀ Building a Strong Employer Brand

In a competitive and borderless world, organisations need every weapon in their arsenal to attract and retain their most important and valuable asset – talent. Even in economically volatile times, employees, especially those who possess the right technical and behavioral competencies, continue to be a scarce resource and employers will need to poise themselves well to capture the attention, interest and commitment of the best and brightest candidates. [See P44](#)



▲ Marketing Research

Most literature is about market research and not marketing research. There is quite a significant difference between the two. Market research is an orderly, objective way of learning about people, the people who buy from you or might buy from you. Market research is when you narrow down a specific target group and then conduct research within this narrow group of consumers. Marketing research is different.. [See P56](#)

06	BIZ BRIEFS
16	NUMBERS
17	CHINA IN THE MEDIA
	ECONOMY
18	May China Economy Report
21	Currency Chart
	DIALOGUE
22	Paul Harris, Rolls-Royce Regional Director of Asia Pacific
24	Salvatore Ancoretti, Marketing Director Greater China, Ferrari
26	Christian Gobber, Managing Director of Maserati Greater China
28	Takeshi Nakane, General Manager, AEON Mall Tianjin Zhongbei
30	SUMMER DAVOS
	FEATURE STORY
32	Giving Credit
34	Carving a Strong Niche
	LEGAL ASSISTANCE
36	Developments in the Regulation of Stock Incentive Plans
	IPR
40	IPR Protection in China for the Medical Devices Industry (Part II)
43	NEW APPOINTMENTS
	HR
44	Building a Strong Employer Brand
48	JOB POSTINGS
	POLICY EXPLANATION
49	CIETAC Releases New Arbitration Rules
	REAL ESTATE
52	China Real Estate MarketView Q1 2012
	IT
54	The Perfect Tablet: Small, Medium, Large?
	MARKETING
56	Marketing Research
	CHAMBER REPORTS
60	EU, US, Germany, Benelux, Italy
64	EVENT CALENDAR
	BUSINESS CHINESE LESSON
66	Writing a Letter
	MAPS
68	China
69	Tianjin Industrial Park & Economic Development Areas
70	LISTINGS
74	TRANSPORTATION
	ARTS & LEISURE
75	Book Review & Quotations
76	Wine Notes (Riesling)
	LAST WORD
77	I Survived a Chinese Hospital

Business Tianjin

MAY 2012



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Dear Reader,

Summer is almost here, and what says summer more than going for a drive? While not the same in China as it is in the west, car culture is making its way here and China's vehicle market continues to be a global leader. This continued market success and increase in wealth has pushed aggressive expansion by many of the world's ultra premium brands. Ferrari, Maserati, and Rolls-Royce recently opened new showrooms in the city, and *Business Tianjin* was there to speak with their representatives about what kind of growth they expect in 2012 and beyond.

In the May Chinese Economy Report, we will examine the reason behind the slowdown of the Chinese economy in the first quarter of 2012. Beijing has been accelerating its effort to boost economic growth and we will start to observe this effect in the next few months.

While an immediate economic hard landing is unlikely, Beijing will continue to stimulate the economy and we noted that this process has to be carefully managed to avoid unintended consequence such as stagflation.

The central government continues to push domestic consumer spending in its bid to maintain growth and turn away from exports as the sole driver of the Chinese economy. Our feature story, on Home Credit, takes a look at the growth of direct lending to consumers to help them make purchases much sooner than they might otherwise be able to.

Finally, our Last Word section looks at the glaring differences between a Western and Eastern hospital experience and the adventure expats can look forward to if they, unfortunately, ever become ill and can't make their way to one of the expat facilities in town.

As always, we welcome input from readers, and we can be contacted at any of the email addresses in the left hand column.

Happy劳动节 (May Day or Labour Day)!

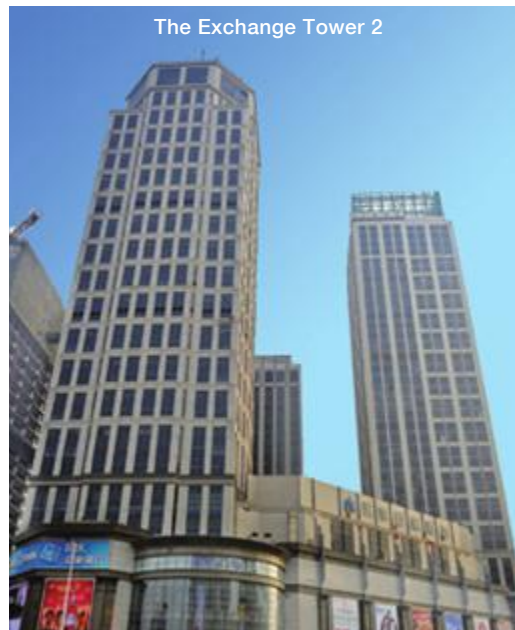
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TIANJIN NEWS

Asia's Biggest Children Occupational Experience Centre Opens in Tianjin

Tianjin Hila City — one of Tianjin's major tourism projects opened on 22 April. Tianjin Hila City elaborately created a distinctive educational programme with the features of "occupational experience + educational experience". Located in Zhongbei Town, Xiqing District, Tianjin Hila City covers an area of 38,000 square metres with an overall investment of CNY 160 million. By introducing the most advanced educational concept of occupational experience and equipment in the world, Hila City provides children a place to experience different occupations within society through role-playing, and provides them an opportunity to understand and learn what a true society is. The programme will also help shape children's characters, and mold them to be independent, confident, responsible, and cooperative.

- *Business Tianjin*, 23 April

Large Tower Crane of 117 Building Project Starting Installing



2 April 2012 was a special day for Tianjin Metropolitan CBD project 117 Building. Installation of the fourth ZSL2700 tower crane in China began, turning a new page for skyscrapers in China. The tower crane has an internal combustion engine, is fully hydraulically controlled, and a step-less speed regulation heavy tower crane. The length of the arm is 60m, and the maximum lifting load is 100 tonnes at 27m. At its maximum reach of 60m, the lifting load is 31.9 tonnes. The installation of this ZSL2700 tower crane will solve hoisting problems during construction of the underground structure of 117 Building. When construction gets to the 4th floor and beyond, two large tower cranes of this kind will be used.

- *Enorth*, 5 April

Tianjin-Based Master Kong Forms Beverage Alliance with PepsiCo

PepsiCo, Inc. and Tingyi (Cayman Islands) Holding Corp., a food and beverage company based in Tianjin, have officially formed a beverage alliance in China. As part of the alliance, Tingyi's beverage subsidiary, Tingyi-Asahi Beverages (TAB) Holding Co. Ltd., is now PepsiCo's franchise bottler in China. TAB will partner with PepsiCo's current bottlers to manufacture, sell, and distribute PepsiCo's carbonated soft drink and Gatorade brands. PepsiCo will retain branding and marketing responsibilities for these products. PepsiCo said it has contributed indirect equity interests in its company-owned and joint venture bottling operations in China to TAB, and received as consideration a 5% indirect equity interest in TAB. Additionally, PepsiCo has an option to increase its indirect holding in TAB to 20% at its sole discretion before 2015. The PepsiCo-Tingyi beverage system will provide some of China's most popular beverage products, including, Pepsi, Mirinda, Gatorade, and China's top-selling tea and water brands, sold under TAB's Master Kong brand.

- *The Street*, 5 April

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Dr. Jessica Pu

Pediatrician

Pediatrics department
chief doctor

Dr. Pu has extensive experience in pediatrics treatment. A diplomat and fellow of the American Board of Pediatrics, Dr. Pu worked in the United States for over 10 years and is excited to use her expertise to care for Tianjin's children and families.

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Recruitment Day Held by Starwood



On 23 March, Starwood held their first ever Recruitment Day at the St. Regis in Tianjin for the Sheraton Tianjin, Sheraton Binhai, Astor, St. Regis, and the Westin Tianjin. The idea behind this event was not only to make people aware of what great opportunities are available at Starwood, but to also create a platform where many job seekers can personally speak to experienced hoteliers who have been working with Starwood for many years. Each hotel demonstrated their uniqueness in style, innovation, and originality. They presented guests with pamphlets containing information of jobs listings available at each hotel, and offered suggestions as to which line of business they could pursue. The General Managers of each hotel were present, and were more than willing to provide the guests with information about their organisation.

- *Business Tianjin, 11 April*

Two More Top 500 Enterprises Settling in Tianjin



Joy Global Inc., a worldwide mining machinery and services company, and one of the top 500 enterprises in the world, announced the foundation installation for its new factory the Airport Economic Zone, Tianjin Binhai New Area. It's estimated that when this new factory comes online, annual production will reach CNY 3 billion in value. On the same day, another project co-invested by a Top 500 Chinese manufacturing enterprise, Shenzhen Sinomaster Group, and a global Top 500 enterprise, German giant Bertelsmann, laid its foundation in the Airport Economic Zone, too. So far, there have been more than 110 entities invested by global Top 500 enterprises in Binhai New Area. President and COO, Joy Mining Machinery, Ted Doheny said they choose to build their factory in Binhai New Area mainly because of the advantage in geography: a seaport and the friendly environment towards investment.

- *Bohai Zaobao, 12 April*

Selection of Volunteers for Summer Davos Commencing



The Tianjin Commission of Communist Youth League told reporters that 2012 Summer Davos has officially started the selecting of volunteers. The first candidates went to Tianjin Construction Engineering Staff and Workers University for an interview. "Summer Davos" in Asia, the Annual Meeting of the New Champions 2012 will be held in Tianjin this September. A total of 16,033 individuals applied via the official website of the host city and the Tianjin Volunteers website. 2,000 volunteers will be selected for the event. After the selection phase, a data base of candidates will be established according to the results of their interview. The preparatory office of Tianjin Summer Davos will assign tasks to volunteers according to their different abilities.

- *Bohai Zaobao, 12 April*

Café Venice (2F)

Mexican Feast

Mexico is a rich productive country. their most frequent used foods is corn, combined with meat, seafood, cheese and different vegetables. Other ingredients that are used are olive oil, sour cream, different herbs and peppers.

Mexican food is famous all over the world as healthy and tasty. The representative dishes are Chili con carne, Taco's and Nachos. Enjoy Mexican natural and healthy dishes at Café Venice.

For more information, please call: 2627 8888 ext. 2271
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GEBA Japanese Restaurant (3F)

For more information, please call: 2627 8888 ext. 2288
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Sakura Cuisine

Sakura is the national flower of Japan. The Japanese people are seeing the Sakura flower as an important part of their culture. April is the season of the bright-colored Sakura. Come to GEBA and enjoy Sakura Cuisine in this wonderful season!

Broad Bean Meal

Broad beans are mostly favored by the people of Southwest Asia, Europe, America, Africa and other regions of the world including India for its nutritious value and health benefits. Broad bean is one of the important beans. It can be fried, mixed, and made into a variety of snack foods. Broad beans are rich source for proteins, carbohydrates, fatty acids and provide low calorific value.

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China's GreenGen Coal-fired Gasification Power Plant in Tianjin Goes Ahead

This spring, China's state-owned Huaneng Group plans to fire up the first phase of its flagship clean-coal demonstration project, moving the country one step closer to capturing and storing carbon emissions. Despite being more than a year behind schedule, the GreenGen coal gasification plant in Tianjin puts China at the forefront of global efforts to exploit coal resources without releasing carbon dioxide. "GreenGen represents both a high degree of technical sophistication and a real commitment on China's part to clean-energy technology," said Julio Friedmann, Head of the Carbon-Management programme at Lawrence Livermore National Laboratory in Livermore, California. Originally estimated to cost USD 1.5 billion, GreenGen is being developed by a consortium of Chinese companies, including Huaneng, together with Peabody Energy of St Louis, Missouri. The first phase is a 250-megawatt integrated gasification combined-cycle power plant, which will convert coal into "syngas", a mixture of carbon monoxide and hydrogen, to be burned in specialised turbines to produce electricity.

- *Scientific American, 11 April*

First Exploration of Tianjin Future Science City

Tianjin Future Science City, located in Binhai New Area, is composed of a planned 30.5 square kilometre core area and 40 square kilometre extended area. Tianjin, along with Beijing, Wuhan and Hangzhou, were chosen as experimental cities by the Organisation Department of the CCP Central Committee and the State-owned Assets Supervision and Administration Commission of the State Council. In the core area, the transformation of Bolong Lake has been finished and the main structures of many buildings, such as the ecological residential area, have been completed. Several buildings are busily being decorated. The Vice Chief of the Economic Development Bureau, Liu Xiansheng, said that a total building area of 400,000 square metres of office buildings had been finished and that research institutions can move in. Liu also said that Tianjin Future Science City will be popular with young people, attracting graduates and research staff. "You can find everything you need at work and in life here."

- *Enorth, 13 April*

Wellington College at the World Scholar's Cup Preliminary Round, Beijing, 17-18 March 2012



Despite having only been open since August 2011, Wellington College entered two junior teams in the preliminary round of the World Scholar's Cup. The World Scholar's Cup is composed of team and individual competitions in debating, creative writing, and general knowledge. The Wellington teams were composed of Katie Cook (Year 9), Ada Chen (Year 8) and Ally Kim (Year 7); and Jaehyun Kim (Year 9), Jan Janeczek (Year 8) and Nicholas Thumiger (Year 8).

The Wellington teams were the only representatives from any Tianjin international school. Both teams qualified for the world final, due to be held in Bangkok in late June, while the girls' team won medals for being the third placed 'rookie' team, and the second debate team overall. Now it is on to Bangkok for the two junior teams.

- *Business Tianjin, April 15*



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FINANCE

China Raises Investment Limit to EUR 61bln



China has nearly tripled the amount of money that foreign institutions can invest in stocks, bonds, and bank deposits to EUR 61 billion. Beijing keeps a tight rein on capital moving in and out of China, something that investors have often complained about over the years. The government said it is trying to maintain financial stability, and the slowing economy has made it more open to liberalisation. As it stands, foreigners cannot invest directly in markets here, but they can buy shares through institutions under the Qualified Foreign Institutional Investor (QFII) scheme. It's reaching its limit, but the China Securities Regulatory Commission (CSRC) said it was increasing the limit from the previous level of EUR 23 billion to "satisfy foreign investors' investment demands."

- *IrishTimes*, 10 April

UnionPay: More Than 7 Million Affiliate Merchants Outside Borders

Reporters have learnt from China UnionPay recently that UnionPay has more than 10 million affiliate merchants worldwide, among which more than 7 million are outside Chinese borders. During the process of expanding overseas networking services, China UnionPay signed with more than 5 million franchised businesses in the US, South Korea, Hungary and Iceland. According to its introduction, UnionPay's network covers 125 countries and regions abroad, especially Asia Pacific, Europe, and the United States, which have often been tourism destinations for Chinese citizens. In major tourist cities in Europe and the US, popular merchants often visited by Chinese tourists have linked to UnionPay's services, and this group of merchants has been growing fast. Travelling in the US, a UnionPay credit card or debit card can meet nearly all payment needs.

- *Xinhua News*, 10 April

Fitch Reaffirms China's Foreign Currency Rating at A+ with a Stable Outlook

Rating agency Fitch reaffirmed China's foreign currency rating at A+ with a stable outlook. "Fitch expects more debt to migrate onto China's sovereign balance sheet as the economy works through the aftermath of the credit surge of 2009-2011, primarily impacting the local currency rating, which remains on negative outlook," Andrew Colquhoun, Head of Asia-Pacific Sovereigns at Fitch, said. "The ratings balance China's strong narrowly-defined sovereign finances against broader contingent liabilities and structural weaknesses including unresolved problems in the banking system," he added. China's key rating strength is its strong on-balance-sheet public finances. China's sovereign net foreign asset position at end-2011 was worth 44 percent of GDP, the second-strongest in the A range, underpinned by the world's highest reserves stockpile of USD 3.2 trillion. "The unwinding property market poses some risk of a so-called hard landing, although Fitch believes the authorities' scope for policy flexibility inclines against such a negative outcome," said Colquhoun.

- *Xinhua News*, 12 April

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LAW & POLICY

China to Maintain Prudent Monetary Policy

China's central bank said it will ensure a reasonable level of social financing, a measure of funds raised by entities in the real economy, as it maintains a prudent monetary policy this year. The People's Bank of China said it will balance efforts on ensuring stable and relatively fast economic growth, maintaining the overall stability of prices and preventing financial risks. It will continue moving forward to enhance the pertinence and flexibility of its monetary policy, according to a statement issued after its first-quarter monetary policy report. Although uncertainties remain, the country's economic development and financial system are both in line with expectations of macro-economic regulation, it added. The central bank said it will gradually promote the liberalisation reform of interest rates and improve the formation mechanism of the CNY's exchange rate to promote greater two-way flexibility and ensure its stability.

- *China Daily*, 1 April

Plan for New Energy Automobile Submitted to State Council



During the recent Green Auto China 2012, the date when plans for new energy automobiles will be released became the main focus. According to Ye Shengji, Vice Secretary of the the Automobile Industry Association, the plan has been submitted to State Council for approval. Ye revealed that independently developed brands would be supported greatly by the plan. Several champion enterprises would appear during the nurturing phase and they will play a leading role in the development of the whole industry. Dongfeng Motor Corporation is the first to engage in electric car research. According to General Manager Huang Zhaoqin, the industrialisation scale of Dongfeng electric cars will reach 50,000 by 2015, and the new purely electric vehicles will be launched around the end of 2012.

- *People.com*, 6 April

China to Build New Insurance Supervisory Mechanisms

China will strengthen supervision of its insurance industry over the next three to five years to guarantee the ability of insurers to pay claims, the official China Securities Journal reported. New mechanisms will strengthen insurers' capital adequacy supervision, risk management and information disclosure to ensure they retain a good financial condition and can pay claims on time, the newspaper said. While details are still being discussed, the targets were clearly stated in a document issued recently by the China Insurance Regulatory Commission, it said. The document "has made it clear that China will take three to five years to build new supervisory mechanisms on insurers' compensatory capability", the newspaper said. China has one of the world's fastest-growing major insurance markets, with total insurance premiums jumping 10% to CNY 1.43 trillion in 2011 from a year earlier. However, China's insurance supervisory mechanisms are still in a fledging state, with the country only gradually abolishing its cradle-to-grave welfare systems under planned economic reforms over the past three decades.

- *Reuters*, 9 April

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BUSINESS TIANJIN

LOGISTICS

Dongjiang Free Trade Port Zone Becomes Largest Place for Lease of Aircraft and Ships



Learned from the Management Committee of Tianjin Dongjiang Free Trade Port Zone, through more than two years of operation, the Dongjiang Free Trade Port Zone has developed into the largest gathering place for financing the lease of aircraft and ships in China. At present, Dongjiang has implemented sales tax exemption measures for a number of companies. In the aspect of financial leasing, it has met the target of paying a value added tax according to 4% of the preferential rate if the domestic leasing companies buy the aircraft and lease them to domestic airlines, which smoothly implemented the pilot policy of the State Council.

As reported, 234 various types of leasing companies have registered in Dongjiang, of which, there are 179 single-aircraft companies, 34 single-ship companies, and 30 headquarter leasing companies, with a total of 58 leased aircraft, 26 offshore ships, two aircraft engines, and total lease assets of approximately USD 5 billion.

- *bh.gov.cn*, 17 April

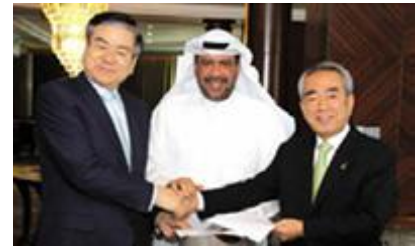
Tianjin to Open 8 New Airlines, Connecting 15 Cities

Tianjin Binhai International Airport has improved its airline arrangement. 15 cities, Changzhi, Datong, Handan, Jixi, Luoyang, Mohe, Mudanjiang, Nanchang, Shantou, Wuhai, Yulin, Taizhong, Gaoxiong, Chicago and Anchorage, are included in its airline network. Additionally, flights for Dalian, Chengdu, Hangzhou, Guangzhou, Changsha, Chongqing and Nanchang have been added, giving more choices for passengers. Eight additional routes were opened this month, including round trips to Handan, 4 times per week; round trips to Jieyang, 7 times per week; round trips to Jixi via Dalian, 3 times per week; round trips to Mudanjiang via Dalian, 4

times per week; round trips to Xi'an via Datong, 4 times per week; round trips to Yinchuan via Taiyuan, 3 times per week. Okay Airline also opened round trips to Chongqing via Zhangjiajie, 7 times per week; round trips to Baotou, 3 times per week. Xiangpeng Airline opened round trips from Chengdu to Dalian via Tianjin, 7 times per week.

- *TianjinWe*, 7 April

Korean Air Named Official Sponsor of '2014 Incheon Asian Games'



Korean Air has become the official sponsor of the 17th Asian Games to be held in Incheon in September 2014. Korean Air signed a MOU to officially sponsor the 2014 Incheon Asian Games at the Olympic Council of Asia (OCA) advisory board meeting in Bangkok, Thailand on 18 March. Present were Chairman and CEO of Hanjin Group, Yang Ho Cho; President of OCA, Sheikh Ahmad Al Fahad Al Sabah; and President of the organising committee of the 2014 Incheon Asian Games, Yong-soo Kim.

Korean Air, the 'Prestige Partner' of the Games, will underwrite air tickets, luggage, and most areas related to air transport as well as participate in the construction of Wang San Marina, which will be used during the games. Hanjin group will also provide full support, and construct a brand new hotel to accommodate participating squads.

Korean Air Chairman Cho's goal to improve the level of Asian sports has led him to lend his and his airline's support to the 2014 Incheon Asian Games. Mr. Cho's passion for sports is already well known. He successfully led the winning bid committee for the 2018 PyeongChang Olympics in Korea, and is the only Asian on Prince Albert of Monaco's Peace and Sports Foundation. He is now working as an advisor to the 2014 Incheon Asian Games organising committee, and is foreseeing that the 2014 event will promote tourism in his country and contribute to the Korean economy.

- *Skynews.co.kr*, 8 April

Metro Tianjin Line 2 Starts Test Run

Metro Tianjin Line 2 has entered the testing stage. It's estimated that Line 2 will be used in an informal business run in the second half of 2012. Reporters boarded train 212 and experienced what it was like to take Line 2. There is a touch-control screen to the right hand side of the driver, which is connected to cameras in each compartment. Drivers can use this monitor to find out if passengers have an emergency and to make sure everyone on board is safe. Compared to Line 1, controls have been improved. A glass cover has been added to the red button which controls the opening and closing of doors, reducing the rate of error. Trains for Line 2 are also equipped with an auto-run mode and improved ATP. Reporters were told that Line 2 won't take passengers on a test run until each train has travelled over 2000 kilometres under test conditions.

- *JWB.com, 10 April*

TELECOM & TRANSPORTATION

China Mobile Hand in Hand with Intel, Developing C-RAN Net



On the morning of 11 April, Intel IDF 2012 opened in Beijing. According to keynote speeches, reporters learned that China Mobile is cooperating with Intel China Research Institute on development of a C-RAN net. They are trying to speed up cloud computing infrastructure construction, in order to quicken the construction of a 4G network. With the commercialisation of TD-LTE, 9 cities will be covered with TD-LTE, and 20,000 base stations will be built by the end of 2012. By 2013, there will be up to 200,000 base stations covering large and medium-sized cities, with 200 million users. At the moment, China Mobile and Intel China Research Institute are hand-in-hand in the C-RAN network layout, working together to accelerate 4G network development.

- *Xinhua News, 12 April*

Internet a 'Big Killer' of Copyright Security



More than 60 percent of intellectual property cases heard in Beijing's courts last year were copyright-related and relevant infringements mainly happened through the Internet, said a judge from a municipal intermediate people's court. The city's courts heard 9,653 intellectual property cases last year, 6,105 of which were related to copyright infringements. In the past five years, 40,866 intellectual property disputes were tried in the city and 20,653 touched upon copyright infringements, according to the Beijing High People's Court. Meanwhile, about 80 percent of those copyright cases were related to the Internet. The Internet has become the biggest "killer" to copyright protection, said Bei Zhicheng, an executive of the Writers' Rights Protection Union, an organisation established in July to safeguard Chinese writers' copyrights online. In September, nine Chinese writers, including Han Han and Li Chengpeng, sued Apple in a Beijing intermediate court for violating their copyrights and demanded CNY 12 million (USD 1.9 million) in compensation. The court accepted the case at the beginning of the year and it is still under way.

- *People's Daily, 18 April*

Web Becomes Strong Force in Public Opinion

The country now often faces social hot-button issues due to the mounting pressure of public opinion, and Weibo, Chinese for micro blog, has been playing a large role in driving social changes, a report said. A report analysing the frequency and content of keyword searches on baidu.com, a leading search engine in China, has classified 349 issues as "hot online topics", up 30 percent from 2010. "If you break it down, you'll find almost one incident took place each day on average last year. Chinese society has

entered an age where hot-button issues are common," said Yu Guoming, a professor at the Beijing-based Renmin University of China, who headed the research. The research showed issues of most concern to web users were "living standards, public safety and social responsibility," according to the frequency of searches on Baidu. Social networking, including Weibo, the study said, has made such hot-button issues no longer individual cases but interrelated. China's Internet population has hit 513 million, the largest in the world, according to a China Internet Network Information Center report in January.

