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2012
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Leading China's Hydro Market

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Alstom Hydro China

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Interview with Yves Rannou, General Manager, Alstom Hydro China

Alstom is a prolific multinational conglomerate with over 85,000 employees worldwide, operating in 70 countries. Founded in 1928, Alstom has since become a global leader in transport, power, and grid transmission. Operating in Tianjin since 1995, Alstom Hydro Company (AHC) has led the way in creating clean energy in China. [See P18](#)



◀ Pure Gold: Is the Precious Metal about to Lose Its Shine as an Investment Asset?

If there's one commodity the investment world is talking about right now - it's Gold. Throughout human history, people have seen the world's most sought after precious metal as a safe bet. Indeed, ownership of Gold has long protected its bearers from inflation, currency devaluation and stock market volatility. There is certainly a track record of success in recent times. [See P34](#)



◀ Intellectual Property Rights (IPR) Strategy for SMEs in the EU Ceramics Sector

Since the ceramics industry in the EU is affected greatly by low-cost 'copies' of products being imported into the EU and an increasing number of such imports are coming from China, it is important that rights holders create and implement an IPR strategy. [See P51](#)



◀ Tablet Competition Heating Up

On 18 June, Microsoft shocked the tech world by entering the tablet hardware market with the announcement of Microsoft "Surface". A week after Apple unveiled its new lineup of Mac books and its new iOS 6 updates, Microsoft stole their thunder with a surprising announcement; they are entering the tablet market. Many people are already saying that this will be the device which will finally compete with Apple's iPad; the product that currently has, by far, the largest market share of tablet ownership. But not to be outdone, Google has joined the party too. [See P62](#)

Correction: Craig Bond's year of birth is not 1978, this was the year he completed his schooling.

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Dear Reader,

We are encountering a very different summer from previous years. Many companies are struggling to cut expenses as they are estimating lower profits at the end of the year. The end of 2012 could be catastrophic for Chinese companies who fail to make necessary adjustments to adapt to the new economic circumstances.

Our cover story this month features the GM of Alstom Hydro China- one of the most remarkable companies in Tianjin which employs almost 2000 people. Our visit to their factory and conversation with their employees, Chinese and Foreign, impressed us greatly. We had the honour of speaking with Mr. Rannou and getting an insight into his style of management which is leading the steady growth of the company; especially given that his company faces important decisions regarding new projects and challenges in the near future. One of these major projects includes a fantastic new factory near the Airport Free Trade Zone.

Frankly speaking, Tianjin owes a great deal of thanks to Alstom for its magnificent contribution to the city. Alstom is an excellent example of a factory based firm which upholds a splendid health and safety record. Under their stewardship, their industrial facilities have avoided any accidents as they consistently put safety and people as first priorities.

In this issue of Business Tianjin, we are again featuring exemplary cases of Chinese projects abroad. Thus far, outbound investment has increased over 47% during 2012, and we recommend that you read our feature story and in order to gain an insight into what is happening in Europe to attract Chinese companies. Manufacturing looks set to remain in China, whilst Chinese companies are finding formulas to trade abroad with lower costs.

Furthermore, don't miss our Legal section's article discussing Dim-Sum Bonds. Here we show the incredibly important role of Hong Kong for the future development within the Chinese economy. State Own Enterprises continue to raise funds for fixed assets investments.

Our IT section will provide you with an excellent comparative analysis of the options available in the market.

We are proud to be the best business magazine in Tianjin and with your input we strive to improve even further. I am more than happy to answer all of your questions and I very much welcome your suggestions.

Best regards,

J. Hernan

Managing Director | Business Tianjin Magazine

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TIANJIN NEWS

Wellington's Students Dedicated a Wonderful Performance
Business Tianjin, 1 July



One of the main highlights of the end of the school year in Wellington was the Drama Department's first major student production, the Pulitzer Prize winning play *Our Town* by American dramatist Thornton Wilder. The opening night was on Saturday, 16 June, with two further sell-out public performances. The production took place in the College's Black Box, an intimate and atmospheric venue, which was perfect for the play. With only minimal help from costumes, the actors, all Senior School pupils, were thrown back on their ability simply to speak lines and inhabit character, both of these in front of an audience brought intimately and intimidatingly close to the action so that the usual comfort zone between stage and spectator was eroded. The play was directed by College Drama teacher, Georgina Chakos, who coaxed impressive, polished performances from the cast, many of whom had never acted before and were not native English speakers.

Yi Boutique Hotel Tianjin Opened
Business Tianjin, 20 July



The newly completed Yi Boutique Hotel Tianjin is a blend of architectural uniqueness. The characteristic design, interior decoration with state-of-the-art equipment creates a cosy but refined ambience. Complimenting the hotel is Via Veneto Cuisine and Lounge under the guidance of their Michelin Star Chef from Spain. Creative interpretations of East and West cuisines are attentively served at the Via Veneto Cuisine and Lounge.

Rego International School's Olympic Picnic

Business Tianjin, 6 July



There is nothing like starting your summer vacation in school with all your lovely classmates and teachers and just having pure fun! And that is exactly what Rego International School did with their end-of-semester activity dubbed as Olympic Picnic, a great way to say goodbye to school and say hello to the summer vacation. Held on June 28 at the Rego International School campus in Meijiang Area, the school's Olympic Picnic included an indoor picnic, tug of war, flea market, school band concert, a softball match and a presentation from the school's staff band. The activities started at 1 pm with parents accompanying their kids to share in the excitement. After a whole afternoon of fun and games, the Olympic Picnic was sealed with a wonderful live musical performance from some of the school's faculty members. It's summer indeed, and students and teachers at Rego International School know the right way to start their summer vacation – Olympic Picnic is the way!

Tianjin Taiwan Trade Fair Open

China Daily, 9 July



The curtain of the 2012 Taiwan Trade Fair was raised in Tianjin on July 5, and lasted until July 8. Various creative products could be seen at the fair, among which, ten top the world in terms of their unique functions. The ten products showcased in the exhibition area related to life and healthcare. They included the world's first driver fatigue detector and a green power

generator hub dynamo, which can be used to store power generated by the movement of the cyclist. In addition to the ten top-ranking products, there was also another 122 high-tech and creative exhibits covering fields such as electricity, fitness, energy-conservation, and home life. This year's fair comprised exhibition areas including green and low-carbon life, the cultural and creative industry, famous Taiwan tea, healthcare, agricultural products and original gourmet products from Taiwan.

Grand Opening of Tianjin Global Administration Ltd.

Business Tianjin, 1 July



Tianjin Global Administration Ltd. is cooperative partner of Uniserve located in Rm1603, Office Tower C, City Centre, was established on 20th June 2012. Uniserve is the largest British privately owned international freight and logistics company in the UK, established in 1984. Working with an unrivalled network of professional partners across the world, Uniserve is a leading import and export consolidator and full load carrier, operating via air, sea and road. Uniserve experts in all major Global trade markets and specialists in Europe, China, South East Asia, and The Indian Subcontinent. They pride themselves on their experienced, knowledgeable, dedicated team, selected from the finest in the industry to provide the best service and advice to you, across all modes and aspects of transport, import and export procedure. Mr Iain Liddell, MD in Uniserve, is one of freight's great self-made men. He launched Uniserve 27 years from a Portacabin outside the port of Tibury. The company has subsequently grown into the largest privately-owned UK freight forwarder, and can justifiably lay claim to be a genuinely global logistics company.

5th Anniversary Party of Hotel Nikko Tianjin Held

Business Tianjin, 4 July



The 5th Anniversary Party of Hotel Nikko Tianjin was held in its Diamond Ballroom on June 29, 2012. Almost 200 customers and media attended the party. Mr. Michael Borostyan, General Manager of the hotel, expressed his sincere appreciation for the kind support received from all the customers during the past five years on behalf of the management team. Hotel Nikko Tianjin, located at the heart of Tianjin city centre, is a luxurious hotel. The 373 guest rooms and suites are some of the most spacious in the city and, contain the latest in-room technology. The 5 star hotel offers authentic Japanese and Chinese cuisine, and an enthusiastic and dedicated staff.

Sights and Tastes of Korea

Business Tianjin, 15 July



Savour authentic Korean cuisines specially prepared by the guest chefs Kim and Shin from the Renaissance in Seoul, Korea, experience Korea culture. For this summer, the Renaissance Tianjin Lakeview Hotel together with Korea Argo-Trade Centre and Korea Cultural Centre offer you 'an impressive and unforgettable summer night'. For the first time at BLD of Renaissance Tianjin Lakeview, you can take advantage of the experience and discover Korean food and culture plus a lot more from 3 to 31 of August 2012. Lunch buffet will be at CNY 198 (Net) from 11:30am to 2:00pm, and dinner buffet at CNY 228 (Net) from 5:30pm to 10:00pm. For reservations, please contact BLD at 022-5822 3160/3161. Children 12 years and below will only pay half the price.

Tourism Industries Expo to Open in Tianjin in Sept

China.org.cn, 5 July

China Tourism Industries Exposition (CTIE) will be held in Tianjin between Sept 20-22 this year. The expo will fully demonstrate the latest achievements in the manufacturing of tourism equipment, and distinctive tourism products. According to She Qingwen, Head of Tianjin Tourism Bureau, the 2012 CTIE will highlight the concept of smart tourism. Visitors will have the opportunity to interact with 3D technology through Internet and mobile communication devices, which will be used to interpret "Smart Tourism", providing them with a rich visual tour via touch-screens. In addition, a conference of 16 port cities in Bohai Rim will take place in order to discuss cooperative plans to open up cruise lines and Recreation Vehicle (RV) lines for tourism travel within the region. The CTIE has been held successfully in Tianjin for three years since 2009, and this year's event is themed around "A festival of tourism industries, a platform for win-win cooperation". More than 500 enterprises from home and abroad have shown their willingness to participate in the exposition in Sept.

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Business Person of the Year
Business Tianjin, 16 July



The Business Person of the Year competition is the culmination of a year's study of Business English as part of a double degree in Financial Management at the Tianjin University of Science and Technology (TUST). Students need to submit a business plan that describes an original business idea, details how the business is organised, the key people and skills required, and how the product or service will be marketed together with detailed costs and the projected income for the first 5 years. The awards went to the students whose plan presented a credible, cohesive and convincing business case, within a professionally produced document. The 6 finalists were awarded certificates by the Director of Studies, Mick Moynahan. All the finalists' plans were judged excellent, however, the overall winner Zheng Lihuan (English name Yvonne) was considered as particularly outstanding due the attention to detail given throughout her plan.

FINANCE

ODI Climate Likely to Be Overcast
Xinhua News, 6 July

External conditions for Chinese Outbound Direct Investment will become more difficult, making it unlikely such investment will increase greatly in the second half of the year. Zhan Xiaoning, director of the United Nations Conference on Trade and Development (UNCTAD's) investment and enterprise division said on Thursday. "Chinese outward investment will not increase sharply in the second half unless the global economy deteriorates sharply — unless, for example, the European debt crisis worsens severely and brings greater investment opportunities to Chinese companies." The amount of foreign direct investment coming from China declined by 5 percent to \$65.1 billion in 2011, the first such decline seen since 2003. Consequently, according to the World Investment Report 2012 which the United Nations Conference on Trade and Development (UNCTAD) released on Thursday, 'the country fell to

ninth place in a ranking of countries that make the most such investments. Zhan added, "Despite the unexpected decline, China's ODI is in the midst of a period of quick development."

Manufacturing Growth Slows to 7-Month Low

Xinhua News, 2 July

China's manufacturing sector grew at its slowest pace in seven months in June, with the Purchasing Managers Index (PMI) for the sector easing further to 50.2 percent, according to official survey results published. The manufacturing sector's PMI reading retreated 0.2 percentage points from May and marked the slowest pace of growth in seven months. Official PMI data released by the China Federation of Logistics and Purchasing (CFLP) and the National Bureau of Statistics (NBS) suggested the manufacturing sector is still expanding, albeit at a slower pace. A reading of 50 percent demarcates expansion from contraction. For the second quarter, the manufacturing PMI was 51.3 percent, according to official data. "The PMI's moderation in June was driven partly by seasonal factors," said Cai Jin, President of the CFLP, adding that similar slowdowns have occurred in June in previous years. "Compared with past years, the extent of the slowdown in June this year was minimal, which suggests that the economy is building up a foundation for stabilised growth," Cai said, warning "downward pressure still exists."

Moderate Rise in Bank Loans

Shanghai Daily, 4 July

China's bank lending may expand at a "moderate" rate this year and the growth rate will see a notable retreat amid the slowing economy, according to a report released yesterday by the China Banking Association. The association predicted new Yuan-denominated loans would total RMB 8 trillion (USD1.26 trillion) to RMB 8.5 trillion (USD1.34 trillion) this year, higher than RMB 7.47 trillion in 2011. But the growth would be much slower than last year's 13.6 percent. The report said the key interest rates for deposits and loans would stay relatively stable but trend downward. It said the economic slowdown, financial reforms and tougher regulation in the banking sector would combine to drag down profit growth of Chinese banks. The growth of interest-bearing assets will slide slightly but will remain the major factor driving profits, the report said. With an interest spread of 3.06 percentage points, the

Chinese banks saw net profits grow 36.34 percent to RMB 1.04 trillion last year.

LAW & POLICY

China's Software Industry Picks up on Tax Breaks

People's Daily, 3 July

China's software industry grew slightly faster in the first five months of this year due to government tax preferences. The industry's revenues rose 27.2 percent year-on-year to RMB 860.8 billion (136.4 billion U.S. dollars) in the January-May period, the Ministry of Industry and Information Technology said in a statement. In May, revenues increased 30.8 percent year-on-year to RMB 208.8 billion, up 5.6 percentage points from April. In the first five months, software exports rose 11.5 percent to USD 13.4 billion, 1.3 percentage points faster than the growth in the first four months. Intensifying competition and weak external demand had dragged down the growth of China's software industry before the government in May announced preferential tax policies for software and Integrated Circuit (IC) enterprises to spur technological innovation and industrial upgrades. Companies producing IC tracks thinner than 0.25 microns or that have investment exceeding RMB 8 billion will be taxed at a discounted rate of 15 percent, the statement said. "China's current corporate income tax rate is set at 25 percent".

China Pledges to Help Private Firms Invest Abroad

China.org.cn, 4 July

China, on Tuesday, pledged to help private companies invest abroad while guiding and regulating their investment activities. The country will strengthen macro guidance on private companies' overseas investment and help them invest in a step-by-step and focused manner, according to a statement jointly issued by 13 central government departments, including the Ministry of Commerce and the People's Bank of China. The nation will increase financial support to private companies and simplify customs clearance procedures, the statement said. Private companies, which have invested abroad, are asked to abide by local laws and regulations, respect local social customs, protect the interests of their employees and fulfil social responsibilities. According to the statement, these companies are also encouraged to strengthen coordination and cooperation among each other to prevent disorderly and "malignant" competition.

LOGISTICS

Major High-Speed Railway Opens in Central China

People's Daily, 2 July

The Hanyi Railway, a section of a major high-speed rail corridor between the eastern metropolis of Shanghai and southwest China's city of Chengdu, opened on Sunday. The 293-km Hanyi Railway links Wuhan and Yichang, two large cities in central China's Hubei province. The railway will reduce travel time between the cities to 1 hour and 39 minutes, said Yang Tao, an official with the Wuhan Railway Bureau. The Hanyi Railway is part of the Shanghai-Wuhan-Chengdu Railway, or Huhanrong Railway, a major east-west high-speed rail corridor outlined in China's national high-speed railway development plan. The 2,078-km railway will travel through four provinces and two municipalities, connecting the cities of Shanghai, Nanjing, Hefei, Wuhan, Chongqing and Chengdu. Most sections of the Huhanrong Railway are in operation, with construction on the last section planned to be completed in 2013.

First Direct Flight to Nairobi Kenya by Korean Air from June 21

Skynews.co.kr, 17 June



For the first time in Northeast Asia, Korean Air started direct flights to Nairobi, Kenya, the gateway to East Africa. On 21 June at Incheon International Airport, Korean Air held a flight launch ceremony celebrating non-stop flights to Nairobi, Kenya, in the presence of Mr. Chang Hoon Chi, President & COO of Korean Air and H.E. Ngovi Kitau of Kenya Embassy, Seoul Kenya Ambassador to Korea, among others. Korean Air's new service to Nairobi is operated by an A330-200 aircraft with a total capacity of 226 seats. KE959 will depart from Seoul Incheon every Tuesday, Thursday and Saturday at 22:15 and will arrive in Nairobi at 05:30 on the next day. As for the return flight, KE960 will depart from Nairobi at 10:30 every Wednesday, Friday and Sunday and will arrive in Seoul/Incheon at 04:50 on the next day. Korean Air plans to establish a strong network and offer a convenient schedule by cooperating with Kenya Airways.

Turkish Airlines Has Been Named "Best Airline Europe" Again

Business Tianjin, 20 July



Turkish Airlines scored a resounding success at the 2012 Skytrax World Airline Awards, with air travellers voting the airline as the Best Airline in Europe, the second year running. Turkish Airlines has also been named as the winner of the categories, "Best Airline in Southern Europe" and "Best Premium Economy Class Airline Seat" for its Comfort Class seats by Skytrax. According to the results of the evaluation 2012, Turkish Airlines has been chosen as the winner of the 3 categories by Skytrax, which is a world recognised brand associated with air travel excellence in the 21st century, providing unique expertise to the world airline and airport industry through the most professional Audit and Service Benchmarking programs of Product and Service Quality. Turkish Airlines wins "Best Airline Europe", "Best Premium Economy Seats" and "Best Airline Southern Europe" at the World Airline Awards.

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MOR Issues Bonds Despite Debt Burden

Global Times, 5 July

The Ministry of Railways (MOR) started another round of bond auctions on Wednesday, despite concerns over the ministry's rising debt ratio. The ministry started auctioning RMB 18 billion (USD \$2.84 billion) worth of new railway construction bonds with a maturity of 10 years, the capital raised from which will be injected into 33 rail construction projects that include many high-speed rail lines, the ministry said in its bond prospectus. This marks the ministry's second issuance of enterprise bonds this year, following the sale of 10-year railway construction bonds worth RMB 20 billion, issued in June. With the latest bond issuance, the ministry's fundraising via channels including enterprise bonds, short-term financing bonds and medium-term notes, has this year, reached RMB 88 billion. The ministry has been continuing to pile up debt, resulting in a significant debt repayment burden. "The interest payments alone have become an increasingly hefty sum. It is already time for the ministry to be alert to default risks," Zhao Jian, a professor specialising in railway economics at Beijing Jiaotong University said.

TELECOM

Phones to Become China's Favourite Internet Platform

Xinhua News, 3 July

The number of people accessing the Internet via cell phones will exceed the number doing so via personal computers in China in the coming two or three years, experts predict. Experts at a conference organised by the Beijing Communication Industry Association said the "mobile Internet" - online services accessible through mobile terminals such as cell phones - will also drive the Internet's popularisation in the world's most populous nation. "China's mobile Internet has entered a booming period. Mobile app downloads in the country last year accounted for 11 percent of the world's total, second only to the United States," said Chen Jiachun, vice director of the telecommunications development department under the Ministry of Industry and Information Technology. "More than half the nation's netizens use the Internet with their cell phones, with each spending more than 100 minutes

online, on average, every day," added Chen Jiangong, a researcher at the China Internet Network Information Centre.

GENERAL

Ascott China Received Four Awards

Business Tianjin, 1 July



For the third year, Ascott China was awarded China's Most Popular Serviced Residence Hotel Brand at the 9th Golden-Pillow Award of China's Hotels on the 19th of June 2012. Mr. Kevin Goh, Regional General Manager of East & South China, attended the ceremony and accepted the award on behalf of Ascott China. Later the same month, during the 2012 China Economy Summit held in Beijing on the 25th of June, Ascott China was named 2012's Green Model, 2012's Innovation Model and 2012's Most Popular Brand amongst Business Elites. Evaluation for the 9th Golden-Pillow Award lasted nearly four months, during which scores of feedback from professional judges as well as millions of netizens' votes were considered. The four awards further consolidate Ascott's leading status as the largest serviced residence owner-operator in the industry. Two more serviced residences, Ascott Guangzhou IFC and Citadines Jinshang Road Xiamen, will open in the second half year of 2012.

The Best of Both Worlds

Business Tianjin, 20 July

Over half of Chinese workers (54%) are now free from the shackles of their desks reveals the latest survey commissioned by Regus, the world's largest provider of flexible workspaces, which canvassed over 16,000 professionals in more than 80 countries. These professionals are free to work from locations other than their company's main offices for half a week or more, helping them reduce the overall time spent commuting and giving them the freedom to choose work locations closer to home. Businesses have increasingly been offering flexible

working practices to workers as morale and health benefits become common knowledge, but this research confirms that 62% of employees would also work harder, benefiting the company, if they could reduce their commute. Importantly, this research also reveals that if businesses were to extend flexible working practices for their staff, not only would employee health, morale and loyalty improve, but also overall productivity as staff would work more. The findings confirm earlier Regus research revealing that globally 72% of companies had experienced increased productivity directly as a result of flexible working practices.

The Executive Centre Expands its Serviced Office Network

Business Tianjin, 20 July



The Executive Centre, Asia's leading premium serviced office provider, opened its second centre in Shenzhen on 27 July 2012, at the most sought-after business address, Kerry Plaza Tower 3, the Grade A landmark that is perfectly positioned at the heart of Shenzhen's new focal point of business activity, Futian District. Neighbouring the Shenzhen Civic Centre, the Shenzhen Convention and Exhibition Centre, a five-star hotel and metro transit hub, the building is in the paramount location for a successful business. The Executive Centre's new office space is situated on the 13th floor of Kerry Plaza Tower 3 and offers the highest quality of on-demand serviced offices ranging in size from 1 to 60 persons, virtual offices, meeting facilities, video conferencing and a broad range of business concierge services to address a wide range of client needs. The level of products and services offered by The Executive Centre demonstrates the company's commitment to providing premium serviced offices, with excellent service, in excellent locations. The new centre in Kerry Plaza Tower 3 has achieved a record 50% occupancy rate - even before its official opening, reflecting the recognition and confidence the customers have towards The Executive Centre.

CHINA IN THE WORLD

SMEs Cooperation Forum Opens in Tianjin

China Daily, 4 July



Chinese, West Asian and North African officials gathered in China's Tianjin municipality on Wednesday to discuss ways to seize development opportunities among countries in the regions. Altogether, about 170 officials, diplomats and entrepreneurs are attending the Third Session of China-West Asian and North African Countries Small & Medium Enterprises Cooperation Forum. The event, hosted by the International Department of China's Central Committee and the Tianjin Municipal Government, is specifically targeted at developing small and medium-sized businesses. "The purpose of the forum is for leaders from different countries and parties to exchange ideas in developing SMEs (Small and Medium-sized Enterprises) and discuss ways to give full play of each other's advantages", said Li Jinjun, deputy minister of the International Department of China's Central Committee.

Chinese Firm Wins Landmark Case in EU Court

China Daily, 20 July

The highest court of the European Union rendered a landmark judgment that sided with a Chinese firm Thursday, making it more difficult for the EU to reject Chinese State-owned enterprises' "Market Economy Treatment" (MET) claims. Excluding State-owned or State-controlled companies from MET solely because of the existence of State shareholding "would not be consistent with economic reality," according to Thursday's ruling by the European Court of Justice (ECJ). The case originated from tariffs imposed by the EU in 1998 on imports of the herbicide glyphosate from China's producer, Zhejiang Xinan Chemical, which sought MET from the EU, but was refused because of the "Chinese government's minority stake in the company". "The Chinese State's control over the general meeting of Xinanchem's shareholders does not automatically exclude that company from the benefit of market economy treatment," said the ECJ's ruling. When a firm is believed to be subject to "State interference", it tended to face the threat of much higher tariffs in the EU when the European Commission probes if goods are being "dumped". The granting of MET to certain producers subject to an anti-dumping investigation is a commercially-significant status.

