

# BUSINESS TIANJIN

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2012  
OCT

## The Commanding Heights of Hospitality

Paul Cunningham,  
General Manager,  
The St. Regis Tianjin

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ISSN 2076-3735



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### ▲ Height of Hospitality: The Life and Work of a High Flying Hotelier.

Interview with Paul Cunningham, GM, The St. Regis Tianjin  
The St. Regis Tianjin, which is just about to celebrate its one year anniversary, brings a touch of class to the city's hotel sector. At its head is General Manager Paul Cunningham, an incredibly dedicated, driven and down to earth General Manager. As the leader of one of Tianjin's finest hotels, Paul draws upon his vast range of experience within the worldwide hospitality industry to ensure that the St. Regis remains the top pick for its guests. [See P16](#)



### ◀ Securing Your Financial Future: The sensible way to invest in stocks for serious long term gains

Stocks and shares are the bread and butter of most investors' portfolios. Whilst many so called 'day traders' spend 15 hours per day scouring the stock markets for companies that may (or may not) produce robust capital appreciation in the short term, others prefer a steadier approach whereby their shares' value increases and annual dividends will give them a safer return over time. Besides the fact that you can save yourself from many sleepless nights, studies have shown that, for most people, long term investment in good stocks is the best way to increase your wealth. [See P28](#)



### ◀ Underemployment-the gray area in HR Management

Recent studies suggested that underemployment, a grey area between employment and unemployment, has become a surging problem faced by both hirers and employees. In the Press Conference of the 2012 Blue Book of the Chinese Society, Chen Guangjin, Professor with the Chinese Academy of Social Sciences, said that the employment situation in China is still complicated. [See P40](#)



### ◀ Measuring the Significance of a Multi-racial Marriage

On 1 September, my fiancée Jenny and I exchanged marital vows and were officially wed here in Tianjin. It was an average-sized ceremony which included all of Jenny's immediate and extended family as well as several of my family members from the US. The ceremony was conducted in Chinese but both she and I spoke in English and Chinese at various times throughout. [See P85](#)

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# Business Tianjin

OCTOBER 2012



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#### PUBLISHING DATE

October 2012

#### Business Tianjin is FREE

ONLY for Members  
TEL: +86 22 2576 0956  
ISSN 2076-3735

Dear Readers,

*Business Tianjin* Magazine is proud to announce its 5th anniversary very soon. We have been the Business Media leader in Tianjin for many years and we are always ready to bring you more exciting projects in the near future. This month's edition is a very special one as it features an exclusive interview with legendary investor and author Jim Rogers, as well as an exclusive feature dialogues related to the 2012 Summer Davos and one of Tianjin's most celebrated hoteliers, Paul Cunningham, being our cover story.

As China's economic growth is slowing down, the overall atmosphere of uncertainty will persist in the coming months and it will lead to the Chinese economy becoming less commodity-dependent. The Chinese government has predicted that the economy will grow by 7.5 per cent in 2012, down from 9.2 per cent last year, which would be the slowest growth rate since 1990. This could mean the loss of around two million jobs. Tianjin will have the benefit of central government support and a strong industrial background, but we strongly believe that it will be necessary to make some urgent changes to the growth model in order to avoid a hard landing.

We can expect a very interesting final quarter of 2012, whereby the key people are focusing their efforts on preparing the new generation to govern China, and therefore the main strategic decisions could be delayed until the middle of next year. It will be necessary for China to take action in order to internationalise and make domestic companies more competitive in foreign markets; as well as providing funding for the developed economies to stimulate their internal consumption and in doing so, help to maintain demand for Chinese products to increase once again.

Our cover story for this edition features The St. Regis Tianjin's General Manager, Paul Cunningham. I am sure you will find our exclusive interview with him to be of interest. Paul is a unique man with a vast range of experience within the worldwide hospitality industry and a truly inspirational business leader.

By far the most important event on the Tianjin business calendar in 2012 was the World Economic Forum's Summer Davos. We have been fortunate enough to be given the opportunity to interview Professor Wang Gao of the China Europe International Business School about his speech in during the conference and to gain an insight into how Chinese companies should try to integrate themselves into the global economy.

May I also remind you to check our online base [www.businesstianjin.com](http://www.businesstianjin.com) to get updated information about doing business in Tianjin and Northern China.

See you in the European Chamber Business Gala Dinner on 12 October.

Best regards,

J. Hernan

Managing Director | Business Tianjin Magazine

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**TIANJIN NEWS**

**Wellington College Celebrates the Start of its Second Year with Nearly 300 Pupils**

*Business Tianjin, 11 September*



Wellington College International Tianjin held an Induction Day for its new pupils on Wednesday 22 August. The Headmaster, Mr David Cook, welcomed them and told parents and pupils that it was exactly a year ago to the day that Wellington had opened its doors for the first time. Wellington continues to grow, with nearly 300 pupils going into its second year. Mr Cook highlighted some of the exciting events taking place this term, including the school musical, *Bugsy Malone* and the EUCCC film festival on 10, 17 and 18 November.

**Astor Hotel is awarded a Certificate of Excellence**

*Business Tianjin, 13 September*



The Astor Hotel Tianjin, A Luxury Collection Hotel, has recently been awarded a Certificate of Excellence for the year 2012 by TripAdvisor.com. It has occupied the No.1 spot in the category of 'Popular Hotel/ Best Hotel' of all the 5 star hotels in Tianjin since 2011. With its splendid history, exquisite architecture, exceptional service, and world-class facilities, the Astor Tianjin offers guests indigenous and an extraordinary hospitality experience. The National grade museum, legendary theme suites, historical menus and Luxury Collection featured concierge service leave the unforgettable memory for every guest.

**Tianjin Arcadia Court Topping Out Ceremony**

*Business Tianjin, 7 September*



Tianjin Arcadia Court's 'Topping Out' Ceremony was successfully held at 10 am, 7 September, 2012, which made the biggest change to the east bank of Haihe East CBD. During the ceremony, all of the guests put the last pile of concrete in the container and Mr. Guo Kong Zhen, General Manager of Tianjin Kerry Real Estate Development Co., Ltd., announced that the ceremony had succeeded after the concrete was lifted to the 61th floor. After the event, VIPs were invited to visit the showrooms. In the future, as the east bank of the Haihe CBD develops, Tianjin Kerry Centre will create more construction miracles!

**Tianjin Eco-city, a model for sustainable development in China**

*Eco-Business.com, 4 September*



With a cityscape that is all cranes and thrusting new tower blocks, Tianjin Eco-city could at first glance, be any of the hundreds, of urban areas in China expanding at a breathless pace. But this joint Chinese-Singaporean project, which was started in 2008, will be finished in 2020, aims to be something very different from the norm: a model for more sustainable development in a country which is urbanising at a pace unprecedented in history. "With rapid urbanisation, there will be new cities being built. When you're building new cities you start by going for principles of sustainability," says the project's chief executive, Ho Tong Yen, a Singaporean diplomat and government official.

**Hyatt Regency Jing Jin City Resort and Spa Demonstrate Warm Welcome to Davos**

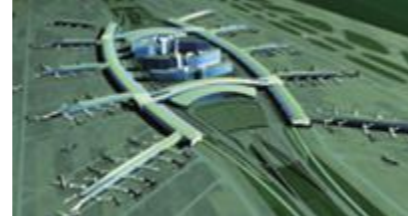
*Business Tianjin, 17 September*



The 6th Summer Davos Forum successfully closed on 13 September. Once again, Hyatt Regency Jing Jin City Resort and Spa, as the only officially assigned hotel, provided the catering service in the Cultural Soiree and closing cocktail ceremony, represented Tianjin in welcoming the world leaders. In terms of scale, 2012 Summer Davos was the largest forum in Davos' meeting history, with more than 1,500 attendees. Hyatt Regency Jing Jin City Resort and Spa's professional team of international chefs provided a polished Chinese and Western buffet dinner with cooking equipment and culinary practices strictly inspected to assure the hygiene and safety were up to standard.

**Tianjin to build the world's most advanced space city**

*People's Daily Online, 20 September*



"The world's most advanced space city will be built in Tianjin," said Ma Xingrui, the general manager of the China Aerospace Science and Technology Corporation (CASC). Recently, Ma Xingrui attended the opening ceremony of the test centre of China's jumbo spacecraft at Tianjin Binhai New Area. In recent years, CASC has seen the Tianjin Aerospace Industry Base, which has been built with a total investment of more than 6 CNY billion, develop steadily. "CASC will speed up the construction of Tianjin Aerospace Industry Base during the country's 12th Five-Year Plan period (2011-2015)," said Ma Xingrui. China's Long March-5 large-thrust carrier rocket will officially be put into production and realise its maiden flight. At that time, all China's new-type carrier rockets will settle in Tianjin.

**Home Depot closes all stores in China**

*Global Atlanta, 18 September*



Home Depot Inc. has shut down its last seven big-box stores in China, cutting 850 jobs in a move which some analysts said showed how badly it miscalculated the 'do-it-yourself' ethos in one of the world's largest construction markets. The Atlanta-based home improvement retailer has struggled since it entered China six years ago by acquiring Tianjin-based The Home Way, which operated 12 stores across six large cities. Home Depot's China operations will now focus on specialty stores. "We've learned a great deal over the last six years in China, and our new approach leverages that experience and reflects our continuing interest in providing value to Chinese customers, as well as our shareholders," Home Depot chairman and CEO Frank Blake said in a statement.

**Tianjin Binhai New Area Released the "World-Class" Industrial Planning**

*Tjbhnews.com, 5 September*



The Government of Tianjin's Binhai New Area has released the industrial development planning for the '12th Five-Year Plan' period a few days ago, proposing a focus on the building of three world-class industrial bases, namely, the petrochemical base, aerospace base and new energy base. During the '12th Five-Year Plan' period, the Binhai New Area industrial investment scale is expected to reach CNY 800 billion, the annual industrial output value to exceed CNY 2 trillion, the industrial added value to be over CNY 600 billion and a modern industrial system with international and domestic competitiveness to be formed at express speed.

**Initiative brings citizens into energy dialog**

*China Daily, 12 September*



In Tianjin, the World Economic Forum launched the Energy for Society Initiative, which seeks to engage an increasing number of citizens in the discussion about the future of the energy industry. Twenty global energy companies signed up to the initiative. Leaders of the companies agreed on five principles - supplying secure and affordable access to energy, having efficient energy systems, upholding responsible citizenship in communities, contributing to economic development and promoting energy literacy. Meanwhile, those companies have accelerated progress towards engaging with society. The initiative aims to create more opportunities for global citizens to join in debates concerning energy and to realise their collective responsibility to society.

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<p>John Wickham 是一位来自英国的厨师，13年从业经验，擅长川菜、粤菜、港式西餐及国际流行时尚菜式。他曾任职于北京、天津、香港及上海。</p> <p><i>(English coming from England, John has over 13 years of rich experience gained in England, Thailand, Hongkong and China in the State Throat. John offers a variety of menus specializing in French and Thai Cuisine.)</i></p>		<p><b>营业时间为每日</b> <b>Open daily from</b> <b>10:30-22:00</b></p>		<p>中国天津市和平区重庆道55号 No. 55 Chongqing Road, Heping District, Tianjin, China 邮编 Zip Code: 300050 电话 Tel: +86 022 5835 2500 / +86 022 8713 5555 传真 Fax: +86 022 8713 5566 邮箱 Email: info@qingwangfu.com 网站 Website: www.qingwangfu.com</p>	



**FINANCE**

**Consumer finance set to boom in China**

*People's Daily Online, 12 September*



China's consumer finance sector is less developed than in other economies, but "it will be one of the most promising industries in the nation in the near future", said Yan Xuan, President of Nielsen Greater China. The current penetration of consumer finance in the mainland is quite low, accounting for only about 4 percent of the total consumer lending balance, compared with up to 10 percent in more developed markets such as Hong Kong, according to a report by Boston Consulting Group in August 2011. It suggested that "China is now shifting the driving force of its GDP growth from investment to domestic consumption, which will create more room for consumer finance".

**Experts call for support of PV industry**

*Global Times, 17 September*



Industrial experts said on Sunday that the government should intervene following reports that Indian companies have called for an anti-dumping probe into China's solar panel exports, similar to the ones already launched by the US and the EU. "Compared with solar panel companies, the government is more powerful and has countermeasures to respond with," Bai Ming, a

researcher with the Chinese Academy of International Trade and Economic Cooperation, told the Global Times Sunday. "Besides, the recent probes against Chinese firms were launched by foreign official bodies and we need our official response too." Shanghai Securities News reported Saturday that Indian businesses had filed a complaint against Chinese solar panel products to India's anti-dumping authority on September 12. The news triggered fears that other markets might join the US and the EU in taking measures against China's solar photovoltaic (PV) industry.

**Total social financing surges over six-fold**

*Shanghai Daily, 14 September*



China's total social financing has grown more than sixfold in the past decade as the dependence on bank lending as a source of funding eased, the central bank said yesterday. The total social financing, which includes loans, bank acceptance bills, corporate bonds and equity financing, rose from CNY 2 trillion in 2002 to nearly CNY 13 trillion in 2011, the People's Bank of China data showed. The proportion of bank loans fell from 92 percent to under 60 percent. China has been promoting the bond market to ease dependence on banks as a source of funding. Small businesses are now allowed to issue private placement bonds.

**Premier Wen assures equal treatment for foreign companies**

*China Daily, 11 September*



Premier Wen Jiabao on 11 September

assured foreign companies they will be given equal treatment to their Chinese counterparts when entering the nation's strategic emerging industries. Wen made the remarks whilst meeting business representatives at the sixth World Economic Forum's Annual Meeting of the New Champions under way from 11 to 13 September in Tianjin. Wen called for more cooperation with foreign companies that have cutting-edge technologies in such emerging industries as electric vehicles, new materials, new energy, health and medicine. He also promised to enhance the protection of intellectual property rights and give equal treatment to foreign companies in government procurement.

**LAW & POLICY**

**New rules for iron and steel companies**

*Xinhua, 4 September*



China announced a series of new rules to fine-tune its iron and steel industry to make it more energy efficient and environmentally friendly. The announcement, published by the Ministry of Industry and Information Technology, said that the new rules relate to stricter requirements on quality of products, energy consumption, emissions, technology and equipment standards, production scale as well as security and social responsibility for iron and steel companies in line with the industry's development. The new rules say that these firms are forbidden to produce hot rolled silicon steel and twisted steel of primary level. Powder dust emissions, sulphur-dioxide emissions and water consumption for making 1 ton of steel should not exceed 1.19 kilograms, 1.63kg and 4.1 cubic meters. The new rules will be enforced next month. Meanwhile, the old one, which was set in June 2010, is due to expire.

**LOGISTICS**

**Introducing direct flights to Yangon starting September**

*Skynews.co.kr, 26 August*

Korean Air will launch nonstop service from Seoul Incheon to Yangon, the largest city and the centre for trade, industry, entertainment and tourism in Myanmar, starting 13 September. Korean Air's new service to Yangon will be operated by a B737-800 with 'Boeing Sky interior' seating 138 passengers. Passengers can enjoy a variety of in-flight entertainment programs with a state of the art AVOD (Audio & Video on Demand) system equipped in all classes. Moreover, the expanded overhead bins and spacious legroom will ensure extra comfort for passengers. Korean Air's new service to Yangon will depart from Seoul Incheon every Tuesday, Thursday, Saturday and Sunday at 6:40 p.m. and will arrive in Yangon at 10:15 p.m. the same day. The return flight will depart from Yangon at 11:45 p.m., arriving in Seoul Incheon at 8:05 a.m. on the next day. Korean Air will continue to offer its extensive global network with a wider range of options for each of its passengers.

**FedEx and UPS win licenses to serve Tianjin, Shanghai, Shenzhen**

*People's Daily Online, 11 September*



FedEx, the world's biggest cargo airline, can begin service in eight cities, while Atlanta-based UPS's license is for five, according to the companies. The businesses don't include letter delivery. They will compete in a local courier business dominated by state-owned China Postal Express & Logistics, which has about 30 percent of the market. The licenses will help Memphis, Tenn-based FedEx and UPS benefit from rising demand driven by online shopping. The approval "sets the platform for eventual consolidation and market-share gain opportunity," said Nate Brochmann, an analyst at William Blair & Co. "We're still in the very early innings in terms of the domestic Chinese opportunities. For the most part it doesn't change the competitive landscape there."

**TELECOM**

**Latest iPhone to hit China's grey market on US launch date**

*China Daily, 14 September*

After Apple Inc. unveiled its latest smartphone - the iPhone 5 - in the United States on Wednesday, Chinese grey-market dealers didn't waste any time preparing to get their hands on the already popular handset. Because the company, once again, didn't put the Chinese mainland into its first group of countries and regions to sell its new product, dealers in the Chinese market are looking at other ways to get their customers the new phone. According to Apple, the iPhone 5 will be available in the United States, Australia, Canada, France, Germany, Hong Kong, Japan, Singapore and the UK on 21 September, and 22 more countries, but not the mainland until 28 September. However, dealers at Beijing's biggest electronic market, Zhongguancun, promised their customers that they can fill their stores with iPhone 5s as soon as the product debuts.



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**GENERAL**

**Under pressure - Stressed workforce is ready to crack**  
*Business Tianjin*, 6 September



Chinese workers are getting more stressed, the latest research by workspace provider Regus reveals. The survey, canvassing the opinions of over 16,000 professionals across the globe, found that three quarters (75%) of Chinese workers say that their stress levels have risen over the past year. A number of national factors such as continuing instability in the world economy are thought to have fuelled this growing pressure and respondents confirm that most stress triggers are of a professional rather than personal nature, with their job, personal finances and customers topping the list of causes. The research also focused on possible solutions and found over half (55%) of Chinese respondents identify flexible working as a way of cutting stress.

**CHINA IN THE WORLD**

**Chinese firms ramp up presence in Thailand**  
*People's Daily Online*, 12 September



According to the latest statistics from the Thailand Board of Investment (BOI), China was the country's second-largest source of foreign direct investment in 2011. Chinese companies have applied to take part in more than 180 investment projects in the last five years, worth a total investment of USD 4.15 billion. Data from Thailand's travel bureau show that China has become the largest source of visitors to its famous southern seaside resort of Phuket. The importance given to links with China is clearly illustrated by the newly built multimillion dollar Bangkok Suvarnabhumi International Airport, where notice boards and signs are in Thai, English and Chinese.

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**China backs Europe's efforts to address the debt crisis**  
*Xinhua*, 13 September

A Foreign Ministry spokesman said on Thursday that China will continue to support Europe's endeavours to stabilise its economies and will help to resolve the eurozone crisis through multiple channels. "Some progress has been made recently regarding the European debt crisis," Hong Lei said at a daily press conference when asked to comment on a Wednesday decision by Germany's Federal Constitutional Court to establish the European Stability Mechanism (ESM). The approval of the ESM has paved the way for a permanent bailout fund and other economic instruments to go into operation to fight the crisis. China has paid close attention to the crisis, Hong said, adding that the European debt crisis affects not only Europe, but also has an influence on China and the world at large. China has always backed efforts made by the EU to handle the crisis and has provided assistance within its capacity by increasing imports and expanding investment, Hong said.