- *China Daily, 16 April*

GENERAL

Ministry to Withdraw 38 Food Additives

China plans to withdraw 38 types of food additive from the market, in response to rising concerns over food safety. Analysts said the targeted additives are used in many food products, including candies, cakes, canned meat, and fruit. The draft proposal was posted on the Ministry of Health website on 6 April for public comment until 20 April. Dong Jinshi, Executive Vice-President of the International Food Packaging Association based in Hong Kong, said the central government was updating its list of food additives, which had not kept up with market trends. "Most of the 38 food additives are now obsolete and have been abandoned by food manufacturers because of their reduced effectiveness or high cost. The updated list of additives will help regulate the market in food products," he said. "However, some natural food additives are listed to be withdrawn because of their high cost, and more artificial additives will pour into the market to replace them, and that may pose potential health risks." Wang Shiping, a food science and nutrition professor at China Agricultural University, said people should be more aware of food quality when they buy food, rather than making choices based on appearance.

- *Xinhua News, 10 April*

China New Home Prices Slide for Sixth Consecutive Month

Property prices in China have fallen for a sixth consecutive month amid government efforts to control prices and curb speculation. New home prices in 46 out of 70 Chinese cities fell between February and March. Meanwhile, prices were lower than a year ago in 38 cities. There have been fears of the formation of asset bubbles in China. Despite the recent falls, authorities said they would continue to implement strict controls over the sector. "This is further evidence of China's property macro control measures," said Ma Xiaoming of the National Bureau of Statistics. The booming housing industry supported China's expansion in recent years, with real estate investment making up 13% of the nation's gross domestic product in 2011. Since tightening measures for the sector came in two years ago, including curbs on lending and restrictions on second home purchases, growth has been weakening. Some economists warned that given the slowdown in the economy, authorities need to rethink their housing policies.

- BBC, 18 April

Racing Deal with China to Bring in EUR 40m

Ireland is set to play a key role in efforts to develop China's horse racing industry after it announced an EUR 40 million export tie-in with the country's first national equine facility, based in Tianjin. The Tianjin Equine Culture City will be the first of its kind in China, and the EUR 1.5 billion project will open in phases beginning next year. It will generate EUR 40 million for Ireland over the next three years. The news was announced by Minister for Agriculture, Simon Coveney, who is leading Ireland's largest agriculture and food trade mission to China this week, the latest in a series of high-profile visits to the key Chinese market. "This initiative should facilitate the development of a major export market for horses from Ireland and has the potential to provide a range of business opportunities for companies and individuals in Ireland who can bring a wide range of expertise to the project," said Mr. Coveney. The deal marks the first Chinese government involvement with an overseas joint venture in horse racing and breeding. The new facility in Tianjin will feature 4,000 horse stalls, a horse clinic, 150 trainers' offices, five training tracks, and two international standard racetracks.

- Irishtimes, 16 April

Tianjin W. Railway Station to Adopt Face Recognition System

The Beijing-Shanghai high-speed railway plans to use a facial identification system at three key stations to help police detect and catch fugitives. Media reports said yesterday the project's bidding process will start soon. The system will be set up at the Shanghai Hongqiao Railway Station, Tianjin W. Railway Station, and Jinan W. Railway Station. The equipment will be set up at security check-points in the stations, according to the China Academy of Railway Sciences. "The quick identification system will enable police to recognise faces via surveillance cameras, and comb criminal databases for a final match," authorities said. Researchers added the technology works when people are moving, and is helpful even if suspects have had cosmetic surgery. Despite the technology, police officers are still frequently seen patrolling railway stations and questioning passengers, who show their ID cards for quick identification.

- Global Times, 16 April

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Numbers

8

The price of 93 octane gasoline has risen to CNY 8 per litre, hitting an all-time record high in Tianjin. The increase of CNY 0.48 per litre is making many car owners stressed.



10%

After recent price increases of milk powder by Wyeth and Abbott, other brands are following suit to raise prices as well. All the major supermarkets in Tianjin recently announced that milk powder produced by Nestle and MeadJohnson would have a price increase of 10% as well. Online retailers have taken the lead in raising prices.



1.85

A 17-year-old model from Romania wore a wedding dress which has a 1.85-mile long train, setting a new Guinness Record. It took 10 tailors 100 days to sew the wedding dress and cost GBP 5,000.



86.3

Jixian County has planned its first 50 major projects with a total investment of CNY 86.3 billion for this year. These projects cover a wide variety of industries, including, the service industry and infrastructure to name a few. So far, 25 projects have been launched.

500,000

Tianjin Library, Cultural Centre Branch is expected to open during the May Day holiday. It will be a 24-hour self-service library and will provide free wireless internet access. 500,000 new books will be made available to readers during the first year of operation.



155

42 projects with the aim of bringing high level expat experts to TEDA have been approved recently. It's estimated that 155 expat experts will be recruited by these projects within 2012.

105,000

105,000 low income apartments are to be built in Tianjin in 2012. Planning tasks have been assigned to different government departments including Tianjin Municipal Bureau of Land Resources and Housing Administration, Tianjin Municipal Commission of Development and Reform, Dongli District, Beichen District and Binhai New Area.

962,300

Tianjin received 962,300 domestic and foreign tourists during the 3-day Qingming holiday, bringing in tourism revenue of CNY 335 million, hitting an all-time high.



14

"Summer Davos", Annual Meeting of the New Champions 2012 will be held in Tianjin from 11 to 13 September. 14 hotels in Tianjin have been appointed as exclusive reception resorts during this huge event.



10

China raised the jet fuel surcharge by CNY 10, from CNY 70 to CNY 80 per passenger on domestic flights less than 800 kilometres. For those travelling further than 800 kilometres, the fuel surcharge has risen from CNY 140 to 150.

7.1

Private enterprise exports in Tianjin were more than USD 7.1 billion in 2011, surpassing that of State-owned enterprises for the first time.

72%

According to statistics released by State Exchange Bureau, at the end of 2011, China's external debt balance was approximately USD 695 billion. Among this, the short term external debt balance was USD 501 billion, producing a high ratio of 72%.

E-Commerce: Revelations about Group Buying

Sino Foreign Management, March 2012

During the past two years within the e-commerce field, group buying has become an extremely popular keyword. In 2011, the group buying industry expanded with an astonishing speed and exceeded CNY 1.1 billion in sales, which is 5.5 times greater than 2010. More than five thousand enterprises of different sizes were involved in this field. However, during the same period, the group buying industry had massive competition and capital market funding imbalances, causing half of the businesses to close down and the industry experienced a sharp downturn. The emergence of group buying attracted “bottom feeders” from everywhere (portal websites, social networks, search engines, e-commerce sites, and even network security service providers). For businesses involved in the group buying field, it was a bloody battle.

The business model of group buying is not new. After gaining huge attention and success, it re-launched in 2009, with the support of better market conditions (online payment, credit systems, logistic, etc.). This huge success attracted a plethora of bottom feeders. Crazy investors, at that time, threw money into the industry afraid of rivals investing first. Dirty competition emerged later among group buying websites in order to secure capital from investors. However, such actions cooled investor's desires. So, current market predictions suggest that group buying faces a down turn. However, with an increasing user base, group buying websites still have the possibility to grow. Another key element lies within management securing future capital flows.



China Banking not in Danger

Modern Bankers March 2012

China banking had been continually questioned over the past year. People were concerned that local debt risk and real estate regulation would crash some banks, hence creating a crisis. Is that possible?

While discussing the local debt risk, one argument widely mentioned is the ratio of local debt against national GDP. Unfortunately, though most people use it in their argument, it is a meaningless figure. In contrast, the ratio of the amount of annual debt payments against national GDP has actual meaning. For instance, if we have to pay back more than CNY 10 trillion of local debt within 5 years, the ratio of it against national GDP is 5%. If the national GDP increases by 8% annually, the same amount of local debt only equals 3% of that year's national GDP figure. So, how could such an amount of debt threaten our economy and cause a fiscal crisis?

Even though the calculation of local debt has reached CNY 14.4 trillion, the bad account rate has increased to 18% after 5 years, with a total amount of CNY 2.6 trillion. As Mu Di explained, it is impossible for local debt to trigger a crisis in Chinese banking. In 2011, China banking assets reached CNY 111 trillion, increasing 18% as compared to 2010's figure. If the figure only increases by 10% annually, while the bad account ratio increases to 2.3% over five years, at that time, total banking assets will be CNY 179 trillion, and a bad account ratio of 2.3% on CNY 179 trillion, representing a good performance compared to that of other countries.



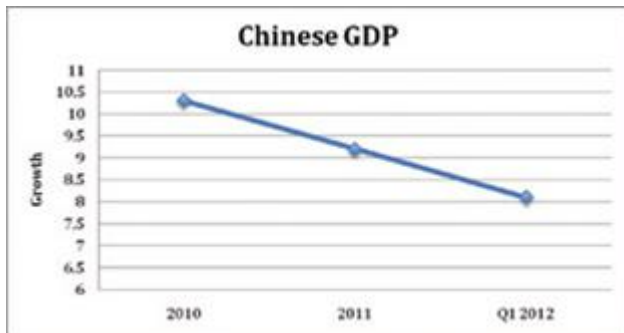
May China Economy Report

By J. Hernan

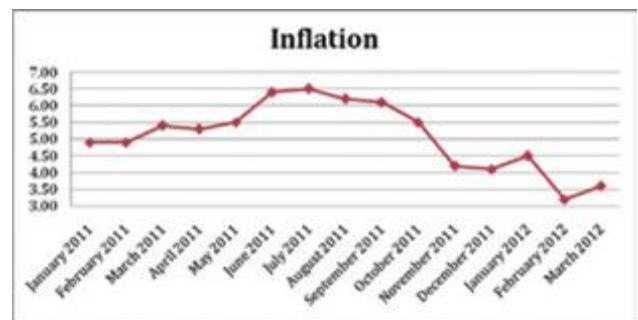


The Chinese economy has clearly slowed down in the first quarter of 2012. Beijing has been accelerating its effort to boost economic growth, and we will start to observe the effect in several months.

China's economy grew at a lower-than-expected 8.1% in the first quarter, marking its slowest pace in three years, reported Dow Jones. Inflation numbers were still relatively low in March, so Beijing can be less worried about near term price increases as an impediment to monetary and fiscal loosening.



The consumer price index (CPI) rose to 3.6 percent in March from 3.2 percent in February, slightly higher than analysts' expectations, as bad weather pushed up food prices and authorities raised the price of fuel.



Inflation is one of Beijing's biggest economic concerns because rising prices, especially food prices, are highly correlated to social unrest. As of July last year, inflation recorded an all time high of 6.5 percent while gradually slowing through September and since then has experienced a sharp fall. "CPI was mainly pushed up by food prices, which resulted from an undersupply of vegetables due to relatively cold weather in

March,” Li Huiyong, said a Shanghai-based analyst at ShenyinWanguo Securities. Food prices, regularly the source of government concern as they hit China’s most sensitive populations, rose 7.5 percent in March.

Despite the economic slow down, China’s industrial output and retails sales provide some relief against concern of an immediate hard landing. Value-added industrial output in China rose 11.9% in March from a year earlier, accelerating from an 11.4% year-on-year increase in the January-February period. The rise also exceeded the median 11.2% gain forecast by 13 economists polled by Dow Jones Newswires.

In addition, retail sales in China rose 15.2% in March from a year earlier, accelerating from a 14.7% year-on-year increase in the January-February period. Retail sales in March rose 1.18% from February, when they rose 1.56% from January.



China returns to trade surplus but external demand still sluggish

Although China recorded a trade surplus in March, domestic demand is still low and the US and European economic slowdown have resulted in low export figures. In March, exports rose 8.9 percent over a year earlier to USD 165.6 billion, while imports grew 5.3 percent to USD 160.3 billion.

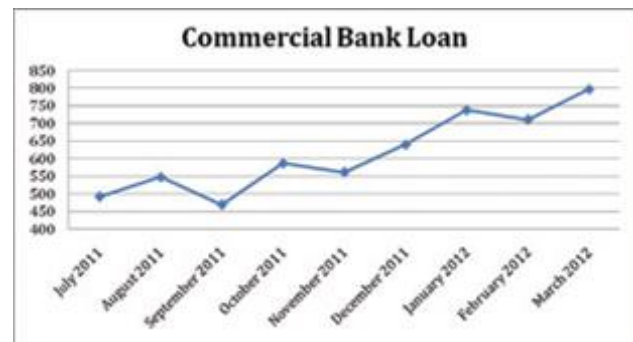
That growth was below China’s double-digit levels in recent years but in line with the combined January-February period, which analysts look at to screen out the impact of the Lunar New Year holiday, when companies close for a week or more.

Chinese demand has substantially weakened following Beijing’s inflation cooling measures and efforts to bring its economy back to a more sustainable level. In 2010, China recorded explosive double-digit growth following 2008’s economic stimulus package. Beijing tightened bank lending and imposed numerous restrictions on investments especially in the housing sector.

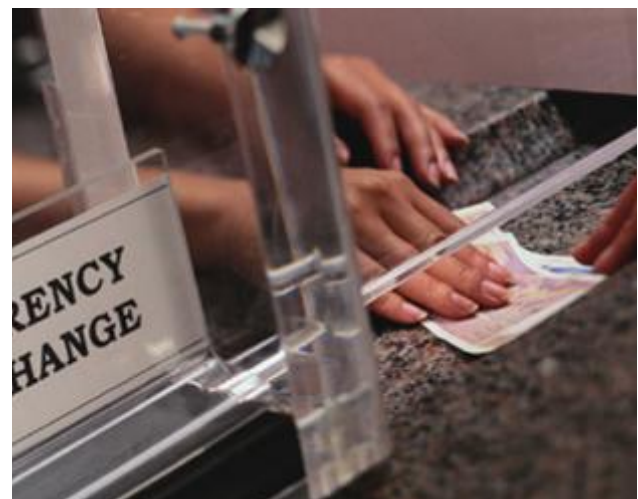
China’s flagging demand is a bad sign for commodities-exporting nations such as Australia and Brazil. It is also negative news for other Asian economies that rely on Chinese customers to buy their industrial components. The drop in export demand, triggered by Europe’s problems last year, prompted Chinese leaders to reverse course in December and promise more bank lending to shore up economic growth.

Beijing has already been easing monetary policy drastically.

In March, China’s new CNY loans were the most this year and money-supply showed an obvious jump after Premier Wen announced Beijing will boost the domestic economy by cutting banks’ required reserves and help smaller businesses get financing.



Local currency denominated loans were CNY 1.01 trillion (USD 160.1 billion) in March, the People’s Bank of China said on 12 April, exceeding all 28 estimates in a Bloomberg News survey. M2, the broadest measure of money supply, rose to 13.4 percent y-o-y. China’s foreign-exchange reserves, the world’s largest, hit a record USD 3.31 trillion as of 31 March, after dropping for the first time in more than a decade in the fourth quarter.





"March lending reflects the policy easing and support that have been in the works since the beginning of this year," said Wang Tao, Chief China Economist with UBS AG in Hong Kong.



Beijing needs to be careful about how to ensure it does not go to wasteful projects.

As Beijing is injecting more liquidity into the market in hopes of boosting economic growth, two things

will likely happen if the process is not managed very carefully: Chinese banks will earn more profit and the non-performing loan ratio will rise.

As a consequence of China's distorted financial system, allocation of capital remains politicised, says Patrick Chovanec, Finance Professor at Tsinghua University's School of Economics and Management in Beijing. A significant portion of the credit stimulus has gone into wasteful projects since late 2008, Chovanec says, and since that money is not creating real growth or productivity gains, it chases too few goods at higher prices.

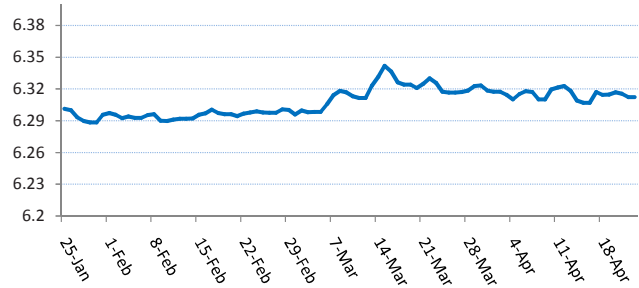
When money is spent on zero or negative return, which is a classic case for China, we will observe an initial GDP boost as long as Beijing is injecting cash into system, but eventually we will see stagnant growth and inflation resulting in stagflation.

China's distorted financial system produced mega state-owned banks that earn record profits year-on-year. Chinese banks enjoy a regulated spread between

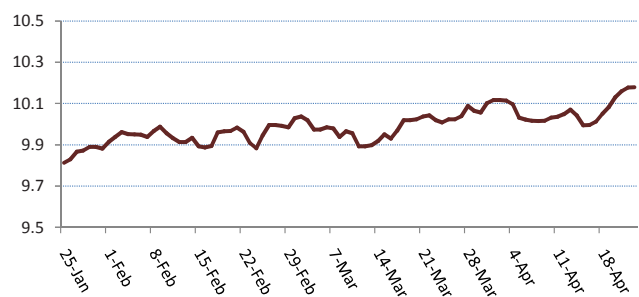


Three-month CNY trends

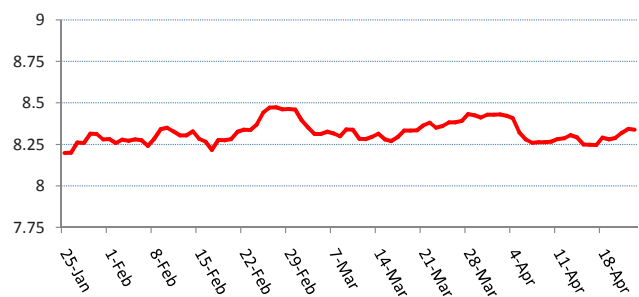
CNY vs USD



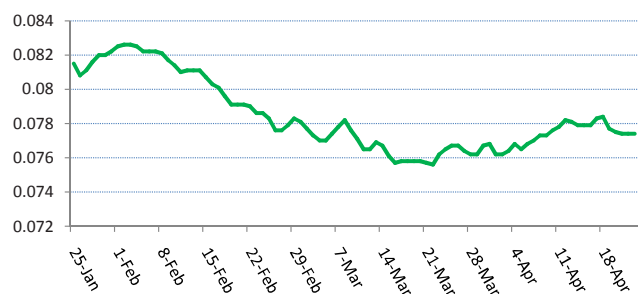
CNY vs GBP



CNY vs EUR



CNY vs JPY



their lending rates and deposit rates. Therefore, the more money they are allowed to lend, the more profit they can make. However, the more generously they lend, the greater the risk they won't be paid back, a risk that should be realistically tabulated and deducted from the earnings spread, explains Chovanec.

The Chinese economy is slowing down and Beijing has been pumping more money into it for the past three months. We hope Beijing has learned from its experience, and can carefully engineer the economy towards a sustainable growth path for the remainder of 2012.

Visit us online:
btianjin.cn/120501

Data source: Oanda.com interbank rate

No Ghost in the Machine

Paul Harris, Regional Director of Asia Pacific, Rolls-Royce

By Heidi Skovhus



On 17 April, Rolls-Royce opened their first showroom in Tianjin. It is the 13th showroom for Rolls-Royce in China. It is located in the Heping District and covers 366 square metres. At the opening event, the new Ghost model was revealed by Paul Harris, the Regional Director of Asia Pacific, and Jenny Zheng, the General Manager for Greater China. In the morning, the media were invited, and in the afternoon, customers were invited for this opening event. Many media arrived, and Business Tianjin appreciates the time given by Paul Harris to do this exclusive interview.

Please tell our readers a little bit about yourself.

Well, I am from the UK and I have a very long history with BMW with more than 25 years of experience within the company. I have had different positions, and I am what you would call a business generalist. I was the General Manager for the Nordic and Baltics area before I was appointed as the Regional Director of the Asia Pacific. The biggest change coming to this position has been dealing with the cultural differences when covering such a big and diverse area like the Asia Pacific. However, although some people might not think so given the size of the Nordic and Baltic area, it also contains big cultural differences,

so this is not new to me.

I have been here for 2 years now, and I am living in Singapore with my wife and two young children. I spend a lot of time travelling with my job, probably around 70% of my time. I enjoy Singapore very much, but sometimes I miss the seasons that I am used to.

What kind of image or what words would you say describe the 'Rolls-Royce Experience'?

From a customer perspective, I would say 'Pure Excellence'. We work hard on fulfilling all customer demands and we make everything by order. We spend a lot of time listening to the customer and most customers get very engaged with the Rolls-Royce brand. From an internal perspective, I would say 'Seek perfection in everything we do'. We are a highly dedicated team. Craftsmanship and engineering are some of the corner stones of our business.

China has overtaken the United States as Rolls-Royce's number one market. Do you see that changing in the future?

I am not going to make any predictions, but my guess would be that the two markets will be developing similarly for some years, and then eventually China will be bigger simply due to the size of the market.

With a record number of automobiles sold in 2011, how will Rolls-Royce top that in 2012?

To us, it is all about sustainable growth. We do not expect to grow significantly this year, but we do plan for some growth in 2012, and will be pleased to reach that. We are not going to be a massive player in the market, and we are a rather small player today. We like to always have one more customer than we can produce for.

Some luxury brands are turning to SUV's to continue their growth. Has Rolls-Royce considered entering the SUV market?

Never say never! The Rolls-Royce Ghost model is built in a way so that it is adaptable. However, an SUV would demand some compromises.

How long does a buyer have to wait to receive their vehicle in China?

Well, that all depends on the number of demands and wishes that the buyer has. At the moment, we have one customer with some very specific requests about the wood to be used for the interior design, and this customer will be waiting two years for his car. Most buyers have to wait 5-6 months for the Phantom model, and 3-4 months for the Ghost model.

Has the exit of Maybach from the luxury market had any effect on Rolls-Royce?

Comparing is very difficult. Rolls-Royce is in another league to other luxury cars, and Maybach was never that successful. When customers are considering a Rolls-Royce, it is often against the decisions to buy a yacht, a helicopter, or a jet. On the radio the other day, I heard a story about a very successful race horse, and the reporter called it 'the Rolls-Royce of horses'. I believe, that says quite a bit.

With the lower price of the Ghost, do you see Bentley as a viable competitor?

I will refer to my answer before. To grow you need to change the product range and now buyers have more to choose from. Our market is the 200,000+ Euro excl. tax market.

Has Rolls-Royce considered manufacturing cars in China similar to other companies such as Mercedes Benz?

No. The UK is the only place in the world where we manufacture, and we will continue to do that, and are currently expanding capacity in the UK. This is our centre of core competence and we believe that this is the heritage that people buy into.

Have import policies, specifically taxes, hurt sales volumes in China?

Taxation varies a lot all over the world and also in the Asia Pacific, and we are a brand that operates in them all. We know it is there, we understand it, we deal with it, and we operate within the taxation rules that exist. This is also the case in China. High taxes makes the market become more exclusive.

Do you get asked for rides very often?

Yes, it happens. Personally I drive a Mini Cooper, and I enjoy the size and



flexibility of the car. When I drive a Rolls-Royce it is for special occasions, but the Rolls-Royce is for my clients, not for me. However, if I could I would choose a Rolls-Royce and all my team feels like that, and we are truly dedicated to the brand. This is very much a brand driven by passion. If you would like a ride, I actually arranged for you to have a ride in the Ghost model to see what it is all about.

.....It was all about a powerful machine, no noise, special features, beautiful interior, fantastic smell, and many iconic designs. Thank you, Paul Harris, for the experience. **B**

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Prancing into Tianjin Again

*Dialogue with Salvatore Ancoretti,
Marketing Director Greater China,
Ferrari*

Since its first sale in China almost 20 years ago, Ferrari has continually been growing to meet the potential of the Chinese market. Now, with well over 1,000 total vehicles delivered, and 2011 deliveries of over 500 vehicles to the mainland alone, Ferrari is moving to position itself for sustained growth by expanding its dealer network. By 2013, Ferrari envisions having a total of 20 dealerships throughout the country to tap into the demand for the world-renowned pony cars. On 10 April, Ferrari opened its second dealership in Tianjin, with great fanfare, on NanJing Road. On hand for the event was Salvatore Ancoretti, a veteran of Maranello, but now holds the title of Marketing Director Greater China, Ferrari. Business Tianjin was able to speak with Mr. Ancoretti about what the future holds as the pony not only goes "Prancing into Tianjin" again, but throughout China and beyond.





Ferrari owners in China are much younger than average. What are you doing to educate these buyers about Ferrari?