Slogans for 2012 Annual Meeting of New Champions Determined

Enorth, 19 July

A discussion on the "Slogans for 2012 Annual Meeting of New Champions" by senior media specialists of Tianjin was organised by the Tianjin Summer Davos Forum Preparatory Office. The 2012 Annual Meeting of New Champions, to be held in September, is an international arena for Tianjin to communicate with the world. Through this platform, they aim to expand the influence of Tianjin and deciding on foreign publicity has been an important step in the preparatory process. Determining a distinctive and powerful slogan is of great significance to the publicity of the forum and Tianjin. With the theme of the annual meeting taken into consideration, and with the views of all parties considered and based on the development needs of Tianjin, three slogans were carefully selected. These are: "wisdom converged in Tianjin for a win-win future", "shaping the future economy and starting the innovation engine" and "converging the global wisdom to shape the future economy."

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Numbers

2.6

A report from Oxford University suggested that, the London Olympics would be the most expensive ever, spending GBP 8.4 billion, 2.6 times that of the Beijing Olympics.



185m

According to statistics, at the end of 2011, the number of Chinese senior citizens aged above 60 had reached 185 million.

1,400

To ease the difficulty of parking, Tianjin has stepped up its efforts. It's estimated that 12 parking structures will be added within this year, providing 1,400 parking space.



1,287

Reporters hear from the Management Committee of Tianjin Binhai New Area CBD that the number of registered enterprises has totaled 1,287 and registered capital CNY 153 billion.



2/3

There have been 2,177 registered equity investment funds in Binhai New Area so far. The registered capital totaled CNY 436 billion, accounting for two thirds of this type of investment in the whole country.

800 bln

In the upcoming 15 years, Tianjin will invest CNY 800 billion in the Nangang Industrial Zone to build it into a national level petrochemical industry base.



5,000

Some Chinese banks, such as ICBC, have raised the limit of cash withdrawals from an ATM to CNY 5,000 at a time. Some insiders thought it inevitable.

4,000

A US designer Darryl Oyster has developed an ultra high speed rail scheme. It is said that this kind of train can transport passengers from New York to London within an hour, reaching a speed of 4,000 miles per hour. According to Darryl, the design will become functional within 10 years.



1m

The main body of the Northern Yiwu International Trade and Business City has been completed in Jinghai County. Phase I of this project has a construction area of 1 million square metres. It's expected that in 2013, Tianjin citizens will enjoy the same shopping experience as people do in Yiwu, Zhejiang.



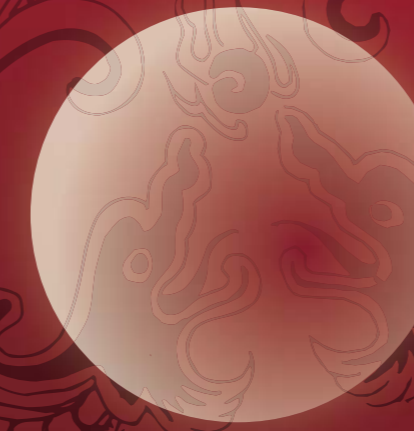
1 ton

The biggest ice-cream cone was made in England recently. The cone weighs more than 1 ton and rises to a height of over 4 metres, breaking the former world record.



184 m

Tianjin's Binhai Tanggu Marine Hi-Tech Development Area completed infrastructure investment and construction of CNY 184 million in the first half of 2012.



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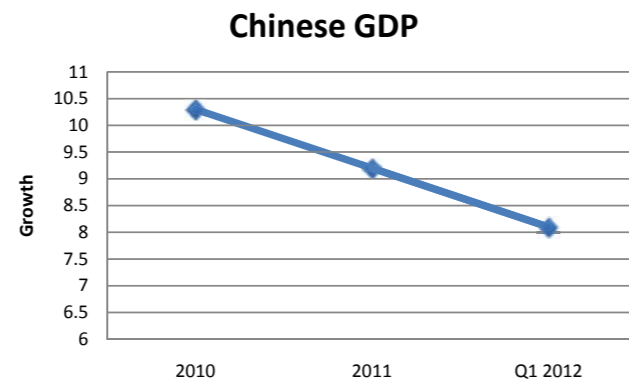
August China Economy Report

By Hyuk-tae Kwon



Chinese economic growth slows down to 7.6% from 8.1%

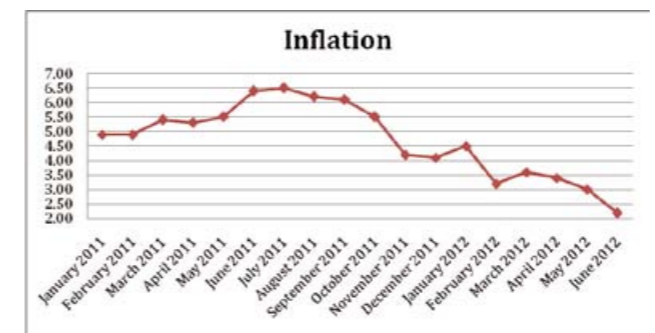
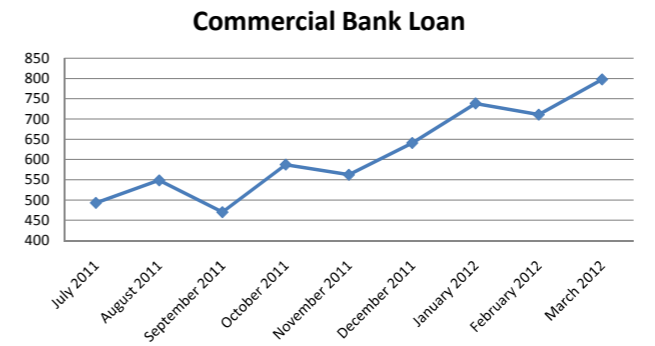
Chinese growth fell from 8.1 per cent in the first quarter of this year to 7.6% in the second quarter. Beijing tried to mitigate the slowdown by cutting interest rates twice in less than a month; The People's Bank of China (PBoC) cut its interest rate in China for the first time in three years on June 8 just before the slowing economic growth data was released. PBoC cut the country's one-year lending rate by 0.31 percentage point again on July 5, effective July 6, before another set of weak economic growth data was released.



“China’s decision to cut interest rates again, twice within a month, is a very important move,” said Nick Chamie, an analyst at Royal Bank of Canada in an interview with the Financial Times.

“This aggressive policy action reflects, in our view, a deepening concern over the health of the economy by policy makers. The economy has yet to find a bottom and requires additional stimulative monetary settings to engineer a recovery,” says Chamie.

Beijing is supporting growth by increasing new loans from CNY 793 billion in May to CNY 920 billion in June. Analysts anticipate more aggressive stimulus measures given that inflation has also dropped to the all time low of 2.2 per cent from the highest point of 6.5 per cent last year.



Some claims this can be worse than it looks

After the release of the economic data, a number of economists questioned if the reality may be worse than the government's numbers.

Economists with Barclays noted that a deceleration in industrial production was consistent with 7.0-7.3 per cent growth. Analysts at Capital Economics said that the true figure was probably closer to 7.0 per cent.

Investors are worried that China's slowdown is bigger than we know. The innovation missing from Chinese companies has long been found in the nation's data. At times, they are

rounded down to allay fears of overheating; sometimes they are fudged to make the second-biggest economy look healthier than it is, according to Bloomberg.

Looking at one of the three alternative indicators suggested by Li Keqiang, who is expected to succeed Wen Jiabao this year as premier, electricity output growth stayed flat in June whereas industrial production accounting for 40 per cent of GDP increased by 9.5 per cent in June.

Economists may have overreacted to the fact that electricity consumption is at odds with official gross domestic product reading. But it goes to show how significant measuring of the speed of China's economic growth engine has become to the rest of world.

Chinese corporations' struggle and bearish Shanghai stock market

While the global stock market has declined due to concern over the global economy and corporate earnings, stock prices of Chinese companies have followed suit.

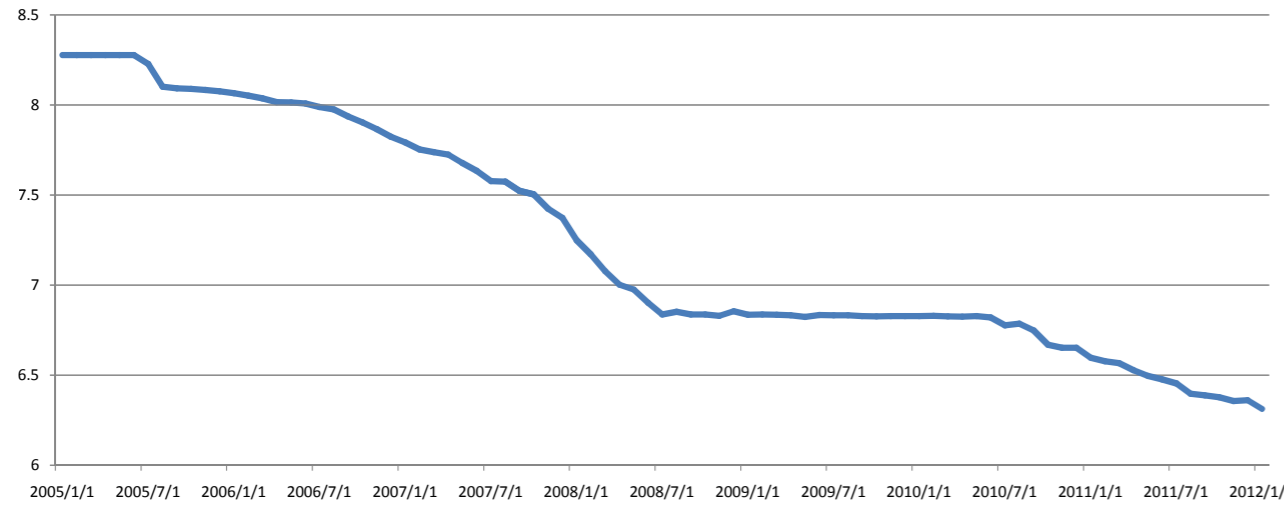
Both the Hang Seng and Shanghai Composite indices trade at about 10 times forward earnings – near the historical lows of the 2008 crisis. With margins depressed too, that often suggests stocks are poised for a rebound according to the Financial Times.



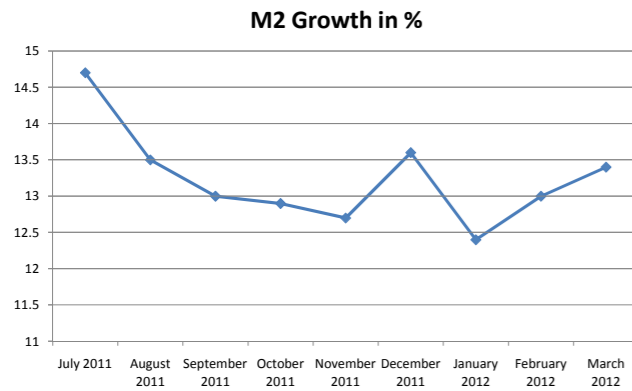
China's two largest brokerages by assets, both reported declines in net profit for the first half of this year, a result analysts attributed to lackluster trading in the country's stock market, explains the Wall Street Journal.

Citic Securities Co., China's largest brokerage by assets, said its net profit fell 24 per cent from a year earlier in the first half of 2012. Separately, Haitong Securities Co., China's second-largest brokerage by assets, said its first-half net profit fell 9.4 per cent from a year earlier.

USD/CNY= USD1 buys CNY6.31.
The stronger CNY, USD is able to purchase the less of CNY



Total profit for China's biggest state-owned companies fell by 16.4 percent in the first half from a year earlier as an economic slowdown deepened, the government said Friday.



The squeeze for even China's biggest, most politically favoured companies that benefit from monopolies and low-cost loans highlight the extent of the deepest slump since the 2008 global crisis as exports and domestic demand weakened.

Profit for the 117 companies in the top tier of state industry fell to CNY 387 billion (USD 61.4 billion) in the first half of 2012. ☑

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China World Hotel, Beijing appoints David Pooley as Chef De Cuisine At Aria

China World Hotel, Beijing has announced the appointment of David Pooley as Aria Restaurant's chef de cuisine. Chef Pooley, an Australian, will lead the restaurant's culinary team and kitchen operations and joins China World Hotel, Beijing from Shangri-La's Rasa Sayang Resort and Spa, Penang, where he was chef de cuisine at Feringgi Grill.

Highlights of Chef Pooley's 10-year career includes working in leading restaurants Quay and Claude's in Sydney. Quay, which specialises in modern Australian cuisine, is the highest ranked Australian restaurant in the world and was voted number 29 in the 2012 S. Pellegrino World's 50 Best Restaurants list. It has also won top honours in the Australian Gourmet Traveller Restaurant Awards and the Sydney Morning Herald Good Food Guide as "Restaurant of the Year" for two consecutive years in 2009 and 2010. At these top-ranked establishments, Chef Pooley honed his culinary skills and learned from Australia's best, such as Quay's celebrity chef Peter Gilmore and Claude's Chef Chui Lee Luk.



Dr. Pramod Kumarm Appointed Spa Director of Hyatt Regency Jing Jin City Resort and Spa

Dr. Pramod Kumar has been appointed spa director of The Balneum Spa at Hyatt Regency Jing Jin City Resort and Spa. With more than ten years of experience in hospitality, spa and wellness, Dr. Pramod Kumar will oversee all operations of The Balneum. This is an extraordinary spa supporting guests' wellbeing in the way of combination of healing by water philosophy and practice of Traditional Chinese Medicine.

Dr. Pramod Kumar has enjoyed an extensive career in spa and wellness. With a bachelor's degree in Ayurvedic medicine and surgery and a diploma in yoga and naturopathy, Dr. Pramod Kumar began his spa career in 2003. Prior to joining Hyatt Regency Jing Jin City Resort and Spa, he was Director of Spa at the award-winning Sereno Spa at Park Hyatt Goa Resort and Spa where he specialised in the management of spa operations and spa business development. Dr. Pramod Kumar also supported the opening of the unique Maldivian traditional medicine inspired "Vidhun Spa" at Park Hyatt Maldives, supported the Kriya Spa at Grand Hyatt Bali, and also introduced traditional Indian Ayurveda based treatments at Grand Hyatt Doha and Hyatt Regency Mumbai.

With a strong and diverse background within the spa industry, Dr. Pramod Kumar will lead The Balneum Spa team to offer the guests memorable experiences that will exceed all expectations.



Oscar Martinez, appointed as Director of Food & Beverage in The St. Regis Tianjin

Oscar was previously the Director of Food & Beverage of The St. Regis Shenzhen. Before that he was the Complex Director of Food & Beverage and Complex Director of Operational Excellence of The St. Regis Lhasa Resort, Four Points by Sheraton Lhasa.

Oscar started his Starwood journey in 2005 in The St. Regis Beijing. With solid experiences in the St. Regis brand, Oscar has demonstrated his passion and leadership in Food & Beverage.

During his leisure time, Oscar enjoys football and deep-sea fishing.



Maggie Chen Appointed as Director of Sales and Marketing of the Ritz-Carlton, Tianjin

Maggie Chen has been appointed the Director of Sales and Marketing at The Ritz-Carlton, Tianjin.

With 13 years Sales and Marketing experience and extensive knowledge of variety of market, Maggie started her hotel career with the Shangri-La Hotel Management Company. After 6 years with

Shangri-La, she worked in Shenzhen, Shanghai, Hangzhou and Beijing with Starwood, The Regent and The Ritz-Carlton. She held various roles within sales and marketing, corporate sales, business development, event management and training. Maggie was a key member of the opening sales team at The Ritz-Carlton, Beijing Financial Street as the Director of Sales where she played a critical role in positioning the hotel for success.

Maggie graduated from the Northeast Normal University where she earned a Bachelor Degree in English Language and Literature. She excels at coaching and training since she was a university teacher prior to joining the hospitality industry. In her free time, she enjoys reading and travel exploration.

Maggie's invaluable professional experiences will be an indispensable addition to the management team, and greatly benefit the The Ritz-Carlton, Tianjin; soon to be the 9th Ritz-Carlton in Greater China!

Leading the way in China's Hydro Market

Interview with Yves Rannou, General Manager, Alstom Hydro China

By Justin Toy

Alstom is a prolific multinational conglomerate with over 85,000 employees worldwide, operating in 70 countries. Founded in 1928, Alstom has since

become a global leader in transport, power generation, and transmission. Operating in Tianjin since 1995, Alstom Hydro China (AHC) has led the way in creating clean energy in the country. They have supplied hydro power generator units for large, prestigious energy projects such as the Three Gorges Project, Guanyinyan, Liyuan, and Xiangjiaba. Currently,

AHC is in the process of relocating their facilities to a new site in the Tianjin Airport Economic Zone. The new site will be completely carbon-neutral utilising many high-tech and innovative designs such as double insulation, heat recovery systems, geothermal heating and cooling systems, rain water recycling, and photovoltaic panels.

Business Tianjin recently had an opportunity to meet with the General Manager of AHC, Yves Rannou. Mr. Rannou has worked for Alstom, in various positions around the world, during the past 15 years. When we met him, he had just arrived back from a ceremony for the Three Gorges Project.

When did you first come to China?

I first came to China in 2001 for a short business trip to subcontract some engineering activities. The first time I came to live here was in 2005 and I stayed for two years. I have been living in Tianjin for just over a year now.

Are there any unique challenges in China which you did not encounter in Europe or other parts of the world?

The challenge we face in China are not unique ones. They are similar to the challenges we have in other parts of the world. I see the most important is to help our employees understand the impact that they are creating; not only in China but outside China as well. We are working in a company that exports worldwide, for example to North and Latin America, Europe, Africa and Asia. It is vital for the management to convey these messages to our employees so that they are proud and motivated, realizing that their job is not just to weld two steel plates together, but to deliver a finished product to [for instance] our Canadian customers. My goal is to have our employees understand and evolve whilst transforming their mindsets and ultimately, the way they approach their jobs.

The second challenge is to have our employees adapt their speed to that of the company. What I mean is their mindset towards the speed of development. They want to develop extremely quickly in China but the company cannot follow the same pace as their



expectations- simply because the market is not developing as quickly. So the challenges are a lot about the mindset that we shape for our employees.

Do you think you have made a lot of progress towards those challenges?

The turnover rate of our company is well below the market. To

me, the reason is not money. It is the atmosphere, the working environment, the management style, and the ability of the managers to inspire their employees. So if I base my assessment on the way we have managed to keep our people, then I think we have made a significant step towards what we want to achieve. Furthermore, the feedback from our customers has been positive. They have been satisfied with the attitudes and the behaviour of our employees. I suspect we are on the right track.

Dialogue

We know you are currently building a new hydro facility in Tianjin and that it will manufacture the biggest hydro turbines in the world. Could you give our readers some background on this project?

I want to emphasise that we are building a complete industrial site. It's not only a factory, it's also a research and development site as well as an office where we will have 600 to 700 people. Alstom has not developed a big container where they put 2000 people inside and they weld for 8 hours a day. We started the joint-venture in 1995 with just a factory but then expanded the added value. So yes, we have the factory and while it is the most visible part of the iceberg it's only 50% of our head count.

In 2008 the municipality decided to relocate the industrial activity to the east side of Tianjin- closer to the Binhai area and Tianjin Binhai International Airport. At that time, Alstom was looking to expand its footprint in Tianjin. So we started construction on the new site and completed the Phase I in November 2010. In early July we will have a cornerstone ceremony for our technology centre and in the summer 2013 a ceremony to celebrate the completion of the full project. The new site will be the largest of Alstom Hydro worldwide. It is on a plot of land 250,000m² and will have 150,000m² of constructed buildings, workshops and so on.

What are the positive impacts of this new project for Tianjin and what are its main target markets?

The biggest impact, amongst others, is social responsibility. By moving to the new site we will drastically change the working conditions and the working environment of our employees. We will have proper facilities. This may not sound extremely important, but in French we say "if you want to win a battle, you start by feeding your soldiers." So if I want to ensure that

our employees are happy, then I have to ensure they have the proper working environment. This starts with a good canteen, good showers, and good shuttle buses. Secondly, the new project will improve the quality of our finished products because we will streamline the production and have completely refurbished machine tools. Lastly, the new site will be completely CO₂ free. In terms of market, we will continue to address China, Asia, and the rest of the world.

You mention the Technology Centre for hydro business in the new industrial site. Could you introduce the reason you established this new R&D centre in China?

This Global Technology Centre will be the fifth of its kind for Alstom Hydro as we already have such sites in India, Canada, France, Switzerland, and we are currently building centres in Brazil and China. The primary reason for building this centre is to get closer to our markets and to have proximity with our customers. The closer we get to the decision makers of the hydro market, the better we can address their needs and expectations. Secondly, we want to develop local competencies. So inside this GTC we will have maybe 1 or 2 expatriates and the rest will all be Chinese engineers.

What kind of future do you see for the use of hydro power both in China and across the globe compared with other sources of clean energy?

Hydro is stable, renewable, and storable. In terms of stability, you don't have to depend on the wind, the sun, or the tides. I don't think I really need to explain the renewability aspect. In terms of storability, this is the only form of electricity that you can store for later and you can store it in large quantities. So based on these facts, it is safe to say that hydro has a bright future.

We know it is becoming more and more difficult to compete with local companies due to their social and business relationships. How do you view the competition with the local players in China? How do you gain a better position than your Chinese competitors?

For me, competition is always good because it's forcing you to innovate, to create, to question yourself, and to challenge you to think outside of the box. I'm looking for competition, as long as the rules of the game are clear and the same for everyone. One advantage that we have is that we are both a global and local company. We bring almost 100 years of experience and expertise, and have over 8,000 employees worldwide with five major sites. We capture all the feedback from these factories, supply chains, engineers, and the technology centres and use it here in the local market. We also have the ability to balance the load of our machines. So, if we have a problem of capacity here in China we can very easily manufacture in Brazil and then ship the product to China. A further advantage we have is social responsibility. At Alstom, all employees are treated equally. Whether they are from China, Brazil, or Canada, they all go through the same HR and training process. I really insist that we promote social responsibility in our operations here in China because over time this will become a greater competitive advantage. The way we treat and care for our employees and their level of satisfaction will have an impact on the quality of our product.

Can you tell us a little about Alstom's relationship with educational institutions here in China?

We have agreements with several renowned universities in China- such as Tsinghua in Beijing where we will regularly visit and hold on-campus recruitment events. We are trying to increase our recruitment of freshly graduated engineers and business people. We also do this with apprenticeships for welding,



Dialogue

machining and so on. In doing so, we really address the different layers of society. At Alstom, we are not an engineering firm that is only looking for white collar workers with a very high educational background, but also manual labourers who in the end produce the same added value as an engineer.

How do you feel about managing a large operation site in Tianjin with Alstom?

What is “large” for me is the number of employees and the social responsibility that I have. Everyday when I wake up, I wake up for 2000 employees. And how do I feel about this? A lot of pressure. We are talking about 2000 people, their families, and their social networks.

Which achievements in your professional career are you most proud of?