**China, Switzerland forge ahead in FTA talks**  
*Xinhua*, 8 September

China and Switzerland have made great progress in the sixth round of bilateral talks on a possible Free Trade Agreement (FTA), according to a Ministry of Commerce statement posted on its website on 7<sup>th</sup> September. During the three-day talks starting from 4<sup>th</sup> September, the two countries reached consensus on a series of topics including service trade, tax cuts mode for the cargo trade, technical barriers, intellectual property, trade remedy and dispute resolution. China and Switzerland launched FTA talks in January this year, aiming for closer bilateral economic ties. In the first seven months of this year, bilateral trade volume between the two countries reached USD 15.53 billion, with China's imports from Switzerland hitting USD 13.48 billion, mainly from the trade of wrist watches, machines, and pharmaceuticals. China's exports to Switzerland are mainly comprised of clothes, shoes, automatic data processing equipment, and ships the statement said.

**EU launches anti-dumping investigation on Chinese solar panel imports**  
*Xinhua*, 6 September

The European Commission launched its anti-dumping investigation on Thursday. It will look into the imports of solar panels and key components from China. According to a statement issued by the Commission, the charge was initiated by EU ProSun, an industry association, on 25 July 2012. ProSun claimed that solar panels and their key components imported from China enter the European market at prices below market value. The European Union (EU) said that the case was the most significant anti-dumping complaint the European Commission has received so far in term of import value. China exported about EUR 21 billion worth of solar panels and their key components to the EU in 2011, according to EU statistics. The investigation will take 15 months, during which provisional anti-dumping duties of within 9 months may be imposed according to EU rules, provided there is sufficient prima facie evidence of dumping.

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# Numbers

## 3000

After one year's worth of construction, the phase-I project of the Qilihai National Wetland Park was completed and opened to the citizens of Tianjin recently. The park, which covers an area of more than 666 hectares, has already seen over 3,000 citizens visit.



## 840,000

28 year old Chinese farmer Wang Jian makes a GBP 840,000 Lamborghini out of scrap metal.



## 214

The municipal government of Tianjin has decided to build 214 parking lots in the next 8 years to ease the downtown parking problem.



## 30

The train of Tianjin Metro line 2 was made of stainless steel type B and it can be used for 30 years.



## 1.5 t

Tianjin announces CNY 1.5 trillion stimulus projects to try to boost confidence in an economy that appears to be cooling faster than expected.

## 54.6

World's shortest man Chandra Bahadur Dangi, 54.6cm, and Jyoti Amge, 62.8cm, historically met earlier this year with official Guinness World Records adjudicator Marco Frigatti.



## 18

China and Germany signed 18 inter-governmental and commercial agreements including boosting two-way investment, energy and technology cooperation and ordering A320 aircrafts.



## 2.17 bln

China COSCO made a net loss of CNY 2.17 billion (USD 341.64 million) from April to June, based on Reuters calculations.



## 5,883

5,883 foreigners join social insurance system in Tianjin by July, 2012

## 16400

'Shoe Lady' Darlene Flynn of California has amassed 16,400 shoe-related items from furniture, art, badges, clothing, teapots, soap and phones, which has broken her own world record.



## 77%

Air China Ltd, the nation's biggest international carrier, said that first-half profit slumped 77 percent because of slowing travel demand, higher fuel costs and a loss from its stake in Cathay Pacific Airways Ltd.



## 29th

China's competitiveness ranking dropped from the world's 26th in 2011 to 29th this year, its first decline since 2005, according to a report released by the World Economic Forum (WEF) Wednesday.

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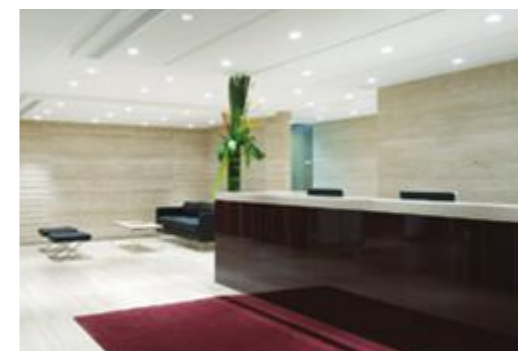
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# October China Economy Report

By Hyuk-tae Kwon



## Chinese economy further slows down.

When Beijing released trade data on Monday 10 September, falling import and weak industrial production showed more signs that the world's second largest economy is in a worrisome state.

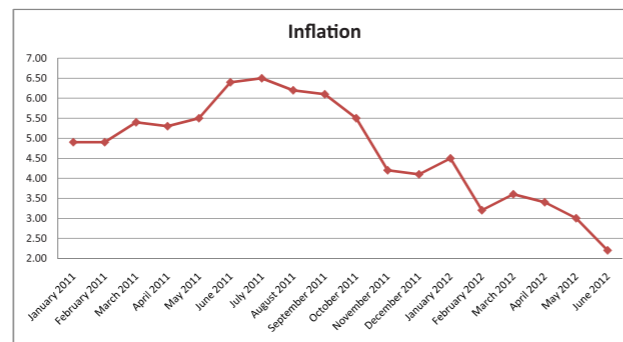
Growth in exports, which represent about 25 percent of the Chinese economy and provides millions of jobs, slowed sharply in recent months because of weaker economic growth and austerity measures in Europe.

Chinese imports fell 2.6% in August from a year earlier. August exports rose 2.7% from a year earlier. Although this increase was better than 1.0% increase in July, it fell short of analysts' expectations and was well below the double-digit growth rates that the export sector has managed in the past.

"The Chinese economy is now still lingering at the bottom, as the policy support has not been as strong as people expected earlier," said UBS economist Wang Tao.

Slower industrial production growth was likely due to continued destocking of inventories in areas including the steel industry- as well as weak domestic demand, Wang suggested. She expected the destocking process to continue until the fourth quarter or perhaps even the first quarter of next year.

Inflation rose 2% from a year earlier in August, up from July's 1.8% rise. The main driver was the price of food, which rose 3.4% from a year earlier, compared to 2.4% rise in July, according to Wall Street Journal.



China's inflation is likely to pick up in the coming months due to the upswing in global food prices caused by drought conditions in the US. The expected rise in inflation "won't prevent policy makers from loosening further if the economy is very weak, but it makes aggressive stimulus much less likely," research firm Capital Economics said in a note.

## What's next for Beijing?

China posted a monthly capital outflow in August for the third time this year, likely prompted by investors pulling funds from the world's second-largest economy in the face of slowing growth and rapidly deteriorating corporate profits.

The key gauge of capital flows has been showing a declining trend over the past few months and the central bank may need to cut the reserve ratio requirement (RRR)

further to keep money supply growth in line with its 14 percent target, analysts say.

China's central and commercial banks sold a net CNY 17.4 billion (USD 2.75 billion) in foreign exchange last month, widening from a net sale of CNY 3.8 billion in July, according to Reuters calculations based on data published by the central bank on Tuesday 18 September.

Ma Xiaoping, an economist at HSBC Holdings PLC, said that the central bank was likely to cut the amount of deposits it requires banks to hold in reserve—which it has cut three times since November—if the banking system's liquidity is tight. Lowering the RRR frees up more money for banks to lend out to customers, but another interest-rate cut has become less likely or may be delayed due to the inflation data, she said.

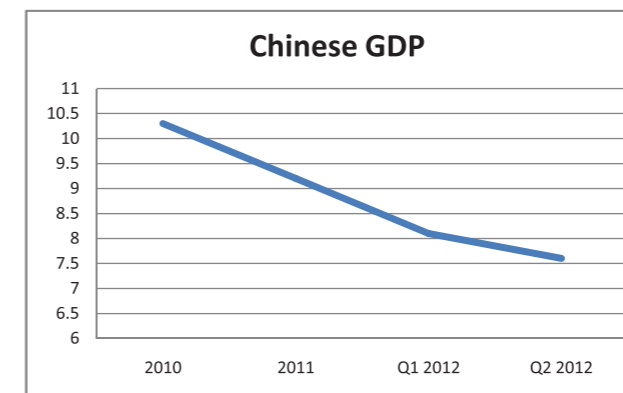
The government has also increased fiscal spending and accelerated approval for new investment projects. The National Development and Reform Commission—a powerful government planning agency—approved 1,555 major investment projects in the year to August, a 13% increase over the same period in 2011.

More recently, the commission last week approved dozens of infrastructure projects such as subways and highways, which Nomura estimated would add up to CNY 1 trillion (USD 157.6 billion) worth of investment over four years.

## China rebalances and this will cause commodity prices to drop

As China's economic growth is slowing down it will continue to decline a lot more in the next few years as it rebalances towards a much more sustainable form of growth argues Michael Pettis, Finance Professor at Peking University.

This will automatically make Chinese growth much less commodity intensive. "It doesn't matter whether you agree or disagree with my expectations of further economic slowing. Even if China is miraculously able to regain growth rates of 10-11% annually, a rebalancing economy will demand much less in the way of hard commodities," says Pettis.



Furthermore, surging Chinese hard commodity purchases in the past few years supplied not just growing domestic needs but also rapidly growing inventories. The result is that inventory levels in China are much too high to support what growth in demand there will be over the next few years and Pettis expects the Chinese, in some cases, to be net sellers, not net buyers, of a number of commodities. **B**

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# Height of Hospitality: The Life and Work of a High Flying Hotelier

By Josh Cooper

The St. Regis Tianjin, which is just about to celebrate its one year anniversary, brings a touch of class to the city's hotel sector. At its head is General Manager Paul Cunningham, an incredibly dedicated, driven and down to earth General Manager. As the leader of one of Tianjin's

finest hotels, Paul draws upon his vast range of experience within the worldwide hospitality industry to ensure that the St. Regis remains the top pick for its guests. At a time when China's hospitality industry is reshaping and evolving in line with wider economic changes, Paul's

attributes as a leader and 'people person' are in demand more than ever before. Business Tianjin has been fortunate enough to have a discussion with him to find out firsthand what it is like to run an elite hotel in a 21st century Chinese business city.

**Can you give us some background about your life and career up to now?**

I am originally from the UK- where I started my career. I began working in this industry in London, then I came over to China almost 11 years ago and, excluding the one and a half years I did in Korea, I have been in this country ever since. I started my China career at the St. Regis in Beijing and since then I have also worked for the Westin Financial Street and opened a hotel in the Anhui province. I have been in Tianjin since February and so far it is going very well.

**What would you say have been your career highlights thus far?**

When I was working at the Claridge's Hotel in London I was fortunate enough to serve the Queen of England. That gave me a valuable insight into the protocols of VIP service and a taste for the industry. When I was at the St Regis in Beijing we used to host many heads of state from around the world. The Bush delegation came once and we also served British Prime Ministers and other high level government officials from around the globe. But in terms of working in China, I would say



my biggest highlight so far has been working during the Beijing Olympics in 2008. We hosted many of the sponsors, federations and other high profile people involved in the games. It took years of planning on our part and to finally get through that period successfully was a huge achievement for me.

**What inspires you the most about working in the hospitality industry?**

For me it's all about the people. My

inspiration comes from the process of developing the young people in our team. It's great to help them to develop into their roles and guide them through their careers. By helping staff to enhance their skills and fulfil their aspirations I can drive revenues, whilst also improving people's lives. Also of course, I am a businessman, so it is good to make money for the company- which comes from delivering a great service. So my focus and passion is all about delivering the best service possible.



**What do you think about working in Tianjin and China? How does it compare to other parts of the world?**

Tianjin is a great city. It is developing very quickly and has a lot of potential. All the luxury brands are coming here which tells you that it is just on the verge of maturing as a city. It is exciting to be working here. In terms of working in China, the bureaucratic side of things can be tough but specifically, in terms of the hotel industry, we have a lot of difficulties which stem from the high turnover of associates. It is a transient industry. People are looking for new opportunities and are happy to switch jobs every 6-12 months. It is really hard to retain people in this sector. It is important to keep





people and have them becoming loyal to a company or brand because then you get the best out of them. Ten years ago working in a hotel was glamorous. Now it is much less so. It involves longer hours and harder work, so therefore it is more difficult to keep people enticed.

**If you had to give guests some reasons to stay at The St. Regis Tianjin, rather than elsewhere, what would they be?**

Our core services are what give us the edge. Our rooms are very spacious and our superior business facilities give us an advantage. What

really distinguishes us, is The St. Regis Butler service. It is all about providing that bespoke, personalised assistance for all your needs at the hotel. That gives us the edge and takes away a lot of hassles. We also have some fantastic food and drink venues, with a riverside view to top it all off. All in all, it is a great mix for a wonderful stay at our hotel.

**From your point of view, how has the company's business model evolved in recent years?**

The biggest changes have been in people's attitudes and work ethics. Consumers' culture and needs are

also constantly evolving so we have to work hard in order to keep up with them. Everybody is online now, as well, so that is a big part of our marketing strategy.

The demographic aspect of our client base has undergone a big shift in recent years. A few years ago, 50% of our guests were international clients who were coming to China for business or tourism. Now, 70% of my business is from Chinese people. The St. Regis Hotels & Resorts all over the world are also implementing changes to make the rapidly growing Chinese client base more comfortable during their stay.

**How important is The St. Regis brand to the success and appeal of your hotel here in Tianjin?**

Whenever I get asked about this, I like to talk about the history of the St. Regis. It is a company and a brand with a legacy; there is a great deal of history behind it. It was started in New York, in 1904, as a venue to entertain the lords and ladies of New York. The butler service was a borrowed concept from Europe and it is still an integral element of our service today. Our offering in terms of food and drink has also become legendary. Interestingly we invented the Bloody Mary cocktail and today every city around the world that has a St Regis hotel, has its own version of the Bloody Mary with a unique twist to it. I suppose the other asset, guests can expect from the St. Regis brand is a prime location. All of our hotels around the world are well situated for guests either in places that are currently hot locations or will become one in the future.

**A recent report suggested that 'personalisation' of customer services will be central to the hotel experience for clients in the future. Do you agree with that and what is The St. Regis Tianjin doing in this regard?**

I completely agree! When people check into a hotel nowadays they



want to be recognised. Business people want hotels to see them as individuals rather than just typical corporate representatives. They want to feel a sense of belonging and a sense that individual needs and preferences are being catered for. I always say that every hotel has a 'guest history' and it is just a matter of how you use it. Our job is to pick up on the small things such as which side of the bed visitors sleep on, how they like their coffee or what they want for breakfast in the morning. We have to be proactive at all times. If we can do this properly our customers are far more likely to come back to us.

**Hotels such as yours are becoming increasingly important for social functions and corporate events. What kind of events does The St. Regis Tianjin do in this regard?**

We are always in demand for various kinds of functions. Since we opened last year we have hosted a lot of weddings and parties, but we also increasingly get a lot of businesses wanting to use our venue and services to host important meetings,

conferences, product launches, and that sort of thing. We are lucky to have a number of great function rooms at The St. Regis Tianjin. We have a fantastic rooftop ballroom, which offers a great view of the city and is superb for parties, BBQs and other events. My selling strategy is to say to clients; "what kind of event are you looking to host? Is it a 'corporate cocktail', are you trying to impress or are you meeting up with a government official etc"? Even the hotel building itself is iconic and has won many architectural awards, so it adds to the prestige aspect of hosting an event at our hotel.

**Finally, what personal and professional goals do you have for the near future?**

In terms of my professional life, my main aim is to establish The St. Regis Tianjin as an elite brand within the city. I want us to be continually recognised as a great place to do business or to come for a luxurious, but affordable, weekend away. I'm really keen to establish a firm client base for the future of the business. On a personal level, I really want

to continue developing the people around me and watch them grow as they enhance their personal strengths. And, of course, I want to make sure my children get a good education and make the most of family life here in Tianjin! **B**

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# The Money Mastermind:

## An Interview with legendary investor, author and global adventurer Jim Rogers

By Josh Cooper

Investment guru, economic genius and three-time Guinness world record holder are just some of the terms associated with Jim Rogers. Jim was born in Baltimore, USA in 1942. Since then he has led one of the most extraordinary lives imaginable. Although he is an accomplished Oxford University graduate, it wasn't until Jim took a summer job on Wall Street that he began learning about the investment world. His fascination with finance and immense interest for what was happening around the globe made him incredibly successful in financial management. Jim co-founded the

Quantum Fund with billionaire investment giant George Soros, and between 1970 and 1980 the fund grew in value by 4200%; ultimately allowing him to retire in 1980—just ten years after he started his investment career.

Jim has written many books about investing and his travel adventures. Some of them have been translated into Chinese. They are all fascinating reads. His most prolific works to date are: *Adventure Capitalist: The Ultimate Road Trip*, *Hot Commodities: How Anyone Can Invest Profitably in the World's Best*

*Market, A Bull in China: Investing Profitably in the World's Greatest Market* and most recently, *A Gift to My Children: A Father's Lessons For Life And Investing*.

Now based in Singapore, he spends his time managing his own wealth through Rogers Holdings and Beeland interests Inc, enjoying family life, travelling around the world and appearing on popular TV shows. We were lucky enough to speak to Jim and get his thoughts about life, investment and the future of the global economy.

### What have been the main reasons for your success and what advice would you give to others?

I would say my success is due to curiosity, independent thinking, scepticism and persistence. The main advice I give people is not to do anything unless you love it a great deal. Everybody should follow their own passion. Many people say "I'm getting into investing so I can make a lot of money", but you won't make money in investment unless you love it and are willing to spend a lot of time at it. It is very hard work, as many people are finding out.

### You are a very busy man and being a father, investment manager and TV personality must be difficult.

### How do you balance your time between all of your obligations?

I spend as much time with my two daughters as I can. When I'm in Singapore, where my home is, I work out of my house. When I have meetings or TV appearances elsewhere in the world I always try to fit them around my family life.

### You are well known for your belief that in the near future China will be the most economically important nation on the planet. What are the reasons for this?

The 21st century will be the century of China. First of all, the largest creditor nations in the world are all in Asia now. The largest debtors are the US and Europe. Most of the

assets are in Asia. When you look at what happened in the 1920s and 1930s, there was a big shift from Britain to the US. Most people didn't notice it. It was exasperated by a financial crisis and mistakes by politicians. The same kind of shift is happening right now from the US to Asia. China has had a long history of great success, with some disasters along the way which they have learnt from. It was in decline for hundreds of years until 1978 when the door was opened for entrepreneurship and private enterprise. Furthermore, the Chinese generally save over 35% of their income and work from dawn to dusk. The conditions for dynamic economic growth are perfect.

### What about other parts of Asia? Will the continent as a whole be tremendously prosperous in the future?

The assets are in Asia right now; China, Japan, Korea, Taiwan, Hong Kong, Singapore. Indonesia also has a bright future. It has a lot of resources and I'm bullish in that sector. If I was investing in stocks, which at the moment I am not, Indonesia would be on my list. I am very optimistic about Myanmar (Burma). In 1962 it was the richest country in Asia, then they closed themselves off and now it is the poorest country in Asia. They are





now opening themselves up again, just as China has done. It will present fantastic opportunities. They have 60 million people, energy, minerals and a superb geographic position.