In an emerging market we have to build up our brand, we have to establish our brand. What we are doing to establish our brand is to communicate what Ferrari means, what it stands for. We have a 65 year history, a valuable history. This means to promote the brand, we will open the biggest exhibition ever in Shanghai, over 900 sqm, explaining the history of Ferrari. We have to educate people how to use the Ferrari, and train them how to use the car, on the track, on the road, to make

sure they get maximum performance while maintaining absolute safety.

What do you believe is the Ferrari “experience”?

Ferrari is first of all “driving emotion”. What we sell is not cars, we sell dreams. Dreams means that you are in the prancing horse, the DNA is different. The craftsmanship; the Italian style; sixty-five years of history. If you visit the factory in Maranello, you will see something different from all the other factories around the world, which is why we push people to visit. You also have the performance of the car. It’s not just a number you get from the pages of a magazine. It’s how you feel when you drive the car. The pleasure you feel from driving a car like that.

Recently, the F12 was unveiled to the public. Is there any update on pricing or availability?

The F12 Berlinetta was just launched in Milan a couple of months ago. This will clearly be the most important car we show at the Beijing auto show, and one of the most waited for premiers at the show. This is the highest performing Ferrari ever. For availability, it will be allocated to all markets equally.

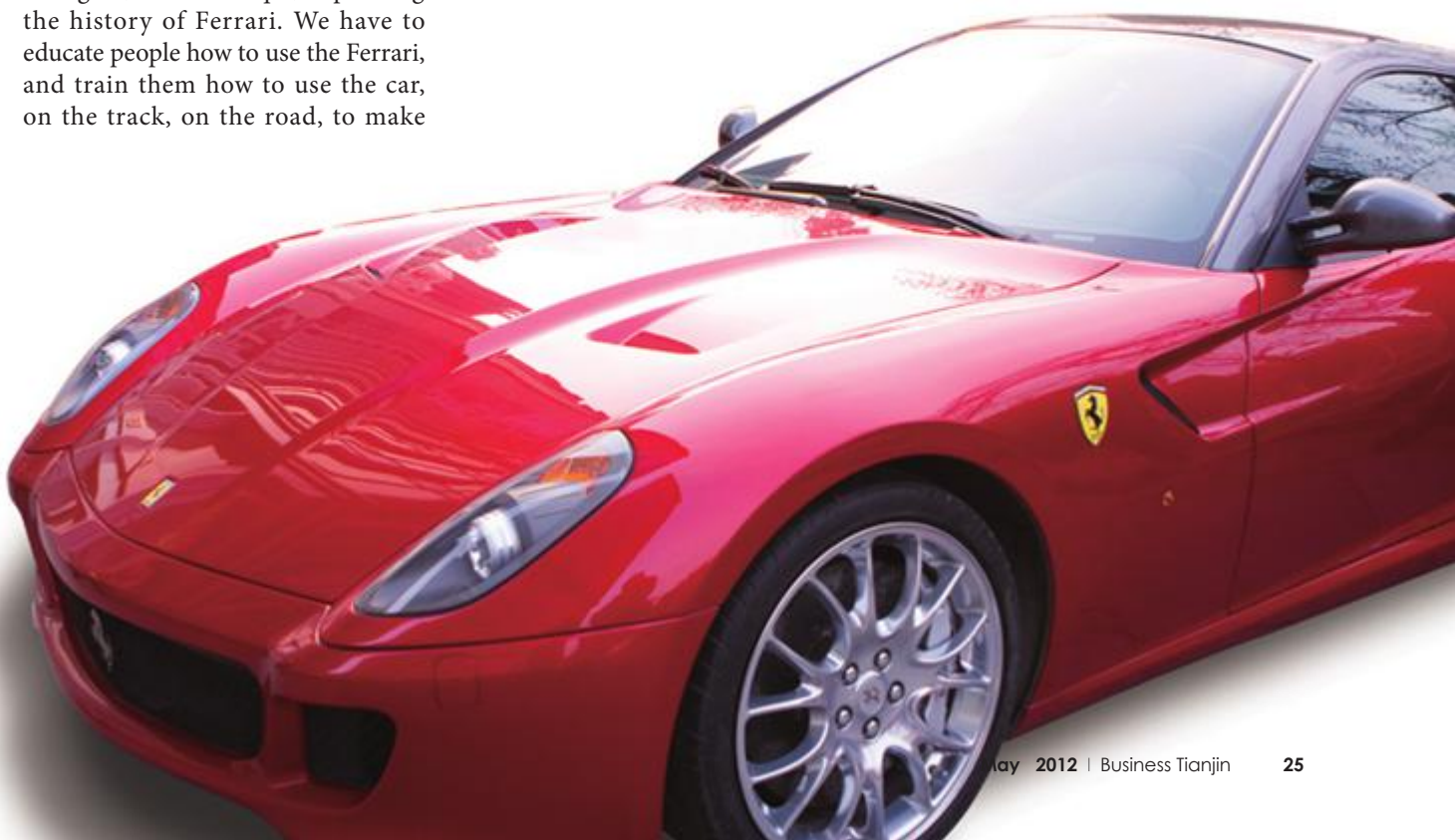
How long is the average wait time for delivery of different models for the Chinese market after purchase?

It depends on what options the buyer wants for their car. In Beijing, we will announce the tailor-made programme which will allow 40 to 50 people per year to completely personalise their car with new material, new fabrics, new fibres, new colours, etc. You will see the possibility to have a car specifically made as the buyer wants.

Do you see the Chinese market for Ferrari ever surpassing the United States market in terms of total volume of units?

Ferrari is continuing to grow in China and recently, in 2011, we had some of our best sales ever. As to whether Ferrari in China will ever surpass the United States in sales, I don’t think it will happen soon, but I wouldn’t be surprised if it were to happen. You can never say never. **E**

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A Subtle Supercar

*Dialogue with Christian Gobber,
Managing Director of Maserati Greater China*

Hidden under the pretense of an upscale passenger car, a Maserati could easily go unnoticed gliding through the streets in China. Any anonymity the brand has though will soon disappear. Maserati continues to make huge inroads in the Chinese market, as evidenced by doubling their sales in 2011 and delivering 780 vehicles to customers. A majority of the vehicles delivered, the Quattroporte, would blend in with a crowd of Benzes, BMWs, or Bentleys due to the similar 4-door body style common among passenger cars. However, this is where any similarities end, and the refined luxury and exclusivity of a Maserati take centre stage. With expected growth in China to outpace other markets, Maserati continues to aggressively expand. On 10 April the newest Maserati dealership in Tianjin opened on NanJing road. Christian Gobber, Managing Director of Maserati Greater China was on hand for the ceremony, and Business Tianjin had a chance to speak with him about what the future holds for Maserati as they get closer to their centennial.



The Beijing auto show will happen soon, what will Maserati bring to the show?

We plan on bringing one production car and one concept car. However, everyone is much more interested in the concept. We plan on bringing a GranCabrio and the Maserati SUV. In 2001, we presented our first SUV concept, but it never went into production. There were a number of reasons for this. At the time, we didn't have the 4 wheel drive technology in-house. Now that Maserati has become part of a much larger group, there are new possibilities that have opened up.

How long is the average wait time for delivery of different models for the Chinese market after purchase?

If one of the people attending tonight wanted to order a Maserati that was not currently in our pipeline and wanted to completely customise it, you would be looking at roughly a six month wait time.

If you had to describe a "Maserati Lifestyle" to someone, what would you say?

I don't believe you can say that a car gives you a certain lifestyle. What Maserati offers is a high performance car with exceptional

handling and luxury, but if someone tells you that buying a car will give you a certain lifestyle, I wouldn't really agree with that.

Do you see Maserati competing with supercar manufacturers like Ferrari or with more traditional luxury sedan manufacturers like Mercedes Benz?

Actually, if I had to give an example of a close competitor, I would say a Porsche Panamera. You have a luxurious, high performance vehicle. However, it still is practical enough that you could use it on a daily basis for all of your transportation



needs. Supercars are not realistic vehicles to drive everyday and luxury sedans don't have the same level of performance as a Maserati.

Maserati has a much larger number of female buyers than other ultra-premium brands. How has this affected the brand?

We tend to get a lot of customers who are moving into the high end brands due to an increase in wealth. The Quattroporte is the most popular model with its four doors, so it is much more functional for those buyers. Compared to other manufacturers which tend to skew

heavily male, Maserati has been able to have tremendous success with female buyers and we look forward to increasing that in the future.

Has Maserati considered offering Master Maserati driving courses in China?

We have had events that are similar, but they have not been advertised. We recently had an event in Shanghai where we invited owners to take their cars out on the track to really experience the full performance of what the cars can do. These events have been very popular and we hope to expand on them in the future.

Do you think China will eventually surpass the United States as Maserati's top market?

Maserati is expecting to have continued growth in China as the number of newly wealthy individuals rises. It may not happen for a while, but I believe we are positioning ourselves well to give us a chance to make it possible. **B**

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AN AEON OF SUCCESS

Dialogue with Takeshi Nakane, General Manager, AEON Mall Tianjin Zhongbei

Located along the No. 2 Metro Line at Caozhuang Station, Zhongbeizhen, Xiqing District, AEON Mall Tianjin Zhongbei opened on 28 April. It's the second city complex shopping centre in Tianjin invested by AEON Group of Japan. As the top retail enterprise in Japan, and also a Top 500 company, AEON Group has over 100 subsidiary companies. Recently, Business Tianjin got a chance to talk with Takeshi Nakane about AEON Mall Tianjin Zhongbei and their goals in Tianjin.

Tell us a bit about AEON Group.

JUSCO Co., Ltd. was established in 1970 through a business partnership between three local companies, Okadaya, Futagi, and Shiro. On 21 August 2001, JUSCO Co., Ltd. changed its name to AEON Co., Ltd. Then, on 21 August 2008, AEON made a transition to a pure holding company structure with AEON Co., Ltd. as its core, and the retail business was transferred to AEON Retail Co., Ltd. AEON constantly strives to be innovative and hold tight to the "Customer-First" philosophy as we continue working to enhance our customers' lives.

Tell us about AEON Mall Tianjin Zhongbei.

AEON Mall Tianjin Zhongbei is a multi-functional shopping centre with 3 floors, a site area of approximately 95,000 sqm, a total floor area of approximately 130,000 sqm, commercial area of 90,000 sqm, and a parking capacity of 3,700 cars. There is one AEON supermarket, one Children's Paradise, a wide variety among 150 trendy specialty stores, an international food court, a SuNing appliance store, Hengxin furniture shop, a large cinema, and a video game city. All those facilities



provide a wide range of shopping and entertaining possibilities.

Why did you choose Xiqing Zhongbei Zhen as the location for a second mall in Tianjin?

Firstly, Zhongbei Zhen government invited us to set up here. Secondly, according to Tianjin's population statistics, Tianjin's suburban population and consumption capacity has increased rapidly year after year. Compared with shopping centres

in the city's core, the self-driving shopping concept will be the trend of the future. A suburban style shopping centre has many advantages and more space to develop so it can include features like a large parking area.

Who are your target customers?

We have two groups of target customers. One group is those families who have kids. We have many clothing brands for children and a large Children's Paradise which

has many fancy but safe toys. Parents can leave their children to play by themselves and enjoy some leisure time. The other group is young girls who love fashion and cool clothing. We have introduced some Japanese style clothing brands which are very popular among young girls.

It's a bit difficult to attract those over 60 years old. We hope they come to our mall to buy gifts for their sons, daughters, or grandchildren. The youth can also invite their grandparents to have lunch or dinner at our food court and enjoy a chance to get together.

Online shopping is very popular nowadays. What is the impact of online shopping for traditional shopping centres?

With the popularity of online and TV shopping in China, traditional shopping centres need to strengthen their service aspects. "Smiling service" is the most important thing for us. We will try our best to get customers to believe our staffs' sincere and friendly working attitude is part of our corporate culture. We push our staff to work happily, so that they can pass the same feeling along to our customers. We are confident our smiling service will keep our customers returning again and again.

What are key factors to retain

customers: products, services, or something else?

Our shopping centre attracts customers due to its products and services. The most important thing is the environment of the shopping centre. We need to keep good relationships with our customers and listen to their suggestions or comments to improve our services.

AEON held its Tree Planting Ceremony at the end of March at the Zhongbei Shopping Centre. Why did AEON organise this activity?

At the opening of new shopping centres and other facilities, AEON has been planting and nurturing indigenous saplings with local customers under the "AEON Hometown Forests Program" since 1991. So far, AEON has planted a total of over 9.5 million trees around the world through these tree planting activities. We would like to promote awareness of protecting the earth to our customers via this activity. Many parents and their children joined this tree planting ceremony. We hope those children can grow with the trees they planted and after many years when they come back to see those trees, they will have many good memories. That's a wonderful thing!

What are the goals and marketing strategy for AEON Mall Tianjin Zhongbei in the next five years?

According to our plan, we will open 5 AEON Malls in Tianjin. The first mall, AEON Mall Tianjin TEDA opened in 2010. AEON Mall Tianjin Zhongbei is the second mall in Tianjin. The third AEON Mall Tianjin YouYiNanLu is under construction now. I hope after five years our sales revenue can double. To realise this goal, we need to ensure our customers come again and again. We hope we can retain our customers with our great services and creative promotional ideas. We will keep working on it, as it is a long term goal.

Do you provide free shuttle bus service to customers?

Yes. We have 6 free shuttle bus routes, the No.1 route is from Tianjin West Railway Station, No.2 is from Dongjiangjing, No.3 is from Huayuan, No.4 is from Zhongbeizhen, No.5 is from Yangliuqing, and No.6 is from Zhangjiawo.

What is your hobby and how do you spend your spare time?

I have many hobbies but I am not so good at many of them. I like playing golf, table tennis, fishing, and travelling. I go out with my family to explore and learn more about Tianjin on the weekends.

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Summer Davos

2012

— An Overview

In 2007, the World Economic Forum established the Annual Meeting of the New Champions, also known as Summer Davos, with the requirement that it be held annually in China and alternate between Dalian and Tianjin. While smaller in nature, with 1,500 influential stakeholders of what the foundation calls Global Growth Companies, primarily from rapidly growing emerging countries such as Brazil, Russia, India, and China, (BRIC) rather than the 2,500 of the namesake event, the meeting is designed to engage the next generation of global leaders, fast-growing regions, competitive cities, and technology pioneers from around the globe. Premier Wen Jiabao has delivered an address to all attendees at each annual meeting.

What is Davos, and why is it important? The World Economic Forum was founded in 1971 by Klaus Schwab, a Business Professor with the University of Geneva. The event was originally named the "European Management Forum." The name was changed to the World Economic Forum in 1987 and sought to widen its vision further to include issues

that moved beyond economic in nature and to provide a platform for resolving international conflicts.

In the summer of 1971, Schwab invited 444 executives to the first European Management Symposium held at the Davos Congress Centre through the sponsorship of the European industrial groups, and the European Commission. Schwab wanted to highlight American management practices and introduce them to the representatives of the European firms in attendance. Later, the World Economic Forum was founded as a non-profit organisation, based in Geneva, and drew business leaders to Davos for annual meetings, taking place every January.

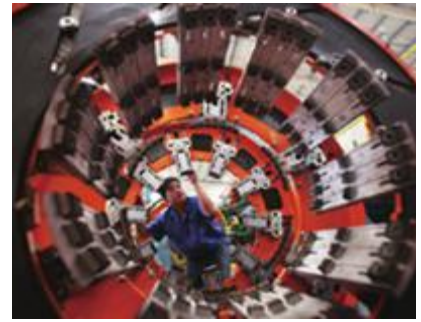
Schwab developed a management approach which credited its success to managers becoming "stakeholders" in their businesses by taking account of all interests in the business. Shareholders of company were no longer prioritised over other groups, like clients, customers, or employees, and even government and local communities were given seating at the table to help decide which path could best help the company grow

and be more successful. Turbulent events around the world during its first year of existence helped change the focus of the event and it expanded to include economic and social issues, rather than just focusing on different best practices in management. Due to the success of the event, the first annual meeting is considered to have begun in 1974.

Over time, attendees of Davos has utilised the event as a chance to resolve more than just economic issues that might be facing their respective countries. Major declarations and political agreements have been forged at the event including such notables as the Davos Declaration, signed by Greece and Turkey in 1988, which is said to have averted open military conflict. As the years went by, political leaders continued to use the event for political functions rather than just economic issues. In 2008, Bill Gates gave a keynote speech on creative capitalism, a form of capitalism that works both to generate profits and solve the world's inequities, using market forces to better address the needs of the poor.



The traditional, western world of business has seen markets mature and growth has shifted to other parts of the world. As an acknowledgement of this trend, Davos expanded to give these new entrants a global stage and their own forum to address issues specific to their nascent economies. China's selection as the location for this event was especially significant, as China continues to be a lone bright spot leading the global economic recovery after the recent global recession. Upon creation of the New Champions event, Dalian was selected as the host for odd numbered years, while Tianjin, hosts the event in even numbered years. With prior successful events in 2008 and 2010, leaders from around the world will converge on Tianjin this fall from 11-13 September to participate in meetings and events designed to provide insight into the guidance needed to keep economic growth on track and mitigate any adverse events that might take place in the developed world. The full schedule for the event looks to be released sometime in the near future. Regardless, expect controlled chaos as the event gets closer and the Chinese government seeks to maintain social stability as a new president is chosen.



Giving Credit

Michal Skocil on how Home Credit is lending to Tianjin's consumer boom

By Mark Gao



Today, Home Credit operates in seven countries.

Tianjin is one of the cities where the Prague-based firm is licensed by the China Banking Regulatory Commission (CBRC) to offer loans: it partners with Suning to provide credit to locals purchasing electrical appliances. Shoppers at Suning may have noticed the firm's presence, announced by posters and a desk at each checkout. Home Credit started looking to China in 2004 and after a considerable amount of time doing market research, the company opened an office at the Beijing Lufthansa Center. In 2007, Home Credit started its business in Guangdong and Chinese regulator granted Consumer Finance license to it in Tianjin. And up to now, Home Credit has branched out to 40 cities.

Over 300 of the firm's 5000 staff are now based in Tianjin, and with the business growing between 10% to 15% a month, the outlook for further expansion looks good. Home Credit's average loan is CNY 2,200, explains Skocil. He says that by offering small, point-of-sale loans, Home Credit is "not competing with banking products... we're servicing a completely different segment." He adds that by helping consumers make their purchases, the firm is assisting policymakers achieve the goal of shifting the Chinese economy away from exports towards more domestic consumption.

Home Credit loans have been a hit with upper and lower income brackets. "We target different groups of consumers: if you go to Tianjin, you see a difference in downtown, suburban, or rural store purchases.

"We are in both," says Skocil. Mobiles, computers, and electrical bikes are the top three items which the firm finances in Tianjin, the latter being predominant in rural areas.

Cost of credit

Home Credit charges 30% to 35% for credit. Skocil explains a typical purchase; "The customer looks at the phone in the shop window and he can't afford it. He looks at installments. The phone will cost CNY 2,000, or 2,300 or 2,400 by installments. But the extra payment in a mortgage is much greater over 20 years so you can't compare it with a mortgage." Typical Tianjin mortgage credit rates range from 4 to 5%.

Home Credit customers shopping at a Suning store in Tianjin fill out paperwork and can expect a decision on their loan application within 30 minutes – the time it takes Home Credit to verify the customer's ID and credit history. Also, a down payment of 20% is required of customers for each purchase.

Home Credit overcame initial skepticism about the viability of its business model in China. "In 2006 we kept hearing 'Chinese people don't borrow money.'" Six years later, the firm has one million customers in China, 65,000 of them in Tianjin. "If you came to China 15 years ago you'd hear Chinese people don't need cars but look today, you can't drive because there are so many cars in Beijing!"

Tianjin retailers have embraced the Home Credit concept since it drives sales. "It's easy to sell the idea to retailers... This is valuable for them, as some consumers wouldn't otherwise be able to afford it."

China's purse strings are opening, and Home Credit is helping that process along. The leading foreign provider of consumer credit, Home Credit, is consolidating its fast growing Chinese operations in Tianjin, with several hundred back office staff to be based in the city's business district over the next two years. Head of Operations in China, Michal Skocil, says Home Credit hopes to bolster strong growth across the country by securing a national operating license as well as permits to finance other product categories, such as furniture. The firm's current customers are mostly purchasers of electrical appliances and mobile phones at Tianjin outlets of leading appliance retailer Suning.

Home Credit is part of the Prvni Privatizacni Fond (PPF) financial services group, founded in 1992 as the brainchild of renowned Czech financier Petr Kellner, to cash in on the privatisation of then Czechoslovakia's socialist economy.

Gaining the trust of regulators has been crucial to the firm's success in China. "It takes time and trust... Small local companies were offering forms of consumer credit before the firm's arrival here, but not necessarily in a transparent way. Thus it did more damage to the industry."

Competition

Today Home Credit has several local competitors. While the state-owned banking sector prefers to offer large loans to the state industrial sector, municipal lenders in Beijing and Chengdu have both entered the consumer finance sector with third party partners. Indeed, Home Credit gets some of its own domestic funding from Chinese banks.

Regulators in Tianjin were open to the Home Credit model, partly because the city has a track record of piloting forms of finance such as venture capital and funds. "We were trying to find a way, so we talked to the regulators, and people in Tianjin, about doing something new." Skocil said the firm found in Tianjin the "proper mindset" and local support, "hence we applied for the license there."

Home Credit also has the advantage of a long track record globally. "When regulators look at us they see the biggest privately owned company in Central and Eastern Europe. They see our core competencies and one of them is to underwrite risk."

The right people

Finding good local talent has been crucial to Home Credit's success in China, where consumer credit is a relatively new concept. "We identified key people to manage processes and analyse data. We have to be very careful. China is very big, thus wrong can be very wrong."

It's also crucial to have Chinese people running departments and marketing. They know how people here think "you can't just copy-paste from

somewhere else directly to China." Research and cultural awareness are equally crucial. "The mindset in China is you don't borrow money. For instance, in the case of a young couple, you have to understand who makes the spending decisions, and how you approach it."

Consumer credit in China is a youth-focused business. "Look at our customers, more than 80% are less than 35 years old. Over 40's in China are not typical consumer finance customers, but as the population ages, the under-35 year olds in 10 years won't stop borrowing. With more education about consumer finance, this will increase more."

As for bad loans, Skocil says these are less than 5% of total lending. Also, he stresses, customers who don't pay on time are not necessarily bad loans. Some of the negative feedback about consumer credit comes from people who simply don't want to repay, "and this you'll see everywhere". Given there's lots of small transactions involved, finely calibrated processes are vital. "At certain dates you call the customer and then remind them payment is due on a certain date."

China's size and a more fragmented retail scene make the country a slower growth story than Russia, where Home Credit partners with Eldorado. Over 40% of goods are bought on consumer credit in Russia, where as at Suning, it's not so big. Penetration is also higher in Russia, given Home Credit has access to hundreds of retailers nationwide. You can't do this when in one city there are 1,500 Suning outlets and you are in ten of them.

An advantage of China is that there's not much ID fraud. Also, Chinese ID's are well protected against faking, "it's very hard to alter compared with other markets like Russia."

Changing pattern of purchases

It's obvious that Home Credit will expand its business by growing the

categories of products it finances. Furniture financing, for instance, will possibly come online in the next year. Consumer credit firms may also be ultimately permitted to do automobile financing, predicts Skocil. Two years ago, telephones accounted for 100% of Home Credit financing in China; now it's 60%, says Skocil. In the company's top market, Russia, the top three categories for loans are medical care, travel, and education.

Home Credit will no doubt be encouraged by signs elsewhere that China is liberalising the finance sector in order to stimulate the economy. A pilot program to begin in April to privatise the finance to business sector, suggests China is allowing private lenders and microfinance schemes to operate as an alternative to the state-controlled banking sector which continues to focus lending on the state sector. Confined for now to the famously entrepreneurial southeast coastal city of Wenzhou, the pilot allows registered private lenders to operate loan companies targeting small and medium-size enterprises.

The Chinese market for consumer finance will be huge, predicts Skocil. "After a year in Tianjin we have grown by more than twofold. I don't want to grow faster." Skocil believes China will be a top-two market for Home Credit in two years, "if we get national rollout." Profitability is a long-term project and will come when the company is at scale. You need a big investment infrastructure...while making absolute profit, the loans are small, so you need scale. But also you can't give big loans if they can't be paid back. It's very important that this is a responsible lending concept, so we have to try to help the customer make the right decision."

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Carving a Strong Niche

By William Daniel Garst



products firms, including the Italian family-owned and global civil engineering company, Maccaferri, which has long been a leader in making gabions used to build highway and railway retaining walls and drainage and irrigation system components.

Maccaferri is a relative newcomer to China, opening its first plant in Changsha five years ago; its second one, located in the Tianjin suburb of Wuqing, came on line two years ago. Nevertheless, the company has already established a strong presence China, accounting for a third to half of the gabions sold in the country.