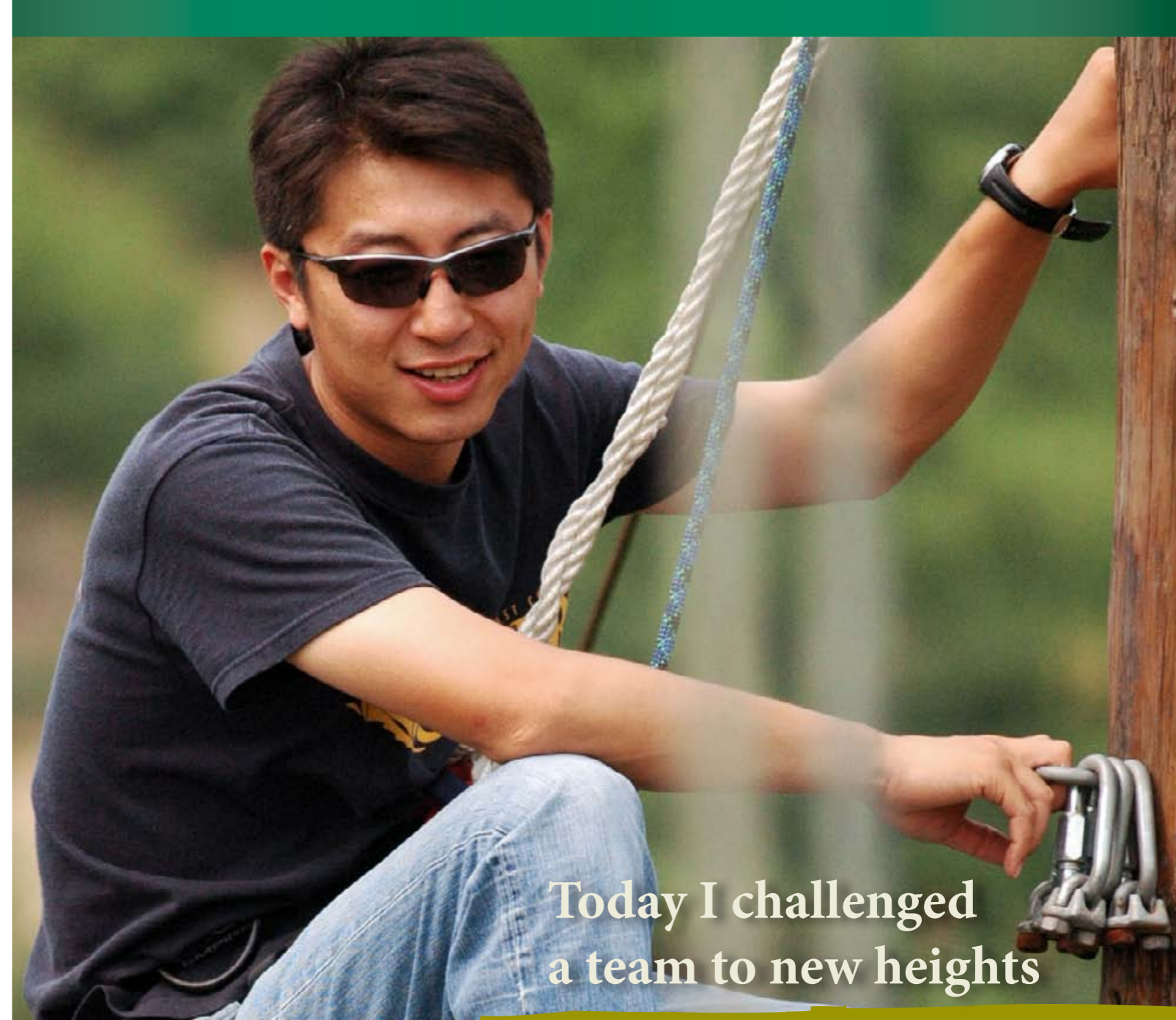
I am still married after 15 years [laughs loudly]! What I mean is that my wife has managed to go through all of my professional challenges with me and I think that is a success. To keep it short, I graduated in 1997 and joined Alstom immediately. I spent four years in Thailand, one year in Paris, two years in Switzerland, another year in Paris, two years in China, three years in Spain, a further year in Switzerland, and now one year in China [Tianjin].

Finally, what are your personal and professional goals for the near future?

My main objective at the moment is

to successfully manage the transfer from here to the new site 60km away. This is the first time Alstom will have made such a move and it will be a significant challenge. Moreover, my mission is to deploy a competitive business model in AHC. This means finding the proper balance between quality, cost, and the on-time delivery of our products in order to satisfy our customers. On a personal level, I am aiming to work for another fifteen years and to eventually end up back in Paris. **B**

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Investing in the Future of China's Internet

By Justin Toy

DaD Asia is a seed capital investment vehicle for internet related start up projects in China. Since beginning operations in China four years ago, DaD Asia has invested in 14 different start-ups with a typical

initial investment of USD 50,000 to 300,000. The company focuses on various internet projects related to web services, e-commerce, social networking, mobile, software as a service, media and entertainment, and gaming.

Monica Muriel is a co-founder of DaD Asia. She received a double degree in Law and Business Management from Universidad Autonoma de Madrid. Business Tianjin recently had the chance to talk to Ms. Muriel about how DaD Asia operates and about various internet trends.



How did you end up going from working as an auditor to becoming an entrepreneur in China?

[Laughs] Well actually, it was quite random. Although I did like my job as an auditor, it was a bit boring and there wasn't a lot of room for growth. So, I talked with my uncle, a successful entrepreneur. At first we were thinking about working in the US but in the end, my uncle convinced me that China "was the future" and if we went there we could start something together. A couple of months later I quit my job and ended up in Shanghai. Early on we decided that we wanted to do something in the internet space. However, we soon realised it was quite complicated for foreigners to start their own business in China so we got in touch with DaD in Europe. At the beginning we talked to them about bringing one of their successful products and replicating it in China, but after doing some research we instead suggested bringing DaD to China.

What kinds of projects does DAD Asia invest in?

Historically we have done a lot of e-commerce, but now we are investing in some new models. Right now there is a lot of interest in the market for travel and education so we are exploring those opportunities. Whatever project we invest in, it is very important that there is a clear business model and evidence that it can be executed well by the proposer.

Tell us about the screening process that DAD Asia uses to find projects to invest in.

Well, first we do an initial screening and analyse the materials they submit to us. The proposal will go through a chain of people starting with an analyst. If the proposal passes his criteria, it will then make it to an investment manager and then finally to an investment committee. From there the entrepreneur team will be brought in for a face-to-face presentation

and interview. Finally, we will make an analysis of the project and present it to the investment committee and if everything goes okay we will invest.

The sooner you go to the market for feedback, the earlier you can start improving the product and make sure it is in line with your customers' desires and expectations.

What is the process after DaD Asia finds a project worth investing in?

DaD Asia does more than just provide funding for entrepreneurs. We also provide support in different ways. We regularly meet with the start-up management teams that we have invested in and give continuous support by setting KPIs (Key Performance Indicators) and advising them on corporate structure. We also advise the management teams on efficiency, marketing, legal issues, designing PR campaigns and so much more. Additionally, DaD Asia provides access to a network of contacts that can help in a variety of capacities.

What kind of financial returns does DaD Asia usually receive from a typical investment?

Our target return is 10 times our initial investment. We have invested in some projects that have yielded two times and some that have yielded 100 times our initial investment. Usually it will take about three to five years from when we inject the funds to when we realise these returns.

What is the number one reason that a proposal submitted to DaD Asia might fail?

When we analyse a proposal it is

important that there is a market for the product or service and that it will be profitable. A lot of people will send us plans and prototypes that might be visually appealing or have some interesting functions but without a clear business model and strategy to obtain income and profits. A proposal won't make it very far.

What was the worst proposal that you have received?

We get a lot of proposals submitted where they emphasise China has a market of 1.3 billion people and that if they get just 1 RMB from each person, then their website will be extremely profitable. However, the actual amount of internet users in China is around 530 million people. Furthermore it is incorrect to think that you could generate sales from everyone in this large and very diverse marketplace of users. Other proposals are so overly complicated and involve the customer completing so many steps to setup. If you aren't willing to complete all these steps, how can you expect customers to be willing to?

What kind of differences do you notice between Chinese entrepreneurs and European entrepreneurs?

Well, for better or worse, Chinese entrepreneurs are action people. They generally don't spend as much time planning and are quick to go to the market and to react. So their speed of pace can be much quicker than in the West. Which I think is good for this kind of market. Europeans on the other hand are more metric and detail oriented. Because of the financial crisis, Europeans tend to be more conservative, especially with investing capital because there isn't as much available in the European market. In China there is a lot more capital available for investment.

What kind of general business trends do you see emerging on the Internet in China?

Lately O2O (Online to Offline) has



become very popular in China. O2O can be defined as attracting users online and directing them to physical stores that are “offline” (for example, group-buying). These trends are noticeable especially within the travel, food, and health/nutrition industries. Chinese people are becoming increasingly more conscience and concerned about these products and services.

Are there any online markets or business models that are difficult to target/setup in China that are already established in Europe or else where?

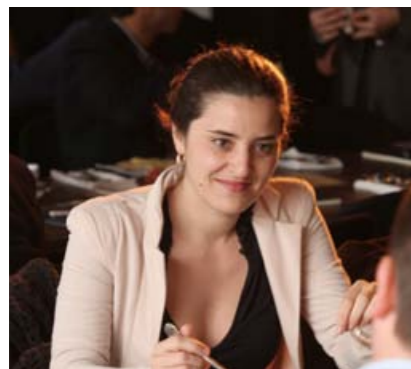
There are some services which the market is not ready for yet. For example, in our portfolio in Europe we have some luxury and gambling services that wouldn't be appropriate in China. However, it is also important to observe growing trends and the changing legal climate in order to properly time the market because sooner or later there will be a market for these services.

What advice can you give to the internet entrepreneurs who might be reading this article?

Go to the market! What I mean is that there are a lot of start-ups that spend so much time developing

their product and delaying the launch. However, without going to the market you cannot get feedback from users and customers and you run the risk of developing in the wrong direction. Customer feedback is crucial in order to improve the product and to make sure it is what the customer needs. A lot of start-ups feel that the moment they bring their product to market is the “moment of truth.” While this is very important, the sooner you go to the market for feedback, the earlier you can start improving the product and make sure it is in line with your customers' desires and expectations. **B**

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Tianjin firm's EU-China trade park sparks imitators

By Mark Gao



Bagging Chinese investment for Europe has become a priority across the EU. Just how keen European member states are can be seen in a spate of stories about Chinese trade parks set to be established in Western Europe, as conduits for Chinese trade and investment into the continent.

Two such parks generating headlines are a Euro China trade park in Athlone (a large town in the centre of Ireland) and another, smaller project focused in Birkenhead,

a dockland area of Liverpool. A Tianjin company meanwhile, with a similar project already functioning in Belgium questions the viability of locating such projects in the UK or Ireland, away from the centre of the EU market and outside the Schengen single-visa zone.

Mr Ma Jian is general manager of Tianjin Liho Import & Export Co, part of a state-owned conglomerate, which built an EU-China trade centre in Antwerp. He looked at numerous European countries for Liho's trade

park, but Ma says his trade park has to be in the heart of continental Europe where most Chinese export sales are centred.

The Antwerp project makes sense given Liho's own vast portfolio of export-oriented brands. Officially known as Tianjin Liho Import and Export Group Co Ltd, the government-run firm ranks among the top 500 import and export enterprises nationally and the top 50 export enterprises in Tianjin. Brands in the Tianjin Liho Group portfolio



include the Peacock Enamelware brand, Stainless Steel Tableware brand, Triangle and leather and fur products produced by Liho under the Snow Club logo.

"The goods are produced at around 150 manufacturing bases controlled by Liho," explains Ma. As he shows Business Tianjin around a spacious showroom at the firm's offices, it's obvious the scope of the Liho's output and influence. From fur coats to elaborate jade carvings, from cookware to porcelain and modern furniture, Liho makes it all.

Located on Uilenbaan Street in the city's port district, the China-Europe Trade Centre is operated by the locally-registered firm, Tianjin International Corp. NV (SA). Without being over-sized, the Antwerp project offers logistics distribution and warehouse services but will also arrange transportation for Chinese firms. The exhibition spaces are used for exchanges between corporate as well as state entities. The 16,550 square meter facility includes a 700 sq metre exhibition Hall, a 500 sqm showroom and eight offices. Other

facilities include a 60 sqm café and a warehouse sized 5,000 sqm.

The Centre wants to be a bridge, through which companies in China as well as in Tianjin may conduct business with their counterparts in Europe. Importantly, says Ma, careful groundwork ensures Chinese businesses will get easy access to local markets for sales or investments. Close relations with the Chinese Embassy in Belgium as well as ties to Belgian politicians and trade bodies - including Flanders Bureau of Economy and Trade - ensure visiting Chinese traders get their visas on time while membership of local business groups like the Flanders Chamber of Commerce delivers business ties and leads for Chinese traders. Likewise, employing local accountants and lawyers has also ensured Chinese companies "a short-cut for the development of their business in the EU market."

Ma says: "Even though Belgium is a small country, it is the centre and the heart of Europe. Antwerp Port is the second biggest port in Europe. Our trade centre is 15 kilometres from the port and 45 kilometres from Brussels. Belgium has great advantages in Europe. Around Belgium are the developed countries of Europe like France, Germany, Holland and Luxembourg. The geographical location is very good. The location, the workforce and the local and Chinese political support are the reasons why our trade centre has worked so well."

Hardly a shot in the dark, the Liho-run China Europe Trade Centre project is actually a state-approved project, one of three major Overseas Projects of the Tianjin Municipality and co-sponsored by Tianjin Liho



Group and Tianjin Changxing International Trade Co. Termed “bridgehead of Tianjin Binhai New Area in Europe” and green-lighted by the Tianjin Municipal Party Committee and the Tianjin Municipal Government as well as the local office of the State-owned Assets Supervision and Administration Commission.

Competition

Other planned EU-China trade parks appear speculative compared to the state-backed park established by Liho. The British developer Peel for instance, is seeking to build a EUR150 million International Trade Centre (ITC) at West Float as part of its £4.5bn Wirral Waters real estate scheme in Birkenhead near Liverpool. Promising 3,000

jobs to an economically deprived part of Britain, the project will, according to Peel, “enable Chinese companies to exhibit, sell, assemble and distribute their goods into the UK, Irish and European markets”. The development, to be built over ten years, will encompass 2.5m square feet of floor space - the size of 25 football fields). Peel’s Director Lindsey Ashworth said, “Local retailers will have access on their doorstep to high quality products manufactured overseas, and local people will have the opportunity to apply for the new jobs that will be created.”

Jobs have also been promised at the Euro Chinese Trading Hub being planned for a 138-hectare site near Athlone, a university town in the

centre of Ireland. Promising a new rail hub to cater for up to 35,000 visitors per week, the developers are promising a facility nearly as big as Hannover Messe, Germany’s – and the world’s biggest trade fair.

At 1 million sq m, the facility will be Ireland’s biggest single development, with a four-storey reception building, three large exhibition halls, nine smaller halls and basement parking for 1,370 cars. A floor area of 100,000 sq m will eventually encompass two five-star hotels, a Chinese palace, 445,000 sq m of exhibition halls, a commercial zone of 264,000 sq m and some 186,000 sq m of serviced apartments.

Ma finds it very hard to imagine Chinese businesses going there. As he

explains, “The Athlone project doesn’t make any sense because the location of Ireland doesn’t make sense from a Chinese perspective. Ireland is too far away from the key markets like France and Germany. Also, because Ireland is not in the Schengen visa zone, Chinese business people cannot visit other EU countries, besides the UK, on an Irish visa. It is easy for us to go to other European countries such as France and Germany from Antwerp in Belgium, but it’s much more difficult to go to other parts of the EU from Ireland because of the visa situation.”

It’s worth bearing in mind that most of the exporters in China are small sized companies with tight margins and they’ll be very reluctant to invest in exhibition spaces in a trade centre in Athlone, unless there’s a very good chance of a quick return on that investment. Ma however, believes there’s a chance the Athlone or Birkenhead projects could work if they function as annual or bi-annual trade fairs, in the way the Canton Fair is organised in Guangzhou twice a year. That of course begs the question of how such large facilities will be used outside of the trade fair dates.

Numerous Irish business people with a long track record in China that I’ve talked to also don’t see Athlone as a realistic project. One of them, Frank Mullins, a lawyer

from Dublin, has lived for 10 years in China and now advises Irish firms on market entry to China. He says, “serious business people have to visit China to see products and Chinese export businesses are currently cash-strapped and wary about renting spaces in an unproven project like Athlone.”

The location of Ireland doesn’t make sense from a Chinese perspective. It’s too far away from the key markets like France and Germany.

Future plans

Ma has plans to roll out e-commerce functions and draw retail stores to the location. “We’re more about convenience, more about value-orientated operations from a scale-orientated one, so as to gradually set up retailer’s stores, on-line consignment, chain stores operation and many other modes of operation, such as business with member card.”

Ma has no plans to assemble or manufacture goods at the Antwerp facility. Chinese exporters have

tapped Russia and Eastern Europe by exporting semi-finished products from Chinese zones across the border and finishing the processing in Russia, avoiding local tariffs. One of China’s first overseas industrial parks, the Yssurisk Trade and Economic Cooperation Park, is home to companies making clothing, shoes and furniture.

Incredibly, Heilongjiang province has also built 10 trade parks in Russia. Provincial officials have stated that getting more trade from Russia, which accounts for half of Heilongjiang’s exports, will mean building more logistics parks and wholesale markets in towns on both sides of the border. The Harbin-Mudanjiang-Suifenhe-Dongning Commercial Processing Zone for Russian trade has 1,700 enterprises in five import and export industrial clusters for food processing, machinery, agricultural products, building materials and light industry.

In October last year Mr. Bai Wenbin, Chairman of Tianjin Liho Imp. & Exp. Group Co.,Ltd, and General Manager of Tianjin Changxing International Trading Co., was handed Belgium royalty’s highest honour, ‘La decoration de ‘Commandeur de L’Ordre de Leopold’ by visiting Crown Prince Phillippe of Belgium. However, while the Liho park is clearly successful and inter-



Feature Story

linked with the Belgian economy and officialdom, not all EU citizens are so sure of the long-term benefit of such parks. A note of caution was raised by a Liverpool local on SkyscraperCity, a popular UK-based urban planning forum: "In the long term, the very last thing Britain, and indeed Europe needs is to stuff its homes and landfills to capacity with manufactured goods so cheap and so far from where they're built that they are uneconomic to repair the first time they fail...while the indigenous manufacturing industry wastes away." The development is "not good for the UK or the EU in the long term" wrote the commentator, a native of Birkenhead, site of the planned Euro-China trade park.

Trade Park Tradition

Going into the EU is relatively new, but Chinese business, with state

backing, has been building trade centres in developing countries for decades. From the late 1990s Chinese policymakers have green-lighted around a dozen Chinese centres for trade, investment, and development in Africa. Usually built as public-private partnerships: for instance in Benin, China's aid budget provided 60 percent of the construction cost as a loan with a Zhejiang-based company (operating the centre) contributing 40 percent. Largely, Chinese firms rent the space, warehousing and sell to Benin and neighbouring countries.

More ambitiously, in 2004, China Middle East Investment and Trade Promotion Centre and Jebel Ali Free Trade Zone, constructed a dragon-shaped \$300 million trade centre, known as Dragon Mart, to host 4,000 Chinese companies in Dubai. Appliance maker Haier meanwhile built industrial parks in

South Carolina (USA) and Lahore, Pakistan while Fujian Huaqiao Co has attempted to build a trade zone in Cuba.

In 2006, the Chinese Ministry of Commerce decided to give official support to the establishment of zones in other countries (State Council 2008). Initially, a minimum of 10 zones would be established abroad with \$2 billion of Chinese government money, with the hope that 500 Chinese companies would use them as a beachhead to overseas markets. Chinese president, Hu Jintao, pledged to establish three to five economic trade and cooperation zones in Africa as part of eight major commitments made during the 2006 China Africa Forum in Beijing. **E**

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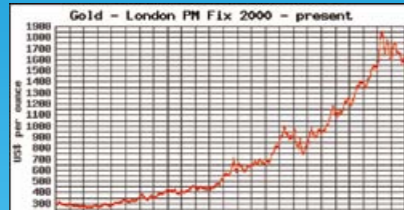


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Pure Gold:

Is the precious metal about to lose its shine as an investment asset?

By Josh Cooper



If there's one commodity the investment world is talking about right now- it's Gold. Throughout human history, people have seen the world's most sought after precious metal as a safe bet. Indeed, ownership of Gold has long protected its bearers from inflation, currency devaluation and stock market volatility. There is certainly a track record of success in recent times. Over the last 11 years Gold prices have consistently gone higher- an unusual and impressive feat for any commodity, stock or real estate asset.



However, the old expression 'what goes up must come down' always rings true where the value of investments is concerned. Many are talking about an impending bubble in the value of Gold and they say that when it bursts, it will do so in dramatic fashion and a lot of money will be lost in the process. So, should we listen to the sceptics or jump on board the golden gravy train?

Firstly, let's see where the debate lies. On one side are the so-called 'Gold Bulls'- investors and other individuals looking to make big money by cashing in on the metal's consistently rising price. Peter Schiff, CEO of Euro Pacific Capital Inc, is one of the big names backing the bullion bonanza. According to Schiff, in 2012 'the fundamentals have never been better for Gold. The prices are going a lot higher and not enough people are in

Gold at the moment'. Also amongst the supporters for Gold is legendary Singapore-based commodities investor Jim Rogers of Roger's Holdings. He often reiterates his view that although there will be some 'corrections in the Gold market', 'Gold will go much higher'. Furthermore, Rogers believes that the rising value of Gold could quite possibly 'have another decade to go'.

There is clearly plenty of optimism for Gold going forward. However, not everyone is so confident. Billionaire George Soros is one of the richest and most successful investors of all time. He calls Gold the 'ultimate bubble' and reportedly began a mass selloff of his assets in 2011. Since then others have followed suit on fears that the long run of price gains is coming to an end soon. Co-founder of Swiss company Tiberius Asset Management, Markus Mezger, has suggested that

the 'megatrend' is 'in all likelihood near the end of the road'. And these are just a couple of prolific investors who think Gold is about to lose a lot of value. In fact, the number of doom-mongers is increasing by the day.

The best strategy is not to gamble on the current trend but to buy like mad when the bubble has burst and prices have plummeted.

So with opinions of the professionals being so divided, how can you decide whether or not to buy, sell or hold onto your stash of bullion? Let's look

at what has the most affect on prices and trends:

Global demand: The demand for Gold, in terms of both industrial and personal use, is incredibly important. People have always bought precious metals in Western countries but nowadays the world's biggest consumers are India and China. As developing nations become wealthier, the demand is bound to go higher and subsequently the price of Gold will increase.

Central bank activity: While the Gold Standard is long gone, the big financial institutions continue to affect supply and demand. Over the last few years, the U.S Federal Reserve, the IMF, the Bank of England and several others have placed limitations on their reserve amounts and carried out big sell



offs of bullion. Conversely, some speculators are suggesting that China and other emerging markets will continue to increase their reserves.

Interest rates, Inflation and Economic uncertainty: The pattern here is clear. If people are panicking about the value of their paper money they will look to precious metals as a safer alternative. Given the amount of quantitative easing (essentially printing money to inject into the economy) that has happened over the last few years, Gold has been a much better maintainer of value than most currencies. Further stimulus packages or stock market turbulence could increase the demand and prices substantially.

Other factors: These include supply shocks, short term speculators trading their assets and events of national emergency (i.e. war). In the former case, trading activity happens on a daily basis and usually has only a minor effect. In the latter, an event of this kind is unlikely to happen in the near future.

With these factors in mind, investors need to draw their own conclusions about the future value of Gold. Owners and future buyers can always take comfort from the fact that there is only a finite amount of it on the planet and that as more people become wealthy, consumption and demand will increase. However, given that prices have risen for 11 years straight and that corrections in commodity prices are an absolute certainty; it seems more than likely

that the bubble will burst at some point in the future. Perhaps the best strategy, all aspects considered, is not to gamble on the current trend but be ready to buy like mad when the bubble has burst and prices have plummeted!

For more advice on investments or for questions related to this article, please contact our Investments Editor at josh@businesstianjin.com



Investment News

Stocks and Shares

Stimulus hopes help European shares

European Stock markets have been steadily bouncing back over the last month following the crucial EU Summit and increased stimulus hopes following the Bank of England's latest round of quantitative easing. The FTSE, CAC, DAX and other European exchanges have all seen slight but encouraging growth.

Bank downgrades hit Investor confidence

Financial stocks took a tumble after ratings agency Moody's cut the AAA status of 15 big banks around the world. Some of the institutions suffering from the downgrade include Bank of America, Morgan Stanley, Goldman Sachs, Barclays, Credit Suisse, Citigroup, and Royal Bank of Scotland.