So for the most part, Asia will be very prosperous. However, I am not so hopeful for India in the long-term. They have many problems but the major one is that they now have a debt to GDP ratio of over 90%. Studies have shown that when it gets to this level it is very difficult to grow dynamically because you are constantly paying off old debt.

### **So you clearly feel optimistic about Asia. What is your outlook for the US and Europe?**

In the US there is a currency crisis looming which is already happening but has a long way to go. Obviously there is a lot of debt in both parts of the world and eventually you run out of other people's money. Europe is in for some tough years, but I don't think it is going to fall into the sea. It will be around for a long time. Whether there is a collapse there or not, hopefully the crises will come to an end. When it does I may buy the Euro and assets in the European markets, but right now I am not doing anything there.

### **In terms of investments, what advice would you give people who are trying to protect and build their financial future?**

There is no such thing as a safe haven in investing. Only invest in things you know a lot about. Don't just invest in what you hear people like me talk about or what you read in the newspaper. Everybody knows something about something, and if they don't then they should put their savings in the bank and earn a little bit of interest if nothing else.

### **Based on what you have said in recent interviews and during TV appearances, you have most of your money in commodities. Why do you think it is a safer investment opportunity than**

### **stocks, bonds or anything else?**

I don't like to use the word 'safe' when talking about commodities, but currently yes, I mainly own commodities and currencies. I have sold my stocks because I am not very optimistic about them going forward. The planet is running out of resources and countries like China have to buy commodities. As they grow they will have to purchase things like cotton and nickel. They don't have much oil either. In terms of agricultural commodities, farming will be one of the most profitable professions in the 21st century. Global demand for food products is increasingly rapidly and there will be a severe shortage of farmers in the future.

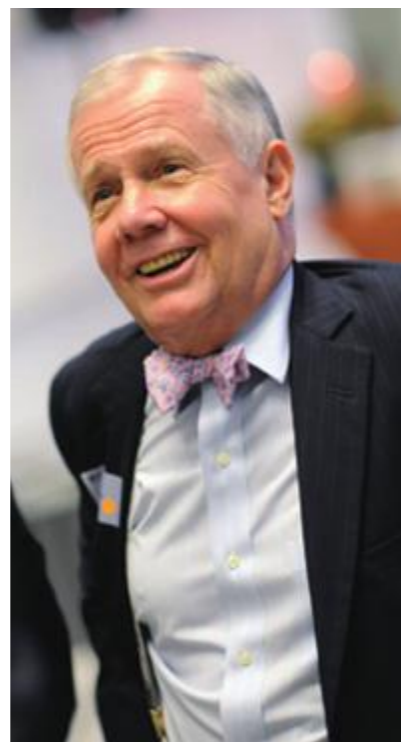
### **You are also famously bullish on precious metals and have been for some time. Are you still sure that Gold and Silver are good investments?**

I own gold and silver. I am not buying any more at the moment but if they fall by 20-30% then I hope I am smart enough to buy a lot more. If the US goes to war with Iran I will certainly buy gold at even higher prices. Gold will eventually end in a bubble but that is still a few years away. Go to the US and you will see shops saying "We will buy your gold". You will know the bubble has burst when you see signs saying "We sell gold".

In terms of silver, if I had to buy one of the two today that is what I would invest in. On a historic basis silver is down almost 40% from its all time high. Comparatively, gold is only down about 10-15% from its historical peak.

### **So finally, can you tell us a little bit about your latest book and what kind of projects you have lined for the future?**

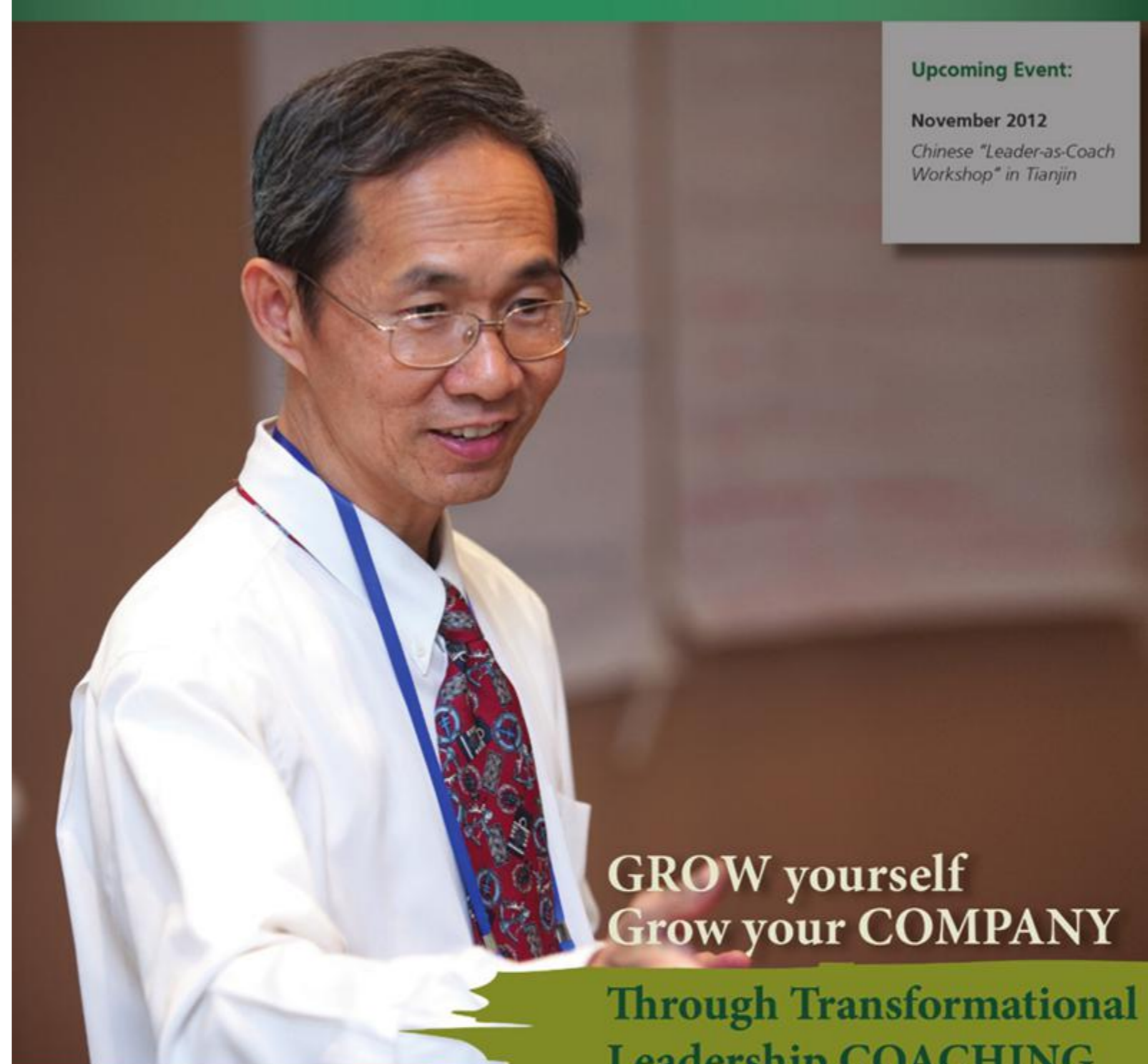
My most recent book is called A gift to my children: A father's lessons for life and investing. I came to parenthood later in life. In the past I never wanted to be a parent because I used to think that having children was a total waste of time, energy



and money. I couldn't imagine ever doing something so foolish. Well, I was absolutely 100% wrong! My two young daughters are so much fun for me. Everyone reading this that has a chance to have children should go ahead and do so. They are the main influence behind this book. During my life I have made some mistakes and had a few successes. One day I thought that I should start writing some stuff down and eventually it turned into a book. It is aimed at adults but when my nine year old daughter is twenty-nine she will be able to read it and learn from it. That was my ultimate goal.

In terms of further projects, I am always busy doing meetings and giving talks. I am currently in the process of writing up my memoirs. Hopefully we will be publishing them in February next year. It will give me a chance to share my adventures on the road and in the markets. It is called Street Smarts –Adventures on the Road and in the Markets. **B**

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# Going Global:

## The World Economic Forum's Key Speaker, Professor Wang Gao of the China Europe International Business School, talks to Business Tianjin

By Josh Cooper



The integration of Chinese companies into the global economy was one the most prominent themes of the World Economic Forum's 'Meeting of New Champions', which was held in Tianjin last month. Professor Wang Gao is a man with a vast range of experience and expertise

in international business. After working as a consultant to the Chinese government, he finished his PhD at Yale University in the US and took a number of prestigious roles within some of the world's biggest multinational companies- including Coca Cola. As a highly respected associate at the China

Europe International Business School (CEIBS), he shares his unique insight with aspiring entrepreneurs and business scholars. Before delivering his speech at the 2012 Summer Davos, Professor Wang gave us his thoughts on the current state of the Chinese and global business environments.

The integration of Chinese companies into the global economy was one the most prominent themes of the World Economic Forum's 'Meeting of New Champions', which was held in Tianjin last month. Professor Wang Gao is a man with a vast range of experience and expertise in international business. After working as a consultant to the Chinese government, he finished his PhD at Yale University in the US and took a number of prestigious roles within some of the world's biggest multinational companies- including Coca Cola. As a highly respected associate at the China Europe International Business School (CEIBS), he shares his unique insight with aspiring entrepreneurs and business scholars. Before delivering his speech at the 2012 Summer Davos, Professor Wang gave us his thoughts

on the current state of the Chinese and global business environments.

**The central focus of your speech was Chinese companies 'going global'. How can Chinese companies integrate themselves into the global market more effectively?**

Chinese companies are already competing on the global stage and have been for some time. When we talk about 'going global' we don't just mean selling goods and services in other countries, we also point out that Chinese companies should assess business opportunities on a global level and compete with major multinational players in all markets- including here in China. 'Going Global' for Chinese firms is a mindset and a framework. Firms should take the globe as a target market for their goods and services, then think about how you would

choose which 'segment' to aim for. There are different methods and ways to evaluate this, but if you consider the basic aspects; costs, logistics, consumer base, R & D and all of the other aspects, you start to see a clear picture of which country is more attractive.

Now, for most companies here, the country that will come out as being the best option will be China! You don't need to go abroad- despite the current trend. If it makes more sense, compared to everywhere else in the world, to focus your resources and time into China first, then that is a rational choice. If you have enough resources for a second country, you then need to follow the global market mindset to decide which destination is the next best choice. 'Going global' means systematically evaluating every market on the planet in this way.

**What challenges do Chinese firms, specifically, face with regards to the 'going global' mindset and to competing with foreign companies?**

Chinese companies have several challenges. I think the most significant difficulties are finding the talent, building the brand and having patience. Getting the right people, both locals and internationals, into your team is difficult for a Chinese company due to the amount of competition to entice the most talented people to work for them. Additionally, domestic firms are competing to establish a dominant brand. In the past, the big international brands would only target the higher section of Chinese society who had more spending power. This created a space for Chinese brands to target those with less income. But now, as the Chinese consumer has more disposable income, domestic brands such as Li Ning are competing with Nike, Adidas and the other multinationals for consumer segments in China.

When it comes to building a global company, I always say that patience is incredibly important. You need to gradually learn how to work with foreign parties, learn the rules of the





# Summer Davos

game elsewhere and take some time to get to know the consumers there. If you look at the Japanese automotive companies, Sumsung, Nike and all of these big names, it took them a long time to achieve the global success that they enjoy today. Chinese companies now have to be patient, do their homework and make progress over a period of time.

**It is often said that the Chinese business sector suffers from a distinct of 'lack of talent'. Do you think that is a fair comment?**

The talented Chinese business people are already there, although demand is still outweighing supply. When you look at multinational companies, most of them now have Chinese people working as senior management. Of course, many of them are educated in the West and there is still more that we can do in this regard at home. However, the skill set and level of expertise amongst the Chinese business community has grown significantly in the last 10 years and it is continuing to improve. So the talent is increasingly out there, but the trick is to find it. If the multinationals are hiring the best Chinese business leaders it is difficult for Chinese companies to entice them. That is the real problem at the moment.

**According to the World Bank's Best places to do business survey, China's reputation as a business friendly environment is trailing behind that of many other Asian nations. Do you think China needs to drastically improve and rethink its approach in this regard?**

Of course we can do more but actually, I think we have done a lot in recent years to make China more open for business and to make it easier for multinational firms to operate here. In terms of regulations, in fact, China is not so bad compared to many parts of the world. The government and local authorities know what they are doing and they care about making improvements. So the policies are good. However, in

terms of implementation, things can sometimes be slower.

Also, in the past, investors and multinational companies have received a great deal of favourable terms- especially in terms of land and taxes. This has often been at the expense of domestic companies. Recently some of the favourable conditions have been limited in order to make things fairer for everyone. Obviously some multinational companies are not so happy about this and whether you agree with these decisions or not, you have to acknowledge that it is a difficult balancing act.

**What do you think are the main challenges for educators, such as the CEIBS, in educating Chinese students in business?**

Business education is relatively new to China. In the earlier stages we borrowed the knowledge from western businesses and textbooks. Still now western management philosophies are dominant in the academic sector and we still assign these kinds of books to our students. But now, in my opinion, it is time for us to try to focus on and encourage the development of a Chinese style of business management. We need to encourage students to bring China-based knowledge to business education. As a country we now have 15-20 years of experience to draw upon.

It is important to move with the times and luckily, at CEIBS, we are doing just that. Around the time we opened, in 1984, most of our faculty members were foreigners, and the school was just like a western business school offering programs in China. Now, we have more and more Chinese faculty members joining us, but they were educated in the West. Now more and more research and business expertise is coming directly from China and it is being applied in the classroom. The students appreciate the China-based knowledge.

**What can Chinese entrepreneurs offer that their counterparts elsewhere in the world cannot?**

I think Chinese business people offer

a unique skill set and approach to doing business. If you look at the ways in which Chinese companies delegate roles, you will generally find that responsibilities are not very clearly defined and furthermore, employees generally have less resources with which to complete the task before they start it. Because of this, managers in Chinese companies tend to become more general in their responsibilities. They have to be open-minded, have a wide focus and be versatile within their job. Comparatively, western companies tend to be much more orientated towards departments and having clearly defined roles for people within the company. They also usually determine their goals by looking at what can be done with the resources they already have. So in these companies, workers become more specialised and proficient within their field, which is good, but the Chinese manager may have a broader set of skills, be more resourceful and set more ambitious goals.

**Finally, can you tell us about some exciting projects the CEIBS will be involved in over the near future?**

We just launched the part time financial MBA this year. So far, there have been a very large number of applicants and we are considering running one more class next year. We are always attracting individuals from the financial sector- banks, insurance firms etc. It is great for us. We have a lot of very promising, young mid-level managers who are looking to progress and develop their skill sets. We are just about to launch the International Globalisation Centre for Chinese companies. Our aim there is to bridge the gap between academic and practical research. We are inviting sponsors from a broad section of the business sector and so far it is going very well. **E**

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# Securing Your Financial Future: The sensible way to invest in stocks for serious long term gains

By Josh Cooper



Stocks and shares are the bread and butter of most investors' portfolios. Whilst many so called 'day traders' spend 15 hours per day scouring the stock markets for companies that may (or may not) produce robust capital appreciation in the short term, others prefer a steadier approach whereby their shares' steady value increases and annual dividends will give them a safer return over time. Besides the fact that you can save yourself from many sleepless nights, studies have shown that, for most people, long term investment in good stocks is the best way to increase your wealth.

'Value Investing', which is essentially the philosophy of putting your money into undervalued stocks and holding them for long periods of time, has proven to be the best way to make

solid gains throughout one's life. This kind of money management technique has been the intellectual cornerstone of the some of the world's richest investors; including Berkshire Hathaway Chairman Warren Buffett. During his 61 year career in business and investment, Buffett has amassed a rather respectable USD 44 Billion by picking companies which are cheap, reputable and have a solid brand. A key aspect of Buffett and his company's approach to buying shares is looking at "the value of the company before you look at the share price." Assessing a company's value is the real trick to picking good stocks. When an investor finds the right company they don't have to worry so much about short term fluctuations in its share price, they can simply hold it for a long period of time and gradually their assets will gain value.

But as with a speculative bet on a horse race, if you back a winner and hold onto your proverbial betting slip, you will be able to cash in eventually. Of course, not all companies become more valuable over time. Some lose their market share, investor confidence and even go completely bust. So the trick in value investing is to find the hidden gems that will build your financial fort. The key questions to ask yourself are what kind of stocks should I buy and where should I buy them?

Although there is no way of knowing exactly what to buy, there is one phrase that investors use time and time again, 'only invest in something you know a lot about and understand'. If you are an IT specialist, the chances are that you are more likely to have instinctive feelings about the future

of smart phones and which firms will make the most money in this sector going forward. Likewise, a person who knows a lot about energy, mining, retail and so on should be able to make a more informed prediction about future economic circumstances. Play to your strengths and always do your homework.

When you have decided which companies you are able to properly evaluate, you need to utilise a proven model of share price analysis to find out if the going rate is cheap. There are countless methods out there to evaluate the intrinsic value of companies relative to their share price. Many of them are based on rigorous number crunching and complex mathematical models. Perhaps the most common and straightforward indicator, however, is





the Price to Earnings ratio. This basic measurement centres on the principle that the higher the P/E ratio is, the higher investors are paying for the stock and therefore the less value they are getting. For those less numerically inclined there are many great publications written by successful investors which offer useful advice. One timeless classic is Wall Street wizard Peter Lynch's book *Beating the Street* in which he outlines some practical ways to pick up great stocks. Whenever you find yourself scouring the stock markets, remember that like anything else in life, investing requires time, patience and an incredible amount of dedication.

In terms of where to invest, the good news is that nowadays we can invest in companies all over the globe. If you know what to look for, there are still some fantastic stocks to be found in the developed markets of North America and Europe. However, the case for putting your money into the emerging economies is becoming more compelling by the day. You won't have to look far to find reasons to buy shares in Chinese, Indian and

### Play to your strengths and always do your homework.

Brazilian companies. According to Professor Burton Malkiel, one of the world's most respected economists, "investors need to think of these markets as being an essential part of any diversified portfolio". In his analyses of future performance, Malkiel looks at three major factors- "debt, demography and diminishing natural resources". Based on these elements, value investors should definitely look for good assets around the world to maximise future returns. However, in order to lay your path to riches, you will need to do more than just select and hold good stocks. Sensible speculators, also look for companies that will pay consistent and sizable dividends. By receiving annual dividends on your investments, either in cash or share options, you are essentially being paid to keep your stocks. Canadian tycoon, investment manager and T.V personality, Kevin O'Leary, is one such big name

wealth manager who firmly believes in dividend deals. His advice to investors is simple; "Never, ever, buy a security or a stock that doesn't pay a dividend!". He rightly points out that if an asset is "not returning cash, it is purely a speculation". Whilst capital appreciation on your stocks is obviously desirable, there are no guarantees when it comes to stocks. Therefore, dividends are essential because they act as a safety net against losses in your asset's value.