I talked with Maccaferri's Chinese joint venture partner and China Managing Director, James Wang, during his January 12th visit to the Wuqing factory. We discussed operating conditions in Wuqing, the Chinese market for civil engineering construction products, lessons the success of Maccaferri provides for other foreign businesses, and the company's long-term strategic plans for China.

"We built this factory in Wuqing," explains Wang, "because land in Central Tianjin is expensive, while Wuqing is close to the city and its transportation links, especially the port." He added, "Of course, the Wuqing Government has created special zones for companies and provides good incentives for locating plants here." On the overall relationship with the local Wuqing Government, Wang stated, "As a foreign company, we know where the red line is, and I expect things here, which are presently pretty good, to further improve in the future."

Labour turnover is a huge problem in Chinese factories, and Wang noted, "Turnover in our first year in Wuqing

In addition to its much discussed commercial and residential real estate building boom, China has also been marked by a massive wave of civil engineering construction work in recent years. Thousands of new kilometres of highways and rail lines, including ones for high-speed trains, have been built, especially in the west, while all major cities are constructing new subways or expanding existing subway systems.

This activity has been a magnet for foreign civil engineering construction



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was high, but this year, people are staying as they get to know us better. While the labour force here is good, we are trying hard to make our workers even more highly skilled and productive.”

According to Wang, the Chinese civil engineering construction product market is “fiercely competitive.” Numerous local producers, using technology from Taiwan, had been operating in China long before Maccaferri set up shop in the Middle Kingdom.

Wang attributes Maccaferri’s success in winning market share from these firms to Maccaferri’s ability, thanks to the long-standing expertise of its Italian parent company and backing of sister firms in the Asia-Maccaferri Group, to manufacture in large quantities. “Our scale,” he notes, “is four to five times larger than the biggest domestic firms, so we have good economies of scale, which makes for both high productivity and good quality.”

Speaking of quality, Wang argues, “There is a growing emphasis here on ‘long-term quality responsibility’ and less cutting of corners to save money in the short-run.” Local governments and building contractors, he believes, are increasingly willing to buy more expensive, technically sophisticated and longer lasting gabions and the like,



realising that this saves money in the long-run.

However, in Wang’s view, the main thing Maccaferri has done right is thoroughly localising its China operation. “Look around this factory,” he tells me, “and you don’t see any foreign faces, it’s all Chinese.” Wang adds, “We also localise by buying steel and other inputs from local suppliers. We’ve had good results, but do have to be on top of them to ensure that their quality is consistently high.”

Thus, Wang believes that the key for foreign businesses to succeed in China is “localisation.” “You’ve got to resist the temptation to rely on your own people vs. locals, even if you trust the former more. Localisation can be initially difficult, but it pays off in the long-run.”

In addition to gabions, Maccaferri has done quite well selling double-twisted wire mesh Reno Mattresses

for dike walls. Wang expects this to be an ongoing growth area: “There are so many rivers in China, plus lots of them are flood prone.” I also asked him about subway work, and he responded, “We now don’t yet have a foothold here, but it’s a high-priority target.”

Wang explained that the Changsha plant makes only gabions, as the China market for them is largely in the mountainous west. The Wuqing plant exports all of its output, which includes gabions and other products. Production there will be stepped up after the current plant expansion is finished in February. This will help make China the world’s workshop not just in textiles and other low-end goods, but in higher end road, rail, irrigation and flood control system products as well. **B**

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Developments in the Regulation of Stock Incentive Plans



Manuel Torres



César González Palliser

by Manuel Torres
(Partner) and
César González Palliser
(Senior Lawyer)
Garrigues Shanghai



A Stock incentive plan is a type of stock-based employee compensation which is usually used by the employer to attract, retain, motivate and reward senior executives and key employees. In order to make their employment conditions more attractive and competitive, more and more foreign invested enterprises (FIEs) or representative offices (ROs) in China have tended to adopt stock incentive plans by granting their key employees stock or stock options of their overseas operations that are listed on foreign exchange stock exchanges.

However, due to the strict foreign exchange control over capital accounts in China¹, domestic individuals are not allowed to use foreign exchange to invest in foreign

securities. Accordingly, domestic companies' granting of stock incentive plans of an overseas listed company (hereinafter referred to as "Stock Incentive Plans") to domestic individuals is subject to the foreign exchange administration in China.

On 8 March 2007, the State Administration of Foreign Exchange of China ("SAFE") issued specific regulations, *Circular on Operational Rules of Foreign Exchange Administration on Domestic Individuals' Participation in Employee Stock Ownership Plan or Stock Option Plan, etc of Listed Overseas Companies*, (Circular 78) to address, for the first time in detail, domestic individuals' participation in Stock Incentive Plans.

Recently, with the aim to establish a more complete and practical administration

¹ For the purpose of this article, China excludes Hongkong, Macao and Taiwan.

regime for the participation in Stock Incentive Plans, on 15 February 2012, SAFE issued a new circular, “Circular on Issues Concerning the Foreign Exchange Administration on Domestic Individuals’ Participation In Stock Incentive Plans of Overseas Listed Companies”(Circular 7”), which replaces Circular 78 as the now effective regulations in this regard.

● Scope of Stock Incentive Plans Expanded

Circular 7 provides a definition of Stock Incentive Plans, according to which, Stock Incentive Plans refers to incentive plans of overseas listed companies whereby stock is granted to domestic individuals such as directors, supervisors, senior management personnel, or other key employees, etc, of domestic companies that have an employment relationship or labour service relationship with the domestic companies. Compared with Circular 78, Circular 7 expands the scope of Stock Incentive Plans in terms of the types of stock incentive plans, the scope of domestic companies granting the stock incentive plans, as well as the scope of domestic Individuals participating in stock incentive plans.

● Types of Stock Incentive Plans

Circular 7 expands the scope of Stock Incentive Plans to virtually all types of stock incentive plans that are permitted by law in China, such as employee stock ownership plans, employee stock option plans, stock appreciation rights plans, etc. Previously under Circular 78, only the former two plans were expressly permitted. In such sense, all types of stock incentive plans seem to be possible, as long as they duly follow the relevant requirements and formalities as set out in Circular 7.

● Scope of Domestic Companies

Compared with Circular 78, Circular 7 includes more types of institutions that are eligible to grant Stock Incentive Plans

to their employees, which include the following:

- 1) Overseas listed company’s branches in China;
- 2) Parent companies, subsidiaries, or partnerships, etc., with stock control or an actual control relationship with the overseas listed company; and
- 3) Chinese companies listed on foreign stock exchanges.

● Scope of Domestic Individuals

According to Circular 7, domestic individuals that are qualified to receive Stock Incentive Plans from domestic companies include not only individuals having an employment relationship as required by Circular 78 but also those who have a labour service relationship.

However, Circular 7 fails to provide clarification about the “employment or labour service relationship with domestic companies, as to whether it covers employees locally hired by domestic companies, or also includes those who are hired by an overseas entity but sent to the domestic company through international assignment.”

It is also notable that, in addition to Chinese individuals, foreigners who have successively lived within China for a full year are also qualified to participate in Stock Incentive Plans.

● Agency Requirement

Both Circular 78 and Circular 7 require that domestic individuals entrust various agencies to handle the procedures involved in the participation of Stock Incentive Plans, such as handling foreign exchange registration, handling fund remittance, purchasing and selling stocks, etc. Compared with Circular 78, Circular 7 reduces the types of entrusted agencies, which consequently simplifies the procedures for the implementation of Stock Incentive Plans. The following table illustrates the difference in agency requirements under Circular 7 and Circular 78:



Matter	Agencies required in Circular 7	Agencies required in Circular 78
Foreign exchange registration	Domestic Agency	Domestic Agency
Open special foreign exchange account	Domestic Agency	Domestic Agency
Funds remittance and foreign exchange conversion in China	Domestic Agency	Domestic Agency
Purchase and sell of shares or rights in China	Domestic Agency	Domestic Assets Management Institution
Exercise of rights and sell of shares and rights abroad	Entrusted Overseas Institution	Overseas Financial Institution
Custody for overseas assets	Entrusted Overseas Institution	Overseas Custodian Bank
Funds remittance conducted abroad	Entrusted Overseas Institution	Overseas Financial Institution

According to Circular 7, the domestic agency may be the domestic company itself, or other domestic institution qualified for assets custody as appointed by the domestic company. Unlike in Circular 78, Circular 7 does not permit the trade union of the domestic company to act as the domestic agency.

● Foreign Exchange Registration Requirement

Circular 7 established a foreign exchange registration requirement for participation in Stock Incentive Plans. Although Circular 7 fails to provide clear time limit for completing this foreign exchange registration, as the foreign exchange registration certificate is the essential document for all the steps and procedures involved in the implementation of stock incentive plans, it implies that the foreign exchange registration should be the first step prior to the implementation of Stock Incentive Plans once the domestic agency is selected.

Circular 7 also simplifies the document requirements, and the following documents, among others, shall be submitted to a local counterpart of SAFE for the foreign exchange registration:

- 1) Standard application form to introduce basic information of the Stock Incentive Plan;
- 2) Documents evidencing the authenticity of the Stock Incentive Plan, such as a public announcement of the Overseas Listed Company;
- 3) Power of attorney/or agreement signed by domestic company authorising the domestic agency to handle foreign exchange registration;
- 4) Undertaking letter issued by the domestic company certifying the authenticity of the employment or working relationship between the parties, together with the name list of the individuals, ID numbers, etc.; and



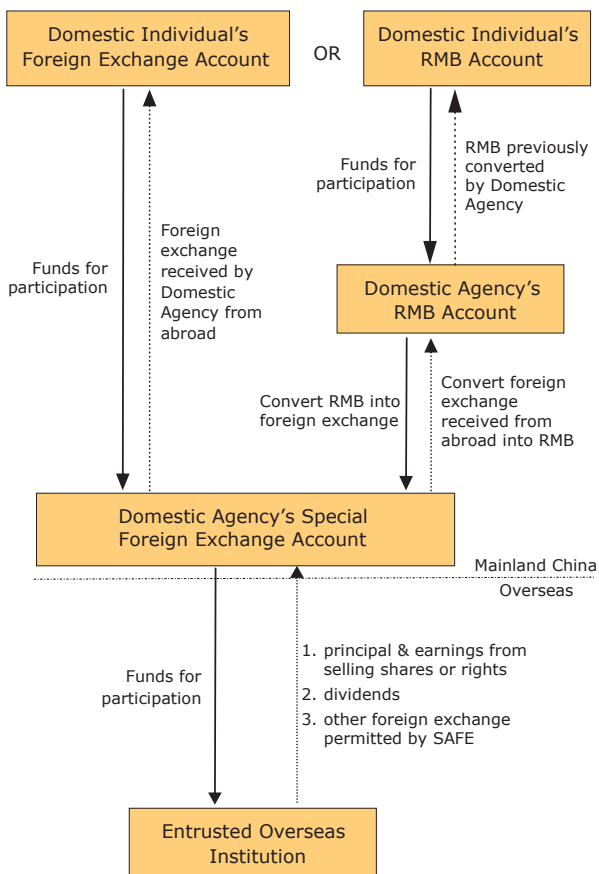
5) Other documents as may be required by SAFE if there is any inconsistency among the aforementioned documents or any lack of authenticity of the transaction.

SAFE will issue a foreign exchange registration certificate for the Stock Incentive Plan, which will be the necessary document to be presented before SAFE and the handling bank for each step involved.

• Funds Remittance and Foreign Exchange Conversion

Both Circular 7 and Circular 78 require a domestic agency to open a special foreign exchange account for the stock incentive plan, which will serve as the sole interface in China for fund remittance between China and abroad. According to Circular 7, the requirement of opening a special overseas foreign exchange account under Circular 78 is removed.

The following flow chart illustrates the funds remittance and foreign exchange conversion process normally involved in the implementation of Stock Incentive Plans:



• Filing Requirement

As required by Circular 7, the domestic agency and the bank opening the special foreign exchange account shall periodically file with SAFE an update about the participation in the Stock Incentive Plans.

1) Filing obligation of the Domestic Agency

The domestic agency shall conduct quarterly on-record filing to report the status of the Stock Incentive Plans, such as the quantity and price of the purchased and sold stocks, the remaining quota for purchasing foreign exchange for the participation in Stock Incentive Plans, etc.

2) Filing obligation of the bank

The bank's periodical filing is a new requirement set out by Circular 7. The bank shall, on a monthly basis, report the foreign exchange transactions, as well as the opening and closure of special foreign exchange accounts.

• Language

Circular 7 requires that all documentation be presented as a Chinese version for legal effectiveness. If the documentation is also in other languages, the Chinese version with legal effectiveness shall prevail.

• Conclusion

Based on the above, as a summary, under the new administration regime in Circular 7, if a FIE or RO intends to launch any stock incentive plans, usually the following procedures will be involved:

- 1) Retention of a domestic agency and an Overseas Institution
- 2) Foreign exchange registration
- 3) Opening a Special Foreign Exchange Account
- 4) Fund remittance and foreign exchange conversion for the participation of Stock Incentive Plans

For FIEs or ROs which have launched or intend to launch a stock incentive plan for their senior management or other key employees, it is worthwhile to check and make sure their stock incentive plan is in compliance with Circular 7.

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IPR Protection in China for the Medical Devices Industry: Know Before You Go (Part II)



Philippe Healey,
Project Manager,
China IPR SME
Helpdesk



Enforcement of IPR

Where IPR infringement has been discovered, there are a number of options that a company may take.

China has a dual track system of enforcement: the administrative process and the civil and criminal judicial process. The administrative route involves making a complaint to the administrative authorities who regulate various IP laws, and have their own powers to investigate and penalise acts of infringement. The administrative route does not involve court proceedings and is often favoured for quick, low-cost, and straight-forward infringement cases. However, the administrative system is also considered a relatively weak enforcement route and may not be available for certain types of cases.

Administrative Route

The administrative authority for patents is the local office of the Intellectual Property Office (IPO). For copyrights, it is the Copyright Administration (CA), and for Trademark and Unfair Competition Cases it is the Administration of Industry and Commerce (AIC). Complaints are usually brought to the local level office where the case occurs.

For patent infringement, the administrative system is used only for design patent infringement cases. The local IPO office does not have the power to seize all suspecting infringing items, but only take samples, and to try to mediate a settlement.

Thus, the deterrent effect is considered quite weak. For copyright, the administrative route is usually only applicable for pirated media products.

Only for trademark and unfair competition infringement is the administrative system commonly used, as the AIC have a relatively powerful enforcement procedure, such as seizure of all infringing items and related materials on the spot, and may issue large fines.

It is recommended that IP owners not only use the administrative system as a form of sanction by itself, but as a simple and quick form of evidence gathering to bring other types of cases, such as civil or criminal.

Where infringement is large scale or complicated (such as an invention patent case, which requires careful examination), civil action is usually recommended.



Civil Courts

Detailed legal advice should be sought before pursuing action in the courts. In the civil courts, awards are generally low compared to those in Europe; under the new Patent Law, the maximum statutory damages have been raised to CNY 1,000,000.

A plaintiff generally has to identify evidence of infringement themselves, and the success of the case depends very much on what evidence the plaintiff is able to gather.

When prosecuting a civil case, it is important to note:

- Qualified PRC law firms with a track record in IPR litigation should be engaged.
- Experienced investigators should be engaged who are familiar with how to prepare evidence for civil litigation.
- The IP courts in Beijing, Shanghai, and Guangzhou tend to be preferred for complex cases as they have more experience and training in IPR disputes.

- While interim injunctions are available, they are rarely granted.

Consider Sending a Warning Letter

Warning letters alleging infringement and demanding the other party to stop should be sent by a qualified PRC law firm, and followed up with demands of the infringer to provide written undertakings to stop infringement. When done properly, warning letters may be a low cost way to show that you are serious about enforcing your rights and stop an infringer's activities.

Note that for patent infringement cases, however, a warning letter may trigger an invalidation action or pre-emptive civil suit for non-infringement in their home court, which may be less advantageous.

Counterfeit & Substandard Products

The high price of Medical Devices and lack of an official refurbished market in China creates a risk of counterfeit products being circulated.

Products which do not comply with a set standard, or which are falsely labeled and marked (ie, counterfeit products) may be dealt with in a number of ways.

1. Through an administrative raid by the AIC, the same as for any other trademark infringement case.
2. Through the Administration of Quality Supervision Inspection and Quarantine (AQSIQ). AQSIQ supervises product quality and safety, and is responsible for inspection of Medical Devices. Similar to the AIC, AQSIQ have independent powers to carry out raids and seizures and issue fines.
3. Through the Public Security Bureau (PSB, or police). Producers or sellers of counterfeit Medical Devices may be criminally prosecuted if the case meets the criteria.

In practice, assessment of counterfeit goods value in order to satisfy the

economic threshold for criminal liability is a difficult area, and the PSB will often only accept very large cases where the threshold has very clearly been reached. While the PSB can accept complaints directly from a rights holder, in practice it is more common for criminal cases to arise from an initial raid by administrative authorities, which is then transferred to the PSB. Investigation to support a criminal complaint is often substantial – the PSB will expect a rights holder to have prepared the key evidence themselves, which may include identifying key suspects and connecting them to the counterfeit operations.

For refurbished products, while the law is not specific, rights holders in general have been able to treat refurbished products as counterfeit if examination finds that non-original components have been used.

Dealing with Infringements

Bearing in mind the critical importance of safety in the industry, medical device manufacturers selling in or sourcing product from China should have a procedure established in advance to deal with reports of suspect products, for example:

- Establish a quick reporting protocol with local business units and partners so that reports of potentially substandard or counterfeit products can be analysed quickly.
- Monitor industry trade fairs or internet trade portals to find potentially competing products
- Work closely with the AQSIQ and SFDA who have direct regulatory supervision over Medical Devices, in order to gain their assistance in dealing with suspected counterfeit products and reduce the likelihood of a product recall.
- Use security marking on products, and keep tight control over the system for authentication.

- Engage a professional investigation firm with experience in the Medical Devices or healthcare industry.

Industry Case Example

A European company in the dental instruments sector was selling their product in China through a distributor. They discovered a competitor in China was offering a similar, but lower-specification product, using an identical exterior design and coloured control interface. The technical manual, diagrams, and parts of their brochure appeared in part to be directly copied from the original. Overall, the competitor's product gave the appearance of being similar in function to the European company's, although its performance and price were much lower.

The European company's

representatives had previously approached the company at a trade fair to complain about the infringement but had not received a positive response. The company sought legal advice. They did not have a design patent to protect the overall shape of their product, nor were there any patents covering the product. Trying to claim infringement of the product shape and decoration by relying on other legal grounds was possible, but the chances of success were poor. The only clear legal grounds were copyright infringement of the contents of the technical manual.

Instead, the company decided to send a warning letter through their local lawyers that alleged infringement of the product shape (even though the legal grounds were not strong) AND copyright in the manual. The letter implied that the company

would take the matter to court. The law firm and representatives of the European company followed up the letter and met with the infringer to press them to stop their infringement. The European company argued that a lawsuit would be wasteful for both parties, even if they were not successful, and that the Chinese competitor's imitation of a European product would harm their own image in the long run. As a result, the infringing company decided to change a number of exterior features of the product, and produced new manuals and brochures which greatly reduced the similarities to the European product. Although the European company did not have very strong rights, in this case, use of a warning letter followed up by determined negotiation was able to create a satisfactory result.



Lessons to take away

The European company would have had an even better result if they had a design patent for their product in China which would have given them clear rights over the product design. Make sure that you register your rights as early as possible, to ensure maximum protection.

Do not assume that litigation is the only way forward. Make use of the full IPR framework that exists in China to achieve your goals. You should also not assume that any legal action will be very costly.

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The China IPR SME Helpdesk is a European Commission funded project that provides free, practical, business advice relating to China IPR to European SMEs. To learn about any aspect of intellectual property rights in China, visit our online portal at www.china-iprhelpdesk.eu. For free expert advice on China IPR for your business, e-mail your questions to: question@china-iprhelpdesk.eu. You will receive a reply from one of the Helpdesk experts within seven working days. The China IPR SME Helpdesk is jointly implemented by DEVELOPMENT Solutions and the European Union Chamber of Commerce in China (EUCCC).



The Astor Hotel, a Luxury Collection Hotel, Tianjin appoints new General Manager

The Astor Hotel, a Luxury Collection Hotel, Tianjin has recently appointed Mr. Christian Metzner as the new General Manager. An hotelier with more than 15 years professional working and management experience in the hospitality industry, Mr. Metzner had previously held the position of Hotel Manager of The Westin Tianjin Hotel.

“I am both excited and honoured to assume this new role at The Astor Hotel, a Luxury Collection Hotel, Tianjin. The Astor Hotel Tianjin is without doubt one of China’s most prestigious and exclusive city hotels”, said Christian. “Life is a collection of experiences”, and I look forward together with our team to ensure that every guest staying in our hotel has an indigenous, exceptional, and collective experience which unlocks the treasures of Tianjin”.

Starwood Hotels & Resorts announces Owen Zhang as General Manager of the Sheraton Tianjin Hotel

Mr. Owen Zhang brings with him a wealth of more than 26 years experience in the hospitality industry. He began his career with Starwood in 1983, working through roles such as Food & Beverage Director, Sales Director, and General Manager. Before joining Sheraton Tianjin Hotel, Owen served as General Manager of Hohhot Sheraton Hotel.



Radisson Blu Plaza Hotel Tianjin appoints New Executive Chef

Peter Tian’s cooking career has spanned 18 years, at both Hyatt and Marriott. Over this time, he has managed the catering functions for many international events including the Sixth ASEM Finance Minister’s Meeting, FIFA Women’s World Cup, and the World Economic Forum Annual Meeting of the New Champions in Tianjin. He joined Radisson Blu Plaza Hotel Tianjin in 2010 as Executive Sous Chef and was promoted to Executive Chef in April 2012.



BUILDING A STRONG EMPLOYER BRAND



In a competitive and borderless world, organisations need every weapon in their arsenal to attract and retain their most important and valuable asset – talent. Even in economically volatile times, employees, especially those who possess the right technical and behavioral competencies, continue to be a scarce resource and employers will need to poise themselves well to capture the attention, interest and commitment of the best and brightest candidates.

In their quest for a great place to work, candidates are increasingly looking beyond pay and benefits to other factors including career prospects, what the organisation stands for and how the organisation serves its clients, the community and the world. Therefore, an organization's understanding of its employees and what attracts people to work for the organisation should be as robust as its understanding of its clients and customers.

The composition of the workforce today is changing significantly. International mobility of highly skilled workers across borders is on the rise and Generation Y is an ever-increasingly important segment of the labour force as the first wave of Baby Boomers begins to retire. In addition, there is an increased emphasis on knowledge workers. These trends are drawing organisations to the front line for the best and brightest talent and are bringing to light the need for effective employer branding.

Organisations that are not prepared to confront these challenges and fail to understand the need for increased investment in employer branding to enhance talent attraction and retention will almost certainly see their business performance negatively affected in the long term.

Technological advancements have afforded the talent pool greater access to information; candidates can search the web and immediately discover information on an organisation's value relative to other job opportunities. Employees' expectations need to be managed so that attrition, especially for competent and experienced talent, can be minimised.

With today's volatile economic conditions, no organisation can afford to overlook the value of top talent. Organisations have to start from the inside and work their way out, until brand perceptions of all employees to external candidates are in line.

With a strong employer brand, organisations will be able to attract, nurture and retain talented people who are willing to invest their skills and knowledge towards the business objectives. And that is what today's competitive advantage is all about.

What is Employer Branding?

While employer branding offers a unique opportunity to differentiate from the competition, it also creates meaningful and enduring reasons for employees to remain loyal to their organisation and employer. Employer branding should be viewed as an ongoing process that is at the heart of the employment experience, providing touch points that begin with initial employer brand awareness and continuing throughout the tenure of employment.

Even during extraordinary periods of economic growth or recession, employer branding is crucial as all employees are discerning clients, to be attracted, engaged and retained by organisations and employers. When properly planned and implemented,

effective employment brand strategies can deliver high impact and long-term results including:

- Competitive advantage
- Significantly enhanced talent pipeline
- Increased employee engagement levels
- Greater workforce diversity
- Stronger corporate culture
- Stronger PR tool kit
- Increased support for the organisation and brand
- Increased shareholder value

Balancing Employer Branding with Financial Viability

By getting the employer brand right, less money is needed to bring good people into the business. Employer branding is still critical during challenging economic environments. In fact, during tough times such as these, it is more important than ever. Budgets are under pressure and it is now that HR needs to partner

with Finance and other functions to demonstrate that it is true to its principles.

As HR is traditionally viewed as a cost center, it will increasingly need to justify the return on the investment for employer branding efforts. To overcome this challenge, HR has to partner with other functions and impress upon the organisation the long-term benefits of good employer branding and the significant impact it can have. One way of measuring an employee's ROI will require HR and Finance to measure effectiveness and performance against the investment of the employer brand.

Employment branding also increases employee satisfaction and morale. Since there is an established connection between employee satisfaction and customer satisfaction, branding can increase customer service levels and customer satisfaction, both of which have an established economic value.