South East Asian Markets continue run of success

Leading Asian stock exchanges, including Hong Kong, Singapore, Jakarta, Manila and Bangkok, are

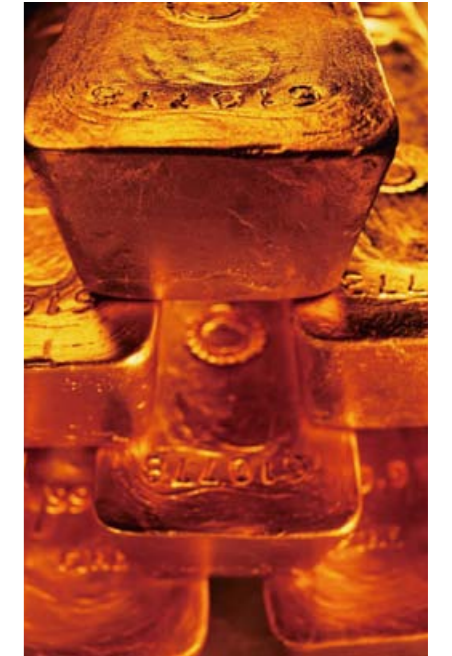
continuing to perform well despite the global economic situation. The future of stocks in South East Asia remains particularly bright for investors.

Investors keep a close eye on tech stocks

Technology stocks in the US are being watched closely by investors and commentators. Microsoft has recently announced a colossal USD 6.2 Billion write down of the valuation of Aquantive- an online advertising firm which they bought out five years ago. Since its disastrous introduction to the stock market, Facebook continues to stir up interest. Google is also hitting the headlines as the European Commission carry out an investigation into the search engine company's operations.

Scandals galore in the UK's FTSE 100

In the space of one week, two of Britain's biggest blue-chip companies have been ordered to pay severe penalties over their recent misdemeanours.



Barclays Bank PLC has seen the resignation of both its Chief Executive and Chairman, after it was fined GBP 290 Million, for attempting to manipulate inter-bank lending rates. Also in hot water are pharmaceutical giant GlaxoSmithKline who have been ordered to pay USD 3 Billion for misleading customers about its products, holding back safety data and cheating the US government's Medicaid program.

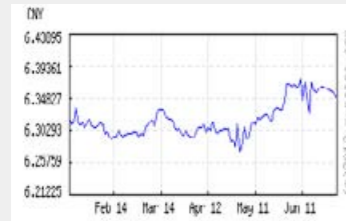
Chinese GDP figures fail to have a significant negative impact

Many China analysts predicted that an announcement of a GDP decline in the last quarter would reduce confidence in global markets. Thus far, Beijing's 7.6% GDP figure, which is a three year low for the Chinese economy, has not made a substantial impact on world markets.

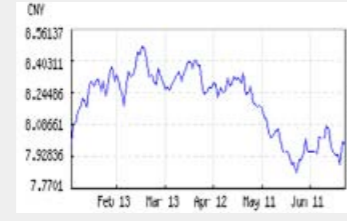


Currencies

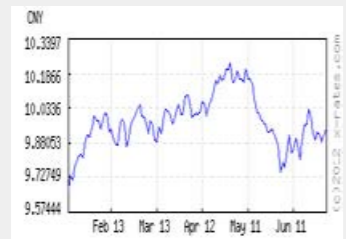
Chinese Yuan - US Dollar



Chinese Yuan - Euro



Chinese Yuan - GB Pound



Chinese Yuan - Japanese Yen



The currency markets remained uncertain and volatile for July. Following the Greek election and EU summit earlier in the month, the Euro made a temporary comeback. However, the currency is still on shaky ground with speculators still looking for safe havens in the US Dollar and Swiss Franc. The Indian Rupee recently hit rock bottom on fears that the country's economy is rapidly slowing down. With rumours of more monetary stimulus from the Bank of England, analysts are divided on the future strength of the Pound. With the Euro zone crisis effecting demand and central banks keeping their fingers on the trigger for quantitative easing, it is likely Forex markets will see some turbulence over the next month.

Commodities

Commodity	1 Month Change	1 Year Change
Crude Oil (Petroleum)	-8.43%	-2.55%
Natural Gas	24.56%	-8.87%
Wheat	-0.74%	-3.83%
Sugar	-9.92%	-15.70%
Rice	4.28%	12.94%
Aluminium	-2.25%	-6.92%
Copper	-4.69%	-2.05%
Iron Ore	-7.71%	-2.91%
Lead	-3.59%	-4.81%
Nickel	-5.17%	-14.77%
Gold	-3.55%	-3.69%
Silver	-8.44%	-6.12%



All eyes have been on Gold for some time. With talk of more quantitative easing from central banks, analysts are eagerly waiting to see if investors are enticed by

precious metals in order to protect themselves from inflation. Federal Reserve speculation and tensions in Iran also pushed Oil prices to a 7 week high this month. Prices are

expected to keep creeping higher. With droughts in the US taking their toll, agricultural commodities may well see the biggest increases over the coming weeks. **B**

Financing Your Projects in China via Issuing Dim-Sum Bonds



Manuel Torres



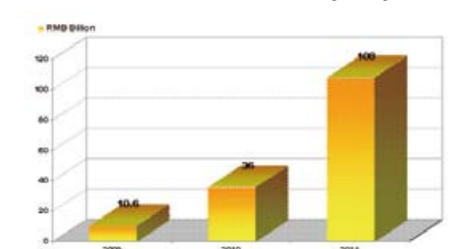
Lucy Luo

by Manuel Torres (Partner) and Lucy Luo (Associate) of Garrigues Shanghai



The Bonds denominated in RMB and issued in Hong Kong are nicknamed Dim-Sum Bonds (Dim-Sum is a Chinese cuisine that involves serving a variety of small delicacies and is especially popular in Hong Kong) because its trading volume is tiny in comparison with the overall trading size of the bonds market. However, after the China Development Bank first issued the Dim-Sum Bonds in year 2007, the trading size has surged by almost 10 times within five years. In 2010, 16 issuers issued RMB 36 billion, while in 2011, 81 issuers issued approximately RMB 108 billion, with a year-to-year increase of trading volume hitting 300%. Dim-Sum Bonds have become more and more attractive to the issuers who intend to finance their expanding business in Mainland China and the investors who desire exposure to RMB-denominated assets.

RMB Bonds Issuance in Hong Kong¹



Why Conducting RMB Bonds

China has achieved a phenomenal increase in its GDP, from less than US\$400 billion in 1990 to over US\$7 trillion in 2011, meanwhile China's foreign direct investment has also had a significant growth in the same period. Since the launch of the pilot scheme for RMB trade settlement in year 2009 and the RMB outbound direct investment scheme

¹ Resource: Hong Kong Monetary Authority

introduced in January 2011, RMB has become more widely used in trade and investment activities. Followed by rules respectively promulgated by the Ministry of Commerce (the “MOFCOM”) and the People’s Bank of China (the “PBoC”) on October 12, 2011 and October 13, 2011, foreign direct investment into China can also be made in RMB under said administrative rules. The building-up regulatory scheme and internationalisation of RMB make it possible for the issuers to successfully launch their RMB Bonds projects in Hong Kong, legally invest into the Mainland in RMB upon approval, and then repatriate the RMB funds, in the form of dividend, principals, interest, etc., in the future.

The issuers can capture the following benefits from the Dim-Sum Bonds:

- Eliminate the currency exchange costs and risks involving a third currency and enjoy the appreciation of RMB.
- Raise RMB funds through a cost-effective platform based on international practice. Due to the abundance of RMB funds in the Hong Kong market, the issuer is able to call funds at a comparatively lower interest rate, i.e. Ford Motor has raised a three-year RMB-denominated bond in Hong Kong in March 2012, with an annual interest rate of 4.90 percent. The standard interest rate for a three-year commercial loan publicised by PBoC is 6.65 percent to 6.90 percent.
- Provide a more convenient pipeline to finance its investment in the Mainland. Due to the tight monetary policy adopted by PBoC, those enterprises without a strong background may not be able to obtain a commercial loan from domestic financial institutions. Upon prior administrative approvals, the issuers could feed up their projects or subsidiaries in the Mainland from the proceeds in the form of equity injection or shareholder loan.

Meanwhile, driven by the perception of RMB appreciation and high-speed growth of the Mainland’s economy, institutional investors such as; insurance companies, wealth funds, etc. are eager to invest in the RMB bonds market. Compared to the bond market in the Mainland, they are more familiar with the Hong Kong market and its regulatory environment. Dim-Sum Bonds are a win-win product for both the issuers and the investors, furthermore, it also favours the banks, law firms, accounting firms, printers, rating institutions and other professional service providers.

Qualified to Issue Bonds in RMB

The issuer base was expanded from Mainland²-based Financial Institutions at the start, to Hong Kong-based companies and Multi-National Corporations (“MNCs”), and further to Mainland-based companies like BaoSteel this year.

• [Mainland-based Financial Institutions](#)

On January 14 2007, PBOC promulgated its third notice of year 2007, in which the central bank of China pointed out that the financial institutions established in the Mainland could issue RMB-denominated bonds in Hong Kong upon approval. Following said notice, on June 8 2007, PBoC and the National Reform and Development Commission (the “NDRC”) jointly issued *Provisional Measures on the Administration of Financial Institutions in Mainland Issuing RMB Denominated Bonds in the Hong Kong S.A.R.* (the “Financial Institution Measures”), which opened a new financing channel for Mainland commercial banks and policy banks. The issuance of Dim-Sum Bonds by Mainland-based Financial Institutions is subject to the approval of PBoC and NDRC. Three weeks later, China Development Bank successfully launched Five Billion Yuan RMB-denominated bonds in Hong Kong.

• [Hong Kong based Companies and MNCs](#)

It was not clear who could be entitled to issue Dim-Sum Bonds other than Mainland-based Financial Institutions until the Hong Kong Monetary Authority publicised the *Elucidation of Supervisory Principles and Operational Arrangements Regarding RMB Business in Hong Kong* (the “Elucidation”) on February 10 2010. The Elucidation clarifies that the range of eligible issuers, issue arrangements and target investors can be determined in accordance with the applicable regulations and market conditions in Hong Kong. However, bonds issued by Mainland entities will continue to be governed by the relevant regulations and requirements in the Mainland. Since then, the Hong Kong based Companies and MNCs have become the active players in Dim-Sum Bonds market. McDonald, Tesco, Ford, Alstom and other MNCs who have extensive business in the Mainland set foot in Dim-Sum Bonds one after another.

• [Mainland-based Non-Financial Enterprises](#)

On November 25, 2011, Baosteel successfully issued 3.6 billion Yuan RMB-denominated bonds in Hong Kong, which is the first Dim-Sum Bonds issued by a Mainland-based non-financial enterprise. The issuance obtained a case-by-case approval from NDRC in October this year.

On May 2 2012, NDRC issued a Circular regarding Non-Financial Enterprises from the Mainland issuing RMB-denominated Bonds in Hong Kong (the “NDRC Circular 1162”) providing a legal basis for the issuance of Dim-Sum Bonds by Mainland-based non-financial Enterprises by specifying the qualified issuer, approval mechanism for the issuance of Dim-Sum Bonds and registration procedures regarding the cross-border transfer of RMB funds. NDRC and its provincial lever counterpart are entitled to approve the proposed transactions.

• [Choose the Issuer](#)

After the promulgation of NDRC Circular 1162, both onshore entity and offshore entity are eligible to issue Dim-Sum Bonds, provided certain requirements are duly satisfied in accordance with the applicable laws and regulations in which the issuer is incorporated, as well as the applicable laws and regulations of Hong Kong. To those MNCs who have a business presence in Mainland China, they could use its onshore subsidiary or the offshore entity, by themselves, or its offshore subsidiary, as the issuer. However, we are of the view that at the current stage, choosing an offshore entity as the issuer would be a better option for MNCs, due to the following reasons:

o [Time-consuming NDRC’s Approval](#)

According to NDRC Circular 1162, Mainland-based issuer³ shall submit the application and supporting documents for the issuance of offshore RMB bonds before NDRC or its provincial level counterpart. The application and supporting documents shall include the application report, board resolution (or other document with the same legal effect) on consent to the issuance of offshore RMB bonds, proposed scale of issuance, term and usage of raised funds, issuance plan, latest 3 years financial report and audit report, legal opinion, business license and other documents or materials required by NDRC.

Upon examination, NDRC and its local counterpart will issue its decision within sixty working days. The bond market is complex and inconstant and the sixty working days approval period may cause the issuer to miss the best window period. Therefore, additional efforts may be taken to shorten the approval period; however, it is out of the issuer’s control.

o [Limitation on Use of the Proceeds](#)

NDRC Circular 1162 indicates that the raised funds

shall be mainly used for fixed asset investment projects, which may prevent the service providers who have limited fixed asset investment or onshore entities seeking for operational capital from obtaining approval from NDRC.

Besides, currently, most onshore issuers are state-owned entities managed by the central government and their offshore RMB issuance projects in Hong Kong are strongly encouraged by the central government. We are not sure of NDRC’s attitude on the issuance application made by Foreign Invested Entities (the “FIE”). It seems further observation will be taken for the clarification of the detailed requirement and approval procedures.

Use of the RMB Proceeds

The State Administration of Foreign Exchange (the “SAFE”) circulated *Circular on Issues concerning Regulation of Operation of Cross-Border RMB Capital Account* (the “SAFE Circular 38”) on April 7 2011 to officially regulate the foreign exchange registration procedure of the RMB funds in foreign direct investment and foreign debt sections. On October 12 MOFCOM promulgated the Circular on Issues Concerning Director Investment with Cross-border RMB (“MOFCOM Circular 889”) clarified the remittance and use of offshore RMB funds, including the RMB proceeds obtained through offshore RMB-denominated bonds issuance as direct investment by foreign investors. One day later, PBoC released Measures for the Administration of RMB Settlement Business for Foreign Direct Investment (the “PBoC Measures 145”) to rule bank account management and currency settlement issue for cross-border RMB.

The aforementioned rules respectively issued by SAFE, MOFCOM and PBoC constitute the framework for use of RMB proceeds in the Mainland, which end up PBoC’s case-by-case approval for RMB registered capital injection or shareholder loan registration and provide a transparently administrative formality for use of offshore RMB funds. According to these rules, the RMB proceeds could be used in the form of registered capital and/or foreign debt upon getting approval or registration before competent counterpart of MOFCOM and/or SAFE.

• [Registered Capital](#)

o [Resource of offshore RMB](#)

- Obtained through cross-border trading;
- Obtained through dividend distribution, equity transfer, capital reduction, liquidation and early returns of investment; and

² For the purpose of this article, the PRC or the Mainland excludes Hong Kong S.A.R., Macau S.A.R. and Taiwan Region.

³ The Mainland-based issuer discussed under this section excludes Mainland-based financial institution. The approval procedure for offshore RMB bonds issuance by Mainland-based financial institution are governed by Financial Institution Measures.

Legal Assistance

- Other offshore lawful channels, such as offshore RMB-denominated bonds issuance (i.e. Dim-Sum Bonds), offshore RMB-denominated shares issuance, etc.

The foreign investors have to provide evidence of legal source of RMB funds for MOFCOM's review.

o Approval Authority

The provincial level counterpart of MOFCOM are the approval authority; however, the following projects will trigger MOFCOM's final opinion:

- For foreign invested entities (the "FIEs") whose registered capital is more than RMB 300 million;
- For FIEs whose business scope covers financing guarantees, financial leasing, small-amount loans, auctions, etc.;
- For foreign invested holding companies, foreign invested venture capital firms or foreign invested private equity firms; and
- For FIEs investing in an industry subject to macro-economic planning by the State, e.g. cement, iron and steel, electrolysed aluminium, ship-building, etc.

MOFCOM shall complete the examination and issue its opinion within five working days upon receiving the Status Form regarding Cross-border RMB Foreign Direct Investment submitted by its provincial level counterparts. We are of the view that MOFCOM approval should not be deemed as a legal obstacle but a prudent examination regarding sensitive industries.

o Prohibited Usage

The offshore RMB funded registered capital cannot be used to invest in the stocks, financial derivations or provide entrustment loans to other entities.

o Repatriation

The RMB proceeds could be repatriated by ways of dividend distribution, equity transfer, capital reduction, liquidation, early returns of investment, etc as per agreed by the shareholders or directors or MOFCOM's approval.

• Foreign Debt

The RMB proceeds can also be used in the form of foreign debt for financing the business of FIEs. Currently, the FIEs could borrow offshore RMB through issuance of Dim-Sum Bonds or from its parent company or affiliate, who could call funds through issuance of Dim-Sum Bonds as well. The RMB proceeds could

be repatriated by ways of principal return and interest payment upon duly registration before SAFE.

• Registered Capital vs. Foreign Debt

	Registered Capital	Foreign Debt
Repatriation	(1) In practice, it is difficult to withdraw equity investment; (2) Before making dividend distribution, the profits shall be used to make up previous losses and set aside statutory capital reserves.	Easier to repatriate the principal and interest.
Amount to be raised	Registered Capital upon MOFCOM / NDRC's approval	Gapped by the difference of its total investment and registered capital
Tax	(1) EIT: Deductible (2) BT: No PRC BT	(1) EIT: Deductible (2) BT: PRC BT payable

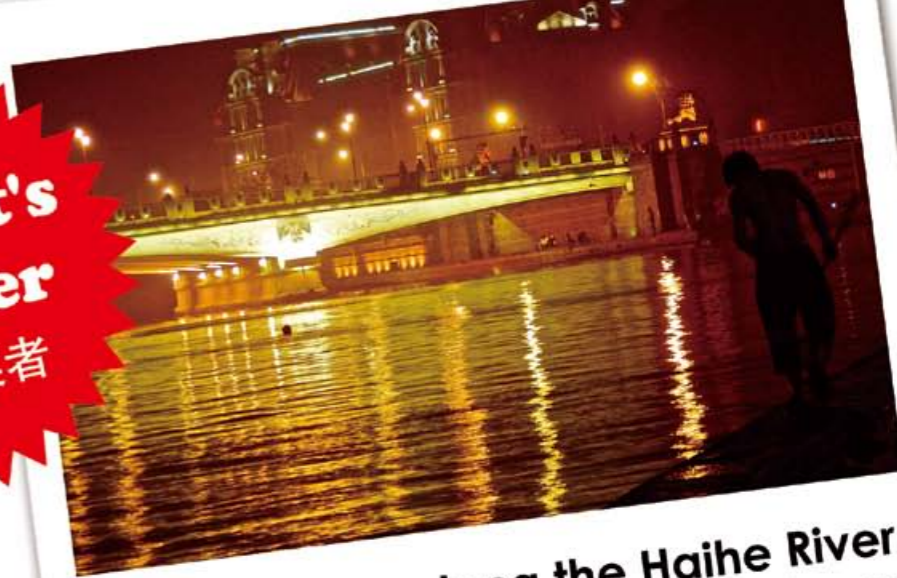
Comparing the two methods of using RMB funds from the said aspects, it seems lending foreign debt to FIEs, which only triggers SAFE foreign debt registration, is more flexible for the repatriation of the RMB funds. From a tax-saving perspective, using the RMB proceeds to contribute to the subscribed registered capital may be more tax-saving, since the repatriation of dividend and injected registered capital will not be subject to the PRC business tax. Each option has its pros and cons, the issuer could solely adopt one option or use both options. Therefore, it is highly recommended to scheme the method(s) based on the forecast and analysis on the demand of cash and profit margin before the issuance of bonds.

Garrigues' Comments

It is undoubted that Hong Kong will continue to be the biggest offshore RMB hub. Meanwhile, other international financial centres, such as London and Singapore, are eager to expand their market share of RMB trading. Recently, HSBC has successfully raised RMB funds in London, which is the first RMB-denominated bonds issued in London. The expansion of RMB trading markets and competition among the financial centres will definitely benefit the issuers via providing more professional financing services and lower financial cost. Moreover, the stable growth of China's economy and the sustainable internationalisation of RMB will ensure the abundant demand and supply of RMB funds. We're seeing a wider range of business runners from a growing number of jurisdictions who are interested in raising funds through offshore RMB bonds to finance their expanding business. **B**

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Night Fishing along the Haihe River
by Chris Hagen



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Tianjin Prime Residential Property Market Overview



Based on the lower cost of borrowing, the residential property market in Tianjin saw the average sales price of newly-launched apartments breaking the RMB 10,000 per sq m, reaching RMB 10,259 per sq m. This rise of RMB 300 per sq m reflected an estimated 3% increment over the average sales price of RMB 9,964 per sq m for the month of May 2012.

In terms of total number of transactions, there were 8,483 units sold in June 2012, totalling an estimated 89,800 sq m. This represented an increase of 18.5% month-on-month.

In terms of the transaction volume breakdown, Tianjin's six core districts (Heping, Hexi, Hongqiao, Nankai, Hebei and Hedong), four suburban districts (Wuqing, Xiqing,

Jinnan and Dongli) and Binhai New District registered increments of 34.2%, 28.4% and 35%, respectively. On the flip side, outlying counties (Ninghe and Ji) and districts (Baodi and Jinghai) experienced a drop in transaction volume by 10.3% for the same period of comparison.

Price-wise, the six core districts' average sales price was RMB 16, 125 per sq m; suburban districts reached

RMB 9,271 per sq m; Binhai New District was RMB 8,942 per sq m and outlying counties and districts registered RMB 6,742 per sq m.

Two main areas saw the highest jump

in prices for new apartments – TEDA (Tianjin Economic Development Area) and Dagang area – by slightly more than 10% month-on-month. In TEDA, the average price rose by 16% to RMB 18,048 per sq m. This was

due in part to Vanke's Copper Crest project launch, which saw transaction prices averaging RMB 22,231 per sq m. In Dagang, the average price rose by 12% month-on-month to reach RMB 6,573 per sq m.

The Table below shows some of the top-selling residential developments in the month of June 2012:

Name of Development	District	Average Sales Price (RMB per sq m)	Transaction Volume (No. of Units)
北宁湾 Bei Ning Bay	Hebei	12,344	358
水岸银座 Waterfront Ginza	Hedong	28,492	282
振业城中央 Zhenye City Central	Hedong	14,100	168
招商钻石山 Merchants Diamond Hill	Nankai	17447	121
天津大都会 Metropolitan Height	Heping	21,063	105
中国铁建国际城 China Railway Construction International City	Hebei	13,041	92
仁恒海河广场 Yanlord Haihe Plaza	Nankai	26,616	75
世茂湿地公园 Shimao Wetlands Park	Tanggu (Binhai New District)	9,505	56

Source: 1stboard (富思博得)

Although the Central Government is striking a balance between stimulating a sluggish economy and contending with a small housing revival of sorts, Premier Wen Jia Bao is adamant that speculative investment must be curbed at all cost

as runaway prices would undermine the political and social fabric of the Chinese society. It is against this backdrop that the residential property market in Tianjin is likely to stay on the conservative side as it seeks to address housing needs of

first-time buyers and the upgraders' market. **B**

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China Residential Monthly Index



70-city CBRE Housing Price Index

	m-o-m (%)	Change from peak
National	-0.2	-2.0 (Jul-11)
1-tier	-0.2	-2.0 (Jun-11)
2-tier	-0.3	-2.9 (Aug-11)
3-tier	-0.1	-0.9 (Jul-11)

(Note: Dates in parentheses indicate the previous peak)

Price movement (m-o-m)	No. of cities
Increase	6
Stable	21
Decrease	43

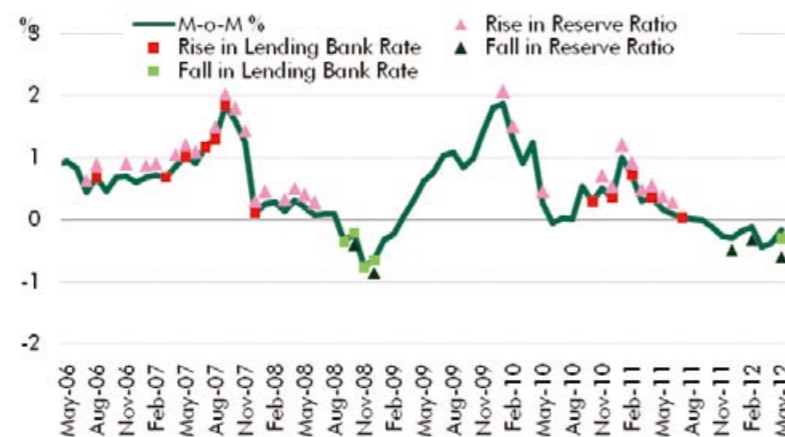
Source: National Statistics Bureau



Monetary stance eases but property controls remain in force

- The 70-city CBRE China National Commodity Housing Price Index weakened by 0.2% m-o-m in May under the continued impact of various restrictive property controls. The drop was the eighth consecutive monthly fall and prolonged the longest period of decline witnessed since 2008.
- However, buyer activity picked up during the month with sales volume in 11 major Chinese cities recording a rise of 17% m-o-m. The improvement was mainly due to stronger demand from first-time buyers and the fact that May is traditionally a solid period for sales.
- On June 8 the People's Bank of China lowered its benchmark rates on deposits and one-year loans by 25 basis points to 3.25% and 6.31% respectively, the first such cut in three years. Banks will also be permitted to float their own interest rates around the new benchmark. The deposit rate ceiling has been raised to 110% of the benchmark (3.58%) and the lending rate floor has been lowered to 80% of the benchmark (5.05%). Although the rate cut is expected to stimulate the market to a certain extent, the impact will be limited as long as the Home Purchase Restrictions and other tightening measures remain in force.