So finally, you know it pays to go long term, to conduct a vast search and to preferably own something with a juicy dividend. What about that rainy day, somewhere in the distant future, when you feel the need to sell your stocks and free up some cash? The final word here has to go to Forbes' Investment Strategies Editor, William Baldwin, who's philosophy is to "hang and to winners and sell off your losers". And furthermore, when you start to consider when the best possible time to sell will be, remember Baldwin's advice- "the best holding period is forever"!

# Investment News

## Stocks and Shares

### Stock markets get a bounce from central bank action

Markets in around the world have gone higher in recent weeks after announcements from both the European Central Bank and the Federal Reserve. The ECB sent European markets soaring after the organisation's president, Mario Draghi, announced a wave of bond buying to reduce the cost of borrowing for the Eurozone's cash strapped member states. Days later Federal Reserve Chairman Ben Bernanke officially launched its latest stimulus program. The move, known as 'QE3', aims to stimulate the stagnant US economy and free up credit. Whilst markets have slowed down from their earlier rallies, investors are expecting a more stable trading environment over the coming months.

### Mining stocks remain devalued by weak Chinese data

The slowdown of the Chinese economy in 2012 is continuing to impact upon investor confidence in mining and commodity based stocks. Most of the big mining companies are trading at very historically cheap prices as investors feel pessimistic about future demand from China, Europe and North America. In September, the Australian Bureau of Resources & Energy Economics slashed its outlook for expected earnings from mining exports by 10% for the financial year to June 2013.

### Apple Inc stocks look set to continue eclipsing the rest of the tech sector

Apple Inc's share price rally has continued in the last month- going over \$700 per share. In August, Apple's share price rose to make it the most valuable publicly traded company of all time. Following the successful outcome of its legal dispute with Samsung and the announcement of the new iPhone 5, the company still looks very enticing in comparison to the wider sector.

### Chinese solar company LDK takes a beating from investors

LDK Solar Company Ltd has seen its share price plummet to historical lows recently after a gloomy outlook for the sector took its toll on investor confidence. The solar installations giant has seen significant pressure on its profit margins this year as well as a string of tariffs imposed by the US government hitting hard. For risk taking investors who see a bright long term future for solar energy, now may be a good time to add LDK to their portfolio.

### Tyco to go ahead with strategic three way break up of operations

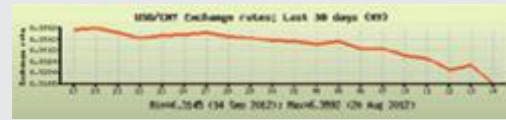
Shareholders of Tyco International Ltd have approved the management's proposal to divide the company's industrial conglomerate into three parts. According to Reuters, the company's operations will be split into; North American residential security, flow-control products and services, and fire and security. It is hoped that the company will be better able to improve growth and add more value for investors in the future.



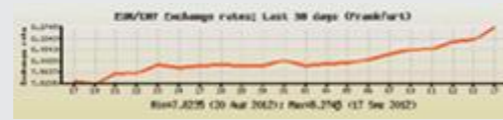


## Currencies

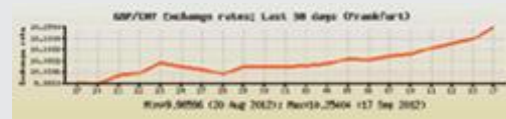
### Chinese Yuan - US Dollar



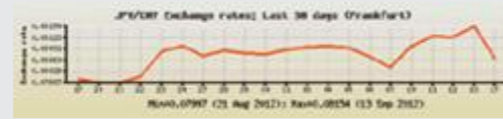
### Chinese Yuan - Euro



### Chinese Yuan - GB Pound



### Chinese Yuan - Japanese Yen



All eyes are on the euro now following the ECB's attempts to stabilise the region's credit markets. In September, the currency hit 4 month highs against both the yen and the dollar. But with the turbulence of Spanish bond yields and uncertainty about the Eurozone's long term future, the recent rally may well be short lived. The dollar remains weak against a basket of currencies after the Fed's announcement of QE3. Rumours are circulating that the Bank of Japan are looking at similar easing measures so appetite for the yen is somewhat mixed. Currency markets are looking increasingly difficult to predict for the remainder of 2012.

## Commodities

Commodity	1 Month Change	1 Year Change
Crude Oil (Petroleum)	8.82 %	4.81 %
Natural Gas	-4.30 %	6.29 %
Wheat	1.07 %	6.83 %
Sugar	-9.80 %	-28.89 %
Rice	-0.14 %	0.05 %
Aluminium	-1.75 %	-22.58 %
Copper	-0.97 %	-16.53 %
Iron Ore	-15.74 %	-39.25 %
Lead	0.87 %	-20.70 %
Nickel	-2.63 %	-28.18 %
Gold	2.54 %	-7.22 %
Silver	4.85 %	-28.61 %



Quantitative Easing by the fed has increased concerns about inflation and subsequently, investor appetite for precious metals has improved. Gold prices hit a 7 month high in September and there is a strong chance that Silver will follow suit in the coming weeks as the dollar remains weak and

speculators favour hard assets over currencies. Grain prices have modestly extended on the big gains of the last couple of months. **E**

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## Mr. Kelvin Mah has been appointed as General Manager of Holiday Inn Tianjin Aqua City

Mr. Kelvin Mah has been appointed as the General Manager of Holiday Inn Tianjin Aqua City this September. Mr. Mah started his hospitality career in the Renaissance Hotel in Kuala Lumpur and the New World Renaissance Kuala Lumpur Hotel, Malaysia. He has over 20 years of professional experience in both China and Malaysia. Mr. Mah has an excellent overall knowledge of hotels and a particularly strong background in sales and marketing. He was rewarded for being the sales manager with the 'Highest revenue achieved' under Marriott's Malaysia Cluster at the beginning of his career and then he worked as the Director of Sales and Marketing for over 10 years throughout Asia. During this period, he was the Corporate Director of Business Development in Sunway International Hotels & Resorts, Malaysia, for 4 years and Regional Director of Sales and Marketing for Berjaya Hotels & Resorts for 2 years, directing and guiding the sales force as well as formulating and enforcing effective practices to all hotels. Before joining the Holiday Inn Tianjin Aqua City he was the hotel manager of the New World Shenyang Hotel.



## Appointment of Chef Ornato Antunes as Executive Chef of the Ritz-Carlton, Tianjin

Chef Ornato Antunes has been appointed as the Executive Chef of The Ritz-Carlton Tianjin by The Ritz-Carlton Hotel Management Company L.L.C.

Chef Ornato Antunes has 20 successful years of professional cooking and kitchen management experience. He started his apprenticeship at 14 years old in Paris and was already passionate about cooking. He joined The Ritz-Carlton Hotel Company in 1999 as the Chef de Partie banquet of The Ritz-Carlton, Arts Hotel in Barcelona in Spain.

Prior to joining the Ritz-Carlton Tianjin, Chef Antunes worked with many Ritz-Carlton Hotels, such as The Ritz-Carlton Hotel Arts in Barcelona-Spain, Hotel Penha Longa in Lisbon-Portugal and Hotel Abama in Tenerife-Spain. He also worked for other luxury brand like Four Seasons, The Ritz London, Concorde Group, Starwood, Warwick and Celerity Cruise Line. He has opened a restaurant of Michelin star Chef Sergi Arola (2 Michelin Stars in Madrid) and been in supervision of a Michelin star 'MB restaurant' from Chef Martin Berasategui in Tenerife- Spain.

Beyond his career, Chef Antunes' interests include Harley Davidson motorbikes and horse riding. Apart from his talent in cooking and food renovation, Ornato can speak fluent French, Portuguese, Spanish and English.



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# Spanish Solar Specialist Eyes up the Chinese Energy Market

By Mark Gao



installers to encourage the growth of solar power in China. The Beijing government has said it will install a massive 3GW of solar capacity in the three years up to 2015. This would see China become the world's number one installer of solar power, ahead of traditional nations like Germany, which used

subsidies and laws to encourage power generation companies to use solar-powered electricity.

Spain, Isofoton's home market, was also a leading producer of solar power until the government axed subsidies. Hence leading players like Isofoton were forced to relocate

further afield for opportunities. The latter looked to China. Aside from the Lishen deal it has also teamed up with GCL Poly Energy, a Hong Kong listed firm specialising in power plant construction and management. It plans to develop 1GW of solar farms globally with Isofoton.

As a designer and manufacturer of solar equipment, like solar panels, Isofoton will provide the equipment for the projects, which will be built in China, Africa and Latin America, while GCL will provide the project finance. "By capitalising on our strong experience in developing solar projects and in manufacturing, we are confident the partnership will add value to both firms... this partnership confirms Isofoton's strategy of investing in emerging solar markets, such as Latin America, Africa, and the US, which will lead the development of the PV market for the next decade."

The solar equipment market appears to be rebounding after a difficult period in the wake of subsidy cuts in key markets like Germany and Spain. Part of the new optimism is thanks to China's plans to use solar power to power remote villages and industries. Building-mounted solar panels are growing fast. Originally founded by researchers at the Polytechnic University of Madrid, Isofoton has plenty of experience in installing large-scale solar installations on the roofs of industrial and public buildings, currently a priority for China's policymakers. Energy official from Beijing were impressed by an Isofoton project which covered the roof of the new terminal at Barcelona Airport with solar panels, making it one of the biggest solar installations in Europe.

The Chinese government's Golden Sun programme of subsidies to the solar power project installers

It seems like a match made in heaven. Spanish solar veteran Isofoton SA has linked with Tianjin-based battery maker Lishen to create a joint venture- Isofoton Lishen New Energy which will build solar installations around China and make solar power equipment at a USD 300 million new factory to be built by 2014.

The partnership between Madrid-based Isofoton and Lishen, a subsidiary of oil giant CNOOC, allows the two to tap the increasingly vibrant Chinese solar power market. Isofoton, says company CEO Angel Luis Serrano, originally wanted to cooperate with Lishen on battery technology but saw that working with the firm

would allow Isofoton to "enter China through the front door and take advantage of the favourable regulatory framework set up by the government of China."

Serrano's comments refer to policies like subsidised feed in tariffs to China's power distributors as well as subsidies to solar power

Isofoton and its Tianjin partner Lishen are hoping to expand sales in the US and Latin America





Governments are ramping up installations of solar panels on roofs

ensured a surge in installations in remote but sunny regions like Qinghai, Ningxia and Xinjiang. Key developers of solar power projects include China Power Investment Corp and China Datang Corporation: these two power generation companies buy solar equipment from providers like Isofoton but also buy solar power generated by third party project managers. Other Chinese energy companies, including CNOOC, have also been looking beyond traditional fuel sources like oil and coal towards solar.

While it may be only now catching up on installations of solar power generation projects, China already dominates the global market for solar equipment, with firms like

Yingli and LDK manufacturing solar panels and related technology like power-storage batteries and inverters at prices lower than European or US peers could offer. While the quality of the Chinese products have improved significantly, over-investment in manufacturing capacity and over-dependence on developed nations markets, especially in the EU, meant that China had to develop demand at home for its solar equipment or risk the collapse of firms like Yingli.

Hence there was a ramp-up in Chinese installations. Yet China's solar companies have not been able to replace slower EU demand with alternative markets. Even while Isofoton looks to cash in on

demand in China (and elsewhere), leading Chinese player LDK Solar, the world's top manufacturer of solar wafers, a key component of solar panels, reported a loss of USD185 in the first quarter of 2012.

Isofoton made a profit of almost USD10 million in 2011, a considerable slow down on busier years in the last decade. However the long-term fundamentals for Isofoton's expansion into China appear obvious. Paul Curnow, environmental markets partner at Baker & McKenzie, points out that China will have to install more solar power to meet its target of getting 15% of all energy from renewable energy sources by 2020. In fact, Beijing has pledged to generate 20GW of solar energy by 2020 –

that means a significant speed up in installations in the coming years given that current capacity is less than 6GW.

Naturally there will be a huge competition to supply that new capacity. Chinese solar equipment makers currently supply a third of global demand but the sector is very fragmented, with over 200 independent PV manufacturers of various size and quality fighting for market share.

The obvious answer to over-capacity in China is a rise in exports to the wider region. Around 900 million people in developing Asian countries have no access to electricity, according to the Asian Development Bank, while over-priced power generated from traditional means like coal-fired power stations is keeping millions of others in poverty, according to the vice-president of the Asian Development Bank, Zhao Xiaoyu.

Zhao oversees the Asia Solar Initiative, an ADB programme that wants to increase the use of solar power - particularly in remote, rural Asia - to improve economies and living conditions. Money, however, is the barrier to this happening. Given China's much-reported USD3 trillion in foreign currency reserves and the quest for overseas investment opportunities by state-run China Investment Corp and energy companies here, it's not unlikely that the alliances which Isofoton has been making in Tianjin and other parts of China make sound commercial sense.

Up to now solar power systems have not been extensively deployed due to the comparatively high prices of panels. However, at an increasingly common installation cost of USD1.25 per watt (half the rate only two years ago), the cost of a solar energy installation is cheaper than conventional energy sources such as coal through its life span. Solar

## Chinese energy companies, including CNOOC, have also been looking beyond traditional fuel sources like oil and coal towards solar.

advocates argue that once the initial cost of the system is paid for, taking around 20 years, the cost of running a photovoltaic system is almost zero.

To date solar power systems have not been extensively deployed due to the comparatively high prices of panels. The affordability of solar will in turn drive demand for solar panels. The falling cost of solar panels - on average half the cost of a photovoltaic system - has been driven by manufacturing technology improvements and economies of scale, largely in companies like Yingli, which mix international capital and technology with a low Chinese cost base. Cheaper panels, and subsidies for solar power by key markets like Germany, helped ensure an average annual growth of 25% in installation of solar panels over the past decade.

Indeed the decreasing cost of solar power equipment, along with increased the efficiency of solar panels, means that the cost of solar power is fast reaching parity with other energy sources like coal in key markets where solar power has been extensively applied. Australia, one of the first countries to reach 'grid parity' has proven to be a key growth market for Chinese solar panel makers like Yingli and Jinko who supply half of the world's solar panels. Grid parity is expected to be achieved in the US and German markets in 2012 and will have been achieved in half of the world by 2015, according to predictions by Zhengrong Shi, boss of Suntech, the world's number one maker of solar panels in volume terms.

Yingli competes on price but also quality- its panels have hit quality levels comparable to those of German and US solar equipment makers as certified by independent bodies like Munich-based TÜV. The Yingli business model looks compelling. However, it is a model which also leads to overcapacity problems which are distorting the long-term outlook for Chinese industries.

A recent victim of overcapacity in the solar industry is Zhejiang Xiechang Silicon Industry Co



Lower wages have helped Chinese companies dominate the production of solar power equipment





Isofoton has been tapping demand for residential solar panel installations in North America

which filed for bankruptcy last year. It's only the first of the players in silicon to go under because overcapacity in the industry is sustained by local governments who loath to let firms (many of them owned by or invested in by local government) go under. China has 40% of global capacity for refining silicon into poly silicon, the most expensive component in solar panels. But a third of that capacity is currently on idle until the industry recovers from a 60% slump in prices.

Just as Chinese regional officials are often unwilling to kill off zombie capacity in industries like solar energy, their national counterparts have also been unwilling to spend money on soaking up some of

the excess product. Subsidies are too often based on encouraging exports. While the potential in sales that grid parity brings is obvious, for firms like Yingli and Isofoton/Lishen they need to put more money into making solar a mainstream part of the energy mix. Strangely, given its promotion of solar panel exports from China, Beijing has recently cut subsidies. Under the Golden Sun Program, subsidised by government, investors will receive just CNY 7 (about EUR 0.60) per Watt for new photovoltaic installations- a cut of CNY2 per Watt for crystalline modules most commonly installed.

Likewise, the country's new feed in tariff (government subsidies to make solar competitive with

coal-fired power), not even a year old, is to be cut by 13 percent. Nonetheless, the falling cost of solar panels and additional subsidy support from regional government, the industry estimates that 5GW will be added in China in 2012, compared to 2GW in 2011. The price of panels has dropped to such an extent that China will be the biggest installer of solar power by 2015, in part due to provincial governments using solar to drive rural electrification. All of which suggests a bright future for Isofoton and its Tianjin partner. **E**

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# New Foreign Exchange Control Regime for Trade in Goods



Manuel Torres



Margaret Si

by Manuel Torres (Partner) and Margaret Si (Associate) of Garrigues Shanghai



## Background

Under the Chinese legal framework, foreign exchange control is very famous in the sense that almost any in-flow or out-flow of foreign exchange across the border is strictly regulated. With regards to trade in goods, the foreign exchange verification system has been implemented for around 20 years, according to which, for each exportation and importation, verification by the foreign exchange administration is necessary, triggering time-consuming and complicated formalities for exporters and importers.

Considering that the scale of trade in goods in China has developed rapidly and tremendously and in order to simplify the procedures to facilitate the foreign trade under the current international economic

situation, the State Administration of Foreign Exchange (SAFE) of China considers it to be a good time to implement reforms for the current foreign exchange system for trade in goods, though there have been some pilot reforms. Accordingly, on 27 June, 2012, the SAFE issued the Notice Concerning Relevant Issues on Circulating Several Regulations Regarding Foreign Exchange Administration of Trade in Goods (Huifa[2012]No.38), which is effective as of 1 August, 2012, under which, Guidelines for Foreign Exchange Administration for Trade in Goods, its implementing rules, as well as operational rules and the other two relevant rules, are promulgated (Reform Regulations), replacing all of the former regulations and rules regarding the foreign exchange administration for trade in goods.

## Evolution of the Reform

As mentioned above, actually the content of the Reform Regulations are not entirely new, and are based on several pilot reforms introduced by SAFE through step-by-step reform since 2010.

In May 2010, SAFE had a pilot reform regarding the importation of goods among 5 provinces and 2 municipalities, including Tianjin, Qingdao, Fujian province, Jiangsu province, Shandong province, Hubei province and Inner Mongolia Autonomous Region. Since October 2010, exporters in 3 provinces and 1 municipality, including Guangdong province, Jiangsu province, Shandong province and Beijing, were allowed by SAFE to deposit their foreign exchange incomes arising from exportation of goods into their overseas accounts subject to certain conditions. In December 2010, the aforementioned pilot reforms have been extended all across the nation and the foreign exchange control system for the importation of goods and overseas deposit of exportation incomes came into shape.