Employer Branding Value Propositions

Leadership:

Studies show that strong leadership is the single most potent factor in motivating staff and creating a sense of belonging. Poor leadership will impact not only the success of the organisation but the quality of the work environment and, ultimately an employee's ability to develop and build a career.

Organisation:

This encompasses everything about the firm, including reputation, values, culture and its contributions to the world and community. Employees might be willing to work longer hours or for less compensation for an organisation with stronger corporate values or a better reputation.

Job:

This involves many of the day-to-day aspects of a job. Specific focus on the emotional associations of the job, such as: To what degree is the work interesting, compelling and/or challenging? Can employees grow and find fulfillment in their jobs? Do they have the resources and training to achieve their goals? How much freedom, autonomy, growth and challenge do individuals have in the job required of them?

Rewards:

This includes compensation and benefits as well as intangible features such as career prospects, development opportunities, work-life balance and social contact with co-workers.

Catering to the Internet-savvy Generation Y

Besides buying ads or placing job postings on popular job websites, interacting with potential hires on social networking sites like LinkedIn, MySpace, or Facebook has become increasingly prevalent.

In addition, organisations are posting video clips with branding messages on YouTube or making them available as webcasts or podcasts. For example, Microsoft has a group of employee bloggers who provides a snapshot of people who work at the organisation as well as the professional challenges they confront.

An effective employer branding exercise should ultimately urge people to find out more about your organisation. It must encourage them to visit your website, to ask others about your organisation and to apply for your job.

Employer Branding: An Integrated Approach

Employer branding involves several cross-functional areas of expertise. In most organisations, the HR function is responsible for employer branding. However, since it includes marketing the workplace, many organisations involve their marketing and communications departments, in order to bring in cross-functional expertise.

Every function plays a role in shaping and determining the employee experience. So whereas an employer-

branding program can begin in human resources, marketing, communications, recruitment, customer service, or somewhere else, it will ultimately have to extend across functions in order to holistically impact the employee experience and shape culture.

The intersection of brand and talent is in culture, and an organisation's brand culture determines both employee and customer experiences. An increasing number of organisations involve their senior management as well, as access to human capital has become vital for the organisation's business success. Leading organisations are also careful to include employees and key target groups in their employer branding efforts. They can thereby improve the workplace in the best way possible and make sure that the message they send out matches the reality as well as the needs and aspirations of the target groups.

In short, employer branding is a long-term, but dynamic process that requires cross-functional collaboration across different departments, a multiplicity of skill-sets and knowledge, dedication to a set of shared organisational goals and values, continuous execution and improvement, and a willingness to change and adapt to different market dynamics, especially amid challenging conditions. **E**

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生物工程农业专家 Code: BEA 120501

JOB DESCRIPTION:

- Able to use laboratory of University or Research Centre they hail from.
- Work to be developed through internet.
- Research data protected by exclusive, strict, and confidential contract.
- Skype discussions, weekly reports of all work.

WHO WE ARE LOOKING FOR:

- Experience in the field of Bio-pesticides of vegetal origin and resistance elicitors of plants.
- Availability to travel sometimes in and out of China.
- Good English level: oral and written.
- University researcher preferred.

Marketing Manager

市场经理 Code:MM120503

JOB DESCRIPTION:

- Develop strategy for growth and expansion of current business.
- Maintain and develop relationships with key customers.
- Coordinate and execute planned events.
- Lead marketing/sales team.
- Prepare monthly report of activity and goals.

WHO WE ARE LOOKING FOR:

- Bachelor's degree or above, major in marketing or business administration.
- 10 years of marketing/sales experience.
- Ability to meet multiple objectives with little supervision.
- Negotiation skills and team-leading experience.
- Proficiency in written and spoken English.

Sales Supervisor

销售总监 Code: SS120502

JOB DESCRIPTION:

- Sell company's products and services.
- Develop and maintain current and/or potential clients.
- Prepare proposals, presentations, and sales contracts.
- Negotiate and close contracts with clients while fulfilling revenue targets.
- Submit sales and marketing reports periodically to Sales Manager.

WHO WE ARE LOOKING FOR:

- Bachelor's degree, at least four years of print advertisement sales.
- Good oral and written English communication skills.
- Strong communication and negotiation skills.
- Strong marketing analysis & customers service abilities.

Finance Manager

财务经理 Code: FM120504

JOB DESCRIPTION:

- Revise and book expense reports in daily accounting.
- Prepare monthly and yearly Financial Reports.
- Process monthly and yearly close of books.
- Check Gas Consume Control Form.
- Work with tax bureau about Fa Piao purchases, tax declarations, etc.

WHO WE ARE LOOKING FOR:

- Bachelor's degree, majoring in Finance.
- At least 8-10 years of experience in financial controls.
- Highly organized.
- A fine eye for details.
- Good spoken and written English.

Bio Engineer
Agricultural Expert
生物工程农业专家

Sales Supervisor
销售总监

Marketing Manager
市场经理

Finance
Manager
财务经理

CIETAC Releases New Arbitration Rules



Simon Bai
Winners Law Firm



The China International Economic and Trade Arbitration Commission (“CIETAC”) is one of the major permanent arbitration institutions in the world, and has become one of the busiest arbitration commissions throughout the globe in recent years. CIETAC recently issued its revised new arbitration rules, which will come into effect on 1 May 2012 (“2012 Rule”). The last revision of these arbitration rules was in 2005.

The 2012 Rules retain the same structure as the 2005 Rules, with 6 chapters under the same names, but with the number of articles increasing from 71 to 74. The 2012 Rules simply make a further fine-tuning of the previous rules in an effort to be in-line with the latest international trends.

Interim Measures

Under Article 21.2 of the 2012 Rules, the arbitral tribunal has the express authority,

at the request of a party, to order “any interim measure it deems necessary or proper in accordance with applicable law”. Under Chinese laws, there are two types of interim measures available for the parties involved in the proceedings of arbitration, namely preservation of property and evidence. Neither the arbitral tribunal, nor the arbitration commission, has the power to order or enforce interim measures. The Chinese courts reserve the power to do so. CIETAC rules provide that parties may apply for interim measures but CIETAC has to forward such application to competent Chinese courts to make a decision.

The 2012 Rules for the first time empower the arbitral tribunal, upon a party’s application to order any interim measures it deems necessary or proper, in accordance with the applicable law, usually the law of the seat of arbitration. The applicant may be required to provide security for the

Policy Explanation

cost of the application. This will be useful where parties have agreed to arbitrate outside China. It is noteworthy that it is still uncertain if such interim measures will actually be executed by Chinese courts in practice, and it remains to be seen how CIETAC and the Chinese courts will coordinate when such measure are ordered by CIETAC

Governing Laws for Arbitration Proceedings and Arbitration Agreements

In accordance with Article 4.3 of the 2012 CIETAC Rules, parties are now allowed to choose arbitration rules other than that of CIETAC when agreeing to use CIETAC-administered arbitration, in addition to allowing the parties to modify the CIETAC rules as provided under the previous CIETAC rules. In the meantime, the parties have to make sure that the arbitration rules selected by the parties do not contradict any mandatory provisions under law applicable to arbitration procedures. In practice, it is not unusual to see the law governing the substantive issues of a commercial contract being different from the law applicable to arbitration proceedings. Typically, the procedural law of the seat of arbitration (in many cases) where the arbitration takes place, in the absence of any agreement between the parties to the contrary, would be the governing law for the arbitration proceedings.

Although it is commonly presumed that the governing law for an arbitration clause or agreement would be the same as that chosen by the parties to be applied to the commercial contract containing the arbitration clause, this is not always so. When the arbitration agreement is established under a separate submission agreement, in the absence of an express choice

of law clause, the law of the seat of arbitration would generally be perceived as the governing law for the agreement to arbitrate, particularly in connection with the effect and validity of the arbitration agreement. In this regard, the 2012 Rules provide under Article 5.3 that whenever there is a conflict between the law of arbitration agreement opted for by the parties and the CIETAC Rules in relation to the form and validity of an arbitration agreement or clause, the law governing the arbitration agreement chosen by the parties shall prevail. Just like the previous CIETAC rules, the 2012 Rules continue to require under Article 5.1 that an arbitration agreement has to be in writing. In the meantime, it further provides under Article 5.3 that there could be an exception if circumstances discussed above arise.

The seat of arbitration could be of major significance for parties involved in a commercial dispute which is well illustrated from the aforementioned discussions. Under 2012 Rules, the parties are free to agree on the seat of arbitration pursuant to Article 7.1, which is the same as previously provided for under Article 31

of the old CIETAC rules. Where the parties fail to expressly agree on the seat of arbitration, the default seat of arbitration would be the location of CIETAC or its branch that administers the case. According to Article 7.2, CIETAC may determine at its full discretion the seat of arbitration other than the location of CIETAC or its branches, taking into account the specific circumstances of the case. The arbitration award shall be deemed to be delivered at the seat of arbitration which might have influence on the “nationality” of the award, as well as enforcement procedures at a future stage when the award is to be enforced. A written agreement on the seat of arbitration would be helpful for clarification of any ambiguity since the seat of arbitration could be within China or even outside China and it could impact the parties’ substantive interests.

The Summary Procedure

Under the 2005 CIETAC Rules, the threshold of value of a dispute for a summary procedure is CNY 500,000 which means any dispute that involves a dispute with a value above the amount cannot be conducted under an expedited





procedure. This requirement of threshold standard has, over the years, has proved to be too low for many who would like to have the dispute settled through arbitration in a much more efficient way, both in relation to time and cost. Under the 2012 Rules, the amount of value for the threshold of summary procedure has been substantially increased from CNY 500,000 to CNY 2,000,000 (approximately USD 78,750 to USD 315,000 at current exchange rates).

Under Article 57, the parties may amend their claim or file a counterclaim during the course of proceedings. Unlike the 2005 CIETAC rules, pursuant to Article 61 of the 2012 Rules, even if the amount in dispute of the amended claim or that of the counterclaim exceeds CNY 2,000,000, the summary procedure will continue

to apply unless the parties agree, or the arbitral tribunal decides to change the procedure to the common procedure.

Stay of Proceedings

The 2012 Rules include an express provision under Article 43 that states arbitration proceedings can be temporarily suspended by the arbitration tribunal upon the parties application, or when the circumstances warrants a suspension of the proceedings. The discretion of evaluating when a suspension is necessary fully lies with the arbitration tribunal or the Secretariat of CIETAC before the constitution of the arbitral tribunal. When calculating the time limit for issuing the arbitration award (6 months for international disputes and 4 months for domestic disputes), periods of suspension are excluded.

Conclusion

The 2012 Rules provide welcome changes to the previous CIETAC arbitration rules. They are more aligned with international standards and will likely help make CIETAC a more preferred dispute resolution choice for international businesses. However, it might take some time before we can see how the new rules are implemented in practice.

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China Real Estate MarketView Q1 2012

CBRE

CBRE has released the China Real Estate MarketView Q1 2012 recently. According to this report, during the first quarter of 2012, office rents in China basically maintained continued growth. Beijing has been leading the group with an impressive 10.6% q-o-q rent growth, while for Tianjin, Qingdao, Guangzhou, Chengdu, and Chongqing, the vacancy rates stayed at a relatively high level, and growth was limited due to a large new supply.

In the residential market, the price signals have further reflected the ripple effect of government regulations. The average price of luxury apartments declined slightly in all the fifteen China cities included in the report during the first quarter except for Shenyang, which enjoyed an astonishing price increase. The retail market remained active. The rents of some cities dropped, due to rental improvements in new CBDs and the opening of new projects, but most of the fifteen cities surveyed witnessed a stable upward trend. The rapidly developing e-commerce and logistics sector have been generating constant new demand for logistic facilities, and rents for logistics facilities saw a widespread q-o-q increase in all of the cities.

Northern China Region

During the Q1 2012, we saw diverse market performance of all 5 Northern cities. Beijing led the group with a surprising 10.6% q-o-q rent growth. The vacancy rate also dropped to a historical low of 5%. Shenyang and Qingdao are experiencing market upgrades with decent rent growth, 2.7% and 6.7% q-o-q respectively. However, in Tianjin and Dalian,



growth was limited. Large new supply exerted pressure on several markets such as Tianjin and Qingdao, both having their vacancy rate stay at a relatively high level of 17.7% and 15.2% respectively.

The ripple effect of government regulations on the residential market has been further witnessed for most of the Northern China markets. In this quarter, most Northern cities had limited price changes of luxury apartments. As an exception, Shenyang enjoyed an astonishing price increase of 8.2% q-o-q, most coming from high quality new projects. Dalian had a substantial price drop of 1.9% q-o-q, substantially more than most other cities. In the leasing market, rental growth for luxury apartments was registered in all markets, of which Beijing had the largest apartment rental growth of 2.4% q-o-q.

The retail market remained active for all 5 Northern cities. New projects opened in most of the markets, limiting the market average rental

growth. Tianjin and Beijing were the two markets that were affected by this large amount of new supply and had vacancy surging to 13.5% and 12.6% respectively. Within the period under review, except a minor rental decrease in Shenyang, rents have increased for all other cities within a range of 0.5% to 1.2% q-o-q.

The rapidly developing e-commerce and logistic sector have been generating constant new demand for logistic facilities. The active land and leasing transactions have demonstrated the promising future of the logistics property market. During the 1st quarter of 2012, logistics rents in all five cities of north China showed q-o-q increases from 0.4% to 2.4%. Meanwhile, new industrial space has been undersupplied, with rents pushed up, such as in Shenyang, where the rent for industrial space has increased 4.4% q-o-q. **B**

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CBRE Weekly Market Snapshots

Quick News from the Real Estate Leader



Beijing

- **No Arrangement to Make Beijing Into a Pilot City for Property Tax**

On 27 March, 2012, the Beijing Municipal Commission of Housing and Urban-Rural Development issued a statement stating that there were currently no arrangements to make Beijing a pilot city for the imposition of property tax. The basic preparations were only routine measures to help manage the real estate market. The relevant state ministries and commissions were recently summarising their experience in existing pilot cities, but the extent to which the property tax would be imposed had not been determined. It is up to the national unified deployment arrangements to determine whether and when the property tax will be imposed in Beijing.

- **Beijing Metro Line 15 to Connect Ten City Areas**

The eastern section of Beijing Metro Line 15 phase 1 will connect ten important areas in Chaoyang District. The opening of this line will help to link the north-eastern part of Beijing and Shunyi New Town, significantly shortening the distance between Shunyi regional enterprises and the Beijing CBD. At the same time, it will go beyond boosting Beijing's airport economy to bring more potential development of the Great Wangjing Area.



Tianjin

- **Tianjin Aviation Industrial Base to Expand Production Scale**

The Tianjin Aviation Industrial Base will accelerate the construction progress throughout the year. There will be five projects under construction, with completion scheduled to be in May 2013. Just this year alone, the Base will assemble and deliver about 20 helicopters, with 40% of the orders coming from abroad.



- **Sino-Singapore Tianjin Eco-city - Low-carbon Experience Center Construction**

The Low-carbon Experience Center project is located in the Ecological Science and Technology Park, the first area in the eco-city. It will have a GFA of 13,000 sqm, with a total investment of about CNY 100 million, and is expected to be completed by July of next year. The project will become a green energy product development site for the testing, certification and display of energy-saving products in its exhibition centre.



- **West Railway Station Will Be the Largest Traffic Transfer Hub in Tianjin**

Tianjin West Railway Station will be the largest and most modern transport hub in Tianjin, because it will connect railways, buses, subways, taxis, long-distance passenger services and other modes of transport in one place with 'zero transfer' required.



- **SM Tianjin Shopping Centre Will Be Finished at the End of 2013**

Larger than 74 football fields, the upcoming mall located in Dongli District will be built by Philippines' SM Group. With a CNY 3 billion investment pumped in, the 530,000 sqm pure retail development will be completed by 2013, augmenting the Group's reputation as Philippines' largest mall operator. The Tianjin mall will be the Group's fifth project in China, after Xiamen, Fujian, Chengdu and Suzhou.

The Perfect Tablet: Small, Medium, Large?



As people continue to become more mobile and technology infiltrates further into our daily life, more and more people have shifted away from traditional computers, both desktop and laptop, and added a tablet computer to their technology stockpile. However, with the continued growth of this sector, more options continue to become available for consumers, and the market in the near future will see even more sizes of tablets released to fulfill the needs or wants of people.

The iPad is considered the standard for tablet computers. Dominating the market, the iPad is slightly smaller than a piece of A4 paper, and as some would suggest, almost as light. At the insistence of Steve Jobs, the iPad was only made available in one size, as he claimed a smaller screen would be, “too small to express the software.” Other manufacturers have gladly moved into these other areas so as not to directly compete with the iPad in a head to head battle. Which one of these choices might be perfect for you?

Tablets in the small category are roughly 20% smaller than an iPad, and contain a 7.7 inch screen. The two major tablets of this size are the

Kindle Fire and the Samsung Galaxy Tab 7.7. Even at this smaller size, there is still a large amount of variety available. Toshiba has recently announced a new line-up of tablets called the “Excite” which will feature an entry in each size category to further broaden the choices available to consumers. The Kindle Fire has become the most popular by far of this group with sales already in the millions. To do this, however, the Kindle Fire took a different tack to challenge the iPad, and competed on price. Most small tablets will still be very near in price to entry level medium tablets, and this has hindered their success.

Medium tablets are currently considered the “standard” size tablet for users, as the majority of tablets sold are in this category. The iPad is clearly the dominant tablet of this group, but the next best option, the Samsung Galaxy Tab 10.1, provides users with a great alternative if they don’t wish to be confined by Apple’s AppStore or iTunes. At this size, touchscreens become much easier to use, while the tablet doesn’t become clunky or burdensome to carry throughout the day. The extra space also gives

companies the ability to pack on the features, something lacking in many of the smaller market entries. Expect this segment of the market to continue to grow as competitors hope to take advantage of the untimely demise of the iPad’s champion.

Currently, 10 inches diagonally is the largest size available for tablet computers. Toshiba is following the maxim that bigger is better, and has recently announced a 13 inch tablet to be made available later this summer. Similar to tablets from the other two size categories, this monster of a tablet looks to have no other features besides a higher resolution, 1600×900, and a larger screen. Toshiba has, remarkably been able to keep the weight of the tablet down, so there’s no real guess as to how sales will be once product becomes available. Don’t expect to see a rush from other companies to supersize their current line-up, as it is highly likely this larger size will be unsuccessful due to the loss of portability. **B**

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Better Safe Than Sorry

*By Dr Olivier Desvernois
Chief Medical Officer
Tianjin International SOS Clinics*

Being based in China makes it really easy to travel around Asia. What's better than taking a flight to Thailand, Cambodia, the Philippines, or Indonesia to enjoy a tequila sunrise on one of those magnificent beaches?

Enticing as it may seem, have you thought about the different diseases that may disrupt your holidays on one of these paradise islands? More importantly, have you ever considered that there may be specific diseases in China against which you might consider being immunised?

Expats living in Tianjin often come from Western countries where food and water contamination by viruses and bacteria is rare. In China and Southeast Asia, conditions are different and foreigners must be more careful. Some of you may have had vaccinations before relocating to China, usually advised by your country's health authorities, but here is a reminder of a few diseases to be aware of.

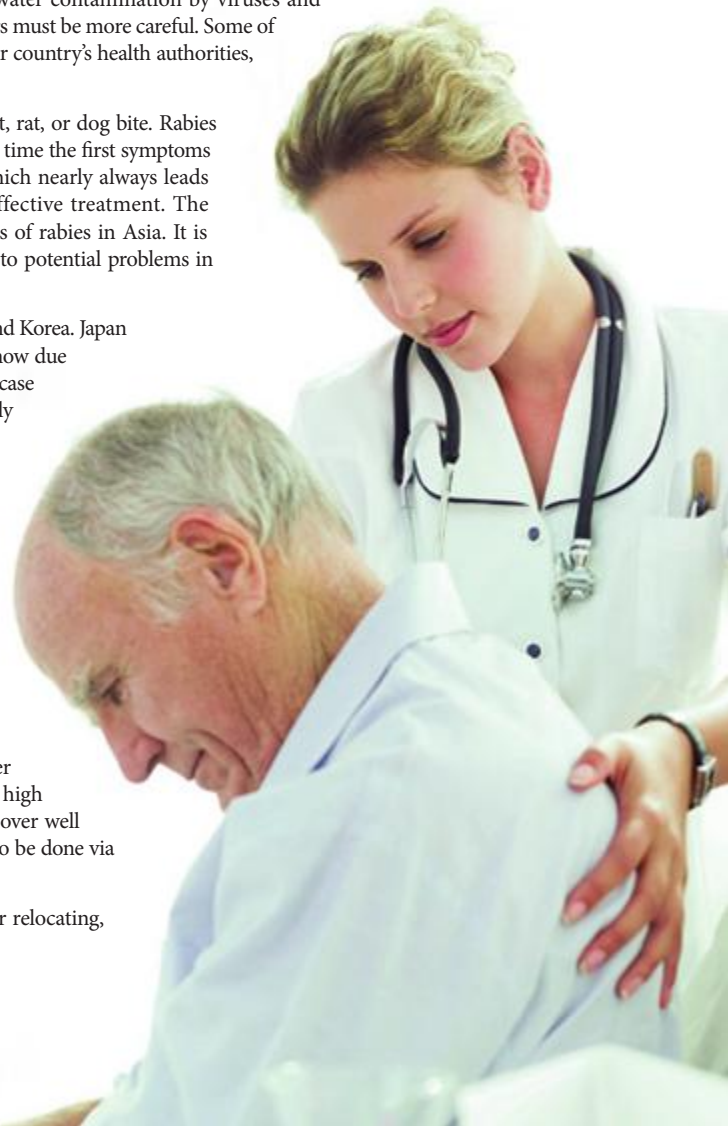
Rabies is a viral disease where human contamination generally occurs with a bat, rat, or dog bite. Rabies has a long incubation period and you may have forgotten all about the bite by the time the first symptoms appear months later. Fever and malaise will be the first signs of the disease, which nearly always leads to death within a few days of symptoms appearing, due to the absence of effective treatment. The low rate of animal vaccination in Asia is responsible for the endemic diagnoses of rabies in Asia. It is possible to administer immunoglobulin systematically right after a bite, but due to potential problems in immunoglobulin supply, immunisation remains the best measure of care.

Japanese encephalitis is another viral disease endemic in Asia, especially in China and Korea. Japan was historically most affected by this disease, but it has nearly disappeared there now due to systematic vaccination. An epidemiology of Japanese encephalitis shows a 4% case mortality and still 5,000 to 10,000 deaths every year in China. Although it is mainly present in the central provinces (Shaanxi, Chongqing, Sichuan, Yunnan), cases are routinely reported in other provinces, and throughout Asia. The disease consists of swelling of brain membranes potentially leading to death. Once contracted, medication is only for comforting patients but the cause itself cannot be treated, which justifies a pre-exposure vaccination.

Typhoid fever is a very common enteric fever in developing countries with contagion occurring through contaminated water or food by Salmonella Typhi. Symptoms consist of high fever and enteritis (diarrhoea). There are about 20 million cases worldwide each year and 200,000 deaths. Antibiotic treatment is very effective, but patients usually need to be hospitalised for approximately a week. Again, immunisation is available.

Hepatitis A is also caught from contaminated food or water. It is found all over the world but more prevalent in Asia than in Western countries. Symptoms are high fever, profuse vomiting, and diarrhoea with abdominal cramps. Most people recover well but patients may remain very tired for a period of 2 to 3 weeks. Prevention can also be done via immunisation.

My best advice would be to discuss these issues with your doctor, before or after relocating, travelling, or if concerned about possible exposure.



MARKETING RESEARCH

By Heidi Skovhus

Most literature is about market research and not marketing research. There is quite a significant difference between the two. Market research is an orderly, objective way of learning about people, the people who buy from you or might buy from you. Market research is when you narrow down a specific target group and then conduct research within this narrow group of consumers. Marketing research is different. Different, because it is dealing with a broader range of consumers. Marketing research includes market research, but it also delves into new product research and distribution methods. The best way to differentiate between the two is to understand that marketing research is really about researching the marketing process of a company, not just who the company is targeting.

Marketing research process step by step

Generally speaking, the marketing research process consists of the following 9 steps:

- 1) Problem definition. What is the focus of the research, and which key questions must the research provide answers to?
- 2) Data collection method. How will data be collected in order to best solve the problem defined in step 1?
- 3) Determine sample method. What sampling is best to use? Will it be random sampling, a sampling that contains a similar element, or a natural sampling? Sampling represents those you will collect information from.
- 4) Data analysis. How will data be analysed? By hand or software? By yourself or a vendor?
- 5) Determine budget and time frame. How much can be spent on research, and when must it be completed?
- 6) Data collection. The actual collection of data, based on step 1-5 answers.
- 7) Analysis of data. Conduct an analysis of the data that has been collected in previous steps.
- 8) Error check. Check for data errors. It is not uncommon for errors to be found.
- 9) Create your report. Draft a report of your findings. It is important that the report clearly communicate the results that are found in the research, and the findings should lead to a solution to the problem identified in step 1.