CBRE Commodity Housing Price Index in 70 Large and Medium-Sized Cities



- Residential prices continued to soften in May under the impact of the Home Purchase Restrictions. Of the 70 cities surveyed, prices in 43 declined on a m-o-m basis whilst 21 recorded no change. The current decline is different to that witnessed in late-2008 when prices recovered quickly after the government implemented a massive economic stimulus package to mitigate the impact of the global financial crisis. Today the government continues to stress that cooling policies will remain in place until prices have fallen to a more affordable level.

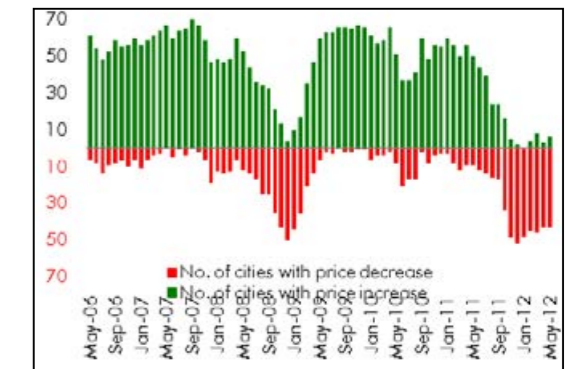
- It should be noted that the magnitude of the current correction is still mild, with the Index down by just 2.0% from the most recent peak recorded in June 2011. Over the past six months just three cities have recorded price declines of more than 6%. All of these locations experienced stronger than average price growth of up to 27% during the boom period from mid-2009 to late-2011.

- Movement in housing prices has historically correlated with the M1 measure of money supply by a five month-lag. Following the new interest rate cuts and lower required reserve ratio, the money supply situation will improve slightly going forward. This may shield housing prices from a significant fall in the months ahead. **B**

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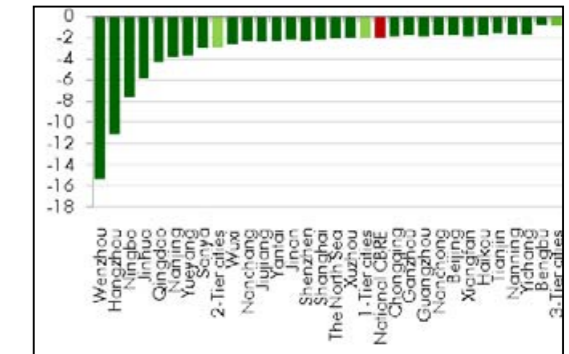


Monthly price change at city level



Source: National Statistics Bureau

Cities with the greatest price correction from latest peak



Source: National Statistics Bureau

Correlation between liquidity and housing prices



Source: People Bank of China, CBRE Research

How to Obtain Land Use Rights in China?



Simon Bai
Winners Law Firm



Overview of land use rights in China

The major laws in respect of land and real estate are the Constitution of People's Republic of China, The Land Administration Law (the "Land Law") (which is the fundamental law governing land matters in China, first adopted in 1986 and then amended respectively in 1988 and 1998), The Law on Administration of Urban Real Estate (the "Urban Real Estate Law" adopted in 1994 and amended in 2007) and Property Law (adopted in 2007). There are many other relevant laws and regulations in relation to the industry as well which will not be discussed here.

According to Land Law, China maintains a socialist public ownership i.e. an ownership by the whole people and ownerships by agricultural collectives, of land. No private ownership of land as such exists in China. In respect of ownership by the whole people, the State Council is empowered to represent the State to administer the land.

Because the State has the power under the Constitution to expropriate land from agricultural collectives, with compensation in return, in the name of public interests, the collectives own their land at the mercy of the state. This means the public ownership of land is effectively owned and controlled by the government. Although all the land is ultimately owned by the government, business entities and developers may acquire land use rights from the government for terms ranging up to seventy years and then may own a structure or fixture on that land.

Transfer of land use rights was made possible only in late 1980s due to the amendment of the Constitution, which provided the legal basis. In 1988, China amended Article 10 of the Constitution which originally read, "No unit or individual is allowed to occupy, trade or lease or illegally transfer land by other means". The amendment further provides that "The right to the use of land may be transferred in accordance with the law." While this

provision may seem insignificant in its length, it was revolutionary at the time. The amended Constitution still prohibits private ownership of land, but it does allow the government to grant land use rights for a specific term. This turned out to be one of the key revenue sources for Chinese governments at various levels over the subsequent years. The minor amendment of Article 10 also led to a boom in the real estate market for the next 20 years once this major legal obstacle had been removed.

In line with the amendment to the Constitution in 1988, The Interim Regulation of China on Allocated Land Use Rights and Granted Land Use Rights of State-owned Urban Land was issued by the State Council in 1990, together with The Urban Real Estate Law in 1994 which authorised local governments to grant long-term land-use rights to land users over state-owned land, but not over collective land. This sparked

off two-decades of real estate growth at a neck-breaking pace.

Allocated land use rights lack security of tenure and are subject to the risk of being taken back by the government at any time without compensation.

Land use rights over agricultural collective land is slightly more complex since neither the collective itself nor the government may grant land use rights on this type of land to developers. Agricultural collective land needs to be requisitioned by the government and then converted

into state-owned land before the government can grant land use rights on it. This ensures that the government has the final say on the use and transfer of agricultural land for any industrial and commercial development purposes.

In accordance with the Urban Real Estate Law, for real estate developers who seek to conduct construction of infrastructures and buildings on State-owned land, they have to first obtain land use rights. There are two kinds of land use rights- Allocated and Granted.

Allocated land use rights are obtained through administrative approval by the government without the payment of a land-grant fee for an indefinite period (usually to state-owned, State-run or non-profit entities). Such land use rights lack security of tenure and marketability and are subject to the risk of being taken back by the government at



any time without any compensation. Furthermore, allocated land use rights cannot be pledged, mortgaged, leased, or transferred by the user.

Granted land use rights are acquired from the State by paying a land-grant fee to the government. Granted land use rights can be pledged, mortgaged, leased, and transferred within the term of the grant. Land is granted for a fixed term. The government may transfer land use rights to residential property for a term of up to seventy years. For commercial property, the maximum term is forty years. Industrial and other types of land use rights may be granted for a term of no more than fifty years. Granted land must be used for the specific purpose for which it was granted.

Allocated land use rights may be converted into granted land use rights upon the payment of a grant fee to the government.

How to obtain land use rights

In the case of allocated land use rights, the land user may acquire the land at virtually no cost, under certain circumstances, or paying only annual land use fees. As mentioned-above, the tenure of allocated land use rights could be terminated by the government at any time which creates much uncertainty for the land user and its business partners.

In accordance with Urban Real Estate Law, allocated land use rights may be offered to the following organisations and purposes upon approval by the appropriate governments:

- Government agencies and the military;
- Urban infrastructure and public interests;
- Energy, traffic and water irrigation which are approved by the state and
- Other purposes which are allowed by law and administrative regulations

The Ministry of Land and Resources (the “MLR”) issued a Catalogue on Allocated Land in October 2001 specifying the specific purposes under which allocated land use rights can be acquired.

To obtain granted land-use rights, the land user must sign a land-grant contract with the local level of MLR by means of an open and competitive mechanism which are by bidding, auction or a listing process and must pay a land-grant fee up front. The successful grantee must use the land for the purpose specified in the land-grant contract. Prior to the expiration of the term, the government may reclaim the land for reasons of public interest under which circumstance the government must compensate the grantee for the

value of the unexpired term.

Prior to July 2002, the process of granting land-use rights was largely conducted in a private and opaque manner usually by bilateral agreements between local land authorities and grantees rather than by competitive procedure such as auction or a tendering process. The lack of transparency gave rise to corruption as well as heavy losses to the state, as many private negotiations resulted in land prices far below market value.

On July 1 2002, the Provisions on Grant of State-owned Leaseholds by Invitation for Bids, Auction and Listing (the “BALP”) issued by MLR issued came into effect that prohibits land use rights grants by private agreement for commercial purposes. According to the BALP, land-use rights for commercial land must be granted by means of auction, a tendering process or listing process. The listing process refers to an arrangement of publicly inviting potential purchasers to participate in the bidding under which the land is listed at a land exchange center and interested parties are given a certain period of time to submit bids. **B**

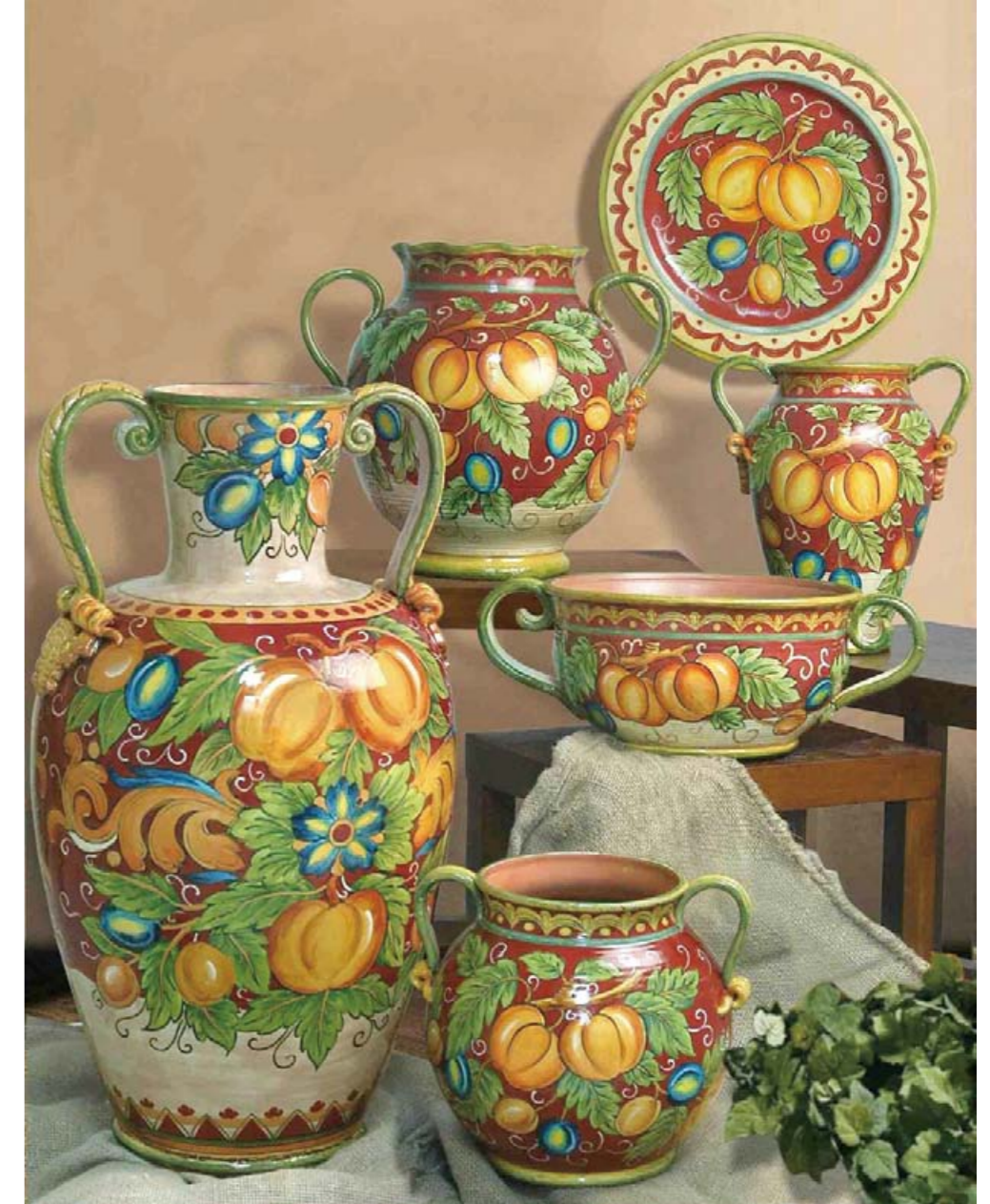
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Intellectual Property Rights (IPR) Strategy for SMEs in the EU Ceramics Sector – Part I



Philippe Healey,
Project Manager,
China IPR SME
Helpdesk



Since the ceramics industry in the EU is affected greatly by low-cost ‘copies’ of products being imported into the EU and an increasing number of such imports are coming from China, it is important that rights holders create and implement an IPR strategy. This should include registering and protecting their rights in China (even if it is not a primary market for their products), monitoring industry trade fairs, developing a well-timed and proportionate warning letter campaign, recording their rights with Chinese customs and initiating selective civil actions — a strategy that may enable infringement to be stopped at the source (i.e. China). Once infringing products leave China for other parts of the world they become difficult to track. Part I of this two-part series describes the types of intellectual



property most relevant to the ceramics industry and outlines the strategy for registering those rights in China. Next month's edition, Part II, features measures SMEs can simply and cost-effectively adopt to enforce their IPR in China.

The categories of IPR relevant to the ceramics industry in China are design patents, trade marks, copyright, invention patents, and utility models. In certain circumstances actions for unfair competition may also be applicable. Although China's laws and regulations in relation to unfair competition may protect against certain acts such as copying trade dress, it should not be relied upon as a first line of defence. To protect your IPR in China, you should register your rights.

Design Patents

Design and distinctiveness are important for certain ceramics products especially those targeted at consumers (i.e. ornamental-ware, tableware, sanitary-ware, etc). As leaders in design, EU producers face the challenge of maintaining and protecting this advantage. This begins with acquiring rights in China to

protect their unique designs.

In China designs can be protected by registration under the Patent Law. So-called 'design patents' protect original designs relating to the shape or pattern of an object, meaning that the outward appearance of ceramics products may be protected by a design patent. Design patents are typically granted within 9 to 12 months and last for 10 years.

Trade Marks

In China, a trade mark can be protected by registration under the Trade Mark Law. Protection lasts for an initial period of 10 years and is renewable indefinitely for successive 10 year periods. However, it may take 2 to 3 years for a trade mark to be granted. Foreign individuals and entities seeking to register national/Chinese trade mark(s) must instruct a Chinese trade mark agent to apply on their behalf.

Strategic use of trade marks can be particularly important where a product design has not been registered. Embossed trade marks or marks that are integrated into the design make it

difficult for infringers to distinguish between necessary functional elements and non-essential branding elements. Some infringers may not be so careful as to alter the branding elements if they are closely incorporated into the design and therein copying of the design may result in copying the trade mark. If such marks are registered in China, it gives ceramics manufacturers legal rights with which to protect their products.

Copyright

Copyright protects the creative or artistic expressions of an idea. Porcelain dolls, designs on tiles, vases, mugs etc can easily be understood and viewed as works of art, whereas bathroom sinks, toilets, clay pipes and roof tiles may (or may not depending on level of artistic merit) be perceived as merely functional products lacking any originality. However, even the latter ceramics products may contain a certain degree of creativity and may be afforded some degree of copyright protection. Copyright protection may attach to the work but would stop at its functionally-dictated aspects.

Unlike patents and trade marks, copyright automatically vests after an original work is created, and registration is not required for the work to be protected since China is a member of the Berne Convention for the Protection of Literary and Artistic Works. However, voluntary registration of copyright in China is recommended because, when a copyright dispute arises, registration acts as prima facie evidence that copyright subsists in the work and that the stated registrant owns the copyright. Registration takes approximately 2 to 3 months. In practice, a registration certificate is also required in most cases



where the copyright owner wishes to take administrative action against infringement.

Identify and Register IPRs in Ceramics Products

Branding, artistic and technical elements may be embodied in a variety of ceramic products. These elements may give rise to protectable IP but may go unregistered or even unidentified. Like in many other countries, in China most forms of IPR require registration. It is advisable to prioritise amongst products, registering the most valuable or those most widely sold and distributed.

Registration of rights gives the registrant legal bases to act against infringers, but failing to register may make it very difficult, if not impossible, to seek effective administrative or judicial redress at a later date should problems arise. Without them, taking action may be difficult, more costly and complicated and the results less certain. One obstacle to overcome is to first identify the IP that subsists in products. If they are not initially recognised registration would not even take place.

Most people think of slogans, names and logos rather than the shapes of products when deciding what to register as trade marks. Although difficult to register in some circumstances, the shape of a product may be registrable as a three-dimensional trade mark.

The design elements or outward appearance of a ceramics product may be protected by a design patent. Any new product development processes should be assessed early on for IP risks and opportunities. By delaying this assessment, a company may run into unanticipated risks and forfeit IP protection. Notably, once a product is launched and broadly sold in the marketplace, the ability to

register design patent rights is likely to have been forfeited.

Copyright may go unidentified by companies that fail to consider designs in such mundane and utilitarian objects such as toilets,

In China, if it's not registered, it does not belong to you!

sinks, bathtubs and the like as works of art. However, copyright may subsist in the artistic expression of a design embodied in such ceramic items. These works of applied art arguably contain a degree of originality to attract some degree of copyright protection (albeit excluding the functionally-dictated aspects). Therefore the process of creation should be well-documented. That is, rough drafts, previous versions of designs, evidence of the evolution of the design idea are all useful to demonstrate that the ceramics manufacturer developed (and how it developed) the works. Agreements between the manufacturer and the artist

(if the work was commissioned or licensed) that show that the relevant rights were assigned, or other evidence that would support copyright ownership and independent effort in the creation of the work, should also be kept.

Take-Away Messages:

- Make sure your products are properly registered in China as design patents, trade marks, copyright, invention patents and utility model patents. Do this as early as possible because in China, if it's not registered, it does not belong to you!
- Even if China is not your primary market, register your IPR in China and with China Customs, to prevent low-cost 'copies' from entering the international market.

Return next month for Part II, including strategy for enforcing IPR in China. **3**

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ADVERTISING IN CHINA

Interview with Carol Potter, CEO of Greater China BBDO

By Heidi Skovhus

Carol Potter, the CEO of Greater China BBDO, was interviewed by *Business Tianjin* about the advertising market in China.

Please tell our readers about BBDO China?

BBDO is one of the biggest Global Advertising networks in the world, and has been consistently recognised and awarded at a global level. BBDO has won the Cannes Lion 5 years in a row, and that is what BBDO in China has to live up to.

In Asia, we are very strong and have continued to grow in strength over the last 5 years. We currently have a good network throughout the Asian continent and we work closely together on shared clients. In greater China we have eight offices across five cities, which are Beijing, Shanghai, Guangzhou, Taipei and Hong Kong. Within the group we have four different companies.

BBDO is the biggest and the one that goes back many years. In fact BBDO has been in China for 20 years. Proximity is a global company focusing on Digital and CRM. Proximity Live is a China specific company which focuses on luxury products and brands. And finally Energy BBDO was created last year as a second agency here in China, because our growth and the nature of our clients required us to have two companies. We employ almost 500 people in China. We have really superb creative talent, and a great team. We mainly recruit in Asia, and 60-70% of our staff are from mainland China. We only have a handful of employees from the US and Europe working here.

Please tell our readers a little bit about yourself.

I am British and I came to China in 2006 with my husband and my son, who was then 8 years old. When I came in 2006, BBDO had one office

in Shanghai, but since then BBDO has grown 4-5 times. It has been an amazing growth – like nowhere else in the world.

Before my job at BBDO, I had previously spent time in China and I lived in Tokyo for 2½ years. I have also worked in Australia. However, most importantly, I had done a lot of business in Asia and in China during my time in London as a Global Business Director for Unilever and DeBeers. Back then I worked for another advertising agency and this experience enabled me to have a very good understanding of China before I had arrived.

One of the things that I am most proud of is that we have had a very stable management team during my time here. There are four people in the management team of BBDO Greater China and three of us have been together since I came, and the fourth one joined the team 3 years



ago. This is very unusual in our industry and I really think that it has been one of our more critical factors in our success.

Which international brands are you currently working for?

Approximately 80% of our clients are international brands including Wrigley's, Pepsi, Gillette, Mercedes Benz, BMW, FedEx, Johnson & Johnson's Baby brand, Hyatt and Tiffany. So we have a varied spectrum

of consumer brands, business to business brands, service industry and luxury products. They are all big international companies with a lot of marketing sophistication and they demand world class service, thinking and creativity and they are all moving at a very fast pace. This is a great challenge for us as the advertising industry in China is not yet as sophisticated as in the US and Europe, even though the industry here is developing very fast.

Most of our international clients have a very intelligent approach to China, which means that they have global frameworks for their brands. However, they do listen hard to Chinese consumers and therefore we do a lot of work here that is specifically for Chinese consumers, but within the overall framework of the global brand.

When you are talking about listening to the Chinese consumers,



How diversified within China does a company need to be?

Good question, because this is a hot topic in the region at the moment. Very high focus is on tier 3 and tier 2 cities in China, and the question is how diversified are these compared to the rest of China. Interestingly enough there are more commonalities than differences. When you talk about fundamental needs and motivations they are pretty much shared, and frankly I have witnessed that globally for many years. For example mothers of teenage kids have some of the same concerns no matter where they are in the world. Having said that there are obviously some differences that you have to take into account, such as differences in the way people are consuming the message and the methods by which they consume it. TV is still very important in China especially outside of tier 1 cities.

No matter who you are talking to in China, I firmly do not believe in “dumbing down” the message. I have seen several companies do that, because some of the Chinese people are not as sophisticated in how they consume the message – compared to people living in tier 1 cities. Some companies are treating them like children. I do not agree with that and I think that the message should be as emotional and sophisticated as anywhere else as long as you pay

attention to the context in which it is consumed.

How do you gather consumer insights in China?

When I first arrived 6 years ago I was a foreigner and I needed to understand the Chinese consumers quickly. However, unfortunately I did not have the time to go out and study them on my own. I found that there was a lot of information that was lacking, and so we invested in doing some of our own research. At the time it was a big investment for BBDO, but it was necessary for us to do it. We did – and still do – our own online panels and we look into topics that our clients typically do not cover themselves. We can talk to people about their hopes, dreams, fears, anticipations, feelings, attitudes and so forth. For example, we have a very rich edition on women and more recently we conducted some research on relationships and sex.

How would you describe the Chinese advertising market in 2012?

It is still growing and is very vibrant. I know people are talking about a slowdown, but BBDO is not experiencing that at all. All of our clients are investing heavily in China.