In December 2011, SAFE launched a pilot reform involving trade in goods (from the view of both importation and exportation of goods) amongst 5 provinces and 2 municipalities, including Jiangsu province, Shandong province, Hubei province, Zhejiang province (excluding Ningbo city), Fujian province (excluding Xiamen city), Dalian and Qingdao. After an approximately 6-month pilot reform, SAFE extends the pilot reform to the whole nation and thus comes the reform which consolidates all of the previous polite reforms and also improves the administration system. Following the

reforms, the foreign exchange administration system for trade in goods has the following main key features:

## Key Features

### • Category of Enterprise<sup>1</sup>

Enterprises engaging in the foreign trade activities (either importation or exportation) would be graded by SAFE into Category A, B and C, taking into consideration the off-site and on-site inspection results by SAFE and compliance situation of the enterprises. The list of enterprises in different categories will be published by SAFE and available to the general public when SAFE deems it necessary. The formalities and requirements imposed on the enterprises, as well as the supervision and control from SAFE varies depending on the categories to which the enterprise belongs, which are illustrated as follows:

#### 1) Category A

- Simplified procedures: An enterprise falling into Category A could directly perform or receive payment by presenting any of the customs reports, contract or invoice before the relevant banks;

- Special report of trade financing<sup>2</sup>: For the advance collection/payment in the term of over 30 days, import trade financing with over 90-day usage letter of financing or an import bill advanced by overseas institutions,

and the deferred collection/payment in the term of over 90 days, the enterprise shall report to the competent local counterpart of SAFE through the online system within 30 days after actual occurrence of the above trade financing.

**China has developed rapidly and tremendously and in order to simplify the procedures to facilitate the foreign trade under the current international economic situation.**

#### 2) Category B

- Quota administration:

Based on the performance, as well as actual foreign trade situation of the enterprise of Category B, SAFE will verify a foreign exchange payable/receivable quota for the enterprise of Category B (quota). Within the quota, the enterprise may perform or receive payment by presenting the custom report, contract and invoice before the relevant banks; for transactions beyond the quota, the foreign exchange payment and collection are subject to the prior-registration of the competent SAFE.



<sup>1</sup> The enterprises for the purpose of this article refer to those enterprises which obtained the foreign trade operation right (外贸经营权) pursuant to the law.

<sup>2</sup> The trade credit refers to the financing activities due to the time difference between goods flow and fund flow in trade (namely, the goods delivery sometimes is earlier or sometimes later than the payment/collection of goods prices), including deferred collection and advance collection in exportation of goods, and deferred payment and advance payment in importation of goods.





- **Special report of trade financing:**  
For any advance collection/payment, import trade financing with over 90-day usage letter of financing or import bill advancements by overseas institutions, and the deferred collection/payment in the term of over 30 days, the enterprise shall report to the competent local SAFE through the online system within 30 days after actual occurrence.

- **Main limitations:**  
Certain transactions (such as intermediary trade with over 90-day trade financing, import with over 90-day deferred payment, and export with over 90-day deferred or advance collection, etc) are not allowed, collections cannot be deposited in the overseas account.

### 3) Category C

- **Case-by-case registration:**  
The registration before the competent local SAFE with respect to the collections and payments of foreign exchange has to be conducted on a case-by-case basis;

- **Special report of trade financing:**  
The report obligations regarding trade financing for the enterprise of Category C are the same as enterprise of Category B; moreover, for each advanced payment above USD 50,000 under importation of goods, bank guarantee for the advance payment shall be provided by overseas contracting parties;

- **Main limitations:**

Certain transactions (such as any intermediary trade, import trade financing with over 90-day usage letter of financing or import bill advance by overseas institutions, import with over 90-day deferred payment and export with over 90-day deferred or advance collection, etc.) are not allowed, and the overseas account (if existing) shall be closed.

In terms of the above, it could be concluded that enterprises of Category A are entitled to follow more simplified procedures and enjoy considerable autonomy in their foreign trade activities. Generally speaking, enterprises which comply with the rules and regulations of SAFE could be categorised as A. On the other hand, enterprises which have violations may be categorised as B or C depending on different situations and thus would be subject to more strict supervision by SAFE. The supervision term for each category usually lasts for one year, upon the expiry of which SAFE would assess the compliance performance of enterprises and may adjust the categorisation.

- **Streamlined process for export customs declaration and tax rebate**

Before 1 August, 2012, other than the exporters in the pilot areas as mentioned above, in order to apply for a tax rebate, exporters shall apply for the verification form for collection of foreign exchange under exportation before competent local SAFE. Upon the effectiveness of the Reform Regulations, the paper verification form has been abolished and will not be required for export customs declaration and tax rebate.

- **Report Obligation and Inspection System**

Per each foreign exchange payment or collection, enterprises could report to relevant banks through an online system or written report form. Within 5 working days after payment or collection, banks shall declare the transactions to the competent local SAFE through online system.

Based on the information reported by enterprises and banks, SAFE will monitor the total volume of capital flow against the goods flow on a macro basis. By setting various targets (such as the difference between goods flow and capital flow, the proportion of trade financing etc), the competent local SAFE would assess the performance of enterprises on a monthly basis. In the event of unusual circumstances (such as over-abound trade financing, refund of over USD 500,000) detected through the online system, an off-site or on-site inspection could be triggered and certain supporting documents and explanations should be provided by the enterprise inspected.

According to the result of off-site and on-site inspection, competent local SAFE may at any time adjust the categorisation of the enterprises. Enterprises

of Category A may be downgraded to Category B or C if certain violations of the foreign exchange administration rules are constituted. On the contrary, if an enterprise of Category B or C has been complying with the foreign exchange administration rules during the one-year supervision term, they may be upgraded to Category A after the assessment by the competent local SAFE upon expiry of the supervision term.

### Our Observations

It is foreseeable that the Reform Regulations will facilitate international trade and simplifies the procedure and process of trade in goods. Consequently, from the view of formalities, the transaction cost could be reduced and the operational efficiency could be achieved.

In line with the implementation of the Reform Regulations, a new mechanism for monitoring foreign exchange collection/payment under trade in goods is established in China. Considering the previous pilot reforms launched by SAFE, influences of the Reform Regulations on the existing enterprises may vary, which could be referred to the following chart:

Trade	Enterprise in previous pilot areas <sup>3</sup>	Enterprise in other areas
Import	No material influences	The categorisation method remains the same, but the control on enterprises of Category B/C is further relaxed to some extent under the Reform Regulations.
Export		- Category of enterprise; - Streamlined process for export customs declaration and tax rebate; - Report obligation and inspection system
Overseas Deposit of Export Income		No material influences

Nevertheless, it shall be noticed that, being efficient does not mean that such administration will become relaxing and loosened. The classification of the enterprises will ensure that SAFE focuses more on high-risk enterprises and the information sharing system among SAFE, General Administration Committee and State Administration for Taxation will further strengthen the cooperation amongst different authorities involved in trade in goods and form a regulatory resultant force towards the foreign trade enterprises.

comply with the foreign exchange regulations in order to maintain the good performance and favourable category. As for the foreign business operators who are doing trading related business with Chinese exporters and importers, it would be better to check the category of their business partners in China so as to know whether certain trade financing arrangements are feasible according to the Reform Regulations. **B**

In conclusion, as a general suggestion, the enterprises engaging in foreign trade in China should respect and

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<sup>3</sup> Jiangsu province, Shandong province, Hubei province, Zhejiang province (excluding Ningbo city), Fujian province (excluding Xiamen city), Dalian and Qingdao.



# Updates on the Latest China VAT Tax Reform



Simon Bai  
Winners Law Firm



## Background

China has both business tax (BT) and value-added tax (VAT) applicable to businesses of the service industries which has long been labelled as 'over-burdensome' for business operators as it creates a double taxation and unfairness. The matter has been on the agenda of policymakers for many years and things finally started to move forward in October 2011 when the State Council of China publicised a decision to launch the BT-VAT transformation pilot program in Shanghai which marks a landmark step towards a nationwide reform of the VAT system. In Nov 2011, China's Ministry of Finance (MOF) and the State Administration of Taxation (SAT) jointly issued the Notice for the Introduction of the Pilot Scheme to Convert Business Tax to VAT (Caishui [2011] No.110) (Circular 110) and Notice for Converting from Business Tax to VAT

in the Transportation Industry and Certain Modern Service Sectors in Shanghai (Caishui [2011] No.111) (Circular 111) (collectively 'Implementation Measures') to provide detailed implementation rules for the program.

The pilot program will initially apply to the transportation and modern service industries in Shanghai with the intention of rolling it out nationwide when circumstances warrant it. The VAT reform is expected to eventually extend to all other service sectors as well. On 25 July, 2012, the State Council announced that the VAT reform pilot program will be extended to ten more localities including Tianjin in batches from 1 August, 2012, till the year-end. It is also reported that the pilot program will be further expanded in 2013 to more regions and eventually nationwide for selected industries.

## The Shanghai Pilot Program

On 1 January, 2012, the VAT reform was officially implemented in Shanghai. The pilot program in Shanghai aims to consolidate the overlapping VAT and BT, simplify the tax system and reclassify many services currently liable to BT as, instead, taxable under the VAT regime.

The Implementation Measures provide the scope of the pilot program and VAT rates applicable to the transportation industry and certain modern service industries ('Pilot Industries'). These include services for road transportation, water transportation, air transportation, pipeline transportation, as well as services in R & D and technology, IT, culture, auxiliary logistics, certification and consulting and tangible moveable property leasing etc. Enterprises under the pilot program in Shanghai are able to pay VAT instead of BT. It means that output VAT for such enterprises will be calculated on the basis of their service income and applicable VAT rates with the input VAT being credible. The net balance

of output and input VAT will be the payable VAT.

**It is imperative that the State authority shall launch a nationwide VAT reform.**

Among the taxpayers in China, they are roughly classified into two categories, i.e. the general taxpayer and small-scale taxpayer. The VAT rate for small-scale taxpayers can be as low as 3%; whereas general taxpayer is subject to 17% (or 13% for the import of certain goods). However, for business which have a substantial annual turnover, the general taxpayer status could be beneficial despite the much higher VAT rate because such status offers cost-effective flexibilities to reduce its overall tax burdens. The general taxpayer may deduct the input VAT from output VAT which is not available to small-scale taxpayers. It also helps to enhance a company's



credibility and demonstrate its economic strength since such status allows its clients to issue VAT invoices.

In order to be recognised as a general taxpayer for manufacturing enterprises, it must have an annual taxable turnover of more than CNY 500,000. Other types of enterprises (with at least 50% of income from wholesale or retail of goods) require an annual taxable turnover of more than CNY 800,000.

Companies which engage in both Pilot Industries and Non-Pilot Industries still have to pay BT but it has to be accounted for separately from VAT services. When the companies fail to comply in this regard, the tax authority has the power to determine the respective turnover of taxable services. The Implementation Measures also address the scenarios where a company provides VAT applicable services that are subject to different rates and where a company engages in both VAT-able and VAT-exempt services.

Services provided to recipients in Shanghai by foreign service providers are subject to VAT rather than BT. Such service recipients who qualify as 'pilot enterprises' may claim input VAT credit for the VAT paid. In addition, under the Implementation Measures, such service recipients are required to act as the withholding agent if the foreign service provider does not have an agent within China.

The Implementation Measures also make available transitional arrangements for businesses caught in the transformation period, which will serve as guidance for other provinces and cities which are also starting to participate in the BT to VAT reform as of August 2012 following Shanghai's pilot program. General speaking, businesses who used to be eligible for BT exemption under the existing BT regulations are eligible for VAT exemption until the expiry of BT exemption





provided the specified criteria is fulfilled. For those businesses outside Shanghai which provide services to a recipient under the Pilot Program in Shanghai, they have to continue to pay BT and such BT paid will not be deductible by the entity based in Shanghai when computing VAT.

**Good News or Bad news?**

To answer the question, it really depends on which sectors of the Pilot Industries the company operates in. It is reported that the majority of general taxpayers have experienced a decrease in tax burden due to the wider range of deductible input VAT according to statistics released by the Shanghai regional government. In the meantime, many small-scale tax payers in Shanghai have also been reportedly benefiting from the reduced 3% VAT rate as opposed to the 5% BT rate previously applicable. However, the transition from BT to VAT has brought about hardship rather than blessings to the logistics sectors

due to the increase of tax rate from previous 3% BT to current 11% VAT. In addition, the major input VAT deductible items in the transportation sector are transportation vehicles, fuel and maintenance and repair fees; all of which at this stage would be far from sufficient for input deduction purposes to reduce the overall costs of transportation companies. This is partly because such reform is implemented only in Shanghai rather than across the nation, which restricts the scope of deductible costs for businesses under the Pilot Industries.

**Conclusion**

Although it is widely expected that the pilot reform program may reduce the tax burden of companies in certain service industries by helping them to avoid double taxation, the actual extent of any reduction for certain sectors is less encouraging.

It is imperative that the State authority shall launch a nationwide VAT reform program applying

to more service sectors as soon as possible before the business operators engaged in service industries can genuinely benefit from the indirect tax reform in China. Disparity in tax burdens between different regions and different service sectors certainly causes disruption to business operations instead of easing the burden for them. In addition, the BT-VAT transformation will probably have a substantial impact on the local tax income since VAT legally belongs to the central government of the State rather than local government. It remains to be seen whether the special policy granted to Shanghai in implementing the pilot program allowing the VAT levied will be able to be offered to other provinces or cities as well when participating in the expanded pilot program later this year. **E**

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# Clash of the Tech Titans

By Justin Toy



Ten years ago it seemed that hardly anyone used Apple Inc. products. Their computers were known to be incompatible with most software and having a strange but unique design. Fast forward to today and you can't walk into a Starbucks without seeing a person sipping on coffee whilst using their Macbook or chatting to a friend on their iPhone. Today, Apple is the largest publicly traded company in the world. Apple is also the largest tech company in the world in terms of both revenue and profit, more than Google and Microsoft combined. Their iPhone

division alone was more profitable than the whole of Microsoft! That's right, Apple made more in 2011 just on iPhones than Microsoft made on all of its computer hardware, software and Xbox division put together. At the same time, Samsung is also a giant player in the tech industry which is quickly becoming one of the most popular phone makers on the market. The Samsung Galaxy Series is very impressive and has been quickly eating up Apple's market share.

In what has been hailed as the 'patent trial of the century', Apple has put on its boxing gloves and decided

to take on Samsung, and, in the future, potentially every Android handset maker, for various patent violations. Before Steve Jobs passed away, he had said "I am going to destroy Android, because it's a stolen product. I'm willing to go to thermonuclear war on this." If he were alive today, surely he would see the USD 1 billion courtroom victory in August as the first blow in what is surely to be an epic battle between these tech giants.

Apple brought three utility patents and four design patents against Samsung to the courts. The utility



patents are in regards to the bounce back that occurs when you scroll beyond the edge of a webpage or document in iOS, another was for one finger scrolling and two finger zooming; whilst the last utility patent was for tap-to-zoom technology. The design patents involved the iPhone's edge-to-edge glass and display border, rounded corners and home button, and the grid-style icon layout of iOS. The jury found that Apple's patents were all valid and that Samsung was in violation of all of these patents, to varying degrees, with 21 different Samsung devices. Samsung has designed a custom version of Android for its phones that is more similar to iOS than regular stock Android- which is a key factor in why Apple has gone after Samsung as opposed to another smart phone maker.

### This could be just the tip of the iceberg!

Apple also won a 'trade dress' claim. A trade dress is a means of protecting a business's image and appearance and how that image is perceived by the public. For example, the design of the Coca-Cola bottle is distinctive and when people see it, they will immediately associate it with Coca-Cola. The jury in this case had to decide if Apple's iPhone and iPad design were famous enough to have been diluted by Samsung's similar design.

On the other hand, Samsung pointed the finger at Apple and said that they infringed 5 of their own patents. However, while

the patents were valid, the court ruled that Apple had not actually infringed any of those patents. In the end, Samsung was ordered to pay USD 1,049,393,540, the highest amount ever recorded for copyright infringement.

However, this could be just the tip of the iceberg. The global mobile phone industry is estimated by Credit Suisse to reach over USD 207.6 billion dollars this year. During Q2, Android was the OS for 68% of the worldwide shipment of smart phones compared to Apple's iOS which powered 17% of Q2 smart phones. Samsung is at the centre of fuelling Android's rapid growth as they accounted for 44% of all Android smart phones shipped last quarter. The court's decision could definitely stifle Samsung's growth, especially



since Samsung will need to make some changes to its design.

The Apple and Samsung patent battle will be waged around the world as a kind of strategic chess match being played out within the court room. In Japan, Apple had sued Samsung for patent infringement having to do with syncing music and video data with a computer. However, in this battle, Samsung was victorious. But that's not all, there are still several other ongoing cases being played out in Japan, including one pertaining to the bounce-back patent.

Apple also has more patents which it plans to dispute in the US court. Apple will challenge Samsung over the 'slide to unlock' feature and universal search function.

#### Future Implications

While Samsung is feeling the pain right now, USD 1 billion will not cripple them by any means. In the last

quarter alone, Samsung made USD 4.5 billion in profit. Two thirds of that profit came directly from its mobile business. It is true that Samsung's stock dropped significantly after news of the verdict, but the share price has already begun to recover.

Apple is looking to continue their offense by asking for a number of Samsung devices to be banned in the US market. On 20 September, Apple and Samsung went back to court in order to discuss whether or not to ban the Samsung phones which have infringed Apple's patents. The phones in question are the Galaxy S 4G, Galaxy SII, Galaxy S Showcase, Droid Charge and the Galaxy Prevail.

Samsung has time to alter its newest products before they reach the US market so that their phones are not in violation of Apple's patents. The utility functions can be easily and instantly changed since the release of a new software update.

For example, with a new software update, the grid-style icon layout can be slightly altered into another array so that it no longer infringes Apple's patents. However, changing hardware and design is another story. This will take a much longer time to design, approve, produce and ship out. The time frame is anywhere from 18 to 36 months.

In the future, Samsung will have to alter their products in order to differentiate themselves more from Apple's designs. This could potentially lead to new innovative designs from Samsung or a costly misstep. In either scenario, Apple is sure to stifle Samsung's growth and seize the opportunity by taking back market share with the new iPhone. **B**

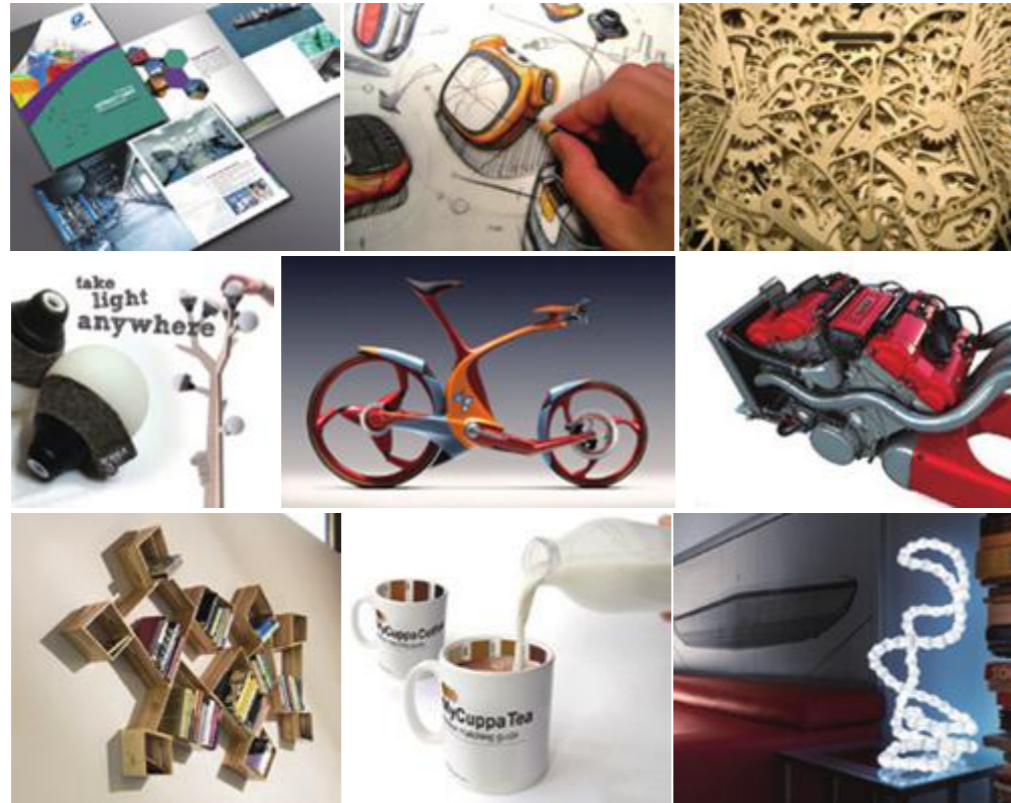
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# IPR Protection in China for the Creative Industries: Know Before You Go



Philippe Healey,  
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China IPR SME  
Helpdesk



China's rapidly expanding consumer market creates both opportunities and challenges for European businesses in creative industries. Ideas and designs are the lifeblood of creative businesses and infringement can be particularly costly and damaging. Because creative ideas and designs that are not adequately protected can often fall victim to infringement by potential Chinese clients or Chinese competitors, European businesses are sometimes reluctant to enter the China market and build relationships with Chinese partners. However, by effectively using the Chinese IP system and taking a few key steps, you can protect your company's IP and foster successful partnerships in China.