When is it relevant?

An easy way to answer this is to say that all companies, big and small, new and old, have to do marketing research. There are, of course, some points in time where marketing research is more critical than others. This can be when starting a new business. Innovative ideas and gut feelings are not enough when it comes to predicting success for a product or service. It is important to know the following before investing: Is there a need for this service or product? Who is likely to buy it? What will they pay? Are there enough of these people to make a business? How can these people be found? Is there a competitor, and if yes, will you be offering something they cannot offer? Is there a profit margin?

Another critical time to conduct marketing research is when introducing a new product or service. If you do not do this, you could end up with a big stock of goods that are not sellable. In order to know whether or not there is a market for your new product or service you need to answer the same kind of questions as if you were opening a new business.

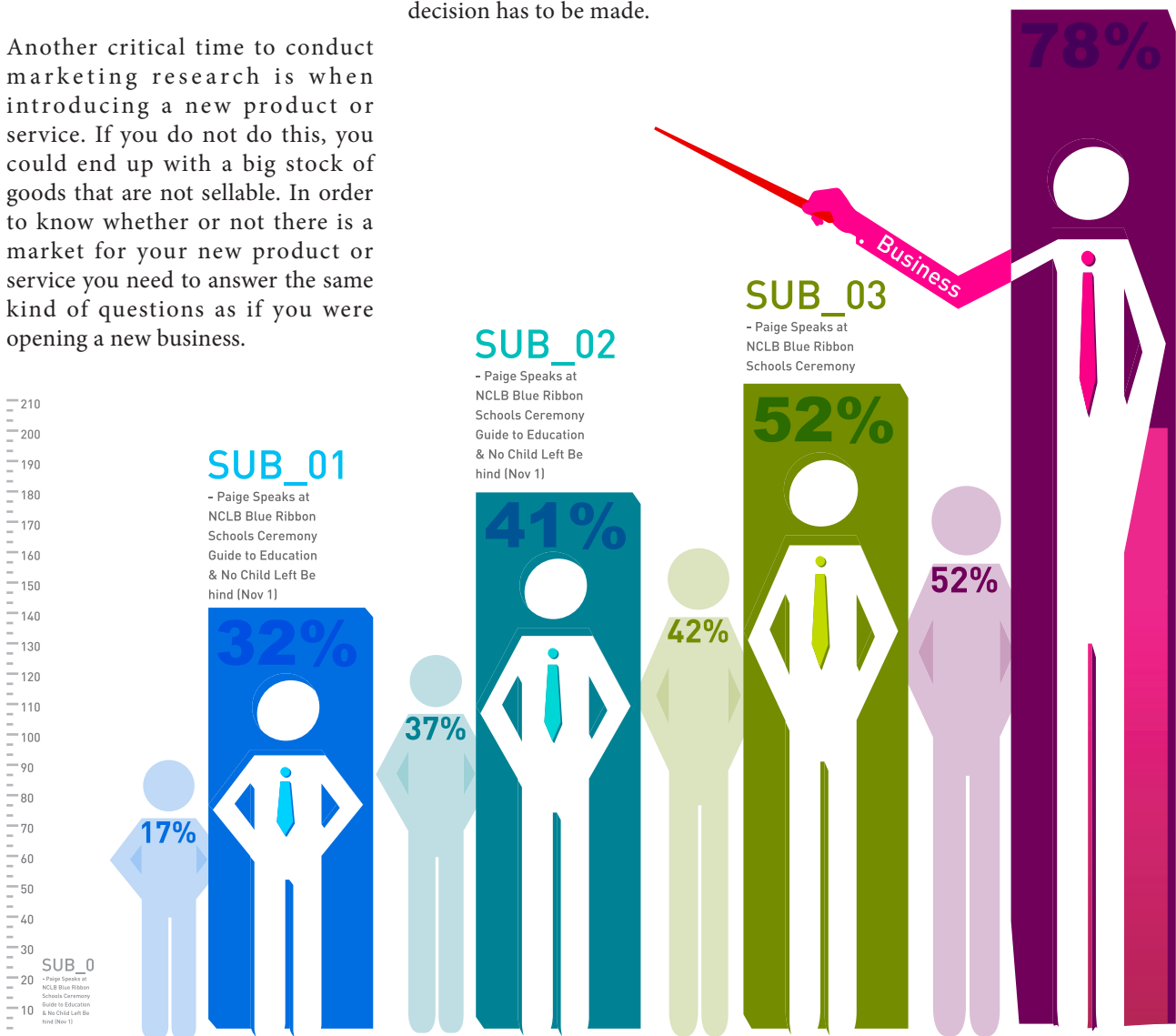
Finally, marketing research is also important when you are “just” maintaining your existing business. Success today does not necessarily mean success tomorrow.. It is important to know the following when maintaining the business: Is there a new untapped market? Are your customers ready for a new product? Are your prices in line? Is there a new technology that would enable modifications or substitutions? Has the preferences and/or beliefs of your target audience changed? Are competitors doing something new?

Be aware that marketing research is not a one-time only activity. It needs to be done on an on-going basis, and at least whenever a major business decision has to be made.

Conducting marketing research

There are two main sources of data: primary and secondary data. Primary research is conducted from scratch, and it is original and tailor-made to the problem at hand. It is rather expensive and time consuming, but it is much more focused. Secondary research already exists in some form. It is relatively cheap, and can be conducted quite quickly. However, the data tends to be collected for reasons other than the problem at hand. There are many sources of secondary data.

Several ways of conducting primary research exist. Each method should be studied and understood carefully before taken into use. Here are some



Marketing

of the main methods:

- Telephone interviews: This is a very common method, since it is a rather cheap way to collect data from a geographically dispersed sample. It tends to be very structured interviews and can lack depth.
- Face-to-face interviews: Conducted between the marketing researcher and the respondent. This is the best way to have open form questions and to go more in-depth. However, this method is expensive, and time consuming.
- Internet: Various data can be collected from the internet today: online questionnaires or tracking online behaviour.
- Email surveys: Create or buy a list of email addresses, then send out a questionnaire. This is an easy way to reach many respondents, and is very cost efficient. However, the response rate is often low, and a 5-10% response rate is considered normal.
- Focus groups: Often used for product or advertising testing. This provides in-depth qualitative feedback from 10-18 respondents per focus group. One of the disadvantages is that the moderator can play a role in the outcome, and some respondents might not be honest when being part of a group.

- Omnibus study: This is when a company purchases questions on a 'hybrid' interview. The company will be one of many who simply want a straightforward answer to a simple question. This research is far cheaper and requires less time and effort than doing your own research.

Qualitative versus quantitative research

Qualitative research deals in words, images and the subjective, whereas quantitative research deals in numbers, logic and the objective.

The standard empirical quantitative technique in marketing research is the survey questionnaire typically using scaling 1-5 or 1-7 and administered to a sample of a population, which enables us to draw inferences about the behaviour of a whole population based on a smaller sample. The emphasis is on breadth and representativeness, confidence levels and significance tests, and so forth. On the other hand, qualitative research results can be in the form of subjective summaries of mountains of data in reports, which can be lacking statistical proof. Running quantitative research alongside qualitative

research offers a synergy, whereby, objective data can provide a structure to analysis of subjective qualitative data. Many marketers today know how to combine both kinds of data to provide the most useful and strategically significant reports.

Marketing research in China

China is a difficult market for marketing research. China should not be treated as one country, but as multiple markets when doing research, because of the great diversity within China. Furthermore, the discipline of doing marketing research does not have as long a history in China as in most Western countries. Some data is difficult to obtain, since companies are less transparent in China and it can be very difficult to obtain competitor information. However, with that said, the market here is still growing, and today, many of the big global research agencies from Europe and the US have entered China, along with many local vendors doing research. So, it is becoming easier to conduct trustworthy marketing research in China.

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WELLINGTON COLLEGE
INTERNATIONAL
TIANJIN



Wellington College Titanic Centenary Dinner, Saturday, 14th April 2012

Wellington College held a Titanic Centenary Dinner for its parents, students and friends on the evening of Saturday, 14th April. The venue was the Senior Hall in the College. The event was extremely well attended with nearly 150 present. They were treated to a five-course dinner based on the First Class and Steerage (Third) Class menus served in the Titanic dining rooms on the evening of Sunday, 14th April 1912, the night the ship struck an iceberg. The idea of holding such a centenary dinner came from the work of Years 5 and 6 in the College, who have studied the Titanic in their History work on the early 20th century. Students from these year groups gave a series of presentations showing to the audience how the Titanic sank and why so many people died. There was also an extremely amusing performance from Katie Cook, in Year 9, who played Charles Joughlin, one of Titanic's chefs, who survived nearly three hours in the icy waters, largely due to having consumed two bottles of whisky on the evening of the sinking!



No Titanic evening would be complete without some input from the James Cameron film of 1997 and Jamie Cook followed up his success as Joseph in the College production of Joseph and the Amazing Technicolor Dreamcoat by giving a moving performance of the Celine Dion song, My Heart Will Go On, and leading the audience in the less well-known Ballad of the Titanic. All of the participants and audience came in period costume: First Class for the women, Steerage for the men and the teaching staff came as the crew. At the end of the evening a toast was proposed to those who died on that fateful night in the Atlantic and the evening came to a close at around 11.40pm, the exact time Titanic struck the iceberg. Wellington College hope to hold an annual centenary dinner for a major historical event.

Chamber Report



European Chamber
中国欧盟商会

Past Events

Elgin Group provided insight into the affects of Global Debt

The setting was the fabulous Renaissance Tianjin Lakeview Hotel, the presenter the charming Mr. Nicos Cotsapas, the subject: Global Debt in the year of the Drag(on).

However, there was no drag on anything during what was a surprisingly easy to understand overview of world finances. Mr. Cotsapas was extremely practiced in presenting what clearly are often complex financial terms.

Mr. Cotsapas is the Chief Investment Officer and partner of Elgin Group LLC, headquartered in the beautiful town of Baar, in Switzerland. With him at the conference were Beijing based George Cuzzocrea & Jim Stanley, and Emily Ren from their Shanghai office.

Elgin Group is a wealth management and investment specialist company, with personalised service at the core. It was very enjoyable speaking with them all and their expertise in the investment market is obvious.

It is scary to see how hugely burdened with debt most of the countries in the world are, and especially frightening to look to Europe where several countries are likely to simply go bankrupt in the coming years, or even months. Continuous bailouts are not saving the situation, mostly because the money is not finding its way back into the hand of the consumer.

Even though the Mayans predicted the end of the world this year, Mr. Costapas stayed optimistic, but suggested that new standards had to be put in place as the economy is not performing to its usual cycles. He was particularly hopeful in regards to China. Much has to be done in the coming years to ensure stability and security in the Chinese Financial sector, but everything indicates that the government understands what needs to be done.

It was an interesting presentation and I think it would have been healthy for many more to see this. Hopefully, Elgin Group will be prominent here in Tianjin, as they seemed to understand the markets very well and their portfolio supported this.



Visit of TiMEC and Tianjin Binhai New Area Planning & Exhibition Center

More than 30 members joined the visit to Tianjin Binhai Planning & Exhibition Center and TiMEC-one of the leading Italy manufacturing company in Tanggu Marine High-Tech Development Area on 23 March afternoon.



Room15A17, Suite 17, Magnetic Plaza, BinShui Xi Dao, Nankai District, Tianjin 300381.
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Email: tianjin@euccc.com.cn Website: www.europeanchamber.com.cn

Upcoming Event

AmCham China, Tianjin Eleventh Annual Charity Golf Tournament

10:00AM – 9:00PM, Sunday, 13 May – The World Golf Club

Come and join AmCham China, Tianjin's Eleventh Annual Charity Golf Tournament on Sunday, 13 May 2012. Don't miss this opportunity to enjoy a round of golf and make a difference in children's lives. All proceeds will be donated to the Jian Hua Foundation to support disabled children.

Format

2 Person Best Ball Scramble

Program

09:15AM: Free shuttle bus leaves from Hank's Sports Bar and Grill
10:00AM: Registration
10:30AM: Putting Contest and Wedge Contest
12:00AM: Tee-off
6:00PM: Pre-dinner cocktail at Renaissance Tianjin Lakeview Hotel
7:00PM: Awards Banquet at Renaissance Tianjin Lakeview Hotel
9:00PM: Conclusion of the event

Tickets

- Individuals: CNY 1000 *
- Non-golfers: CNY 300 to attend the awards banquet.

* The fee includes greens fee, facilities and caddies, registration pack, lunch on the course, awards banquet, return transportation and lucky draw.

We will provide a free shuttle bus from Hank's Sports Bar and Grill and will return to the Renaissance Tianjin Lakeview Hotel. Details for transportation will be sent out prior to the event. Tickets must be reserved in advanced. Event limited to 80 golfers.



For more information on sponsorship or to get an entry form, please call the AmCham-China, Tianjin Chapter office at 022-23185072, or send an e-mail to: amandahe@amchamchina.org. Contact person: Amanda He

Room 2918, 29F, The Exchange Tower 2, 189 Nanjing Lu Heping District
Tel: +86 22 2318 5075
Fax: +86 22 2318 5074
Website: www.amchamchina.org

Past Event:

06 Mar 2012

Workshop: How to protect online IPR in China

Speakers: Ms. Yuqing Lin: Senior Partner, F&S Intellectual Property, Beijing

The Internet in China, with more than 384 million 'netizens', is an attractive business and marketing platform for many European SMEs working with or in China. On the other hand, it is also an ideal platform for infringers to sell counterfeit products and commit fraud.

During this joint workshop, together with the German Chamber of Commerce, European Union Chamber of Commerce in China, BenCham and the EU SME IPR Helpdesk, participants learned about topics such as 'cybersquatting,' how to protect your domain name, and how to monitor e-commerce sites for counterfeits. During the workshop intellectual property experts showed real life case studies on online protection and offered free consultation.

Upcoming events:

Exploring Tianjin's History Tour

08:30 - 16:00, 12 May 2012

Meeting Point: Tianjin Center Hotel

Language: English

After Work Workshop (in German): Social Security for Expats in China

18:00 - 20:00, 17 May 2012

Venue: Drei Kronen 1308 Brauhaus

Language: German

Seminar: A Manufacturing System for the Future

- Implementation of Manufacturing Execution Systems (MES)

18:00 - 20:00, 23 May 2012

Venue: to be confirmed

Language: English

German Chamber Stammtisch

19:00 - 22:00, 30 May 2012

Venue: Drei Kronen 1308 Brauhaus

Language: German/English

Room 1502, Global Center, No. 309 Nanjing Road, Nankai District, Tianjin 300073
Tel / Fax: +86 22 8787 9249



Deutsche Handelskammer
German Chamber of Commerce
in China • North China

Chamber Report

BenCham Annual Gala 2012



Every Spring BenCham brings people together for an entertaining night of fine food and swinging music. This highly anticipated event brings together Benelux representatives in a night to remember. Your company can be present at this high level event which provides you with ample possibilities for high visibility in luxurious surroundings. This year we host our event at the Marriot Beijing Northeast on the 26th of May.

We have the renowned artist Boogie Boy and N8N, as the supporting act, ensuring a great night for all of our guests.

There will be delicious Dutch, Belgian, and Luxembourg food and drinks available at our Gala. It will be a night to remember with many Benelux icons, including Hoegaarden, Droste chocolates, and so much more.

This event is attended yearly by 250 to 300 prominent guests, and therefore, provides a great opportunity to meet the Benelux business community in Beijing.



Benelux Chamber of Commerce, Beijing Office – (mailbox No. 78) 1601 Zhongyu Plaza, A6 Gongtibe Road, Chaoyang District, Beijing; 100027
北京市朝阳区工体北路甲6号, 中宇大厦1601, 78号邮箱, 邮政编码: 100027
Tel: +86 (0)10 8523 6101/05 - Fax: +86 (0)10 8523 6305
Email: cpeere@bencham.org - Website: www.bencham.org

Past Events



20 April 2012

How to Become an Effective Leader, Radisson BLU Hotel Beijing

- Understand what it means to be assertive – as a communication style, a mindset, and as a set of behaviors
- Be able to seek win-win solutions to the challenges you face – this means ensuring that you get what you want and need, and so does everyone else.
- Express yourself confidently and directly
- Learn to identify aggressive, passive, and passive-aggressive styles of communication and respond assertively
- Look at some challenging, real cases and see assertive attitudes and behaviors in action.

26 April 2012

Having the Talk: Firing Senior Employees and Managers in China, The Westin (Bund Center)

Chinese employment law is generally pro-employee, and employees (especially managers) are often good at abusing the rules in their favour. Terminating the employment of senior management, who have broad authorities and access to valuable assets and confidential information, is even more complicated.

During this seminar, speaker Maarten Roos will walk through this contentious process.

- The difficulties of terminating employment contracts
- The steps that need to be made before "having the talk" with the person concerned.
- Avoiding unnecessary difficulties and financial consequences when firing employees.
- Understanding risks and the right strategies to overcome them.

Beijing, Unit 1612, Zhongyu Plaza, A6, Gongti North Road, Chaoyang District, 100027, Beijing, China
Shanghai, Room 1604, Xin Cheng Mansion, No.167 Jiang Ning Road, 200041 Shanghai, China
Guangzhou, Garden Hotel, Room 948, 368 Huanshi Dong Road, Garden Tower, 510064 Guangzhou, China

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MAY 2012

TIANJIN & BEIJING EVENTS

01

TUE
星期一

Ballet Romeo and Juliet

芭蕾舞剧《罗密欧与朱丽叶》

⬆ Tianjin Grand Theatre (Opera Hall)
天津大剧院歌剧厅

⌚ 19:30

¥ 180 / 280 / 480 / 680 / 880 / 1080

Editor's
pick

11

FRI
星期五

China Franchise Expo

中国特许加盟经营展览会

⬆ China National Convention Center
国家会议中心

11-13 May



04

FRI
星期五

Chinese famous classic A Moonlit Night On The Spring River played on western instruments

西洋乐器演奏中国经典名曲《春江花月夜》

⬆ Tianjin Grand Theatre (Opera Hall)
天津大剧院歌剧厅

⌚ 19:30

¥ 50 / 80 / 120 / 180
280 / 380



05

SAT
星期六

Ballet Swan Lake

芭蕾舞剧《天鹅湖》

⬆ Tianjin Grand Theatre (Opera Hall)
天津大剧院歌剧厅

⌚ 19:30

¥ 180 / 280 / 480 / 680 / 880 / 1080

5-7 May

Editor's
pick



12

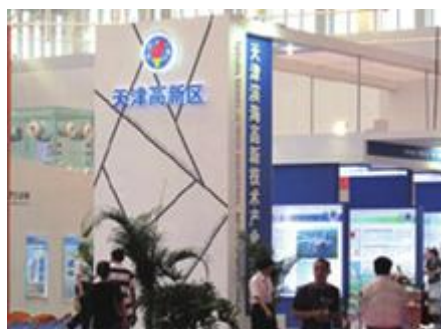
SAT
星期六

China Tianjin Trade Fair & Investment Talk

津洽会

⬆ Tianjin Meijiang Convention and Exhibition Centre
天津梅江会展中心

12-18 May



6

SUN
星期日

China International Cleaning Industry Expo

中国国际清洁产业博览会

⬆ China National Convention Center
国家会议中心

6-8 May



12

SAT
星期六

German Cham's Tianjin History Exploring Tour

天津历史探索之旅

⬆ Tianjin Central Hotel

⌚ 08:30-16:00



Special Days:

- 1 May International Labor Day
- 5 May Lì Xià (Beginning of Summer)
- 13 May Mother's Day
- 15 May International Day of Families
- 20 May Xiǎo Mǎn (Lesser Fullness)
- 31 May World No Tobacco Day

Include your event
email to editor@business Tianjin.com

13
SUN
星期日

AmCham China, Tianjin Eleventh Annual Charity Golf Tournament

美商会第十一届慈善高尔夫赛
 ⚡ The World Golf Club, Xing Yao Wu Zhou,
 Tianjia Lake, Jinnan District, Tianjin
 天津市津南区天嘉湖星耀五洲
 ☉ 10:00 - 21:00
 ¥ Individual: 1000
 Non-golfers: 300 to attend the awards banquet
 ☎ +86 22 2318 5072
 ✉ amcham@amchamchina.org



21
MON
星期一

IEEE PES Conference on Innovative Smart Grid Technologies Asia 2012

2012年亚洲智能电网创新科技国际会议
 ⚡ Binhai International Convention and
 Exhibition Center
 滨海国际会展中心
 ☎ +86 22 6530 2888
 ④ www.ieee-isgt-asia2012.org
 21-23 Apr

24
THU
星期四

TICC Coffee Mornings 咖啡时光

⚡ Presidential Suite High Tea,
 The St. Regis Tianjin
 天津瑞吉金融街酒店
 ☉ 10:30 - 12:00
 ¥ 50 - 70
 ✉ ticc_09@hotmail.com

17
THU
星期四

After Work Workshop: Social Security for Expats in China Language: German

⚡ Drei Kronen 1308 Brauhaus
 ☉ 18:00 - 20:00
 ☎ +86 22 8787 9249

Beijing International Toys & Pre-school Tools Exhibition

第14届北京国际玩具及幼教用品展览会
 ⚡ Hall 4, China World Trade Center (CWTC), Beijing
 北京国贸中心4号厅
 ¥ 20 ☎ +86 10 8776 06982
 17-19 Apr



25
FRI
星期五

2012 China Tianjin International Auto Industry Fair

2012中国(天津)国际汽车工业展览会
 ⚡ Tianjin Meijiang Convention
 and Exhibition Centre
 天津梅江会展中心
 ☎ +86 22 8838 3311
 25 Apr - 1 Jun



26
SAT
星期六

Lance Wiseman Piano Recital

钢琴独奏
 ⚡ Tianjin Concert Hall
 天津音乐厅
 ☉ 19:30
 ¥ 50 / 80 / 120 / 180

19
SAT
星期六

China International Immigration Expo

中国国际移民展
 ⚡ Binhai International Convention
 & Exhibition Centre Tianjin, China
 19-21 Apr



27
SUN
星期日

TICC Beijing Bus Trip - Ya Show indoor market Sanlitun - Drop off & Pickup point

北京雅秀购物之旅
 ⚡ Beijing Yashow Indoor Market 北京雅秀服装
 市场 (朝阳区工体北路58号)
 ☉ 08:00 - 16:30 ¥ 50-100
 ✉ ticc_09@hotmail.com



Writing a Letter

写信
xiě xìn

VOLUME 54



Can you help me for a minute?
你能帮我一下吗?
nǐ néng bāng wǒ yī xià ma?

Sure, what can I do for you?
可以, 什么事?
kě yǐ, shén me shì?

I'm trying to write a letter to one of our clients, but I just don't know exactly what to say.
我在试着给客户(1)写封信, 但是不知道具体(2)应该说什么。
wǒ zài shì zhe gěi kè hù xiě fēng xìn, dàn shì bù zhī dào jù tǐ yīng gāi shuō shén me,

I don't even know how to get started! I know I should write "Dear Mr. or Ms.",
我甚至不知道如何起头。我知道我应该写“亲爱的……先生/女士”,
wǒ shèn zhì bù zhī dào rú hé qǐ tóu, wǒ zhī dào wǒ yīng gāi xiě "qīn ài de xiān shēng / nǚ shì",

but the problem is I don't know the name of the contact person.
但问题是我不知道联系人(3)的姓名。
dàn wèn tí shì wǒ bù zhī dào lián xì rén de xìng míng。

You can just put "Dear Sir/Madam" or if it's not personal,
你只要写“亲爱的先生/女士”就可以了, 或者, 如果不是私人(4)信件,
nǐ zhǐ yào xiě "qīn ài de xiān shēng / nǚ shì" jiù kě yǐ le, huò zhě, rú guǒ bú shì sī rén xìn jiàn,

you can write "To whom it may concern."
你还可以写“相关(5)人员收”。
nǐ hái kě yǐ xiě "xiāng guān rén yuán shōu"。

Okay, so first I thank them for all that they've done for us, and I can say something like,
好的, 那我就先向他们为我们所做的一切表示感谢, 比如我可以这样说,
hǎo de, nà wǒ jiù xiān xiàng tā men wèi wǒ men suǒ zuò de yī qiē biǎo shì gǎn xiè, bǐ rú wǒ kě yǐ shuō,

Business Chinese Lesson

“Thank you for all the support you’ve given.” How’s that?

“非常 感谢 你们 对 我们的 一贯 支持(6)。” 这样 写 怎么样？
“fēi cháng gǎn xiè nǐ men duì wǒ men de yī guàn zhī chí。” zhè yàng xiě zěn me yàng?”