I think it is a really exciting time for advertising in China since this

is a very online, digital and mobile market and there is a lot of innovation here. Even more exciting, for me, is the fact that I see some real changes in the content of the messaging and I think it is becoming much better. When I arrived there was a tendency for advertising to be too simplistic in China, but today we see much more creativity in the messaging.

The combination of great innovation in how the message is consumed and the development in the messaging itself makes it the leading market in the world. That is why it is so interesting to be a part of.

How would you describe the current media trends in China?

The media trends all over the world are going in the same direction, but I think it is more accelerated and pronounced here in China as the emphasis on social media is huge. Chinese consumers are more demanding on companies behind the brand which is very understandable given the history of the country. The Chinese consumer pays high attention to whether or not the company is actually behaving according to its brand values or not.

How do you anticipate the advertising and media market in China will change in the coming years?

I believe the Chinese market will continue to grow. I anticipate that one of the greater shifts within the next five years will be that Chinese companies will start to put more effort into building their own brands and become much more sophisticated in building Chinese brands. I think Chinese companies will acknowledge that brand building is about much more than awareness, and that it is also about building a strong emotional brand.

How is it different building marketing plans in China compared to US and Europe?

The fundamental discipline of course

is the same, but the biggest difference in China is the amount of change and speed of change. A business plan can become redundant within 6 months. This is very demanding and you have to be very agile to navigate around this. On the other hand, it is a good thing because it is actually possible to affect and alter perceptions within a 12 month period, if we set out to do that and focus on it.

Are brands important to Chinese consumers – and how so?

It is incredibly important and far more so than in more developed markets. If you look at people in their twenties, they have seen change that is beyond our comprehension, and they do not have the same inherited relationship to brands as in the US and in Europe. So everything is experimentation and within that people need guidance in order to navigate. This guidance is something brands can provide. It is not just about what detergent brand I use, it is about how I chose to live my life. So I think brands are more critical in China.

Generally speaking, how do you think foreign companies are doing in China – when looking at their advertisement?

It is mixed. The companies that listen generally do well, whilst the companies that tend to not listen, and feel they themselves have the answers, tend to be less successful. Unfortunately, you still see companies coming into China without listening to the Chinese consumers meaning they are unlikely to succeed.

What are some of the common mistakes made by foreign companies when operating in China?

Two things: Firstly Not tapping into the Chinese consumers. Secondly to oversimplify the messaging to the Chinese consumers.

Some companies look at China and think it will be easy to get a slice of the growth, but it is not. You need to invest, be patient and do your

operating on a much smaller budget.

Which recommendations would you give companies planning to enter China?

Aside from the things I already mentioned, I see many companies coming in and being in a rush. But it takes time to establish a brand in China, so you need to be patient.

What is the biggest challenge you've faced in the past 6 years at BBDO?

Finding the talent! This is a very demanding market for talent. Planning and digital competences are extremely hard to find. Even though this is a big challenge, it is a good thing for our culture, because we really want to retain our talent and so we are highly focused on being a good work place. The work environment is very important for us. So yes, it has been challenging but to be honest there is no more exciting place to be in the world right now if you are in my industry. It is where the growth is, it is where the clients are growing, and it is where all the innovation in communication is going to come from within the next 5 years. **B**

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How Angel Capital picks promising companies?

By DaD Asia



In 2011, China became the world's second largest Venture Capital/Private Equity (VC/PE) market behind the United States, surpassing the United Kingdom.



From 2002 to 2012, the amount of investments and deals made increased exponentially (Picture 1). With this, both society and its government are creating a better environment for startups in China, which results in more and more entrepreneurs and innovative projects, which, in turn, is resulting in more entrepreneurs and more innovative projects. How can investors pitch the promising projects correctly? Generally, four important aspects of this pitching

process should be taken into consideration.

Picture 1 Investment Market of China



Source: Zero2IPO China VC Market Study, Aug. 2011

A scalable business

Most projects we have found are self-employment projects. One of our most important tasks is to convince many entrepreneurs that they do not need money at all. For example, if you have a product or service of which you are selling \$10,000 per month and you aim to sell \$50,000 a month, that's not a business plan for an investor. Actually that is simply "sell more and better." It is better for the owner to think about how to do this and negotiate with the bank to cover the negative cash flow from time to time.

Angel Institutional Investors only invests projects that have ambition and could provide strong growth. A company that is going to sell \$3 million in five years is the limit of what we may be interested in, but if, and only if, we understand that those \$3 million could multiply by expanding the customer base. A company that aims to focus only in the niche market and sell \$500,000 in the third year is not interesting for an investor.

Disruptive Business Model

A company's business model determines how that company can earn profits. Investors highly value projects that can generate explosive growth.

When doing angel investment in an emerging market, business models already proven to work can attract more investors' attention due to their low risk because the business models that these companies copy have already proven to be successful. These Chinese companies then add a Chinese flavour to make their businesses successful in China. Some examples of C2C Chinese companies are Dangdang (Amazon), Renren (Facebook), and Lashou and Meituan (Groupon). They all have experienced explosive growth, and most of them have already gone IPO.



"Are copycats the only ones successful?" The answer is NO. Some innovation in China is also promising, as they can also succeed in competitive markets. Alibaba, founded in 1999, is the world's largest online business-to-business (B2B) trading platform for small businesses. One of the most important

reasons why Alibaba succeeded is because of a large amount of Small and Medium Enterprises (SMEs) here in China. This is why Alibaba and SMEs both win in this situation. Another case is Focus Media, founded in 2003, a Chinese outdoor TV advertising network operator. Focus Media implemented televisions in buildings, marketplaces, buses, subways and taxis before the rest of the public knew about this plan. It also combined ordinary outdoor print advertising with traditional television advertisements to create a completely new industry which undoubtedly has a potential for strong growth. Alibaba has gone IPO in 2007 in Hong Kong, while Focus Media entered Nasdaq in 2005.

Know about your competitors

If there is a profitable market, there will surely be competitors. Even in infant industries, there will be competitors.

In a new industry, try to avoid companies with a large amount of resources, because they can copy your products quickly and promote their products in their mature channels. For example, Miliiao was the first free instant messaging tool in the mobile terminal industry, but similar products such as Tencent's WeChat and China Mobile's Feiliao appeared shortly after. Due to Tencent's huge QQ resource in PC terminal, WeChat has become the leader in this area.

In a mature industry, paying attention to avoiding intense competition and seeking segment markets are good ideas. Today in the online travel industry, there are mature companies like Ctrip and eLong, which already have millions of registered members. Thus, there will be no advantages if we enter this field to compete with them directly. However, you can enter the market in an unorthodox fashion. For instance, Qunar is a travel search engine for online travel services. It collects all the information related including air tickets, hotels,





holiday products and so on, to help people make better travel decisions. This is a perfect case of approaching the market differently to do well in an otherwise competitive industry, by making companies, which would otherwise be competitors, partners.

Take women's online shopping as an example. There have been so many one-stop shopping platforms, but they were not consistent in providing good

services for women eager to share and communicate. Then, sites like Meilishuo and Mogujie came about.

Meilishuo, founded in 2010, is a community-based fashion media for women, whose nature is social e-commerce. Users can communicate beauty, shopping, as well as clothing, and the pictures posted will link to online shops. Meilishuo makes money from brand advertising and online

shops. Mogujie, founded in 2011, is also a social e-commerce community for women's shopping. Mogujie has a Click-per-cost (CPC) business model, which is different from Meilishuo's. She leads traffic to Taobao and earns commission according to the turnover. So far Meilishuo has closed 3rd round financing, got more than 15 million registered users while Mogujie has finished 2nd round financing and got more than 9 million registered users.

Entrepreneurs

Entrepreneurs are the ones who launch a new venture or enterprise, and they will accept the full responsibility for the outcome. Most entrepreneurs have something to prove to the world, and there are a few who don't usually want to change it. However, according to the limited experience, entrepreneurs can be divided into 5 types:

Type#1: They are the ones in love with the industry without formal training. There are many subtypes of them, but most are people who have learned how to program, and when they discovered the specific industry, they decide to work by themselves, become independent and focused on something they love.



Type#2: Wrong career. Many young people find that the degree they earned in college, more or less to meet their parents' will, is not what they would really like to do, and they do not want to work on anything related to what they have studied.

Type#3: They are born to be entrepreneurs. There are people like this. You talk to them and do not know why, but you are convinced that this person is capable of following through with what they say even if it does not seem to make much sense. It's the glow in the eyes, their enthusiasm and, sometimes, all of the above plus good education and an innate ability to manage teams.

Type#4: The experienced manager. Many managers in large companies end up tired of having to adapt to the company's rules and organisation. They dream of "being their own boss". Most have experience of leading departments with hundreds of employees, and they wonder, especially after an MBA, if in fact they

are wasting their time and should be starting up their own business.

Type#5: The techies. They spent their whole time at their university learning relevant knowledge, and they are sure they can make something different or at least improve something with which they are familiar. Their problem is they have no experience in sales, and they have not thought about who will be responsible for ensuring the achievement of their Business Plans.

Generally, investors will favour Type#3 and Type#4:

Type#3: Their only weakness usually comes from the lack of criteria in selecting the team they need. They are able to sell the project to anyone, but they have a natural tendency to do it with the people close at hand, who are hardly ever the most suitable.

Type#4: Entrepreneurs have a deep understanding of the industry and have formed their own awareness, which will have a great positive

impact on the project they start.

Generally, investors would prefer not to see these types of entrepreneurs:

Type#1: They are not a target for an investor. Eventually, investors can just buy "their invention".

Type#2: In some cases, they have hit the nail on the head and the idea presented is attractive, but they do not have a credible team to carry it out. Their natural tendency is to surround themselves with people similar to them, which does not solve the problem of having a balanced management team.

Type#5: They need to complete their teams with experts in commercial and financial areas, and not all of them are willing to give shares in exchange, even if they are a necessity in order to carry out the project.

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Tablet Competition Heating Up

By Justin Toy

On 18 June, Microsoft shocked the tech world by entering the tablet hardware market with the announcement of Microsoft "Surface".

A week after Apple unveiled its new lineup of Mac books and its new iOS 6 updates, Microsoft stole their thunder with a surprising announcement; they are entering the tablet market. Many people are already saying that this will be the device which will finally compete with Apple's iPad; the product that currently has, by far, the largest market share of tablet ownership.

But not to be outdone, Google has joined the party too. During Google's I/O (Input/ Output) event on 27 June, they announced the Nexus 7 tablet.

Specifications

Surface for Windows RT Tablet

So let's breakdown what Microsoft is offering. Firstly, let's look at their entry model. It's called the Surface for Windows RT tablet. Looking at the physical specifications, the tablet will be quite thin at 9.94mm and very light at 676g. The screen of the RT tablet will be a 10.6-inch ClearType HD capacitive touch panel. It has a built in kickstand in the back that will allow you to prop it up. Underneath the kickstand there is a microSD slot, (a hidden gift!). The RT tablet also comes equipped with a USB 2.0 port and a Micro HD video port. It comes with a screen cover which snaps into place and doubles as a full QWERTY keyboard and track-pad mouse. The keyboard is supposed to be extremely comfortable and productive. One Microsoft rep said that you can type more than 50

words per minute on it. Now, let's change gear and talk about what's on the inside. The RT tablet uses an NVIDIA Tegra-based ARM chip for the processor. It comes loaded with Windows RT, Office Home, and Student 2013 RT. The RT tablet will be available with either 32 GB or 64 GB of hard drive space and should be available sometime this Autumn; around the same time as the Windows 8 launch.

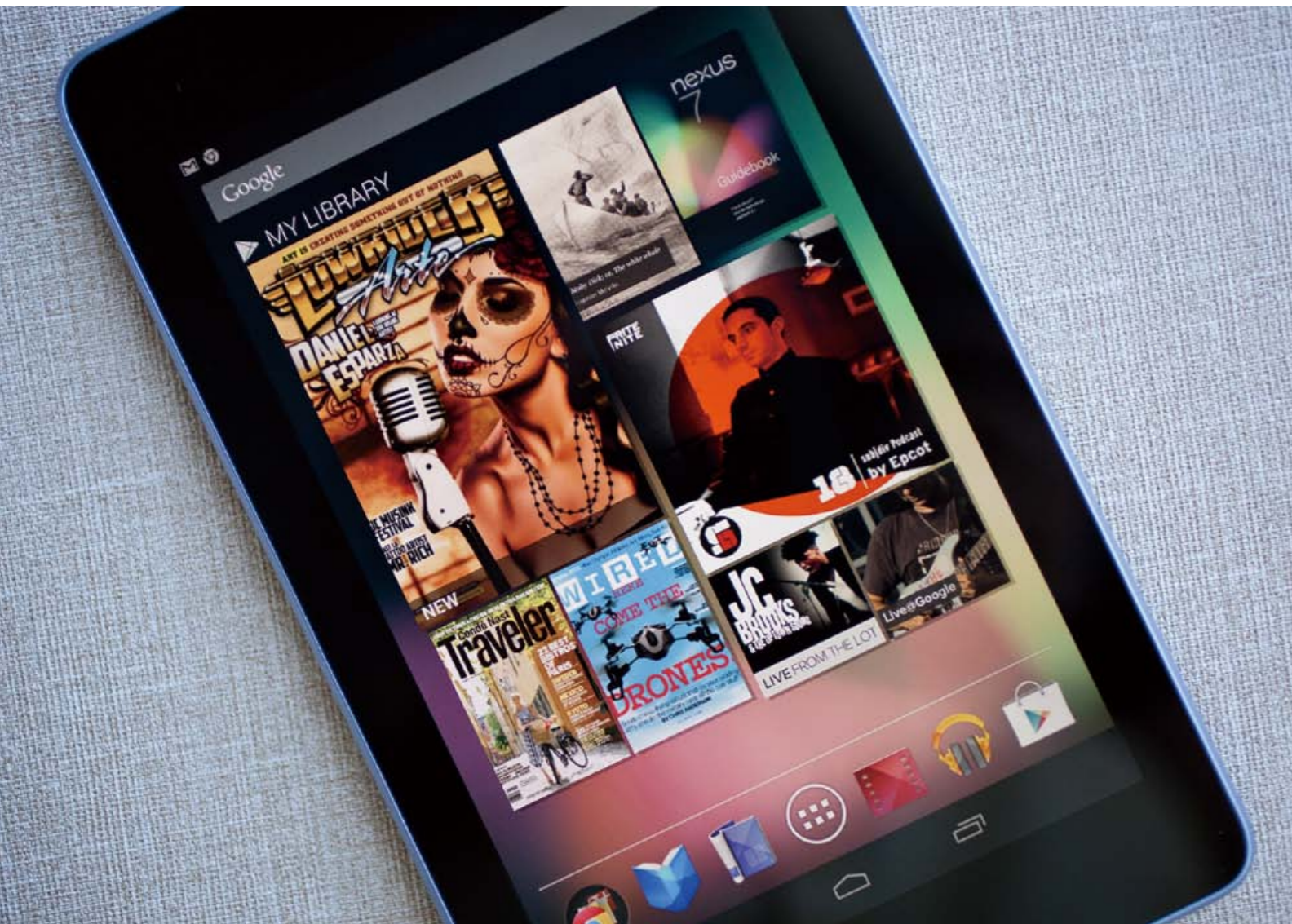
Surface for Windows 8 Pro Tablet

Now let's look at the Surface for Windows 8 Pro tablet. Because the pro tablet has a bigger battery and hard drive, the Pro tablet is heavier (903 grams) and thicker (13.5 cm). It will have the same size screen as the RT tablet. However, the pro model will support full HD (1080p). The pro model also comes with the kick stand and QWERTY keyboard/ track pad case. The pro tablet will come equipped with a microSDXC,

USB 3.0, and a Mini Display Port. Inside the pro is an Intel Core i5 processor. For software, the pro will come loaded with.... Windows 8 Pro! That's right. You will actually be able to use the full Windows operating system on the tablet and not just a mobile version. The hard drive will be available in 64 GB and 128 GB. The pro model won't hit the shelves until 3 months after the Windows 8 launch (Q1 2013).

Information regarding the amount of memory and the processor speed haven't yet been released by Microsoft. Pricing information has also not yet been made available thus far. The RT model is likely to compete in the tablet market alongside Apple's iPad, Amazon's Kindle Fire, and Android tablets. The pro version will be more pricy and will most likely compete in the ultrabook category.





Nexus 7

During the I/O conference, Google announced the Nexus 7 tablet, an updated version of Android (4.1) named Jelly bean, upgraded its flagship phone, and unveiled the Nexus Q (a strange looking, sphere shaped media player/amp device that will interact with Google products and content). The biggest news story had to be Google's entrance into the tablet market with a "mini" tablet priced at a paltry USD 200 . It began shipping in the US, Canada, and Australia in mid July. The Nexus 7, made by Asus, weighs in at .74 pounds

(336 grams) and has a width of .41 inches (10.4 mm). It has a 1200 x 800 LCD display that is covered with a strong form of Gorilla Glass. The screen dimensions are smaller than the MS Surface tablets and the iPad. The height is 7.8 inches by 4.7 inches wide. On the bottom of the device there is a mini USB port and on the side of the device you will find a volume rocker and the sleep/power button. On the top there is a frontward facing 1.2 megapixel camera. The back is covered in a soft rubbery material, which allows for easier grip and is distinctly different to the design of

most other tablets. The device will not have 3G or 4G data services but instead will have Wifi 802.11b/g/n, as well as Bluetooth 4.0, a GPS chip, NFC (contactless payment system), gyroscope, compass, and accelerometer. It will run on a quad-core Tegra 3 CPU clocked to 1.15GHz on four cores, with 1 GB of RAM and either 8GB or 16GB of hard drive space (the extra space will cost USD50).

So what does all this mean?

Apple has been dominating the market ever since they launched the



iPad in 2010. There have been several devices, which upon their launch were touted as being 'iPad killers', but have subsequently failed to loosen Apple's grip on the tablet market. Could Microsoft and Google's entry into the market shake things up? Well let's firstly look at the Windows RT model. It is of course difficult to say what kind of impact it will have- especially because we don't know the price. If Microsoft were able to sell the RT model at a significantly lower price than Apple's USD 500 entry level iPad, say USD 350, then there is a chance that there will be a massive market for this product. Another

Microsoft hasn't produced an 'iPad killer' but that their products will erode Apple's lead.

very important factor for purchasers is the applications. Will Microsoft and their developing partners create an application market that can compete with Android's Play and Apple's App Store? It will take time to develop an application market so it may also take time for the sale of

Windows RT tablets to really pick up steam.

Looking at the Windows Pro tablet, because of its components and features it will have to be priced several hundred dollars higher than the entry model. Suppose that the price is set at USD 700, the same as Apple's 64 GB model. Some analysts suggest that this price would be too high to attract a mass market. However, the Windows Pro model will run the latest version of Windows- not a mobile version. This means you will be able to run full programs, which you may already have licenses for, on your PC. Programs such as MS Office and Adobe Photoshop, as well as games like Diablo 3 and World of Warcraft. I predict that Microsoft hasn't produced an 'iPad killer' but that their products will erode Apple's lead and give users some great alternatives.

Meanwhile, the USD 200 Nexus 7 is very well designed and at a price which is significantly lower than Apple's USD 500 entry level iPad. It is certainly a great bargain. Google's Nexus 7 will surely eat into Amazon's Kindle Fire tablet sales (also priced at USD 200), and will probably attract a lot of would be iPad purchasers who don't want to fork out USD 500. However, there are a lot of rumours and analysts who are speculating that Apple is working on an iPad mini, which could potentially be priced at USD 299. It will be about the same size as the Nexus 7, and might be unveiled during the fourth quarter of this year. If this is true, Apple will cannibalise sales on its iPads, but it looks like it will be necessary if it wants to keep its throne at the top of the tablet market. **B**

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9 Steps Guideline - Hire to Keep Your People

By Robert Parkinson, CEO & Founder, RMG Selection

If we ask any professional person who works in a leadership, P&L management or strategic HR role for the most pressing problems in their work, the answer often focuses on two key points: how to hire the right people in the first place, and then how to keep them. In fact, the more employees we keep, the less hiring problems we will have in the future, as we benefit from the 'stability snowball' effect. As a recruiter of more than 15 years, I have learned to see the concepts of hiring and retention holistically, i.e. not as two independent processes, but rather as one. So here we share with you our 9 RMG golden rules of hiring to keep:

1. Ownership: Usually there will be several rounds of interviews before you offer someone a position. You get opinions from each interviewer and you often deal with the challenge of multiple time zones and complicated agendas. The resulting problem is that nobody seems to 'own' the hiring process. No one person takes responsibility for the new hire. This may result in losing good candidates, and a poorly perceived hiring process. SOLUTION: the hiring-manager owns the process and makes the decision. Do you take team input and feedback? Yes. Is it a team-decision? No, because the problem with 'team-decisions' is

that nobody is ever quite sure who's made it.

2. Money just can't be the reason (ever): Make sure someone does not join you just for more money. Salary is the simplest way to attract your people away from you if that's the only reason people join you in the first place. Successful employment relationships evolve when the values, goals and beliefs of the employer and employee are shared. In fact the decision to take a new job is rarely just about the money. However it often does seem that way, and it is important to get to the heart of the matter: what's really important

to your potential new team-member about their career? ACTION: Find out what really drives your new hire, and if, after thorough professional evaluation you conclude it's just about the money, don't move forward, because you'll regret it if you do.

3. Pay them enough: We've dealt with why money shouldn't be the only reason to hire, but it also can't be the reason to put someone off. If the market's paying 25k a month, then it probably makes sense to pay 26k if you like the person. Put simply, if you find someone is willing to join you for good reasons, then pay them well. Don't

(allow anyone to) play games with the candidate because it will make you look bad: a candidate who expects 35k per month, who is offered 28k a month after 4 rounds of interviews, will not flatter your hiring process on Weibo!

4. A definite salary scale: You need to set it up and then stick to it. Do not make any exceptions – keep a good internal equity. Any special treatment will break your system and the balance of the whole team. In other words you need to have a salary structure that is flexible enough to attract the right people, but is structured enough to reward the different grades in your organisation. Good candidates who genuinely want to join you will understand that exceptions can't be made.

5. The Total package: The perceived value of your total package is very important. Set up other incentives which are not purely cash based: overseas trips (the top RMG performers are off to Thailand in July!), extra holidays, recognition systems (for good work), prizes/vouchers, team-building nights, etc will all encourage your people as well as being clear indications of commitment and investment in staff. You should also provide training and contribute towards a pleasant working environment.

6. Time and attention: When new people join, the manager should spend time with them and pay attention to them. The manager's time means a lot to a new recruit. People will perform better when they see people notice them when they are new to your company. Too often, when candidates leave their new jobs quickly, they report that there was no induction process, or that they felt like they were getting in the way, or that no-one told them what to do. See your time with your new hire as a direct investment in the success of them and your company. This is particularly true of candidates in the first 5 years of their working life.

7. Calculate hiring costs: What is the financial cost of hiring a new

staff member? How much does the time taken cost? Are there external recruitment costs? What is the total cost of a new hire not working out. What are the costs to your company's reputation and employment brand? Once you count the full cost in financial terms, it will help show you the importance of a well thought-out hiring process and help you place extra attention on details that previously did not receive enough importance. Viewing the hiring and induction process from this perspective will also help you to think more creatively.

8. Be aware of non-verbal communication in both the hiring & induction process: People's eyes won't lie to you! When you talk with your candidates or your existing team, do look at their eyes and be aware of their body language. Those signals tell you much more than the words (much much more!!). Are they happy/unhappy? Satisfied/dissatisfied? Open or hiding? Wise managers trust both their own instincts and the non-verbal signals from their people. It is said that only 7% of a communication's importance is attributable to the actual words.

Human beings make decisions instinctively (and emotionally) and then search for the facts to justify them.

9. Trust your instincts: Human beings make decisions instinctively (and emotionally) and then search for the facts to justify them. Whether or not you believe this to be true, it is certainly worth keeping in mind that your feelings do provide a great compass to guide you towards, for example, a need for further information. Trust them. **E**

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European Chamber
中国欧盟商会

Past Events

June 7 2012

GM Briefing: Launch of 2012 European Business in China Confidence Survey

On June 7, 2012, Mr. Dirk Moens, the Secretary General of the European Union Chamber of Commerce in China presented the major findings of this year's "European Business in China Confidence Survey" in the regular GM Briefing event.