There are three key IP issues often faced by creative businesses in various sub-sectors of the creative industry in China including- in architectural design, product design, graphic design, web-design, brand design, photography and cinematography, writing, etc. They are copyright, industrial designs and trade secrets.

## Copyright

As in Europe, copyright in China arises automatically upon the creation of a copyrightable work. Copyrightable works include architectural or engineering drawings, works of fine art, applied art, literary works, music or sound recordings, dramatic or cinematic works, compilations and software. It is important to remember that copyright protects only the expression of an idea, not the idea itself.

China also allows you to voluntarily register your copyright. Copyright registration is presumptive evidence of ownership if you wish to enforce your copyright and greatly reduces



the preparation of evidence. Copyright registration in China is inexpensive, easy and generally recommended.

Unlike in many other countries, in China the scope of protection of the copyright in a two-dimensional drawing does not extend to three-dimensional applications. For example, copyright in a two-dimensional architectural design does not extend to the actual building based on the design. To fill in this gap in protection, your contract should clearly state that the copyright of any three-dimensional applications based on your two-dimensional designs belong to you.

When creating works for others or commissioning others to create works for you, make sure that your contract clearly states who owns the copyrights to the works. In China, the commissioned party owns the copyright to the works unless the contract states otherwise.

In addition to using copyright as a form of protection, it is also equally important to make sure that you do not infringe upon another's copyright

such as when using someone else's work. For example, this can happen when you use someone else's photographs on the Internet without permission within your project proposal. It is important to obtain the permission of the copyright owner when using someone else's work.

## Industrial Designs

Industrial designs protect the aesthetic features (shape, pattern, colour etc) of industrial products. Industrial designs are protected as design patents in China and must be registered. Designs registered in a foreign country do not enjoy protection in China. To qualify for protection, a design cannot be an existing design and must be sufficiently distinguishable from other designs. Currently, it takes approximately 9 months to 1 year to obtain a design patent in China. A design patent gives you the exclusive right to use or allow others to use your design in China for 10 years.

You cannot register an existing design, including your own existing design, which means you have 6 months from the date you first publicly use the design, publish the design to apply for

a design patent or file an international patent application. Therefore, it is strongly recommended that you consider whether or not you wish to seek design patent protection for your design before you publicly use or publish it.

In some cases, if an industrial design exhibits a high-degree of creativity and its aesthetic elements can exist separately from the functional features of the design, it can also be protected as a copyrightable work. For example, a design for a lamp with a statue base enjoys copyright protection as to the statue base. It is important to know whether or not your design can be protected as a work of applied art so that you can take proper measures to protect it. Most industrial designs do not enjoy copyright protection as works of applied art and can only be protected as industrial designs.

## Trade Secrets

In China, a trade secret is any non-public information of commercial value that is treated as confidential. Trade secrets include undisclosed designs, sketches, concepts, models, project proposals, customer lists, supplier lists, price lists, contractual terms, business operational methods, contact lists, internal emails, business strategy or initiatives, negotiations, etc. However, trade secrets protection is lost as soon as the information becomes public. Measures to ensure confidentiality include the use of confidentiality agreements tied to disclosure, non-disclosure agreements with employees, use of passwords, marking of documents as confidential, etc.

Prevention is the key to protecting trade secrets. Although legal action is available, it is often difficult and not always feasible to prevent the dissemination of sensitive information once it has been disclosed. It is a good practice to periodically catalogue what potentially valuable trade secrets you



may have so that proper precautions can be taken.

Most cases involving the theft of trade secrets involve former employees or potential clients. It is important that you require all employees to sign an employment agreement with non-disclosure provisions and, if necessary, non-competitive provisions. It is also important that you limit access to certain valuable information to only certain employees with a need to know and to conduct exit interviews.

It is also a good practice to insist that third parties, including potential clients or suppliers, sign a confidentiality agreement before you start negotiations or transfer documents. Sometimes, however, a potential client may refuse to sign a confidentiality agreement because they may consider such a request as 'hostile'. In these instances, insist, but if they continue to refuse, it is important that you only disclose very preliminary work product such as simple rough sketches or previous designs which you do not consider to be operational or of high value.

## A design patent gives you the exclusive right to use or allow others to use your design in China for 10 years.

### Preventative Measures for the Protection of IP

Although there are effective legal and administrative remedies for IP infringement in China, cost-effective protection of creative ideas and designs in China generally requires a combination of knowledge, prevention and business savvy. Preventative strategies for the protection of IP generally include:

1. Registration of IP
2. Contractual protection
3. Preventative operating measures

Your IP is protected when properly registered. Industrial designs, invention patents, utility models and trademarks must all be registered

for them to be protected in China. Although copyrights do not need to be registered, registration is useful in the event that you need to enforce your copyrights. It is important to have a plan in place to determine which IP you will register and to take proper measures for IP you will not register.

In addition to or in lieu of registered IP rights, you can protect your IP contractually by ensuring that your contract clearly stipulates the ownership of the IP and contains proper confidentiality provisions. However, contractual protection is only available after negotiations have matured to a point whereby a contract can be negotiated. In lieu of a full contract, insist on having a confidentiality agreement before negotiations start or documents are transferred.

Finally, business savvy and employing preventative operating measures can go a long way in ensuring that your IP is protected. It is important to draw a line prior to negotiations on how far you are willing to skirt

on IP protections so that you know when to walk away from a potential business opportunity. Protecting your IP may require you to forgo certain opportunities. This may be extremely difficult, particularly for small creative businesses, but a potential client who is not willing to recognise your desire to protect your IP is also the client who is most likely to steal your IP or not pay you for your work.

Often in the early preliminary stages or at the bid soliciting stage, potential clients will insist that you submit full conceptual designs and three-dimensional renderings. In such circumstances, it is understandably difficult to insist on confidentiality measures. It is at this point where registering your IP and thoroughly documenting the transfer of documents is critical. Although circumstances will vary in each instance, you may also wish to try to meet your potential clients face-to-face in order to get a feeling of their professionalism and to develop a

personal relationship, show them only preliminary sketches of ideas, ask for payment upfront or in increments based on performance targets, seek references from colleagues or acquaintances, or ask them to visit you at your business premises to be shown your full conceptual designs or three-dimensional renderings.


### Takeaway message

Though seemingly daunting, with a few simple preventative steps and appropriate registration of rights, your creative work can be adequately protected in China. Remember these key points:

- Use preventative measures: don't wait to take action. Most of the steps described above should be taken before entering the Chinese market. If you wait until a problem arises, there is a chance that it will already be too late to take action.
- Use the system: register your IP in China. China has a robust, effective

IP enforcement system. Registered IP should include copyrights and design patents, as well as others such as invention patents and trademarks.

- Use contracts: protect your business from the inside out. Include contracts and agreements with all involved parties, including employees, partners and clients to properly protect your trade secrets.

If you have further questions about formulating a tailored IP protection strategy for your business or your creative work, please direct them at [online@china-iprhelpdesk.eu](mailto:online@china-iprhelpdesk.eu). Your enquiry will be treated with the strictest confidence and will be answered within seven working days by one of our China IP experts. 

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# Underemployment:

## The grey area in HR Management

By Robert Parkinson, CEO & Founder, RMG Selection



Recent studies suggested that underemployment, a grey area between employment and unemployment, has become a surging problem faced by both hirers and employees.

In the Press Conference of the 2012 Blue Book of the Chinese Society, Professor Chen Guangjin, with the Chinese Academy of Social Sciences, said that the employment situation in China is still complicated. He claimed that companies are having

a hard time finding the right people and job seekers feel there are no opportunities for them. Meanwhile, another survey on working happiness indicators of employees shows low contentment rate in jobs. Both realities clearly illustrated the ubiquity of underemployment at present.

According to the data which RMG Selection collected from its clients, some positions have been open for three or even more years due to the high job requirements. As

a result, some companies have to hire unqualified people to fill those positions in order to keep the projects running, others choose to hire overqualified talents with the knowledge that they are not able to keep them long enough.

Underemployment can also take place in areas where sections of the local economy are inactive. Some applicants, who could (and would like to) work as full-time employees, can only find part-time

jobs due to lack of job and training opportunities or lack of social services of finding jobs.

Another situation can be understood as 'overstaffing' or 'hidden unemployment', in which full-time employees have to work part-time due to unavailability of work opportunities, inevitable budget cuts of the companies they work for, legal or social restrictions or the highly seasonal nature of the job itself.

If anyone in your team had previously experienced or is currently suffering from this underemployment, do not panic, the following points will help you to analyse the causes of these phenomena:

- **Insufficiency utilisation of skills**

On the labour market, companies always found themselves in a dilemma: the HR departments hope to catch big fishes, waiting for the ideal talents to knock on their doors. On the other hand, however, they always work under recruitment deadlines. The result is that they often end up choosing, instead of the right ones, either overqualified or under-qualified candidates, who would either feel not being valued highly enough or work under huge pressure caused by their inadequate capabilities. At the same time, senior employees are unhappy as they feel as though they're being held back by having to work with unqualified newcomers. This would cause a chain reaction in which companies suffer from constant loss of human capital.

- **Insufficient utilisation of economic capacity**

The labour market is closely linked to the economic situation across society. Due to the limited job and training opportunities and the inadequate social welfare systems, the number of part-time or informal workers keeps growing. These workers, who are under-paid compared with full-time employees,

### Both realities clearly illustrated the ubiquity of underemployment at present.

could not be deemed as properly employed.

- **Insufficient utilisation of employees**

Even some formal employees, who are properly hired and collect a monthly salary, find themselves in a situation of underemployment. Specialists like fire fighters or EMTs are in two states at work: standing by or saving lives. These kinds of underemployment are understandable and necessary.

However, it is crucial to prepare for those times on stand-by. But how? A private hospital with a 24-man EMT team has set us a good example in which the EMT members would exercise their skills and take exams periodically. In the long run, this kind of activity is not only beneficial to employees but also to the companies.

It is also the 'habit' in many state-owned companies that there are many staff members who lack tasks and aren't busy; underemployment, culturally, has become the norm and as naturally and inevitably the Chinese economy moves away from state-run to privately-owned enterprises so too will there be an inevitable move towards business





and activity as dictated by a competitive system.

Perhaps you have begun to look at a way to help your team?

After you have painstakingly screened the candidates for several times and selected the right guys for the jobs, you'd better make sure they don't work in a state of underemployment. Below are some tips for your consideration:

- **Make scientific performance evaluation systems – there are always reasons for staff to work harder and as the saying goes- ‘if you measure it, it gets better!’**

Let's take one of RMG's clients, Stago, as an example. In this company, their performance evaluation system is made up of the fulfilment of working goals and personal development. Philippe Barroux, General Manager of Stago, said that the basic salary is based on the level of target fulfilment of the previous year. And in terms of personal development, an employee would sit together with his/her manager and list his/her personal aims for being a better talent at the beginning of a year. "The more aims you reach, the bigger annual bonus you get," he said.

The annual performance assessment in Stago is not only an opportunity for discussing career development and training objectives for company staff, but also a great chance for establishing 'win-win' relationships between the employer and the employees. "Making personal development assessments for the employees made them feel a sense of achievement and also made their work more efficient," said Philippe.

- **Creating a positive competitive environment inside the enterprise, giving the employees a goal**

A positive environment for competition is a good way to retain your employees. Let's share



the successful cases from P&G. One secret of P&G is the internal promotion, according to which P&G never hires a person from outside P&G as a superior. P&G only chooses, promotes and rewards those who have had outstanding working performances, which has nothing to do with other irrelevant factors. The promotion depends on the working performance and the contribution one made to the company. The speed of one's promotion depends on one's capability and achievements, a P&G spokesperson once said. For employees, the glamour of a company is not only the salary, but more importantly, there should be a channel for employees to realise their career ambitions.

- **More promotion channels**

It is important to make employees realise that no matter what department they work for and what positions they hold, everyone can find the way to success if they try. Furthermore,

if they meet the requirements, they can be promoted to handle bigger responsibilities and get a better salary. The employees should not only positively accept the subjective judgments given by their supervisors. In a win-win relationship, they should combine their own personal career goals with their enterprise's own development objectives.

Many people spend a lot of time developing their own methods after hearing some new ideas and forget that practice is the only way to create results. In the face of the underemployment situation, which may have already existed or may occur in the future, a manager should put his methods into practice. Only in this way can people successfully deal with emerging problems. **B**

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# 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

## Accounting Supervisor

财务主管 Code: AS121001

### JOB DESCRIPTION:

- Define and revise accountant's duties;
- Prepare periodical financial accounting reports;
- Close monthly accounts;
- Supervise assets and inventories;
- Coordinate annual audit;
- Other work assigned by management;

### WHO WE ARE LOOKING FOR:

- Good command of English;
- Preferably have previous work experience;

## Business Development Supervisor

客户主管 Code: BDS121002

### JOB DESCRIPTION:

- Develop sales network;
- Coordinate with marketing manager;
- Setup yearly targets;

### WHO WE ARE LOOKING FOR:

- Basic English communication;
- Preferably have previous work experience;

## Bio Engineer Agricultural Expert

生物工程农业专家 Code: BEAE121003

### JOB DESCRIPTION:

- Be able to use the laboratory of the University or the Research Center;
- Be able to perform domestic research;
- Research data protected by strict and confidential contract;
- Evaluate the quality of materials in different parts of China;

### WHO WE ARE LOOKING FOR:

- Experience in the field of Bio- pesticides of vegetal origin and resistance elicitors of plants;
- Good level of written and spoken English;

## Business Executive

客户专员 Code: BE121004

### JOB DESCRIPTION:

- Sell company's products and service;
- Develop and maintain current and or potential customers;
- Fulfill revenue targets;
- Track for the client' service.

### WHO WE ARE LOOKING FOR:

- Basic English communication;
- Preferably have previous work experience;







**NORTHERN CHINA**

The growth of the office market has decelerated for most of the Northern cities in the second quarter of 2012. For the second tier cities, the rental growth mainly came from market upgrade - the new or improved high quality projects have pushed up the market average rent. Among which, Shenyang recorded an impressive 5.7% quarter on quarter growth, while Dalian was up 4.3% quarter on quarter. Meanwhile, the overall vacancy rate stayed high for cities like Qingdao, Dalian and Tianjin, at 14.6%, 11.9% and 15.8% respectively. There is new supply for most of the cities except Dalian during this quarter, but large amounts of future supply in cities like Tianjin and Qingdao is likely to exert pressure on the markets in the next few quarters. Comparing to the strong performance of previous quarters, Beijing's office market had a rather quiet season with a 3.7% quarter on quarter rent growth and vacancy rate further dropped to 4.0% as at end of June 2012.

Driven by improving sentiment in the residential market, sales volume of luxury apartments continued to recover in Q2 2012, while prices in most Northern Chinese cities remained largely unchanged except for Dalian, up 4.4% quarter on quarter. In the leasing market, the luxury market in most cities recorded a mild rental growth within the quarter under review, with Dalian registering the largest quarter on quarter growth of 1.2%.

The Northern China retail market experienced a correction in all five major cities. New projects with lower rents opened in all markets, which drove down the market average rental level. Dalian had the largest rental drop of 8.6% quarter on quarter due to over 80,000 sqm new supply. The rental decline in other cities ranged from 0.4% to 2.8% quarter on quarter. At the same time, most of the markets had seen their vacancy rates creeping up. By the end of the reporting period, Shenyang stood out with the highest vacancy rate of 17.8%, - mostly coming from this quarter's new supply of 157,000sm.

# PRC Market Overview as at Q2 2012



**ECONOMIC BACKGROUND**

China's GDP growth in the second quarter slowed further to 7.6 percent, the weakest since the first quarter of 2009 registered in the depths of global financial crisis. Combined with 8.1 percent growth of the first quarter, China's economic growth was 7.8 percent in the first half of 2012, only slightly above the government's full-year

target of 7.5 percent. We expect China will continue to ease monetary and fiscal policy in the second half of 2012 to avoid the risk of hard landing. In response to the sharper-than-expected economic slowdown, the People's Bank of China cut the benchmark interest rate in June, the first cut in the past three and a half years, followed by a further cut in early July. Signs emerged that those

changes started to impact upon the economy. New loan creation has been increasing during the second quarter and growth of infrastructure investment rebounded significantly. Premier Wen Jiabao commented recently during his inspection tour in Sichuan Province that the government's efforts to stabilise economic growth was taking effect and the second half of the year would

see more efforts by the government to preset and fine-tune the policies. With June's CPI and PPI at 2.2 percent and -2.1 percent respectively, providing the government plenty of leeway to further adjust its monetary and fiscal stance.

In the first six months of 2012, the total sold GFA of commodity housing decreased by 11.2 percent year on year. But this was underpinned by preferential lending policies towards first-time home buyers and price cuts by developers, the scale of decline has been narrowing continuously during the second quarter. In June, the 70 large-and-medium-size cities new commodity housing

price index' even showed that 25 cities registered month on month increases of price, surpassing the number of cities recording negative price change and a significant rise compared with that in the first five months. In view of the recent rebound of the housing market, central government authorities have recently reiterated the importance of maintaining austerity measures towards the real estate sector. With HPR remaining the bottom line of the central government and abundant supply in the pipeline, we do not expect any significant rebound in property prices in the second half of this year.