Good, but also, right off the bat, you can tell them the reason you are writing,

很好，但是 你 也 可以 开门见山(7) 地 说明 你 写信 的 原因，
hěn hǎo, dàn shì nǐ yě kě yǐ kāi mén jiàn shān de shuō míng nǐ xiě xìn de yuán yīn,

giving them a reference.

给 他们 一点 提示(8)。
gěi tā men yī diǎn tí shì。

Like, “Regarding our new product line, we would like to announce a special discount.”

比如，“关于(9) 我们的 新 产品， 我们 想 发布 一个 打折 特价 的 通知(10)。”
bǐ rú, “guān yú wǒ men de xīn chǎn pǐn, wǒ men xiǎng fā bù yī gè dǎ shé tè jià de tōng zhī。”

Right.

非常 正确。
fēi cháng zhèng què。

Great! And what do you think I should close it with?

太好了！你认为我应该怎样收尾(11)？
tài hǎo le ! nǐ rèn wéi wǒ yīng gāi zěn yàng shōu wěi ?

Since you don’t know them that well personally, probably the best way would be

既然(12) 你 对 收信人 的 个人 情况 不 了解， 可能 最好的 表达 方式 是
jì rán nǐ duì shōu xìn rén de gè rén qíng kuàng bú liǎo jiě, kě néng zuì hǎo de biǎo dá fāng shì shì

“Yours faithfully” or “Sincerely”.

“你 忠实的……” 或者 “诚挚的……”。
“nǐ zhōng shí de ……” huò zhě “chéng zhì de ……”。

You could also say, “Best regards”, but I don’t think that would be appropriate because you don’t have the name and obviously haven’t met them.

你 还 可以 说 “谨致问候”， 但是 因为 你 不知道 收信人 的 名字，
nǐ hái kě yǐ shuō “jǐn zhì wèn hòu”, dàn shì yīn wéi nǐ bú zhī dào shōu xìn rén de míng zì,

而且 显然(13) 也 没有 见过 他们， 所以 我 认为 这个 结尾 不 太 合适(14)。
ér qiě xiǎn rán yě méi yǒu jiàn guò tā men, suǒ yǐ wǒ rèn wéi zhè gè jié wěi bú tài hé shì。

Okay! Thanks a lot for your help.

太好了，谢谢你帮了我的大忙。
tài hǎo le , xiè xiè nǐ bāng le wǒ de dà máng 。

Vocabulary

(1) 客户	client	kè hù	(8) 提示	reference	tí shì
(2) 具体	exactly	jù tǐ	(9) 关于	regarding	guān yú
(3) 联系人	contact person	lián xì rén	(10) 通知	announce	tōng zhī
(4) 私人	personal	sī rén	(11) 收尾	close	shōu wěi
(5) 相关	concern	xiāng guān	(12) 既然	since	jì rán
(6) 支持	support	zhī chí	(13) 显然	obviously	xiǎn rán
(7) 开门见山	off the bat	kāi mén jiàn shān	(14) 合适	appropriate	hé shì

If you meet any problems in learning Chinese, please send us an email at bizclass@businesstianjin.com
We’ll do our best to help you. See you next month.

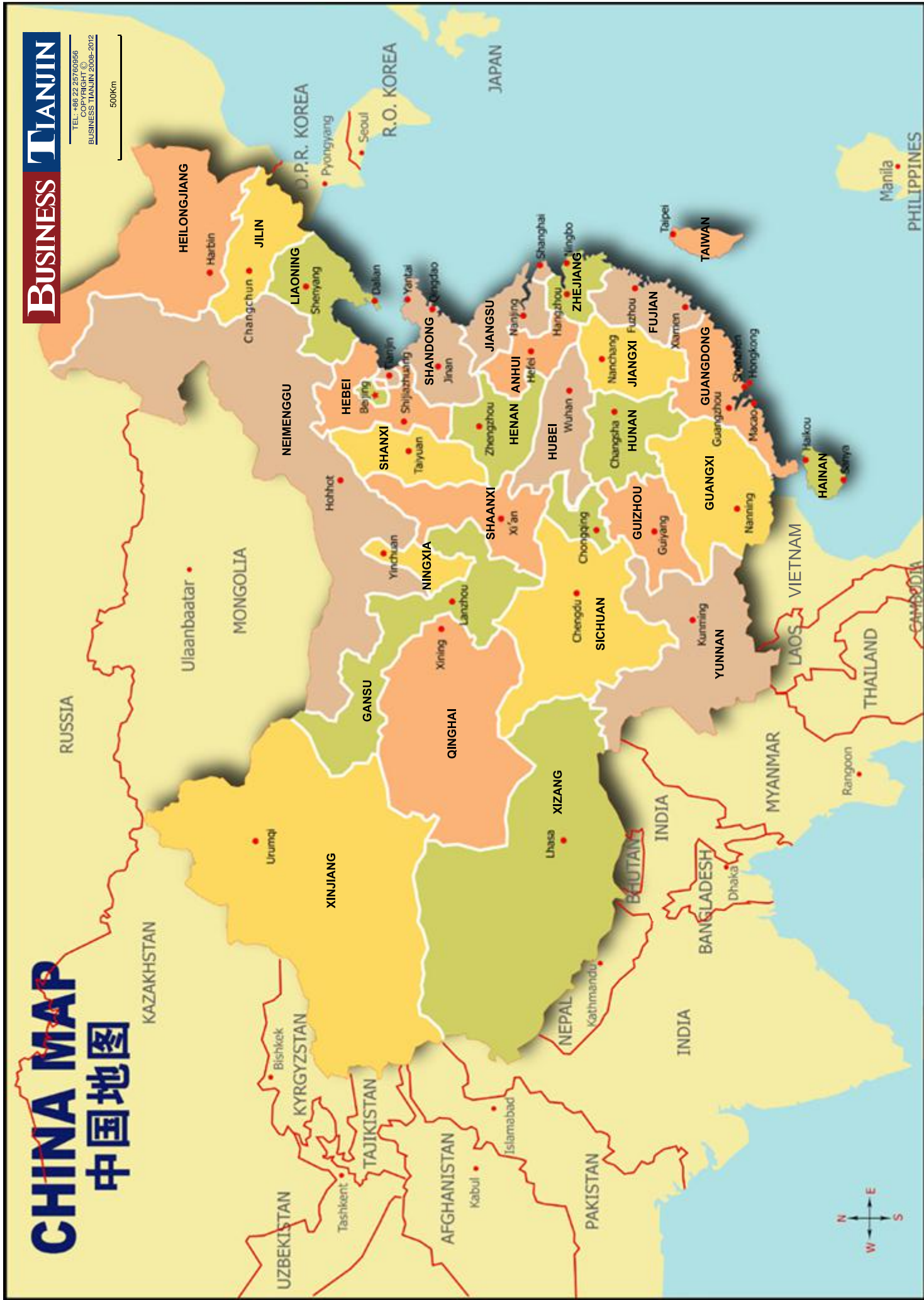
CHINA MAP

中国地图

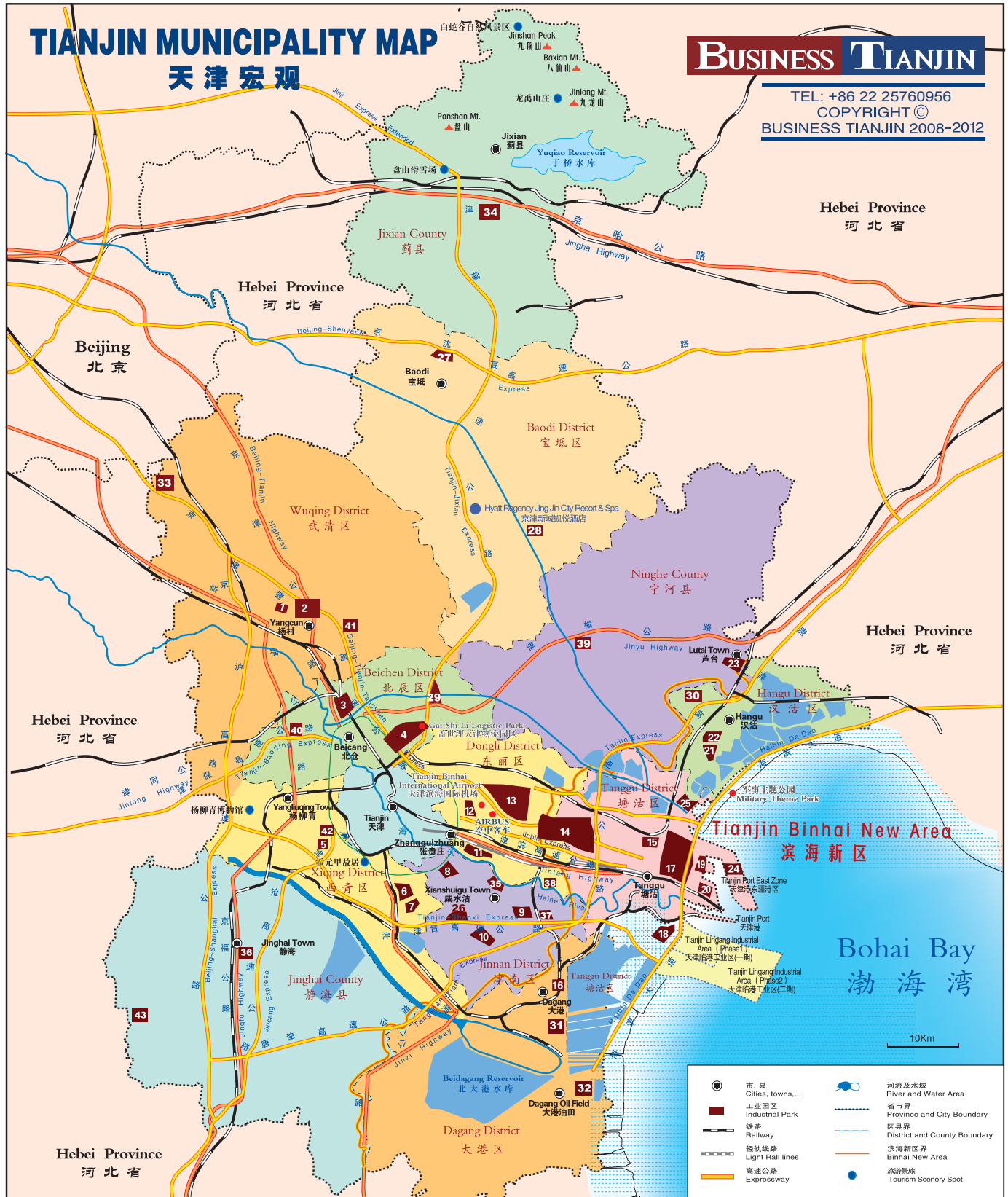
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500km



Tianjin Industrial Parks & Economic Development Areas



List of Tianjin Industrial Parks & Economic Development Areas

- | | | | |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------|
| 1 TEDA Yat-Sen Scientific-Industrial Park
TEDA逸仙科学工业园 | 10 TEDA (Jinnan) Microelectronic Industrial Park
TEDA微电子(津南)工业区 | 19 Tianjin Port Container Logistics Center
天津港集装箱物流中心 | 28 Tianjin Baodi Jiuyuan Industrial Park 天津宝坻九园工业园区 |
| 2 Wuqing Development Area
武清开发区 | 11 Dongli Economic Development Area
东丽经济开发区 | 20 Tianjin Port Free Trade Zone
天津保税区 | 29 Tianjin Beichen Economic Development Area
天津北辰经济开发区 |
| 3 Beichen Hi-Tech Industrial Park (North)
北辰科技园(北区) | 12 Tianjin Airport International Logistics Zone
天津空港国际物流区 | 21 TEDA Chemical Industrial Park
TEDA化学工业区 | 30 Tianjin Chadian Industrial Park 天津茶淀工业园区 |
| 4 Beichen Hi-Tech Industrial Park (South)
北辰科技园(南区) | 13 Tianjin Airport Industrial Park
天津空港物流加工区 | 22 Hangu Chemical Industrial Park
汉沽工业园区 | 31 Tianjin Dagang Economic Development Area 天津大港开发区 |
| 5 Tianjin Hi-Tech Industrial Park
Huayuan Industrial Development Area
天津新技术产业园区华苑产业区 | 14 TEDA West
天津经济技术开发区(西区) | 23 Ninghe Economic Development Area
宁河经济开发区 | 32 Tianjin Dagang Petrochemical Industrial Area (Phase1)
天津大港石化产业园区 |
| 6 Xiqing Development Area
西青开发区 | 15 Dagang Development Area
大港开发区 | 24 Dongjiang Duty-Free Port Area
天津东疆保税港区 | 33 Tianjin Wuqing Dawanggu Economic Development Area
天津武清区大王古经济开发区 |
| 7 TEDA (Xiqing) Microelectronic Industrial Park
TEDA微电子(西青)工业区 | 16 Tanggu National Marine Hi-Tech Development Area
塘沽国家海洋新技术开发区 | 25 Sino-Singapore Eco-City
中新生态城 | 34 Tianjin Ji County Economic Development Area 天津蓟县开发区 |
| 8 Jinnan Economic Development Area (West)
天津市津南经济开发区(西区) | 17 Tianjin Economic-Technological Develop. Area (TEDA)
天津经济技术开发区 | 26 Tianjin Balitai Industrial Park
天津八里台工业园区 | 35 Tianjin Jinnan Xinda Industrial Park 天津津南鑫达工业园区 |
| 9 Jinnan Economic Development Area (East)
天津市津南经济开发区(东区) | 18 Tianjin Port Bulk Cargo Logistics Center
天津港散货物流中心 | 27 Tianjin Baodi Economic Development Area
天津宝坻经济开发区 | 36 Tianjin Jinghai Xinda Industrial Park 天津津南鑫达工业园区 |
| | | | 37 Tianjin Jinhai Economic Development Area 天津静海经济开发区 |
| | | | 38 Tianjin Junliangcheng Industrial Park 天津军粮城工业园区 |
| | | | 39 Tianjin Panzhuang Industrial Park 天津潘庄工业园区 |
| | | | 40 Tianjin Shuangkou Industrial Park 天津双口工业园区 |
| | | | 41 Tianjin Wuqing Fuyuan Economic Development Area
天津武清福源经济开发区 |
| | | | 42 Tianjin Zhongbei Industrial Park 天津中北工业园区 |
| | | | 43 Tianjin Ziya Industrial Park 天津子牙工业园区 |

DINING

TIANJIN

Chinese

China Station

A: 2F, Radisson Plaza Hotel Tianjin No. 66, Xinkai Lu, Hedong District
T: +86 22 2457 8888
中国站
河东区新开路66号天津天诚丽笙世嘉酒店2层

Fortune Restaurant

A: 2F, Crowne Plaza Tianjin Binhai No. 55, Zhongxin Da Dao Airport Industrial Park
T: +86 22 5867 8888 ext. 2355
富淳中餐厅
空港物流加工区中心大道55号天津滨海圣光皇冠假日酒店2层

Fountain Lounge

A: Hyatt Regency Jing Jin City Resort & Spa No. 8, Zhujiang Da Dao Zhouliang Zhuang, Baodi District
T: +86 22 5921 1234
碧泉茶园
宝坻区周良庄珠江大道8号天津新城凯悦酒店



Qing Wang Fu

A: No. 55, Chongqing Road Heping District
T: +86 22 8713 5555
庆王府
和平区重庆道55号

Riverside Chinese Restaurant

A: 3F, Holiday Inn Tianjin Riverside Phoenix Shopping Mall East Haihe Road, Hebei District
T: +86 22 2627 8888 ext. 2211
海河轩中餐厅
河北区海河东路凤凰商贸广场天津海河假日酒店3楼

Shui An

A: 1F, The Astor Hotel Tianjin No. 33, Tai'er Zhuang Lu Heping District
T: +86 22 2331 1688 ext. 8920
水岸中餐厅
和平区台儿庄路33号天津利顺德大饭店豪华精选酒店1层

Tao Li Chinese Restaurant

A: 6F, Hotel Nikko Tianjin No. 189, Nanjing Lu, Heping District
T: +86 22 8319 8888 ext. 3561
桃李中餐厅
和平区南京路189号天津日航酒店6层

Yan Ting Chinese Restaurant

A: 2F, The St. Regis Tianjin, No. 158 Zhang Zizhong Lu, Heping District
T: +86 22 5830 9999
宴庭中餐厅
和平区张自忠路158号瑞吉金融街酒店2楼

Japanese

Benkay Japanese Dining

A: 5F, Hotel Nikko Tianjin, No. 189 Nanjing Lu, Heping District
T: +86 22 8319 8888 ext. 3558
和平区南京路189号天津日航酒店5层
弁慶日本料理餐厅

Kasumi

A: 1F, Crowne Plaza Tianjin Binhai No. 55, Zhongxin Da Dao Airport Industrial Park
T: +86 22 5867 8888 ext. 2322
霞日式料理
空港物流加工区中心大道55号天津滨海圣光皇冠假日酒店1层

Kushi Grill

A: 2F, Radisson Blu Plaza Hotel Tianjin No. 66, Xinkai Lu, Hedong District
T: +86 22 2457 8888
串烧
河东区新开路66号天津天诚丽笙世嘉酒店2层

Seitaro

A: Sheraton Hotel Tianjin Zi Jin Shan Lu, Hexi District
T: +86 22 2731 0909
清太郎日本料理
河西区紫金山路喜来登大酒店

SôU

A: 49F, Tianjin Centre Hotel, No.219 Nanjing Road, Heping District
T: +86 22 2321 5888 ext.5106
思创
南京路219号天津中心酒店 49楼

Thai

YY Beer House

(Behind International Building)
A: No. 3, Aomen Lu Heping District
T: +86 22 2339 9634
粤园泰餐厅
和平区澳门路3号(国际大厦后侧)

Western



Aulare

A: Magnetic Plaza, Building A4 2-16, Binshui Xi Dao Nankai District
T: +86 187 2229 0691
E: tianjin@aulare.com
艾伊莎贝西餐厅
南开区滨水西道时代奥城A4座2-16号



Brasserie Flo Tianjin

A: No.37, Guangfu Road Italian Style Town, Hebei District
T: +86 22 2662 6688
福楼
河北区意大利风情区光复道37号

1863 the Dining Room

A: 1F, The Astor Hotel Tianjin No. 33, Tai'er Zhuang Lu Heping District
T: +86 22 2331 1688 ext. 8918
1863 至尊西餐厅
和平区台儿庄路33号天津利顺德大饭店豪华精选酒店1层

Café@66

A: 1F, Radisson Bul Plaza Hotel Tianjin No. 66, Xinkai Lu, Hedong District
T: +86 22 2457 8888
咖啡66
河东区新开路66号天津天诚丽笙世嘉酒店1层

Café Majestic

A: 1F, The Astor Hotel Tianjin No. 33, Tai'er Zhuang Lu
T: +86 22 2331 1688 ext. 8910
凯旋咖啡厅
和平区台儿庄路33号天津利顺德大饭店豪华精选酒店1层

Café Venice

A: 2F, Holiday Inn Tianjin Riverside Phoenix Shopping Mall East Haihe Road, Hebei District
T: +86 22 2627 8888 ext. 2271
威尼斯咖啡厅
河北区海河东路凤凰商贸广场天津海河假日酒店2楼

Glass House

Hyatt Regency Jing Jin City Resort & Spa
A: No. 8, Zhujiang Da Dao Zhouliang Zhuang, Baodi District
T: +86 22 5921 1234
水晶厨房
宝坻区周良庄珠江大道8号天津新城凯悦酒店

Pan Shan Grill & Wine

A: 2F, Main Building Sheraton Hotel Tianjin Zi Jin Shan Lu, Hexi District
T: +86 22 2731 3388 ext.1820
盘山葡萄酒扒房
紫金山路天津喜来登大酒店主楼2层



Promenade Restaurant

A: 1F, The St. Regis Tianjin No. 158, Zhang Zizhong Road Heping District
T: +86 22 5830 9959
河岸国际餐厅
和平区张自忠路158号天津瑞吉金融街酒店一层



Riviera Restaurant

A: 1F, The St. Regis Tianjin. No. 158, Zhang Zizhong Road Heping District
T: +86 22 5830 9962
蔚蓝海法餐厅
和平区张自忠路158号天津瑞吉金融街酒店一层

Spectrum All-Day Dining

A: 7F, Hotel Nikko Tianjin No. 189, Nanjing Lu, Heping District
T: +86 22 8319 8888 ext. 3570
彩西餐厅
南京路189号天津日航酒店7层

Wine



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T: +86 22 6539 9899
Opening hours: 09:00-20:00

GuangMing Wine Shop:

A: No.1 Guangming Flat, Xiaguang Rd., Nankai District, Tianjin 天津市南开区霞光道光明公寓1号
T: +86 22 2391 5118
Opening hours: 09:00-20:00

BinXi Wine Shop:

A: No.187 Binshui West Rd., Nankai District, Tianjin 天津市南开区宾水西道187号
T: +86 22 2337 2116
Opening hours: 09:00-22:00

RongYe Wine Shop:

A: No. 175 Rongye Avenue Heping District, Tianjin 天津市和平区荣业大街175乙
T: +86 22 2723 1139
Opening hours: 09:00-20:00

4006-199-159
www.milan-wines.com

Bars

China Bleu

A: 50F, Tianjin Centre Hotel, No. 219 Nanjing Lu, Heping District
T: +86 22 2321 5888
中国蓝酒吧
南京路219号天津中心酒店50层

DINING

SERVICES



JV'S Bar

A: 1F, Main Building, Sheraton Hotel Tianjin
Zi Jin Shan Lu, Hexi District
T: +86 22 2731 3388 ext. 1846
JV'S 酒吧
河西区紫金山路天津喜来登大酒店
主楼1层

O'Hara's

A: 1F, The Astor Hotel Tianjin
No. 33, Tai'er Zhuang Lu
Heping District
T: +86 22 2331 1688 ext. 8919
海维林
和平区台儿庄路33号天津利顺德
大饭店豪华精选酒店1层

THE STREGIS BAR
皇古酒吧

The St. Regis Bar

A: 1F, The St. Regis Tianjin. No. 158
Zhang Zizhong Road, Heping District
T: +86 22 5830 9958
瑞吉酒吧
和平区张自忠路158号天津瑞吉金
融街酒店一层

Education

International Schools



International School of Tianjin

A: Weishan Lu, Jinnan District
T: +86 22 2859 2001
国际学校天津分校
津南区津南微山路

Tianjin International School

A: No.4-1, Sishui Dao, Hexi District
T: +86 22 8371 0900
天津国际学校
河西区泗水道4号增1号



**GEMS World Academy
Tianjin Eco City, China**

A: Unit 3-307, TEDA MSD Block
C 79 1st Avenue, TEDA
T: +86 22 6622 7888
天津杰美司国际学校
开发区第一大街79号泰达MSD-C区
3楼307室



**Wellington College
International Tianjin**

A: No. 1, Yide Dao, Hongqiao District
T: +86 22 8758 7199 ext. 8001
Mobile: +86 187 2248 7836
E: admissions@wellington-tianjin.cn
W: wellington-tianjin.cn
天津惠灵顿国际学校
红桥区义德道1号

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Italian Style Town, Hebei District
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福楼外宴策划
河北区意大利风情区光复道37号

Hotels & Apartments

★★★★★ Hotels



Crowne Plaza Tianjin Binhai
A: No.55 Zhongxin Avenue Airport
Economic Area Tianjin
T: +86 22 5867 8888
天津滨海圣光皇冠假日酒店
天津市空港经济区中心大道55号



Holiday Inn Tianjin Riverside
A: Phoenix Shopping Mall
Haihe Dong Lu, Hebei District
T: +86 22 2627 8888
天津海河假日酒店
河北区海河东路凤凰商贸广场



Hotel Nikko Tianjin
A: No. 189, Nanjing Lu, Heping District
T: +86 22 8319 8888
天津日航酒店
和平区南京路189号

**Hyatt Regency Jing Jin City
Resort & Spa**

A: No. 8, Zhujiang Da Dao
Zhouliang Zhuang, Baodi District
T: +86 22 5921 1234
京津新城凯悦酒店
宝坻区周良庄珠江大道8号



Radisson Blu Plaza Hotel Tianjin

A: No. 66, Xinkai Lu, Hedong District
T: +86 22 2457 8888
天津天诚丽笙世嘉酒店
河东区新开路66号

Tianjin Centre Hotel

A: No. 219, Nanjing Lu, Heping District
T: +86 22 2321 5888
天津中心酒店
和平区南京路219号



**Renaissance Tianjin Lakeview
Hotel**

A: No. 16, Binshui Dao, Hexi District
T: +86 22 5822 3388
万丽天津宾馆, 河西区宾水道16号



Sheraton Tianjin Hotel

A: Zi Jin Shan Lu, Hexi District
T: +86 22 2731 3388
天津喜来登大酒店, 河西区紫金山路

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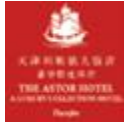
SERVICES



ST REGIS
TIANJIN

天津瑞吉金融街酒店

The St. Regis Tianjin
A: No. 158, Zhangzizhong Road
Heping district
T: +86 22 5830 9999
天津瑞吉金融街酒店
和平区张自忠路158号



The Astor Hotel Tianjin
A Luxury Collection Hotel
A: No. 33, Tai'er Zhuang Lu, Heping District
T: +86 22 2331 1688
天津利顺德大饭店豪华精选酒店
和平区台儿庄路33号

Apartment

Astor Apartment
A: No. 32, Tai'er Zhuang Lu
Heping District
T: +86 22 2303 2888
利顺德公寓
和平区台儿庄路32号
和平区西宁道37号

Sheraton Apartment
A: Zi Jin Shan Lu, Hexi District
T: +86 22 2731 3388
喜来登公寓
河西区紫金山路



Somerset International Building Tianjin

A: No. 75, Nanjing Lu
Heping District
T: +86 22 2330 6666
天津盛捷国际大厦服务公寓
和平区南京路75号

Somerset Olympic Tower Tianjin

A: No. 126, Chengdu Dao
Heping District
T: +86 22 2335 5888
天津盛捷奥林匹克大厦服务公寓
和平区成都道126号

Somerset Youyi Tianjin

A: No. 35, Youyi Lu, Hexi District
T: +86 22 2810 7888
天津盛捷友谊服务公寓
河西区友谊路35号



The Lakeview, Tianjin-Marriott Executive Apartments

A: No. 16, Binshui Dao, Hexi District
T: +86 22 5822 3322
天津万豪行政公寓
河西区滨水道16号

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Real Estate



CBRE Tianjin
A: 42F, Units 12 & 13, Tianjin World Financial Centre Office Tower, No. 2 Dagubei Road, Heping District.
T: +86 22 5832 0188
W: cbre.com.cn
世邦魏理仕天津分公司
和平区大沽北路2号天津环球金融中心津塔写字楼42层12-13单元

Rentals



CAR/BUS Rental Services in Tianjin and Beijing with reasonable rates.