July 11 2012

Performance Management and Continual Improvement

Co-organised with the German Chamber and TEDA International Chamber, the European Chamber Tianjin Chapter successfully hosted a workshop on "Performance Management and Continual Improvement". More than 80 members from three Chambers attended the July 11 workshop on the afternoon of hosted by an invited speaker from TUV.

In an increasingly competitive market, how to improve management effectiveness and efficiency and to outperform our major competitors remains the ultimate challenge. To make companies improve their performance continuously, the core issue for any effective management system is to build up a performance driven mechanism that is capable of evaluating business process results and to use objectives to drive every single staff member to make a joint effort for continual improvement and true business excellence.

This Seminar gave the participants the most up to date concepts of modern management theory and the practical skills that are needed for a performance.



Room15A17, Suite 17, Magnetic Plaza, Binshui Xi Dao, Nankai District, Tianjin 300381.
Tel: +86 22 2374 1122 Fax: +86 22 2374 1122 Email: tianjin@euccc.com.cn Website: www.eurochamber.com.cn

Wednesday, June 27 2012

Workshop: Tax Considerations on Overseas Remittances under Current Account/Non-trade Items

German Chamber Tianjin invited two tax specialists from Deloitte Touche Tohmatsu CPA Ltd.,

- Kit On, Director of Tax and Business Advisory Service

- Rose Qin, Senior Manager of Tax and Business Advisory Service

They shared their insights on common tax issues and risks associated with overseas payments under current account/non-trade items, especially for the tax issues on the withholding obligation for Chinese resident enterprises and tax obligation for non-resident enterprises. Also discussed in detail were; the matters of focus by the tax bureau, foreign exchange authority and Customers relating to overseas remittances.

The participants and the DTT tax specialists discussed the practical operation relating to the topic and the problems that may be raised in their daily management. The tax specialists gave a variety of feasible solutions from all aspects of analysis through some daily management experience. The attendees gave an enthusiastic feedback for this workshop and expressed their hope that the Chamber will organise more such helpful activities for the enterprise in the future. Through this workshop, the attending enterprises further deepened their mutual communication and connection with each other.

Past Events

Deutsche Handelskammer
German Chamber of Commerce
in China • North China



Room 1502, Global Center, No. 309 Nanjing Road, Nankai District, Tianjin 300073
Tel./Fax: +86 22 8787 9249 Email: tianjin@bj.china.ahk.de Website: www.china.ahk.de

JOB POSTINGS

INTERNATIONAL ORGANISATIONS BASED IN TIANJIN HAVE THE FOLLOWING AVAILABLE POSITIONS

在津跨国公司招聘以下高级人员

Senior Sales Representative

高级销售代表 Code: SSR120801

JOB DESCRIPTION:

- Sell company's products and services;
- Develop and maintain current and or potential customers;
- Prepare proposals, presentations and sales contracts, negotiate and conclude the contracts with clients;
- Fulfill revenue targets;
- Submit sales and marketing reports periodically to the Sales Manager;
- Track for the clients' service;
- Perform other tasks assigned by the GM or Sales Manager;

WHO WE ARE LOOKING FOR:

- Bachelor degree or above. Major in marketing or related;
- At least 3 years of sales experience in an international company;
- Ability to meet multiple objectives in an entrepreneurial environment with little supervision;
- Negotiation skills
- Sales channel management experience is a must;
- Proficiency in written and spoken English;

Abstract: Sales, Service, Customers

Sales Supervisor

销售总监 Code: SS120802

JOB DESCRIPTION:

- Sell company's products and services;
- Develop and maintain current and or potential customers;
- Prepare proposals, presentations and sales contracts, negotiate and conclude the contracts with clients;
- Fulfill revenue targets
- Submit sales and marketing reports periodically to the Sales Manager
- Track for the clients' service;
- Perform other tasks assigned by the GM or Sales Manager;

WHO WE ARE LOOKING FOR:

- Bachelor's degree, at least four years of sales, a working background in print advertisement;
- Good verbal and written English communication skills;
- Good expression, strong communication and negotiation skills,
- Strong marketing analysis skills & customers service sense;
- Sense of responsibility, able to perform under pressure;

Abstract: Sales, Marketing Analysis

Purchasing Manager

采购经理 Code: PM120803

JOB DESCRIPTION:

- Carry out purchasing duties in accordance with the company's purchasing procedures;
- Monitor the change of material market, and reduce the procurement costs with the necessary technology;
- Carry out market research, develop the market channel and estimate suppliers regularly;
- Perform other tasks assigned by GM;

WHO WE ARE LOOKING FOR:

- Bachelor's degree;
- Preference for experience of Vehicle parts;
- Technical Requirement;
- Good communication in English & Chinese;
- Excellent computer skills;

Abstract: Procurement, Monitor, Vehicle

IT Engineer

计算机工程师 Code: IE120804

JOB DESCRIPTION:

- Lead IT support (hardware, software, network, database analysis, etc.) and development to achieve targets on quality of services;
- Build a high performance team of programmers, engineers, web designers, etc;
- Setup and develop related IT policies and work procedures;
- Ensure projects get completed on time, as per agreed business scope, within budget and to a high quality;

WHO WE ARE LOOKING FOR:

- At least 2 years working experience in the IT field;
- Expert at Windows server and operating systems;
- Expert at maintenance hardware, software, and telecommunication operation;
- Can work independently and as part of a team;
- Basic verbal and written English communication skills;

Abstract: Hardware, Software, Maintenance

Chamber Report

AmCham China

T I A N J I N

中国美国商会·天津

Past Events

AmCham China Tianjin's Annual US Independence Day Celebration

4:30 - 9:30 pm, Sunday, July 1, 2012 - Courtyard of the St. Regis Tianjin

This past weekend AmCham China Tianjin, held the July 4th celebrations, marking the United States Independence Day. The event was held at the St. Regis Tianjin Hotel on July 2 and involved an afternoon of delicious food, cold beverages, a live band, lucky draw and fun games for the kids. It was a great opportunity to hang out with old friends and meet new people.

We would like to thank all our sponsors for helping us celebrate the US Independence Day in a memorable fashion. A sincere thank you to our major sponsors: Taylor Printing, Jones Lang LaSalle and Northern Lights; and all the lucky draw prizes sponsors. We also want to thank the St. Regis Tianjin for the delicious food, good services and great venue.



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

Upcoming Events

SingCham Tianjin Chapter

Cordially Invites You and Your Family, Friends, Colleagues to Join Our:

Singapore's 47th National Day Celebration

7:00pm-9:00pm, Friday, 10 Aug. 2012

Crowne Plaza Tianjin Binhai

Dear Friends,

The Singapore Chamber (Tianjin Chapter) is proud to organise Singapore's 47th National Day Celebration for the first time in Tianjin! To make this event memorable, major sponsors include Scoot, Somerset Serviced Residences, The Astor Hotel, Hotel Nikko, United Family Healthcare, ST Regis, Tiger Beer, Sheraton Tianjin, Banyan Tree and Milan Wine, with more prizes from other sponsors. So hurry, and book now!

Date: Friday, 10 Aug 2012

Venue: Crowne Plaza Tianjin Binhai Hotel (55 Zhongxin Avenue Airport Economic Area Tianjin, 22-5867 8888).

Members: RMB 200/person, RMB 1500/table (for a table of 10)

Non Members: RMB 250/person, RMB 2000/table (for a table of 10)

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



Tangla Hotel Tianjin honoured with the prestigious AAHS

'International Six Star Diamond Award'

On 19 July, The Hainan Airlines Group announced that the Tangla Hotel Tianjin, which is owned and managed by HNA Hospitality Group, was bestowed the 'International Six Star Diamond Award' by the American Academy of Hospitality Sciences (AAHS). The hotel became the sixth in the world and the first in China's mainland to receive the highest award of excellence in the global hospitality industry. Mr. Zhu Shanzhong, Deputy Director of National Tourism Bureau, Mr. Ren Xuefeng, Vice Mayor of Tianjin, Joseph D. Cinque, President of AAHS and Mr. Wang Jian, Chief Executive officer of Hainan Airlines Group attended the gala event.

The 'International Six Star Diamond Award' was established by the

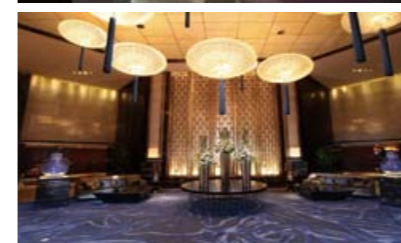


American Academy of Hospitality Sciences in 1949 with its headquarters in New York. It is the highest honour bestowed by the American Academy of Hospitality Sciences to the international services and is the most internationally recognised award; often likened as the 'Oscar' of the service industry. The 'International Six Star Diamond Award' is the highest level in the 'International Star Diamond Award' certification, also known as the jewel in the crown. Tangla Hotel Tianjin joined an elite group of only five members across the globe. There are only two in Asia, including Mandarin Oriental Hotel in Tokyo and The Peninsula in Hong Kong; marking the Chinese national hotel brand's recognition by the important international hospitality authority.

Tangla Hotel Tianjin is located on Nanjing Lu, Tianjin's core business district. The hotel is the first selection of the Tangla luxury collection hotel' built by the HNA Hospitality Group under the brand of Tangla Hotels & Resorts. This year, the HNA Hospitality Group launched the highest service standards in Executive Floors in a luxury hotel in Tianjin, which aims to provide the most authentic personalised

services. Tangla Hotel Tianjin has revolutionised the Front Office, Housekeeping, Engineering and Food & Beverage departments of the traditional hotel sector setting, and replaced them with a unique, new luxury hotel service culture - Tangla Ambassador, which takes the Tangla brand to the highest international standards in facilities, operation management and quality of service.

HNA Hospitality Group was founded in 1997. From that day on, it began its mission to 'create the world class hotel brand for Chinese nation'. In 2008, HNA Hospitality Group created its own high-end international hotel brand - Tangla Hotels & Resorts. Based on extensive research and development of China's long cultural etiquette, and combined with modern hotel sciences, the HNA Hospitality Group launched the first Tangla hotel in the heart of Chang'an Avenue in Beijing in 2009. The group has grown the Tangla brand internationally this year, with upcoming projects such as the soon to open Tangla hotels in New York, Brussels and other international central cities, promoting the Tangla brand in terms of scale and international level of development.



Include your event
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01

WED
星期三

Tianjin Port International Contemporary Art Exhibition

天津港国际现代艺术展
 天津港博物馆
 天津港博物馆(滨海新区津港路99号)
 10:30
 +86 22 2570 7581
 Aug 1-Sep 27



Tribute to the 2012 Olympics: Blake Concert

2012奥运巡礼—布雷克组合音乐会
 天津大剧院歌剧厅
 19:30
 ¥ 60 - 480
 +86 22 8388 2000 (ticket)



02

THU
星期四

2012 Tianjin International Jazz Festival

天津国际爵士音乐节
 庆王府花园
 18:00-22:00
 ¥ 200-300 for dinner
 +86 22 8713 5555
 Aug 21/31/5/7



04

SAT
星期六

Yueju Opera The Butterfly Lovers

浙江小百花越剧团《梁山伯与祝英台》
 天津大剧院歌剧厅
 19:30
 ¥ 80-580
 +86 22 8388 2000 (ticket)
 Aug 4-5



08

WED
星期三

China (Beijing) International Gear Transmission & Equipment Expo

中国国际展览中心(朝阳区北三环东路6号)
 09:00-17:00
 ¥ 50
 Aug 8-10

10

FRI
星期五

B vocal A Capella Concert

音乐王国穿越记—西班牙不封口奇妙人声组音乐会
 天津大剧院音乐厅
 19:30
 ¥ 50-280
 +86 22 8388 2000 (ticket)



14

TUE
星期二

China International Gifts Premium & Houseware Exhibition

国际礼品、赠品及家庭用品展览会
 中国国际展览中心(朝阳区北三环东路6号)
 Aug 14-17

Special Days

7 August Li Qiū (Beginning of Autumn)

23 August Chinese Valentine's Day
Chù Shǔ (Limit of Heat)

15

WED
星期三

Shanghai International Green Wooden Residential Exhibition

上海国际木制环保住宅博览会
 上海新国际博览中心(浦东新区龙阳路2345号)
 Aug 15-17

21

TUE
星期二

China Industrial Control Automation & Instruments Fair

工业控制自动化及设备展
 滨海国际会议中心
 Aug 21-24

China International Metals Working Technology & Equipment Exhibition

中国国际金属加工技术设备展览会
 滨海国际会议中心
 Aug 21-24

China International Foundry Industry (Tianjin) Exhibition

中国国际铸造工业(天津)展览会
 滨海国际会议中心
 Aug 21-24

22

WED
星期三

China International Offshore Oil & Gas Exhibition

上海新国际博览中心(浦东新区龙阳路2345号)
 Aug 22-24

China (Beijing) International Heat Treatment & Industrial Furnace Expo

中国(北京)国际热处理、工业炉耐火材料展览会
 中国国际展览中心(朝阳区北三环东路6号)
 Aug 22-24

China International Non-Ferrous Metals Industry Exhibition

中国国际有色金属工业展览会
 国家会议中心(朝阳区北辰东路7号)
 Aug 22-24

China (Beijing) International Casting Industry Expo

中国(北京)国际铸造工业展览会
 中国国际展览中心(朝阳区北三环东路6号)
 09:30-16:30
 Aug 22-24

24

FRI
星期五

China (Beijing) International Metallurgy Industry Expo

中国(北京)国际冶金工业博览会
 中国国际展览中心(朝阳区北三环东路6号)
 09:30-21:00
 Aug 24-26

28

TUE
星期二

Shanghai International Model Exhibition

上海国际模型展
 上海世博展览馆
 Aug 28-30

29

WED
星期三

China International Nuclear Power Industry Expo

中国国际核电工业展览会
 中国国际展览中心(朝阳区北三环东路6号)
 Aug 29-31



China (Beijing) International Food And Beverage Expo

国际食品饮料博览会
 中国国际展览中心(朝阳区北三环东路6号)
 Aug 29-31

Beijing International Book Fair

国际图书博览会
 中国国际展览中心(朝阳区北三环东路6号)
 Aug 29-Sep 2

30

THU
星期四

Tianjin Binhai Real Estate Fair & Overseas Properties Expo

天津滨海夏季房交会暨海外置业展
 滨海国际会议中心
 Aug 30-Sep 2



文化和美食

culture and cuisine



xī cān
西餐
Western Dishes

huán jìng hěn bù cuò fú wù yě hěn hǎo jiù shì jià gé yǒu diǎn guì
环境很不错,服务也很好,就是价格有点贵。
This restaurant's environment is pretty good. The service is also nice,
while the price is a bit high.

zhāopáicài 招牌菜 Specialties

é gān jiǎng
鹅肝酱

Foie gras

luó sòng tāng
罗宋汤

Borsch

kāi sā shā lā
凯撒沙拉

Cesar Salad

xī lěng niú pái
西冷牛排

Sirloin steak

lóng xiā
龙虾

Lobster

tí lā mǐ sū
提拉米苏

Tiramisu

mó kǎ kā fēi
摩卡咖啡

Café Mocha

Menu



zhōng cān
中餐
Chinese Dishes

wèi dào hěn zhèng zōng jià qián yě bù guì jiù shì tài yóu nì le
味道很正宗,价钱也不贵,就是太油腻了。

This restaurant's taste is very original. The price is not too expensive.
While there is too much oil.

zhāopáicài 招牌菜 Specialties

táng cù lǐ jī
糖醋里脊

Sweet and Sour Pork

gōng bǎo jī dīng
宫保鸡丁

Kung Pow Chicken

chūn juǎn
春卷

Spring Rolls

dàn chǎo fàn
蛋炒饭

Fried rice with egg

má pó dòu fú
麻婆豆腐

Mapo Tofo

jiǎo zi
饺子

Dumplings

yún xiāng
云吞

Wonton Soup

kǎo yā
烤鸭

Peking Duck

chǎo miàn
炒面

Chow Mein

yāo guǒ xiā rén
腰果虾仁

Fred Shrimp with Cashews



Menu



cān jù
餐具
Utensils

huán jìng hěn ān jìng wèi dào yě bù cuò jiù shì fú wù bù tài hǎo
环境很安静,味道也不错,就是服务不太好。
This restaurant is very quiet and tastes good. But the service is poor.

cān jù 餐具 Utensils

zhǐ jīn
纸巾

Paper towel

cān jīn
餐巾

Napkin

zhuō bù
桌布

Table cloth

chá hú
茶壶

Teapot

dí zǐ
碟子

Dish

fàn wǎn
饭碗

rice bowl

kuài zi
筷子

Chopsticks

bēi zi
杯子

Cup

tāng sháo
汤勺

Soup spoon

yá qiān
牙签

Toothpick



zhōu mò wǒ men jǐ gè lǎo péng yǒu yào jù yī jù qù nǎ er chī fàn hǎo ne
— 周末我们几个老朋友要聚一聚,去哪儿吃饭好呢?
This weekend I will meet some old friends. Is there any good place to recommend?
zài jiā lǐ chī shāo kǎo ba yòu pián yì yòu rè nao
— 在家里吃烧烤吧,又便宜又热闹。
You should eat barbecue at home. It is inexpensive and lively.

jiǔ diàn de zì zhù cān bù cuò hǎi xiān niú pái tián diǎn shén me dōu yǒu
— 酒店的自助餐不错,海鲜、牛排、甜点,什么都有。
The buffet in this hotel is pretty good. There are all kinds of seafood, meat and desserts.
shì ma xià cì wǒ yě yào qù shì shì
— 是吗?下次我也要去试试。
Really, I must try next time.

nǐ yǒu shén me bù chī de ma
— 你有什么不吃的吗?
wǒ bù chī ròu
— 我不吃肉。
nà jiù qù lóu xià nà jiā sù cài guǎn ba
— 那就去楼下那家素食馆吧。
— What don't you like to eat?
— I don't like meat.
— Ok, let's go to the vegetarian restaurant downstairs.

022-23302503

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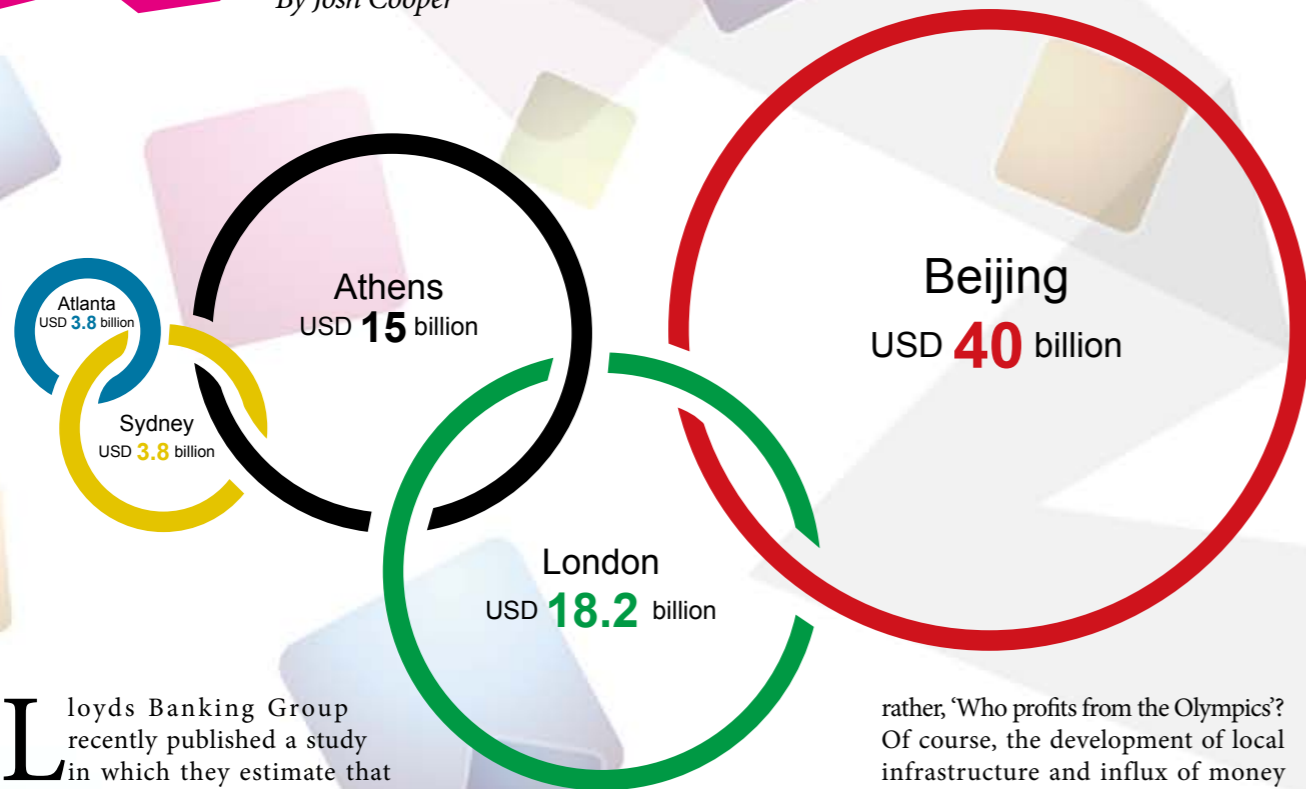
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The Olympic effect: Is it economically beneficial to host the Olympic Games?

By Josh Cooper



Lloyds Banking Group recently published a study in which they estimate that the UK economy will get a £16.5 billion boost from the 2012 London Olympics. On the surface it seems like a no-brainer that with millions of extra consumers hitting the host nation's high streets, local retailers and service providers will earn more cash. However, when one factors in the costs of building the necessary facilities, promoting and organising the event, the overall economic impact doesn't look so exciting. So for the host nation, are the Olympic Games a magnificent opportunity or an expensive serving of national pride?

One question to ask is whether the ends justify the means. Andrew Zimbalist, Professor of Economics at Smith College, thinks not. According to him, the financial outlay needed to host the games usually dwarfs any long-term benefits. Historically, and in terms of pure numbers, he makes a

The financial outlay needed to host the games usually dwarfs any long-term benefits.

fair case. "Montreal's 1976 Olympics", for instance, "left the city with USD 2.7 billion of debt that it is still paying off and when Athens won the 2004 games, its initial USD 1.6 billion budget skyrocketed to USD 9 billion". For an economy the size of Greece, this investment was a sizable one. If there were any economic benefits in 2004, they certainly seem long gone now.

For other sceptics, the question isn't so much 'are the Olympics profitable?', but

rather, 'Who profits from the Olympics?' Of course, the development of local infrastructure and influx of money spending foreigners was fantastic for the residents of Atlanta, Athens, Sydney and Beijing; but is it really fair to plough significant portions of national budgets directly into such a small geographic area? In terms of the 2012 games, it is difficult to predict whether taxpayers living outside of London will see much of a return on their hard-earned money. There is also the fact that infrastructure and facilities, which have been built for the event, require additional financing long after the Olympic Games, if they are to be maintained and used by future generations.

Conversely, while hosting the games is undoubtedly an enormous financial commitment, many say it is well worth the investment. The short-term benefits are obvious. Sky News has reported that over 1.2 million visitors are expected to come to the UK this month. The added demand for



consumer goods and extra profits for the transport, leisure and hotel sectors alone will be colossal. Employment is also bound to increase, albeit temporarily, as firms require more staff to cope with the additional workload. Furthermore, given the current economic circumstances, the positive energy, which the event will generate, may well inject some much needed optimism into the nation's workforce.