# Product design as a growth generator

By Heidi Skovhus

North China					
Rental	Beijing	Dalian	Qingdao	Tianjin	Shenyang
Office	↑	↑	↓	↑	↑
Luxury Residential	↑	↑	↑	↑	↓
Retail	↓	↓	↓	↓	↓
Industrial	↑	↑	↑	↑	↑

Source: CBRE Research

The North China logistics market carried on the growth momentum from previous quarters. Rental growth in the 5 cities ranged from 0.5% to 3.8% quarter on quarter. It is worth noting that the second tier cities, such as Shenyang and Dalian, had a stronger rental growth comparing to Beijing. Industrial land transactions further proved the trend of shifting activities to the second tier cities by the increasing transaction volume and price.

## TIANJIN

In the second quarter of 2012, Tianjin office rents remained stable, edging up by 0.7% quarter on quarter to CNY 130.7 per sqm per month. Leasing of Tianjin World Financial Centre remained active on the back of its prime quality and location. Huawei Technology Service Corporation and Tianjin Ever Credit Investment Co. Ltd rented 1,800 sqm and 800 sqm in Tianjin World Financial Centre, respectively. During this quarter, there was no new completion in Tianjin's prime office market and the average vacancy rate dropped 3.9 percentage points over the period to 15.8%.

Looking ahead, the trend might reverse with 10 new office projects due for completion in the second half this year and throughout 2013. With such a strong pipeline of new supply, we expect both vacancy rate and overall rental will be under pressure.

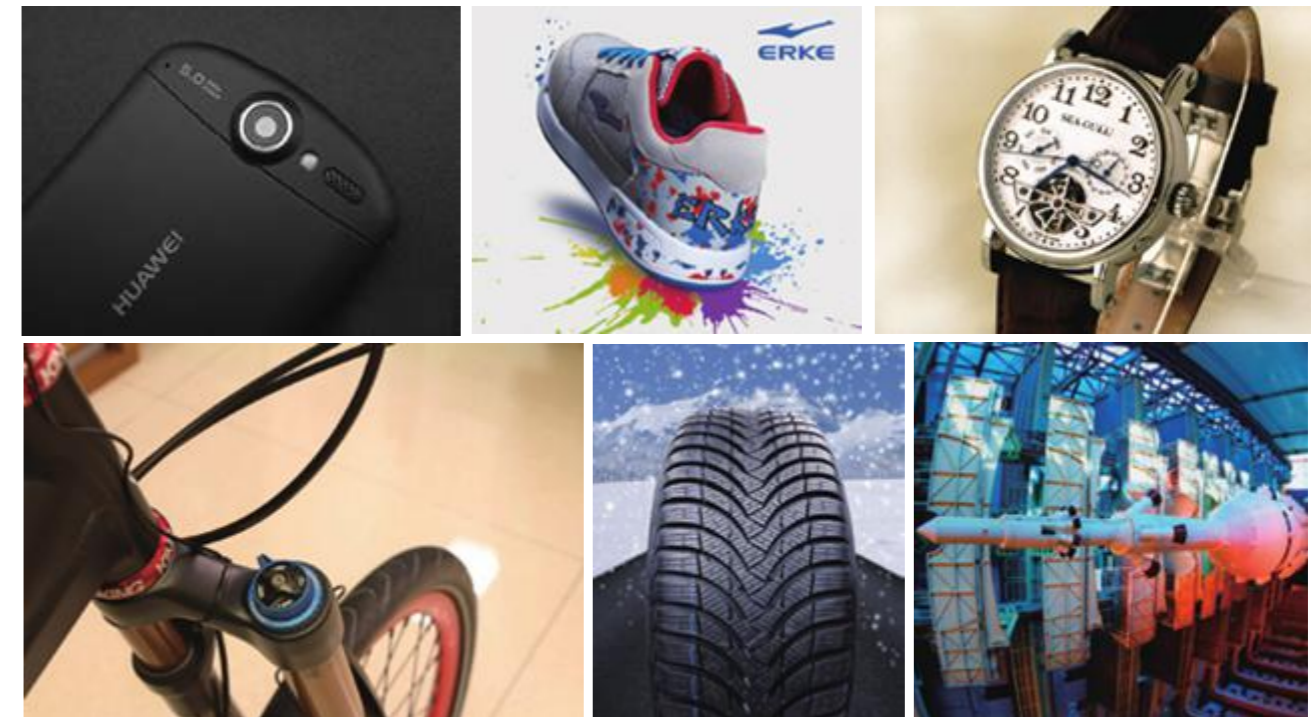
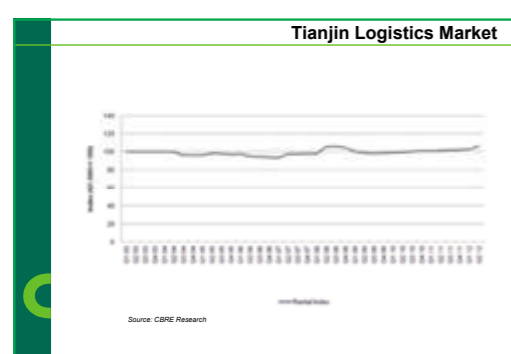
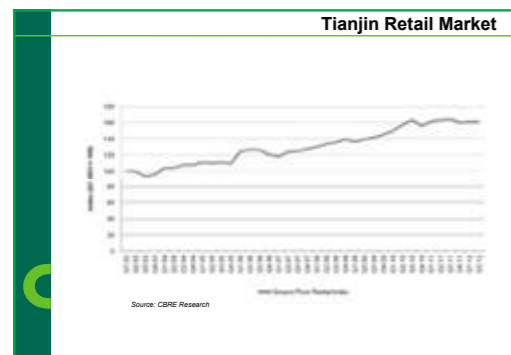
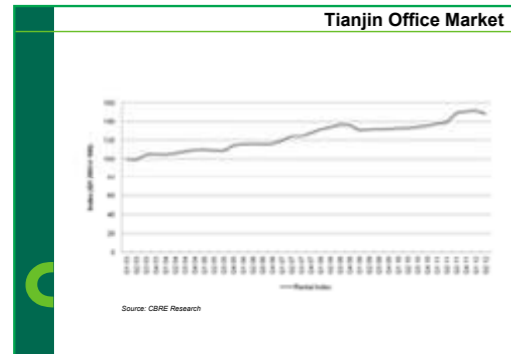
In the second quarter of 2012, some commercial banks have lowered the mortgage loan interest rate for first-time home buyers, and most projects chose to cut their prices to boost sales. As a consequence, residential sales transaction volume has been rebounding continuously during the quarter, while the average price of luxury apartments dropped by 1.2% quarter on quarter to CNY 21,290 psm.

During the same period, the leasing demand for luxury residences has increased. The average rent of luxury apartment increased by 0.9% to CNY 50.3 psm per month.

In the second quarter of 2012, the average ground floor rent of retail properties in Tianjin decreased 1.0% quarter on quarter to CNY 21.5 psm per day. The 45,000-sm Youyi Gallery located in Qufu Road opened with a high occupancy rate. Some international retailers, such as Replay and Miss Sixty opened their first Tianjin store in Youyi Gallery. At the end of this quarter, the overall vacancy rate stood at 10.8%, down by 2.9 percentage points quarter on quarter.

A number of new projects are scheduled for completion within the year, which will bring considerable leasing pressure to the market.

During the second quarter, due to the scarcity of quality logistics space, the average rent of Tianjin logistics facilities rose 3.3% to CNY 28.0 per sqm per month. Meanwhile the average industrial land price increased 0.5% to CNY 457.7 per sqm. With increasing demand from e-commerce, retailing and 3PL occupiers, and the majority of key facilities to be delivered in near future being built-to-suit in nature, the industrial rent is expected to rise steadily in the second half of 2012. **B**



Can investing in product design grow a business? Well, when talking about 'true growth', the focus needs to be on top line growth, since it is not possible to create 'true growth' by reducing costs. In the long term marketing alone cannot generate top line growth. At the end of the day, it is all about having the right products and being able to create and develop products and services that impresses and thrill the customers continually. Growth is coming from the customers and the customers want to have attractive, seducing and value creating products – very often from companies with a clear and attractive market profile. No matter how you see it, the product (tangible or in-tangible) is the most effective alliance between the company and its customers. And if you do not pay attention and spend money on product design the alliance will become weaker over time.

In short, product design contributes to the development of the continued growth and revitalises the continued demand for the product.

### How is product design consumed?

Human beings use all senses when judging a design- either conscious or un-conscious. The customer judges weight, temperature, smell, colour, form, aesthetics, function, ergonomics etc. Design is the connection between art and technic, between producer and user, between tradition and innovation, the rational and intuition, logic and emotions.

Our judgement and valuation of a product is done very quickly. It often only takes just a few seconds for us to decide whether or not a product is appealing. That is why product design is so important. The battle to win the

customers attention and sympathy is very tough. The goal of product design is to strengthen the company's value and image.

### Customer insights is a key ingredient in product design

The design process very often begins with customer insights and a unique understanding of the customers, which is created by both facts and intuition. The uniqueness is often the more difficult part, because this is where the company needs to rely more on intuition than facts, because facts can be generated by everybody. Successful, innovative companies very often demonstrate a good intuitive understanding of the customer's desires, needs and behaviour.

Many companies have plenty of data, but it is all about how the data is used

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and shared across departments. Some departments see things others are incapable of finding. Customer data is key and how it is used defines the likelihood of success in any innovation.

Most product designs fall under one of two categories: 'demand-pull innovation' or 'invention-push innovation'. Demand-pull happens when there is an opportunity in the market to be explored by the design of a product. This product designer attempts to solve a design problem. Invention-push innovation happens when there is advancement in intelligence or technology. This can occur through research or when the product designer comes up with a new idea. However, no matter which kind of innovation it is, it must be built upon unique customer insight; otherwise either of them will be too risky to conduct as the likelihood of failure is too big.

### Innovation and product design need the right organisational conditions

Innovation in general and product design specifically are not easy tasks because there are often many stakeholders involved in the process and

they all demand something different from the innovation team and from the design process. The manufacturer is concerned with production cost, the purchaser looks at price, appearance and prestige value, the end user is concerned with usability and the attractiveness of the final product and the maintenance department focuses on how well the final product can be maintained and serviced. It is the product designer's job to incorporate those needs and concerns in the design and then at the same time be forward looking and bold.

**No matter which kind of innovation it is, it must be built upon unique customer insight.**

The organisational set-up can support the innovation culture in a company or do the opposite; kill it. Sustainable growth is not likely to be generated in stand-alone and uncoordinated innovation initiatives. In order to create healthy innovation, that can be a sustainable competitive

force, it is necessary to establish an organisational culture with common and coordinated ambitions across the company's disciplines and departments. This is not something that just happens. It takes well-defined strategic goals and established operational objectives in order to make sure that the value creation actually benefits both the market and the bottom-line of the company. The reality in many companies is that business objectives are controlled by a set of bonus measures and are structured in organisational silos. This creates internal frictions and tends to benefit those who focus on day to day business more than on long term innovative development. Instead, the overall strategy must be shared and owned across the company with a very clear link to how each department – and ultimately individual – contributes to the success and achievement of the strategic goals.

So, the innovation design process needs to be very closely linked to the overall strategic goals and to all stakeholder concerns in order to succeed and contribute to the company's growth.

However, sometimes it will be beneficial to let the innovative product design process have a life of its own and be more loosely connected to the rest of the organisation, at least in the beginning, in order to make sure that the organisation and the organisational processes for approval etc. do not take the innovation and energy out of the process before it has even begun to develop results or hypotheses. It can be very difficult to do 'thinking-out-of-the-box-work' in a firm's organisational and approval structure that is created mainly to support the daily operational processes.

So it is a balancing act.

Even though innovation is difficult, and to some extent risky, it does create new business opportunities.



Innovation is to go from vision to market in a structured process. Stand-alone and simple ideas are not strategic and big ideas demand insight. Be open and curious, and at the same time critical and analytical.

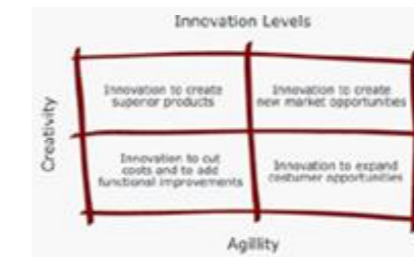
### Product design process

When looking into the literature about product design, there are many different kinds of processes for how to design. Common to most of them is that they are very simple and often only divided into 3-5 steps. This is a very simplified way to look at a very complex matter, and therefore each company has to carefully create the right kind of product design process that matches the company, the market structure and the requirements in general. However, when categorising the innovation project at hand, it is a good idea to do it before creating the design process. See the figure below for inspiration.

### Product design in China

China has a rich history of creativity and product innovation. Some of

the more famous examples are the invention of paper, gunpowder, printing and the compass. So product design innovation is part of the history and will also be a part of the future.



Today, China seems to innovate in a different way to the rest of the world. What China does better than most (maybe even all) Western countries is to innovate by commercialisation, as opposed to constant research, perfecting the theory and refining the end result, like the West does. When the Chinese get an idea, they simply test it in the market place. They are generally not afraid to do three or four rounds of commercialisation to get an idea right. Conversely, the Western companies tend to spend the same amount of time on research, testing and validation before trying to take products to market. The risk

of market failure is somehow not as frightening in China and the Chinese consumers tend to give the company a second and third chance as long as the improvement is visible and profound.

China is in a period of change, which it seems like this country is in all the time, but this is a more profound kind of change. The Chinese will become innovators, rather than emulators, over the coming decades as investment in human capital moves China from manufacturing into the service sector. With its huge population and ability to make rapid far-reaching decisions, and the wide spread of wealth accumulation, China's demand for design and design thinking keeps expanding. All creative people in China can look forward to being part of this journey; both as innovators and as consumers. **E**

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# Business Model

By Rosa Gao, Analyst, DaD Asia



## About Business Model

When we pitch the promising projects we will require the entrepreneurs to provide their business plans, and amongst their business plans, the business model is one of the most important parts. Business models describe the rationale of how an organisation creates, delivers and captures value through which we can get a better overview how the company works overall.

## Business Model VS Revenue Model

There is another concept called the Revenue Model that many people will confuse with the Business Model. They think that these two concepts are the same.

From many business plans we received, we often see the start-ups

describe their business models as 'B2B', 'B2C', 'Freemium model', 'Advertising model' and so on. We can distinguish where their revenue comes from at the sight of these words, but can we know how the company operates? Who are their customers? What's their core competition? The simple answer is, no.

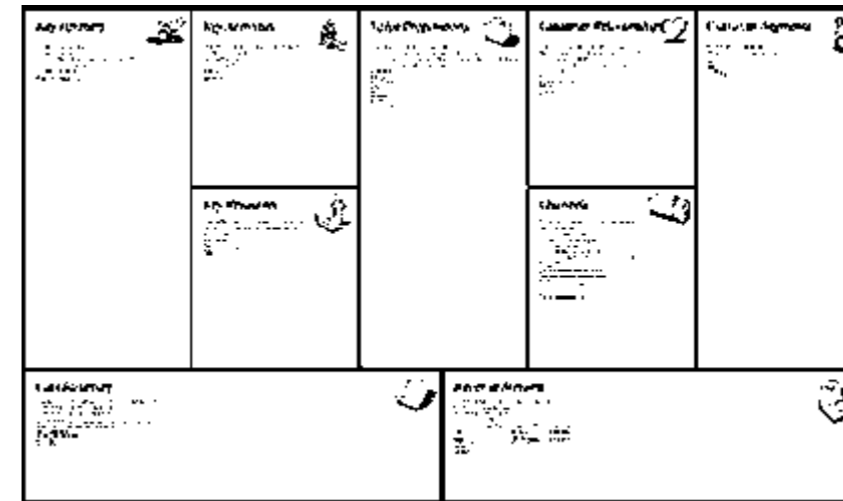
Obviously, these two concepts are diverse. Revenue is the amount of money that a company receives during a specific period and the revenue model is the way the company makes money. Besides the revenue model, other resources and activities are all integrated into the business model, which make the business model can be carried out. In this sense, the business model should include the revenue model.

In this article, the writer will introduce you to a useful tool and help you to analyse your business model. If you are a start-up company, the tool can help you to build an integrated business with limited resources. If you are a mature entrepreneur it will help you to analyse your current business and find out what can be optimised further.

## A Useful Tool: Business Model Canvas

The business model will be described through nine basic building blocks that show the logic of how a company intends to make money.

Firstly, draw a picture above dividing paper into 9 blocks. Then, use a sticky note for each and every one of the building blocks of your business model. Please pay attention to the checklist



while writing the business model:

- Be specific.
- Keep it simple.
- Self-explanatory.
- Focus on the relevant points.
- Do not reinvent the wheel.

To better understand it, I will take Renren.com as an example. Renren is an equivalent of Facebook- primarily based in China. Let's start:

1. Customer segment: An organisation serves one or several Customer segments and that is its target audience. Find out who are the most important customers for you and them. Try to make the description detailed and accurate.

Renren helps Chinese people to stay connected with their friends and families, because people are social. It offers an opportunity to launch the advertisement and publish social apps. So, the target audience should be: 1) Internet users. 2) Advertisers. 3) Developers.

2. Value Proposition: The collection of products and services that a business offers to solve customer problems and satisfy customer needs. A good and innovative business model starts with a customer insight into something that is unsolved or badly solved for the customer. This is the case

that the customers' pains are our opportunities. Describe the service and products that create value for the Customer segment.

Renren possesses a large amount of users. People can show themselves, find interesting and useful contents, share contents from other websites and most importantly- stay connected with friends and family. Renren has Apps now, so users can sign in via their mobiles. Advertisers can execute precision marketing based upon the information shared by users such as Age, Gender, Location, Education, Work history or specific Interests. Developers can use the offered development tools and APIs in order to build apps and

websites integrated with Renren, and they can get payment. So, the value proposition can be described as 'a large mount users base, connect with friends, discovery and learning, stay connected on mobile, social distribution, interaction, payment'.

3. Channels: A company can deliver its value propositions to target customers through different channels. But how to get the customers? Via communication, distribution or sales Channels; it depends on the business.

Renren owns its website renren.com, PC terminals and Mobile App. So, there are 3 channels to get access to Renren: website, client and App.

4. Customer Relationships: To ensure the survival and success of the businesses, the companies should establish and maintain the relationships with different Customer segments. Besides, figure out how they are integrated with the rest of our business model.

Renren creates a community for users to interact with each other, provides the monitor system for the advertiser to track the promotion effects in the website and a series preference for developers on





the platform. So, the customer relationships should include user community, developer platform and personal assistance for advertisers.

5. Revenue Streams: The way the company get income from each customer segment. Usually a company can generate profits through these ways but not limited: product sale, service fee, membership fee, licensing and advertising.

Renren's revenue comes from advertising, membership fee (CNY 20 per month), profit sharing from developers.

6. Key Resources: The resources required to create and deliver the value. It is most important assets required to make a business model work. They could be human, physical, technology and intellectual, whichever are needed to support the businesses.

Renren is one of the most popular SNS websites in China with 200 million registered users. Its resources are population and user database.

7. Key Activities: The most important activities in operating the value proposition, reaching markets, maintaining customer relationships and earning revenues.

Renren continues to improve the user experience, get more exposure to attract more users and developers, as well as sells advertisement space. So its key activities are R&D, Marketing and sales.