To make a reservation or enquiry, please send e-mail to info@chinabustravel.com
T: +86 135 0207 0987

Serviced Office



Regus Tianjin Center
A: 8F, Tianjin Centre, No.219 Nanjing Road, Heping District
T: 400 120 1205
W: www.regus.cn

雷格斯天津中心
和平区南京路219号天津中心8层



The Executive Centre
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A: 41F, Tianjin World Financial Center 2 Dagubei Road, Heping District
Tianjin
T: +86 22 5830 7888
W: executivecentre.com
天津德事商务中心
和平区大沽北路2号天津环球金融中心津塔写字楼41层

Travel Agencies



Tianjin's travel agency specialising in tourism for foreigners
T: +86 159 2200 0555
E: info@thestarstravel.com

Spas

Green Bamboo Well Being Resort

A: 6-17, bldg. 17, Magnetic Capital Binshui Xi Dao, Nankai District
T: +86 22 8378 8397 (English)
+86 136 0205 9458 (Attn: Elsa)
青竹堂足疗养生馆
时代奥城商业广场17座6层17号



HEALTH

Hospitals

Tianjin International SOS Clinic

A: 1F, Sheraton Hotel,
Zi Jin Shan Lu, Hexi District
T: +86 22 2352 0143
天津国际 (SOS) 紧急救援诊所
紫金山路天津喜来登大酒店公寓楼1层



Tianjin United Family Hospital

A: No.22, Tianxiao Yuan
Tanjiang Dao, Hexi District
T: +86 22 5856 8500 (Reception)
24 Hour Emergency:
+86 22 5856 8555
W: ufh.com.cn
天津和睦家医院
河西区潭江道天潇园22号

Gyms

Powerhouse Gym

A: Binjiang Shopping Center, Kaifeng
Dao, Xiao Bai Lou (1902 Street)
Hexi District
T: +86 22 2302 2008
宝力豪健身俱乐部
河西区小白楼滨江购物中心

Swimming Pools

**GLO Fitness & Health Club
Swimming Pool**

A: 6F, Hotel Nikko Tianjin, No. 189
Nanjing Lu, Heping District
T: +86 22 8319 8888 ext. 3290
焕 - 健康中心游泳池
和平区南京路189号天津日航酒店6层

**Sheraton Hotel Tianjin
Swimming Pool**

A: 1F, Sheraton Hotel Tianjin
Zi Jin Shan Lu, Hexi District
T: +86 22 2731 3388
喜来登酒店游泳池
河西区紫金山路天津喜来登大酒店1层

**Swimming Pool at Radisson
Plaza Hotel Tianjin**

A: 4F, Radisson Plaza Hotel Tianjin
No. 66, Xinkai Lu, Hedong District
T: +86 22 2457 8888
天诚丽笙世嘉酒店游泳池
河东区新开路天诚丽笙世嘉酒店4层

Indoor Swimming Pool

A: 4F, Health Club, Holiday Inn
Tianjin Riverside, Phoenix Shopping
Mall, Haihe Dong Lu, Hebei District
T: +86 22 2627 8888 ext. 2318
海河假日室内游泳池
河北区海河东路凤凰商厦天津
海河假日酒店4层

DINING

TEDA & TANGGU

Brazilian

Salsa Churrasco

A: 11F, Holiday Inn Binhai Tianjin
No. 86, 1st Avenue, TEDA
T: +86 22 6628 3388 ext. 2740
巴西烧烤餐厅
开发区第一大街86号天津滨海假日
酒店11层

Chinese

Wan Li Chinese Restaurant

A: 2F, Renaissance Tianjin TEDA
Hotel & Convention Centre
No. 29, 2nd Avenue, TEDA
T: +86 22 6621 8888 ext. 6750
万丽轩中餐厅
开发区第二大街29号天津万丽泰达
酒店及会议中心2层

Yue Chinese Restaurant

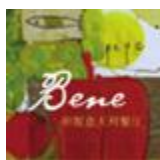
A: 2F, Sheraton Tianjin
Binhai Hotel
No. 50, 2nd Avenue, TEDA
T: +86 6528 8888
ext. 6220/6222
采悦轩中餐厅
开发区第二大街50号
天津滨海喜来登酒店2层

Japanese

Sake n Sushi Bar

A: 11F, Holiday Inn Binhai Tianjin
No. 86, 1st Avenue, TEDA
T: +86 22 6628 3388 ext. 2730
寿司吧
开发区第一大街86号天津滨海假日
酒店11层

Italian



Bene Italian Kitchen

A: 2F, Sheraton Tianjin Binhai Hotel
No. 50, 2nd Avenue, TEDA
T: +86 6528 8888 ext. 6230/6232
班妮意大利餐厅
开发区第二大街50号
天津滨海喜来登酒店2层

Western

Brasserie Restaurant

A: Renaissance Tianjin TEDA
Hotel & Convention Centre
No. 29, 2nd Avenue, TEDA
T: +86 22 6621 8888 ext. 3711
万丽西餐厅
开发区第二大街29号天津万丽泰达
酒店及会议中心



**Feast All Day Dining
Restaurant**

A: 1F, Sheraton Tianjin Binhai Hotel
No. 50, 2nd Avenue, TEDA
T: +86 6528 8888 ext. 6210
盛宴全日制西餐厅
开发区第二大街50号
天津滨海喜来登酒店1层

BARS



**Happy Soho Live Music &
Dance BAR**

(Opposite of Central Hotel)
A: No. 16, Fortune Plaza,
Third Avenue, TEDA
T: +86 22 2532 2078
欢乐苏荷酒吧
开发区第三大街财富星座16号
(中心酒店对面)

Education



TEDA International School

A: No. 72, 3rd Avenue, TEDA
T: +86 22 6622 6158
泰达国际学校
开发区第三大街72号



**Tianjin TEDA Maple Leaf
International School**

A: No. 71, 3rd Avenue, TEDA
T: +86 22 6200 1920
天津泰达枫叶国际学校
开发区第三大街71号

Hotels

Holiday Inn Binhai Tianjin

A: No. 86, 1st Avenue, TEDA
T: +86 22 6628 3388
天津滨海假日酒店
开发区第一大街86号

HEALTH



**RENAISSANCE TIANJIN TEDA
CONVENTION CENTRE HOTEL**

A: No. 29, 2nd Avenue, TEDA
T: +86 22 6621 8888
天津万丽泰达酒店及会议中心
开发区第二大街29号



Sheraton Tianjin Binhai Hotel

A: No. 50, 2nd Avenue, TEDA
T: +86 22 6528 8888
F: +86 22 6528 8899
天津滨海喜来登酒店
开发区第二大街50号
<http://sheraton.com/tianjinbinhai>

Spas

Touch Spa

A: 2F, Renaissance Tianjin TEDA
Hotel & Convention Centre
No. 29, 2nd Avenue, TEDA
T: +86 22 6570 9504
开发区第二大街29号天津万丽泰达
酒店及会议中心

Yue Spa

A: 15F, Holiday Inn Binhai Tianjin
No. 86, 1st Avenue, TEDA
T: +86 22 6628 3388
开发区第一大街86号天津滨海假日
酒店15层

Hospitals

**Tianjin TEDA International SOS
Clinic**

A: 102-C2 MSD, No.79
1st Avenue, TEDA, Tianjin
T: +86 22 6537 7616
国际SOS天津泰达诊所
天津经济技术开发区第一大街79号
泰达MSD-C区2座102室

Gyms

Champs Elysees

A: 2F, Renaissance Tianjin TEDA
Hotel & Convention Centre
No. 29, 2nd Avenue, TEDA
T: +86 22 6621 8888
香榭丽舍健身俱乐部
开发区第二大街29号天津万丽泰达
酒店及会议中心2楼

**Holiday Inn Binhai Hotel
Fitness Center**

A: 15F, Holiday Inn Binhai Tianjin
No. 86, 1st Avenue, TEDA
T: +86 22 6628 3388 ext. 2960
天津滨海假日酒店健身中心
开发区第一大街86号天津滨海假日
酒店15层

Selected INTERNATIONAL FLIGHTS

for more, contact editor@businessianjin.com
(1=Mon, 2=Tue, 3=Wed, 4=Thu, 5=Fri, 6=Sat, 7=Sun)

From Tianjin

DEST	DEP	ARR	Flight No	Days
Seoul*	11:10	14:00	KE806	1234567
	15:20	18:05	KE864	

The summer extra flights KE863/KE864 are operated between May 28 - Oct 27, 2012.

From Beijing

DEST	DEP	ARR	Flight No	Days
Seoul*	11:50	15:10	KE2852	1234567
	13:20	16:20	KE856	1,3,5,7
	21:15	00:10+1	KE854	1234567

From Seoul

DEST	DEP	ARR	Flight No	Days
Los Angeles	11:10	08:50	KE001	1234567
	15:15	10:25	KE017	1234567
	20:00	14:45	KE011	1234567
	21:35	16:35	KE061	1,3,5..
Las Vegas	20:50	16:00	KE005	1,3,5..
San Francisco	17:05	11:20	KE023	1234567
Seattle	18:00	11:50	KE019	.234.67
Dallas	11:00	09:30	KE031	.234.67
Chicago	11:40	10:25	KE037	1234567
Atlanta	10:30	11:00	KE035	1234567
Washington , D.C.	18:00	18:40	KE033	.2,4,6.
	10:30	11:10	KE093	1234567
New York	10:20	11:35	KE081	1234567
	19:30	20:40	KE085	1234567
Honolulu	19:00	08:20	KE051	1234567
	21:00	10:05	KE053	1234567
Vancouver	18:50	12:35	KE071	123.56.
Toronto	10:00	10:15	KE073	.23.567
Sao Paulo	21:35	10:45	KE061	1,3,5..

To Tianjin

ORIGIN	DEP	ARR	Flight No	Days
Seoul*	09:20	10:10	KE805	1234567
	13:20	14:10	KE863	

To Beijing

ORIGIN	DEP	ARR	Flight No	Days
Seoul*	9:30	10:30	KE2851	1234567
	11:05	12:10	KE855	1,3,5,7
	19:00	20:05	KE853	1234567

To Seoul

ORIGIN	DEP	ARR	Flight No	Days
Los Angeles	11:05	19:25+1	KE002	1234567
	12:45	17:50+1	KE018	1234567
	23:30	04:20+2	KE012	1234567
	23:50	04:50+2	KE062	.2,4,6.
Las Vegas	23:00	04:40+2	KE006	1,3,5..
San Francisco	13:20	17:50+1	KE024	1234567
Seattle	13:50	17:20+1	KE020	.234.67
Dallas	12:10	16:30+1	KE032	.234.67
Chicago	12:45	16:25+1	KE038	1234567
Atlanta	00:30	04:20+1	KE034	..3,5,7
	13:15	16:55+1	KE036	1234567
Washington , D.C.	13:35	16:55+1	KE094	1234567
New York	00:50	04:00+1	KE086	1234567
	14:00	17:20+1	KE082	1234567
Honolulu	10:15	15:40+1	KE052	1234567
	12:10	17:30+1	KE054	1234567
Vancouver	14:35	17:50+1	KE072	123.56.
Toronto	12:15	14:45+1	KE074	.23.567
Sao Paulo	12:45	04:50+2	KE062	.2,4,6.



* Flights from Beijing/Tianjin to Seoul to Beijing/Tianjin provided by Korean Air. Schedules are subject to government approval and may be changed without prior notice.

From Beijing

DEST	DEP	ARR	Flight No	Days
Istanbul	23:55	05:25	TK21	1234567



* Flights from Beijing to Istanbul, from Istanbul to Beijing provided by Turkish Airlines. Schedules are subject to government approval and may be changed without prior notice.

To Beijing

ORIGIN	DEP	ARR	Flight No	Days
Istanbul	00:35	14:00	TK20	1234567

TIANJIN-BEIJING AIRPORT Shuttle Bus

¥80 one way

Tianjin - Beijing Airport Terminals 2/3
04:00-18:00, runs every 45 minutes. Tian Huan Distance Bus Passenger Station
The junction of Hongqi Lu and Anshan Xi Dao. Tel: +86 1686 8999

Beijing Airport Terminals 2/3 - Tianjin
07:00, 08:00, 09:00 then every 30 minutes until 23:00. Exit on the 1st floor at Gate 11/Terminal 2 and Gate3/Terminal 3. Tel: +86 10 6455 8718

TEDA-BEIJING AIRPORT Shuttle Bus

¥90 one way

TEDA - Beijing Airport Terminals 2/3
06:30-19:30, runs every hour. 1st Avenue, TEDA. Tel: +86 22 6620 5188

Beijing Airport Terminals 2/3 - TEDA
10:00-22:00, runs every hour. Exit on the 1st floor at Gate 11/Terminal 2 and Gate3/Terminal 3. Tel: +86 10 6455 8718

BULLET (C) TRAIN

TJ ~ BJS (¥55 - ¥66)			
Train	Tianjin	Beijing	
C2002	06:25	06:55	
C2094	22:45	23:15	

BJS ~ TJ (¥55 - ¥66)			
Train	Beijing	Tianjin	
C2001	06:35	07:05	
C2093	23:00	23:30	

TG ~ BJS (¥66 - ¥80)			
Train	Tanggu	Beijing	
C2274	12:40	13:10	
C2280	20:25	20:55	

BJS ~ TG (¥66 - ¥80)			
Train	Beijing	Tanggu	
C2273	10:45	11:15	
C2279	18:50	19:20	

Wuqing ~ BJS (¥39 - ¥46)			
Train	Wuqing	Beijing	
C2202	06:53	07:18	
C2232	20:43	21:08	

BJS ~ Wuqing (¥39 - ¥46)			
Train	Beijing	Wuqing	
C2201	06:45	07:07	
C2231	21:15	21:37	

Beijing-Shanghai High-Speed Railway

Origin	Departure Time		Destination	Duration	Price		
	Tianjin South Station	Tianjin West Station			First Class	Second Class	Sleeper
Tianjin	G315	09:17	17:16	07:59	600	370	1065
	D325		15:15	08:05		375	
	D365	08:44	15:42	06:58	855	370	799
	G333		15:08	04:59	870	510	
	G41		12:12	05:07	855	515	
	G129	12:45	17:33	04:48	855	510	
	G145	15:12	20:06	04:54	870	510	
	G211		17:25	05:14	870	515	
	G21		19:28	05:02	515		

The Past is Obdurate!

Stephen King brings us **11/22/63**
which takes us all back

By Sam Ragnarsson

Even though I can't consider myself a fan of Stephen King, he sure does have my respect as being one of the most prolific writers of our times, and about the hardest working one as well. In his new novel *11/22/63*, he has spent months, if not years, researching his material, while having been thinking and making notes for it since shortly after the assassination of JFK, of which the book partially revolves around.

The story is about Jake Epping, a 35 year old teacher in Lisbon Falls, Maine who is told about a hole in the fabric of time, and his attempts to go back and change the past. Surely this must be everyone's dream at some point, and being an avid sci-fi fan, I eagerly purchased the audio version of *11/22/63* and started to listen.

Brilliantly read by Craig Wasson, I was immersed in the all too famous

Stephen King universe of interesting characters, small town life, and especially here, a well researched history lesson of life in the USA during the 1960's.

The book grabs you from the first pages, and I wish I could tell you that it didn't let go until you finish, but the momentum is lost as Stephen King takes us through twists and turns, stretching out the book to almost 900 pages.

For any other author this would have meant a flop and whole heap of bad reviews, but Stephen King's words are so much a delight that all can be forgiven. It could be argued that *11/22/63* would be a better book if cut down to 350 pages, and for that I will eagerly await the movie version.

However, for true fans of Stephen King, all 849 pages are a must, as he weaves into his story and references



Language: English
Hardcover: 849 pages
Price: \$ 35.00 + Shipping

to past and even future characters from his other novels. For people that lived in the USA at this time, the look back might also be a remarkable treat as *11/22/63* is full of details that only local people will get.

It was an interesting book and a true pleasure to listen to. However, I do think that it is not nearly as suspenseful as many of his other books.

If you want to purchase this book, please send an email to BOOKS@INTERMEDIACHINA.COM, we will deliver the book to your door.

QUOTATIONS OF THE MONTH

Try not to become a man of success but rather to become a man of value.

----- Albert Einstein

Real success is finding your lifework in the work that you love.

----- David McCullough

A strong positive mental attitude will create more miracles than any wonder drug.

----- Patricia Neal

Study the past if you would define the future.

----- Confucius

Riesling

For the month of May, I would like to introduce you to Riesling, one of the world's greatest white wine grapes. Native to Germany and with a history dating back more than two thousand years,

Riesling wines are often consumed while young, when they make a fruity and aromatic wine which may have a bouquet of green apples, grapefruit, peach, gooseberry, honey, rose blossom or cut green grass, and usually a crisp taste due to the high acidity. However, the Riesling grape's ability to retain its acidity while achieving high sugar levels is what creates wines with considerable aging potential.



Riesling is vinified in an array of styles ranging from dry to very sweet. In Germany, they are usually categorised in ascending order of sweetness as Auslese, Beerenauslese, and Trockenbeerenauslese. Riesling can also be found in California (in dry, semi-sweet and "Trockenbeerenauslese style), Eden and Clare valley of Australia (very popular now for its high quality and crisp taste), and Alsace of France (probably most wine connoisseurs' first bottle of Riesling).

Next time, bring a bottle or two of semi-sweet or dry Riesling when you're invited to a Chinese dinner. Serve the wine chilled, and I am sure you will be the most popular person at the party.



Joey Wu, Hotel Manager at The St. Regis Tianjin

As you celebrate Mother's Day this month, don't forget that Riesling matches perfectly with Sunday Brunch, picnics, and almost all dishes from Chinese cuisine. Here are some suggestions:

Dr. Loosen Riesling, Germany – Universal women's wine and is great for beginner's level wine drinking mothers (semi sweet taste, light in alcohol).

Pikes, Traditional Riesling, Australia – good quality Riesling from Australia. For intermediate level wine drinkers. Domaine Paul Blanck Riesling AOP, France – classic Riesling from Alsace, France. For advanced level wine drinkers. **B**

Visit us online:
btianjin.cn/120515

About Joey Wu:

Joey Wu is the Hotel Manager of The St. Regis Tianjin and is an avid wine lover. As Hotel Manager, Joey is directly responsible for the hotel's daily management, including budgeting and financial management, planning, organising and directing all hotel services, including front office, food & beverage and housekeeping. With more than 17 years of experience in the hospitality industry, he has gained valuable experience in various aspects of food and beverage, including wine, and hopes to increase the knowledge of wines in Tianjin city. Joey Wu is a contributing columnist about wine notes & recommendations for Business Tianjin readers.





I SURVIVED A CHINESE HOSPITAL

The once blue wall looked sickening to me as I got out of bed for the first time in 5 days. Blue was my guess, as big parts of the wall were so scratched by passing hospital beds or dirtied by countless unwashed hands leaving the original colour questionable. I was tired beyond belief after all that bed rest, my breathing still was that of an 80 year old smoker, which my 39 year old brain was having a hard time dealing with. My goal was the restroom, which I had yet to lay my eyes on. As I opened the door, I came to the conclusion that I had not really missed much, with the stench hitting me like a bus, and the state of it horrifying me. Tissues were scattered over a dirty floor, and the sink looked unkept with water all over the counter, mirror, and walls. The toilet, a westernised version to my relief, was there, but no toilet paper, towels, soap or any other such commodities were to be found. I returned to my bed with a sigh.

Five days earlier, I had apparently been close to death. Having already gone to the doctor a couple of times, I was still convinced that this was a case of a dog allergy in combination with the flu. However, I wasn't getting better, and that evening I was struggling to breathe.

Being unable to breathe is a scary concept, like drowning on dry land, a feeling of your body betraying you or going on a strike. It was clearly demanding of

me that I deal with this and so was my wife, calling for an ambulance after some objections from me.

The ambulance staff gave me a single order: Do not move or you could die. When I insisted I could walk to the ambulance, they shook their heads furiously and after having helped me onto a gurney in a half raised position, one of them had his hand on me for most of the ride to the hospital to ensure I did not move.

In China, emergency vehicles do not seem to have the right of way, slowly making their way through traffic, often with lights on and sirens blaring which other drivers seems to completely ignore among a symphony of honking horns. My wife now got into a frenzied discussion with the driver of the ambulance, and at the same time was making several phone calls. Later, I found out that my wife needed to pick a



hospital for the ambulance to go to.

Pick a hospital!!! I just couldn't believe it. I can just imagine poor half dying people in ambulances across China, with the staff giving them options for hospitals, and asking them to call and make sure they can be received. As we got to the hospital, I was pushed directly to see a doctor, or so I thought. Here, there was no special room for you to be looked at, no nurses that asked you to wait for a while, no silly anatomical figures, or posters on the wall. Instead, there was an area with room for about 6 beds where

Last Words

everyone that needed seeing-to was. My father-in-law arrived, which was a good thing, as now the cat and mouse game of treatments and payments ensued.

As a project manager by trade, the disorganisation of payments for treatments and medicine astonishes me. Even though it would be a challenge, surely, simple procedure enhancement could simplify the whole process. In China you pay to see the doctor, at which point he will possibly tell you that you need some x-rays, blood tests, or other diagnostic procedures. For each, you have to pay, often separately, and always beforehand, and still go back to the original doctor for analysis. In my mind, having everything done and checked, then paying the bill as you leave seems more efficient, or even paying a large deposit at the start, with settlement at the end.

That night I was almost glad to be stuck in bed, as my wife and father-in-law had to make several trips to an ATM, paying for anything from blood tests, drugs, bedpans, and an asthma inhaler, not to mention the actual hospital deposit. I felt fortunate that I had my family with me, and it started to dawn on me why families in China stick together so tightly.

I spent the better part of the night in the emergency centre. My surprise of how different Chinese hospitals are, compared to my experience, kept on growing. I was sent to take some tests, with my wife wheeling me out through the general public, where I had to wait in line, on my gurney, in the hallway. Taking shallow breaths, I surrendered to my situation and squeezed my wife's hand.

In the morning, I was brought up to some type of lung and asthma wing, and got a bed in a first room. Seeing

as I was sharing it with someone else, and that no curtains were available for some privacy, I faintly asked my wife to see if she could get some screens. Later, I found out I got the only screen on the whole floor.

During my next 10 days, I got much better care than I had expected, while some discoveries simply left me flabbergasted. Possibly the biggest surprise, was that the hospital does not provide any food or drinks. The hospital expects someone to stay with you at all times, which made for some bonding with my father-

in-law as he watched over me while I slept (my wife was home with our daughter). Chinese also have perverse interest in blood pressure, temperature, water intake, and your toilet trips. This would all be recorded on a religious basis

Today, I can look back and smile. The doctors and nurses at that hospital were kind and gentle to, most likely, an often difficult foreigner. They all took great care of me and were never dismissive. When I went back to my home country, I got their diagnosis confirmed, along with learning that their treatment was exactly the same, as I would have received in a western hospital. I also got to hear that the ambulance people might just have saved my life by insisting that I stay still.

Just remember that if you ever have to go to Chinese hospital, that you need family and friends, and cash! **B**



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