Although the short-term benefits are significant, it is usually the so called 'Olympic legacy' which has the biggest overall impact. Researcher Greg Clarke suggests that the most significant

outcomes are; long-term infrastructural development, a long-term increase in tourism due to world media exposure, improved foreign trade and more public-private business interactions. There is certainly a great deal of evidence to support this reasoning. Following Sydney 2000, multinational accounting giant, Price Waterhouse Coopers, conducted a study into the economic after effects of the games. Some of their most striking findings included an extra AUD 6 billion spent in inbound tourism in 2001 and an estimated AUD 6.1 billion worth of international exposure for Sydney.

Similar conclusions have been made about the previous games in Beijing. Lee Sands, a reporter for The China Business Review, argues that "the huge inflows of investment to support the Olympics and recreate Beijing have had an important ripple effect on economic growth". By hosting the games, China gave the world a glimpse of the country's ongoing economic modernisation and demonstrated that it is very much open for business. A study by German academic Dr. Tobias Birkendorf showed that the biggest impact of Beijing 2008 was the realisation of necessary infrastructural projects; which have subsequently improved productivity. Visitors to Beijing can now enjoy better rail links- including the ultra convenient Airport Express Line, and many other improvements in the city.

Ultimately, until we are able to analyse the after effects of London 2012 it will be impossible to assess the event's exact economic impact. The costs to the UK will undoubtedly be, and already have been, quite substantial. One thing is for certain, regardless of whether or not the economic benefits are felt for generations to come; the country is in much need of a short-term economic boost and the sense of national pride that comes from hosting the Olympic Games. **B**



Selected INTERNATIONAL FLIGHTS

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

From Tianjin

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

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

From Seoul

DEST	DEP	ARR	Flight No	Days
Los Angeles	11:10	09:25	KE001	1234567
	15:15	11:00	KE017	1234567
	20:00	15:20	KE011	1234567
Las Vegas	21:35	17:10	KE061	1.3.5..
	20:50	16:40	KE005	1.3.5..
San Francisco	17:05	11:50	KE023	1234567
Seattle	18:15	12:25	KE019	.234.67
Dallas	11:00	09:55	KE031	.234.67
Chicago	11:40	10:35	KE037	1234567
Atlanta	10:30	11:00	KE035	1234567
	18:00	18:50	KE033	2.4.6.
Washington, D.C.	10:30	11:20	KE093	1234567
New York	10:20	11:20	KE081	1234567
	19:30	20:40	KE085	1234567
Honolulu	19:00	09:10	KE051	1234567
Vancouver	21:00	10:40	KE053	1234567
	18:50	12:50	KE071	1234567
Toronto	10:00	10:15	KE073	.23.567
Sao Paulo	21:35	10:45	KE061	1.3.5..



* 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.

To Tianjin

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

To Seoul

ORIGIN	DEP	ARR	Flight No	Days
Los Angeles	11:30	19:25+1	KE002	1234567
	13:00	17:50+1	KE018	1234567
	23:30	03:50+2	KE012	1234567
Las Vegas	23:50	04:25+2	KE062	2.4.6.
	23:00	04:15+2	KE006	1.3.5..
San Francisco	13:50	18:00+1	KE024	1234567
Seattle	14:15	17:35+1	KE020	.234.67
Dallas	12:10	16:30+1	KE032	.234.67
Chicago	12:45	16:15+1	KE038	1234567
Atlanta	00:30	04:05+1	KE034	..3.5.7
	13:10	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	11:00	15:40+1	KE052	1234567
Vancouver	13:00	17:30+1	KE054	1234567
	14:35	17:50+1	KE072	123.56.
Toronto	12:15	15:00	KE074	.23.567
Sao Paulo	12:45	04:25+2	KE062	2.4.6.

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 ¥83 one way

Tianjin - Beijing Airport Terminals 2/3
04:00-18:00, runs every hour. Tian Huan Distance Bus Passenger Station The Junction of Hongqi Lu and Anshan Xi Dao. Tel: +86 2305 0530

Beijing Airport Terminals 2/3 - Tianjin
07:00, 08:00, 09:00, 10:00 then every 30 minutes until 23:00. Exit on the 1st floor at Gate 15 / Terminal 2 and Gate 1 / Terminal 3. Tel: +86 10 6455 8718

TEDA-BEIJING AIRPORT Shuttle Bus ¥90 one way

TEDA - Beijing Airport Terminals 2/3
06:45, 08:45, 14:45, 17:15. 1st Avenue, TEDA. Tel: +86 22 6620 5188

Beijing Airport Terminals 2/3 - TEDA
10:30, 13:00, 18:30, 20:30. Exit on the 1st floor at Gate 15 / Terminal 2 and Gate 1 / Terminal 3. Tel: +86 10 6455 8718

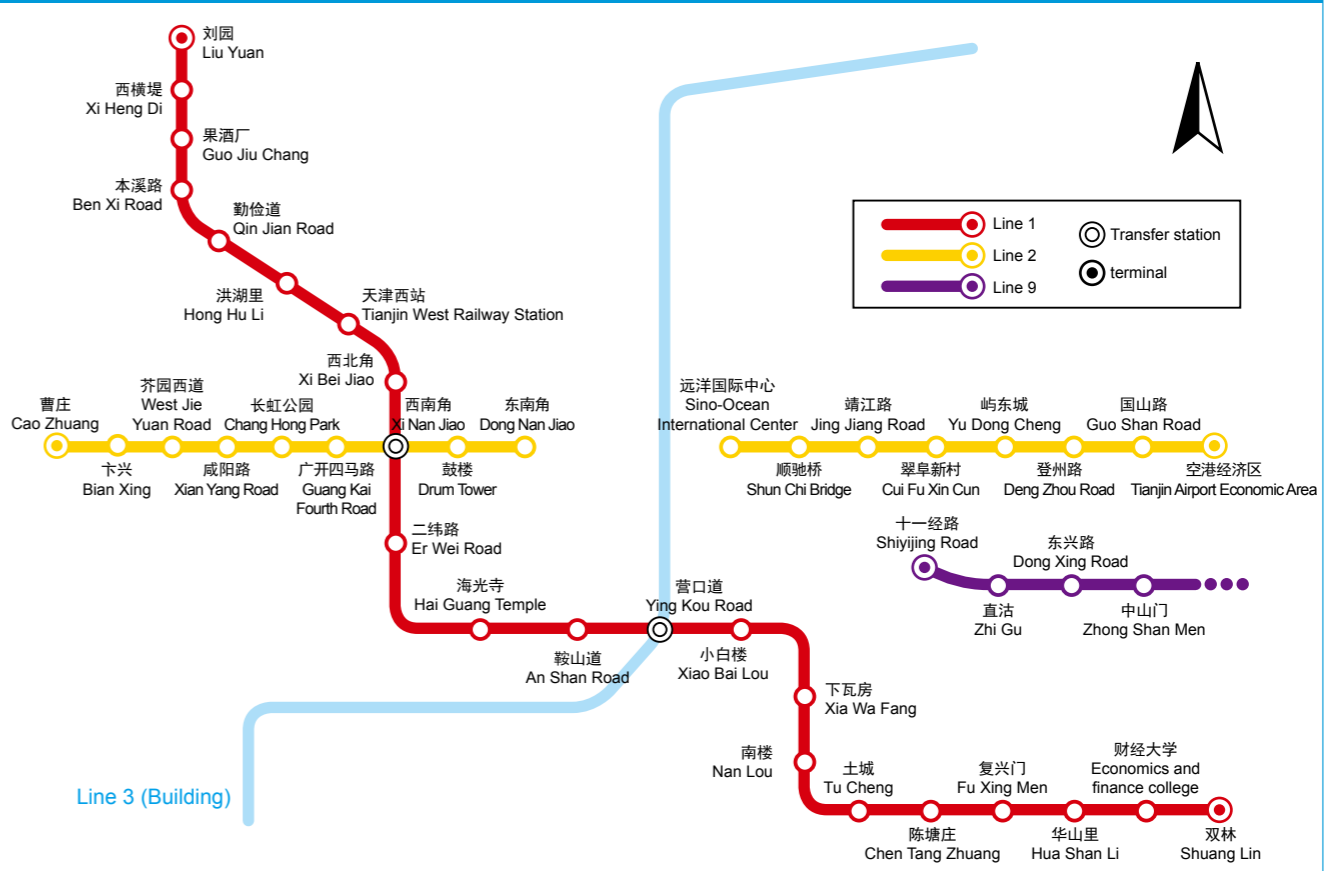
BULLET (C) TRAIN

TJ ~ BJS (¥55 - ¥66)			BJS ~ TJ (¥55 - ¥66)		
Train	Tianjin	Beijing	Train	Beijing	Tianjin
C2002	06:25	06:55	C2001	06:35	07:05
C2094	22:45	23:15	C2093	23:00	23:30

TG ~ BJS (¥66 - ¥80)			BJS ~ TG (¥66 - ¥80)		
Train	Tanggu	Beijing	Train	Beijing	Tanggu
C2274	12:40	13:10	C2273	10:45	11:15
C2280	20:25	20:55	C2279	18:50	19:20

Wuqing ~ BJS (¥39 - ¥46)			BJS ~ Wuqing (¥39 - ¥46)		
Train	Wuqing	Beijing	Train	Beijing	Wuqing
C2202	06:53	07:18	C2201	06:45	07:07
C2232	20:43	21:08	C2231	21:15	21:37

TIANJIN SUBWAY



Introducing our new flight schedule to Nairobi Kenya

Korean Air will launch 3 non-stop flight services per week from Incheon, Korea to Nairobi, Kenya on June 21. Korean Air will become the first air carrier in Northeast Asia to extend flight services to Nairobi. Fly to Nairobi with Korean Air and enjoy the grand African savanna, the safari tour, and the indigenous people full of primitive energy.



ORIGIN	DESTINATION	FLIGHT	DEPARTURE	ARRIVAL	DAY
Incheon	Nairobi	KE959	21:55	05:30+1	2.4.6
Nairobi	Incheon	KE960	10:30	04:50+1	3.5.7

Introducing our new flight schedule to Gatwick London

In addition to the daily flights to Heathrow, London, Korean Air proudly introduces its new flight service to Gatwick, London from Seoul 3 times per week starting on April 28, 2012. With our convenient schedule of 10 flights per week to London, paired with unparalleled in-flight service, traveling will become even more comfortable.



ORIGIN	DESTINATION	FLIGHT	DEPARTURE	ARRIVAL	DAY
Incheon	Gatwick	KE909	18:55	22:55	2.4.6
Gatwick	Incheon	KE910	10:30	05:25+1	3.5.7

Changes to Korean Air Baggage Regulations

In regard to free baggage allowance and baggage fee, Korean Air currently applies the Weight System which regulates the total weight of baggage and the Piece System which regulates the number of pieces differently for each route. However, Korean Air will only apply the Piece System for all routes starting on May 31, 2012 (based on date of issuance).

Changes to Korean Air baggage regulations are as follows:

Free Baggage Allowance (Domestic and Intl routes, excluding the Americas)

For more information, please refer to www.koreanair.com baggage information.

Class	Current (Weightsystem- regulates the total weight of baggage)	Revised
First	40kg	(Piece system- regulates the number of pieces)
Prestige	30kg	3 Piece (32kg each)
Economy	20kg	2 Piece (32kg each)

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DINING

TIANJIN

Chinese

China Station

A: 2F, Radisson Plaza Hotel Tianjin No. 66, Xinkai Lu, Hedong District T: +86 22 2457 8888

Fortune Restaurant

A: 2F, Crowne Plaza Tianjin Binhai No. 55, Zhongxin Da Dao Airport Industrial Park T: +86 22 5867 8888 ext. 2355

Fountain Lounge

A: Hyatt Regency Jing Jin City Resort & Spa No. 8, Zhujiang Da Dao Zhouliang Zhuang, Baodi District T: +86 22 5921 1234



Qing Wang Fu

A: No. 55, Chongqing Road Heping District T: +86 22 8713 5555

Riverside Chinese Restaurant

A: 3F, Holiday Inn Tianjin Riverside Phoenix Shopping Mall East Haihe Road, Hebei District T: +86 22 2627 8888 ext. 2211

Shui An

A: 1F, The Astor Hotel Tianjin No. 33, Tai'er Zhuang Lu Heping District T: +86 22 2331 1688 ext. 8920

Tao Li Chinese Restaurant

A: 6F, Hotel Nikko Tianjin No. 189, Nanjing Lu, Heping District T: +86 22 8319 8888 ext. 3561

Yan Ting Chinese Restaurant A: 2F, The St. Regis Tianjin, No. 158 Zhang Zizhong Lu, Heping District T: +86 22 5830 9999

Japanese

Benkay Japanese Dining

A: 5F, Hotel Nikko Tianjin, No. 189 Nanjing Lu, Heping District T: +86 22 8319 8888 ext. 3558

Kasumi

A: 1F, Crowne Plaza Tianjin Binhai No. 55, Zhongxin Da Dao Airport Industrial Park T: +86 22 5867 8888 ext. 2322

Kushi Grill

A: 2F, Radisson Blu Plaza Hotel Tianjin No. 66, Xinkai Lu, Hedong District T: +86 22 2457 8888

Seitaro

A: Sheraton Hotel Tianjin Zi Jin Shan Lu, Hexi District T: +86 22 2731 0909

SôU

A: 49F, Tangla Hotel Tianjin, No.219 Nanjing Road, Heping District T: +86 22 2321 5888 ext.5106

Thai

YY Beer House

(Behind International Building) A: No. 3, Aomen Lu Heping District T: +86 22 2339 9634

Western



Aulare

A: Magnetic Plaza, Building A4 2-16, Binshui Xi Dao Nankai District T: +86 187 2229 0691



Bistro Thonet

A: No.55 Chongqing Road, Heping District T: +86 22 8713 5555



Brasserie Flo Tianjin

A: No.37, Guangfu Road Italian Style Town, Hebei District T: +86 22 2662 6688

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

Café@66

A: 1F, Radisson Blu Plaza Hotel Tianjin No. 66, Xinkai Lu, Hedong District T: +86 22 2457 8888

Café Majestic

A: 1F, The Astor Hotel Tianjin No. 33, Tai'er Zhuang Lu T: +86 22 2331 1688 ext. 8910

Café Venice

A: 2F, Holiday Inn Tianjin Riverside Phoenix Shopping Mall East Haihe Road, Hebei District T: +86 22 2627 8888 ext. 2271

Glass House

Hyatt Regency Jing Jin City Resort & Spa A: No. 8, Zhujiang Da Dao Zhouliang Zhuang, Baodi District T: +86 22 5921 1234

Pan Shan Grill & Wine

A: 2F, Main Building Sheraton Hotel Tianjin Zi Jin Shan Lu, Hexi District T: +86 22 2731 3388 ext.1820



Promenade Restaurant

A: 1F, The St. Regis Tianjin No. 158, Zhang Zizhong Road Heping District T: +86 22 5830 9959



Riviera Restaurant

A: 1F, The St. Regis Tianjin. No. 158, Zhang Zizhong Road Heping District T: +86 22 5830 9962

Spectrum All-Day Dining

A: 7F, Hotel Nikko Tianjin No. 189, Nanjing Lu, Heping District T: +86 22 8319 8888 ext. 3570

Wine

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DINING

Bars

China Bleu

A: 50F, Tangla Hotel Tianjin, No. 219 Nanjing Lu, Heping District T: +86 22 2321 5888

JV'S Bar

A: 1F, Main Building, Sheraton Hotel Tianjin Zi Jin Shan Lu, Hexi District T: +86 22 2731 3388 ext. 1846

O'Hara's

A: 1F, The Astor Hotel Tianjin No. 33, Tai'er Zhuang Lu Heping District T: +86 22 2331 1688 ext. 8919

THE ST REGIS BAR 瑞吉酒吧

A: 1F, The St. Regis Tianjin. No. 158 Zhang Zizhong Road, Heping District T: +86 22 5830 9958

Accounting



Tianjin Office:

A: Unit 2901 - 104 The Exchange Tower 2 No.189, Nanjing Lu Heping District T: +86 22 2318 5056

Beijing Office:

A: 6/F, Dongwai Diplomatic Building No. 23, Dongzhimenwai Dajie Beijing T: +86 10 8532 1720

Shanghai Office:

A: Room 1501 & 1504, WanTai International Building, No.480, North Urumqi Lu Jing An District T: +86 21 6249 0055

Education

International Schools



International School of Tianjin

A: Weishan Lu, Jinnan District T: +86 22 2859 2001



Tianjin International School

A: No.4-1, Sishui Dao, Hexi District T: +86 22 8371 0900



GEMS World Academy Tianjin Eco City, China

A: Unit 3-307, TEDA MSD Block C 79 1st Avenue, TEDA T: +86 22 6622 7888



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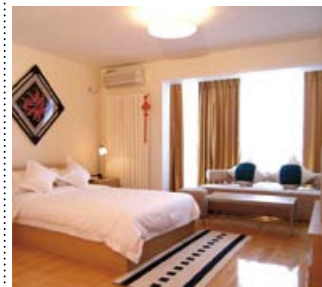


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 河东区新开路天诚丽笙世嘉酒店4层

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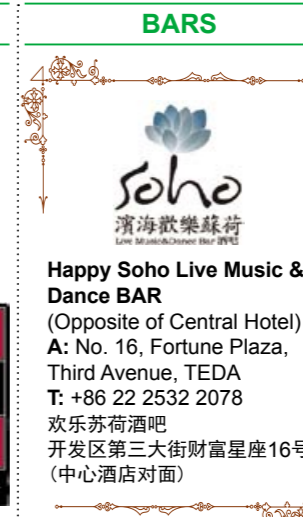
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Zinfandel

Hello. I trust you have all enjoyed some beautiful Châteauneuf-du-Pape over the month of July.

For the month of August, as the heat makes its strongest stand this season, I would like to introduce you to a beautiful California grape, namely Zinfandel.

A grape that produces a robust red wine, it is found in over 10% of all plantations in California. Its origins are slightly uncertain as some believe its roots lie in Italy whilst others have

found evidence as far as Croatia.

Nevertheless, Zinfandel is an exquisite fruit that produces excellent wines with hints of raspberry when produced in cooler climates, or blackberry and anise if it comes from warmer grounds.

I personally like this wine because of its compatibility with Chinese food, whether the traditional Yue cuisine found at Yan Ting, or as the season calls for - spicy food from either Sichuan or Hunan.



Oscar Martinez, Director of Food & Beverage of The St. Regis Tianjin



Zinfandel is able to produce a higher than average concentration of alcohol; its smooth bouquets and long finishes are the perfect accompaniment to local cuisine. For those of you less adventurous, these wines are a glove to hand with the most amazing marbled cuts soon available in Riviera.

This month, we will see the debut of our new menu in Yan Ting & Riviera Restaurant. It contains alongside a refreshed wine list where you will find some amazing stories in bottles from fourteen countries. Four of these bottles come straight from Sonoma County, California and will represent this amazing grape to its fullest extent in the names of Seghesio, Ridge & Ravenswood.

I look forward to welcoming you this month to experience the perfect pairing of our signature dishes and Zinfandel wines.

Salud. **B**

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Constant Change: A Paradox

By Christopher Ribeiro



Harmony. Internet management. Poverty. Micro blogs. Free-market Socialism. Billionaires. Sustainable development. Superpower.

In light of reaching my three-year anniversary of living in China, I decided to play a game of word association, thinking it would be a useful way to generate some ideas about my impressions of the country thus far. However, this exercise only complicated matters – describing my feelings is about as difficult as finding the continuity between the words listed at the top of the page.

China is a country of contradictions – it's not easy to describe because of the polarity that exists – it wouldn't be considered odd to see a bicycle-drawn cart filled with pineapples sharing the same road as a Porsche. The country is sometimes regarded as a poor, developing nation and other times as an international heavyweight. Chinese people themselves debate which identity they'd like to assume.

When I first arrived, admittedly I didn't know much about China – one can only glean so much from articles in the New York Times or Newsweek. By reading those publications, it would be easy to think of China as the "boogeyman". I shouldn't have been surprised that my friends and family were reserved in expressing their excitement when I announced I would be moving here

- certainly they would've reacted differently if I had told them I was moving to Madrid or Tokyo.

I've had several visitors from the States – their reaction is often the same – they're surprised how free and open it is. I think the expectation is of an iron-fisted totalitarian state with an abundant police or military presence. They're shocked at how metropolitan it is – perhaps they had preconceived images of streets lined with tattered buildings, rife with rickshaw drivers and dragon dancers – what they come to find is a place where Toyota's and Audi's cruise down wide, well-paved roads, Starbucks and 7-11's are available on nearly every corner and slick, modern architecture ascends from a backdrop of construction cranes.

Interestingly, the way I view China has evolved since moving here in 2009 – upon arriving, my observations were sensory. I was impressed by the sights – I'm not a stranger to living in big cities, but I found the crowds and the way strangers interact with one another to be equally fascinating and absurd. The constant beeping of horns and the raucous sound of the language could put Times Square to shame – and smog to the likes of which I had never witnessed, even after living in LA for six years. I remember my roommate showing me the route from our apartment to work, telling me without remorse, "Take a left here, I call this 'Smelly

Last Words

Street.” – He wasn’t joking. The food was probably my saving grace – the variety and intensity of the flavours astonished me. Additionally, the humility and warmth of the people helped ease me past some of the unsavoury elements that were putting my culture-shock into overdrive.

Although I haven’t become immune to these sensations, now perhaps the filter through which I view the country has become more as a spectator of fascinating geo-political theater. I’m constantly reminded that I, along with the other one billion plus people living here, am witnessing arguably the single most radical transformation any country has ever seen.

Why is this important? Given the circumstances of the world today, it’s very relevant - the power shift to the east is happening at a rate that established western powers are not quite ready for – and perhaps China itself is not prepared for either.

Most people know that last year China surpassed her rival Japan as the second-largest economy in the world. If expansion continues at its current rate, she will pass the United States sometime around 2027. A few other noteworthy statistics: China is now the world leader in terms of automobile consumption and manufacturing, mobile telephones, internet users, carbon emissions and consumption of steel, coal and concrete. When you think about those numbers along with the fact that 100-150 million people still live below the poverty line, there are huge swaths of land in the countryside that remain undeveloped, and that the country is a single-party state that



encourages government spending to fuel economic growth, one can assume those numbers will continue to grow. In other words, China will soon dominate most important statistical categories by which an economy is judged.

This is where things get tricky. The growth/social challenges matrix is a lot for any nation to handle, but perhaps particularly so for a government that is notoriously resistant to change.


The growth/social challenges matrix is a lot for any nation to handle, but perhaps particularly so for a government that is notoriously resistant to change.

One doesn’t have to look any further than the decades old One-Child Policy to find an example. The success of the policy can be debated, but the outcome will likely be irrefutable – in thirty years, China will possess an

aging population with a diminished tax base to pay for the increased expenses incurred with old age. The policy is being relaxed in special cases, but some argue that reforms should have been made a decade ago.

Additionally, in an article from *Project Syndicate* that touches on entrepreneurship and the aim of increasing domestic spending, Minxin Pei suggests, “*The impossibility of sustaining growth in the absence of the rule of law (...) presents the Chinese Communist Party with an existential dilemma. (...) The investment boom and the globalisation dividend of the last two decades allowed the Party to (...) rule on the basis of economic prosperity, while failing to establish the institutions critical to sustaining such prosperity. Today, this is no longer possible.*”

Managing rapid urbanisation, finding alternative energy sources, and shifting from a manufacturing and export based economy to an economy focused on R&D, high-end manufacturing and service are among the challenges outlined by the CCP in the Twelfth Five-Year plan. The country must find a solution to these challenges while experiencing hyper-economic growth and managing a staggering population. It’s akin to watching an octopus on roller-skates and makes for compelling, high-stakes drama.

Some can easily turn a blind eye to the “big picture” and simply enjoy what life has to offer for an ex-pat residing in China – I too, can get caught up in the minutia of day-to-day life, but in just three years living here, it’s not hard to see that massive changes have occurred. Now, when people in the States ask me, “So, what’s China like?” – I tell them they’ve got to come see it for themselves – because it might have changed by the time I’ve finished explaining. 

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