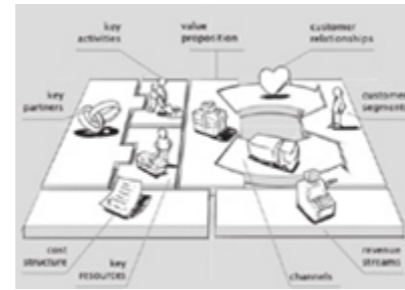
8. Key Partnerships: To optimise operations, reduce risk and focus more on the core activities, companies need to cooperate with others. This could be a strategic alliance, co-operation and so on.

Renren cooperates with many companies, such as 360 and MSN China, to share the accounts and get more users. So, its key partnerships are 360, MSN China, Nokia.

**If you feel this can give you a few inspirations or more, it deserves to be tried out.**

9. Cost Structure: Costs are generated by the operation of a company and they should be minimised in every business model, but it depends on different kinds of models. Generally, there are 2 models: cost-driven and value-driven. The most typical example of a value-driven model is the 'App'.

Renren's costs include B&D, human resources, server, general things like water and electricity.



### To Conclude

When finishing the first analysis, I believe you have already found some problems in your business and it is likely that your mind has already come up with some solutions. If you feel that this can give you a few inspirations or more, it deserves to be tried out. Why not?

This tool can also be used in conjunction with a team brainstorm, but to be most effective there should be no more than 6 people involved. It can also help you in the following ways: Firstly, in checking the completeness of your business model within your team, finding out any possible ways to improve your business. Secondly, to explain the project to others such as potential investors, the Business Model Canvas would be a good choice, because graphs can be remembered easier than words. Last but not least, check whether the team members are all aware of what they are doing and deal with the understandings and disagreements amongst them.

Tips: If you are interested in Business Model Canvas, you can go to the book named 'Business Model Generation' written by Alexander Osterwalder & Yves Pigneur.

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European Chamber  
中国欧盟商会

# 2012 EUROPEAN BUSINESS GALA DINNER

## A NIGHT WITH THE STARS

18:30-22:30 onwards, Friday, 12 Oct., 2012

Venue: The ST. Regis Tianjin



Y2006 in Sheraton Hotel



Y2007 in Nikko Hotel



Y2008 in Nikko Hotel



Y2009 in Radisson Hotel

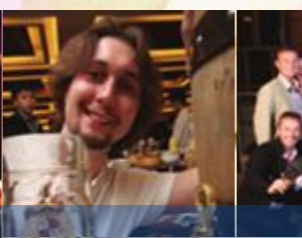


Y2010 in Raffles Hotel

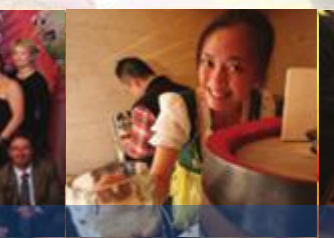
Every October since 2006, members of the European business community have converged at the European Chamber Gala Ball to enjoy a wide variety of authentic European cuisine and eye catching performances. It's the largest annual gala dinner organized by the European Chamber, and is supported by multiple media, companies and other organizations. Due to the large number of businesses in attendance, this event has become one of Tianjin's most prominent social gatherings.

With the celebration of the 2012 EU Film Festival in Tianjin, Beijing, Chengdu and Shenzhen, during the whole month of November, we will create a real 'Film Festival' atmosphere on 12 October 2012, the 'European Business Gala Dinner – A Night with the Stars' with specially designed programs!

We welcome you to dress up for this prestigious event, and celebrate the continued success of the European Chamber, as well as take advantage of the many networking opportunities available.



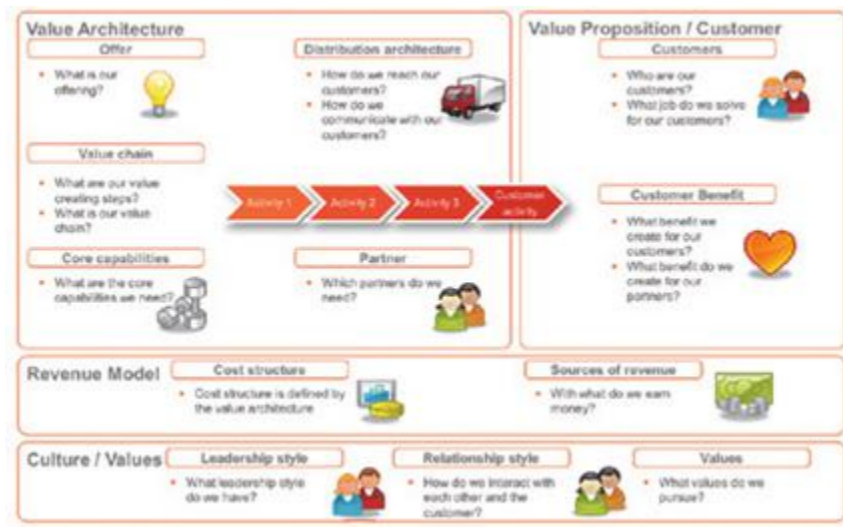
Y2011 in Radisson Hotel



**450 CNY for individual tickets, 4000 CNY for tables (10 tickets)**

Member's special offer: 400 CNY for individual tickets, 3500 CNY for tables

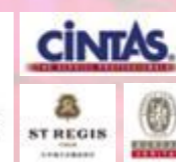
Seats will run out fast, so please call 022-23741122 or email [tianjin@europeanchamber.com.cn](mailto:tianjin@europeanchamber.com.cn) to book your tickets now!



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# 2012 EU FILM FESTIVAL

## 第五届欧盟电影展

The annual EU Film Festival is initiated by the Delegation of the European Commission to China, supported by the 27 EU Member States and SARFT (State Administration of Film, Radio & TV) and organised by the European Union Chamber of Commerce in China. All of the 27 EU Member States are invited to showcase one recent, popular and successful film. 23 feature films and a program of 5 short films from 24 different EU countries were screened last year.

Following the great success of the first, second, third and fourth EU Film Festival in China, the fifth edition this year will last from 1 Nov. until the end of the month in four cities in China. After taking place in Beijing, the EU Film Festival will be hosted by the city of Tianjin, for the first time, and with the support of European Chamber Tianjin Chapter, Tianjin Chinese Authority, Imax Tianjin and Wellington International School.

### Cinema information 天津观影地点:



Imax Tianjin (Jinwan Square) 天津中影国际影城 (津湾店)  
地址: 天津市和平区解放北路津湾广场6号楼3层



Wellington College International Tianjin 天津惠灵顿国际学校  
地址: 天津市红桥区义德道1号 300120 (近中研医院后门)

For more information on the 2012 EU Film Festival, please don't hesitate to contact [tianjin@european-chamber.com.cn](mailto:tianjin@european-chamber.com.cn) or visit Chamber website: [www.european-chamber.com.cn](http://www.european-chamber.com.cn).

## Past Events:

### I. Breakfast Seminar - Recruitment Challenges in Second Tier Cities

On Wednesday, August 29, 2012 the German Chamber Tianjin invited Ms. Miriam Wickertsheim from Direct HR as the guest speaker and Mr. Zhong, Wanli from Wuerth as a co-speaker for this seminar. During the interactive meeting, the participants also shared their experiences and intensively discussed the labour market in Tianjin.

### II. Networking in TEDA

On Wednesday, August 22, 2012 the German Chamber held a networking Dinner in Delights Restaurant & Bar in TEDA. German Chamber will run this kind of networking event on monthly basis.



## Upcoming Events:

### I. Breakfast Seminar: Salary Developments 2012 - Presentation of the GCC 4th Annual Salary and HR Survey Results

7:30 - 9:30, Wednesday, October 10, 2012  
Venue: The Westin Tianjin

### II. Seminar: Optimise productivity in manufacturing companies & SAP Template Rollouts to China

9:00 - 12:00, Tuesday, October 16, 2012  
Venue: Radisson Blu Plaza Hotel Tianjin

### III. German Chamber monthly Get-Together (Stammtisch)

19:00, Wednesday, October 31, 2012  
Venue: Drei Kronen 1308 Brauhaus

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

**AmCham China**  
T I A N J I N

中国美国商会·天津

## Past Event:

### AmCham China Tianjin's Exclusive Tianjin Airport Economic Area Company Tour & BBQ Dinner

13:45-20:30, 14 September, Crowne Plaza

An international group of 35 set out from Hotel Nikko to tour the Tianjin Airport Economic Area (TEAE) and visit three of its flagship companies; Asia Power Systems (APS, a Caterpillar Company), Sea-Gull Watch and Alcan Cable (a subsidiary of General Cable). Frank Redecker, General Manager, lead off the event with a discussion of APS's development, practices, and stellar quality record and took us on a ground-level tour of the world-class facility. Similarly, Alex Tham, Managing Director, introduced us to Alcan Cable, informing us that the products produced at the facility were used in the new World Trade Centre in New York and showcased their CSR work with Habitat for Humanity. After an intense afternoon, Anthony Mahon, Multi-Property General Manager, Michael Kwan, Director of F&B, and Alberto Martinatto, Assistant Director of Sales, welcomed the group to the Crowne Plaza. All guests were relaxed whilst they networked and enjoyed a wonderful BBQ dinner.

## Upcoming Events:

### 2012 Fall Classic Golf Tournament – Tickets now available!

10:00 - 20:00, Saturday, 13 October - Tianjin Warner Golf Club

### Monthly Executive Breakfast Briefing

07:15 - 09:00, Thursday, 18 October – The Westin Tianjin

### Monthly Women's Professional Committee (WPC) Executive Lunch

12:00 - 14:00, Thursday, 25 October – Venue TBD



For more information, please contact AmCham China, Tianjin office at [amandahe@amchamchina.org](mailto:amandahe@amchamchina.org) or call +86 22 2318 5072.

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](http://www.amchamchina.org)



# Chamber Report

## Past Event:

### BenCham Heineken Sailing Regatta in Qinhuangdao

From 31 August until 2 September, BenCham organised its first BenCham Heineken Regatta in Qinhuangdao.

While the first BenCham Heineken Sailing Regatta did bring out everyone's competitive side, it certainly was not all about the races. Companies such as 'IIE' and 'Marel' turned this fun outing into a teambuilding event. This is completely in line with BenCham's mission of 'Connecting People'.

After a nice barbeque on Saturday evening, the teams got up early on Sunday morning in order to start their first qualifying races. Initially, these races had been planned to place outside the harbour where they had been practicing all Saturday. All teams were eager to win, which resulted in an exciting final race. In the end the team taking home the third prize was team 'Crown', the second place went to one of the teams sailing in a 'Marel' boat. Taking home the first prize home was team 'ING'. The winning team let the Champagne flow liberally.



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

## Past Events:

### 18 September, 2012. How to Protect Your IP in China, China IPR SME Helpdesk, Qingdao

Organised by the China IPR SME Helpdesk and China-Italy Chamber of Commerce, The workshop on the protection of intellectual property rights was held in Qingdao and delivered key messages on how European Small and Medium Sized Enterprises (SMEs) can effectively protect their Intellectual Property (IP) while doing business in China, as well as giving an overview on the risks of IP infringement and the impact it can have on your business.

### 20 September, 2012. Inter-chamber Mixer, International Hotel, Suzhou

China-Italy Chamber of Commerce, together with participating foreign Chambers of Commerce in Shanghai and Suzhou, has the pleasure to invite all of you to attend the Inter-chamber Mixer 2012, which held at the Intercontinental Hotel in Suzhou. It was a great opportunity to mingle and make new friends, together with the pleasure of tasting delicious drinks and snacks.

## Upcoming Events:

### 13-14 October, 2012. SAVE THE DATE, Celebrate Italy in China: Festival Italiano in Suzhou.

After the great success of 2011, FESTIVAL ITALIANO 2012 will come to Suzhou with a new edition, characterised by the most amazing shows and craziest competitions- together with a wide range of business and networking opportunities.

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



# A Meeting of New Champions: The World Economic Forum's 2012 'Summer Davos' in Tianjin



The 2012 Summer Davos, which is one of the most significant events of its kind on the global business and economic calendar, was held at the Tianjin Meijiang Convention Centre from 11 - 13 September. The event first came to China in 2007 and has since alternated between Tianjin and Dalian each year. As on previous occasions, participants were treated to a special key note speech by Chinese Premier Wen Jiabao. Premier Wen delivered his compelling speech, in which he addressed issues such as the growth rate of the Chinese economy, global economic conditions and the future of the domestic business environment, and invited questions from participants at the Forum's opening ceremony.

The events main goal was to bring together future and current world leaders, from a variety of fields, to discuss potential solutions to some of the world's greatest economic problems and hot topics. To that end, the theme of the 2012 Meeting of New Champions was 'Creating the Future Economy'. Looking at the list of speakers, it is impossible to not be filled with confidence over the

events potential for generating world changing solutions. Considering the intellectual calibre amongst this year's guest list, one cannot help but be filled with confidence as to the event's potential to generate world changing policy prescriptions.

Discussion topics at this year's event included- the European financial crisis, the discovery of the Higgs Boson, biotechnology, China's future economy and world-wide sustainable development; amongst other pressing issues and topical discourse.

The guest list was filled with distinguished guests from a wide range of sectors. Business leaders, academics and innovators from around the globe came to Tianjin to offer their insight and analysis to the WEF. Key speakers included Ma Jun, of the environmental NGO Institute for Public and Environmental Affairs, Professor Wang Gao of the China Europe International Business School, Thomas L Friedman, the New York Times columnist on his book Is the World Flat?, Nik Gowing, the distinguished BBC presenter of The Hub and Kaliya Hamlin, founder of the Personal Data Ecosystem Consortium on data protection.

The cultural soiree was held at the Tianjin Cultural Centre Grand Theatre on the corner of Binshui Dao and Youyi Lu, Hexi District on 12 September. The event marked one of the high points of this year's conference. It was truly a night to remember, with a sumptuous buffet and a spectacular backdrop that looks onto a beautiful man-made lake. The entertainment was also top quality, with guests enjoying a stunning rendition of traditional Beijing Opera as well as several other performances.

The main purpose of the event, however, was to give guests a chance to network and discuss their individual areas of expertise in a more relaxed and informal environment than the conference hall.

In sum, it is fair to say that all aspects of the WEF event this year was a resounding success. Tianjin is looking forward to hosting the Meeting of New Champions once again in 2014.

Visit us online:  
[btianjin.cn/121015](http://btianjin.cn/121015)



Include your event  
email to [editor@business-tianjin.com](mailto:editor@business-tianjin.com)

**01** **MON**  
星期一

**Minyuan Terrace Youth Innovative Festival**  
民园西里创意青年节  
Tianjin Minyuan Terrace Cultural Creative Block, No. 29-39, Changde Road, Hexi District, Tianjin 天津民园西里 (天津市和平区五大道常德道29-39号)  
+86 22 2339 1415  
Oct 1-7

*Editor's pick*

**03** **WED**  
星期三

**Shanghai Overseas Property Expo**  
上海国际海外置业移民展览会  
Shanghai Exhibition Center 上海展览中心  
+86 21 6195 6088  
Oct 3-6

**Tianjin International Automobile Show**  
天保车展  
Tianjin Meijiang Convention Centre 梅江会展中心  
Oct 3-8



**05** **FRI**  
星期五

**RA China Auto Salon**  
2012第八届上海国际汽车改装及用品展览会  
Shanghai Mart Exhibition Hall 上海世贸商城  
10:00-17:00  
+86 10 6737 1117  
Oct 5-7

**11** **THU**  
星期四

**Asia Kids - International Trade Show for Baby & Child**  
中国国际妇幼产业博览会暨中国妇幼消费节  
China International Exhibition Center 中国国际展览中心  
09:00-16:30  
+86 10 8460 0913  
Oct 11-13



**14** **SUN**  
星期日

**Tianjin Totally Baroque: The English Concert Baroque Orchestra**  
完全巴洛克——英国协奏团音乐会  
Concert Hall, Tianjin Grand Theatre 天津大剧院音乐厅  
19:30  
+86 22 8388 2000 (ticket)  
¥ 80 / 120 / 180 / 280 / 480 / 680

**15** **MON**  
星期一

**SAMPE China Exhibition & Conference**  
中国国际先进材料与工艺技术展览会  
China World Trade Center(CWTC) Beijing, China 中国国际贸易中心  
+86 10 6609 5269; 6609 5091  
Oct 15-17



**16** **TUE**  
星期二

**International Conference on Mechatronics Technology**  
机电一体化技术国际会议  
Holiday Inn Tianjin Riverside 天津海河假日酒店  
+86 10 8248 3031  
Oct 16-19



**17** **WED**  
星期三

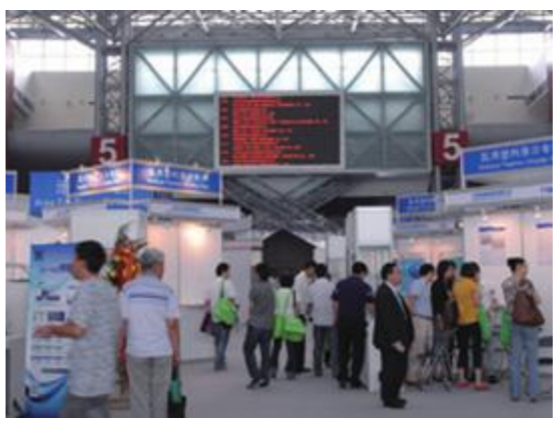
**Ashkenazy, Jian Wang and Sydney Symphony Concert**  
阿什肯纳齐王健与悉尼交响乐团音乐会  
Concert Hall of Tianjin Cultural Centre Grand Theatre 天津大剧院音乐厅  
19:30  
+86 22 8388 2000  
¥ 680 / 880 / 1080 / 1280 / 1680 / 1980



**Special Days** 7 August Li Qiū (Beginning of Autumn) 23 August Chinese Valentine's Day Chù Shǔ (Limit of Heat)

**18** **THU**  
星期四

**China Injection Moulding Expo**  
中国国际塑料橡胶注射成型工业展览会  
Binhai International Convention & Exhibition Centre 滨海国际会展中心  
+86 10 6603 9351; 6603 9043  
Oct 18-20



**25** **THU**  
星期四

**ECO Lifestyles Shanghai**  
上海国际生态生活方式展  
ShanghaiMart 上海世贸商城  
+86 10 6737 1117  
Oct 25-27



**26** **FRI**  
星期五

**Malaysian Food Festival**  
马来西亚美食节  
Spectrum All-day Dining of Hotel Nikko Tianjin 天津日航酒店彩咖啡厅  
Oct 26-31



**19** **FRI**  
星期五

**TICC Pink Ribbon Gala Dinner 2012 TICC**  
The Westin Tianjin 101 Nanjing Lu Heping District 天津威斯汀酒店  
18:30 Cocktails 19:30 Dinner  
ticc\_09@hotmail.com

*Editor's pick*

**21** **SUN**  
星期日

**Les Choristes: Les Petits Chanteurs de Saint-Marc Concert**  
放牛班的春天——法国圣马可童声合唱团音乐会  
Concert Hall of Tianjin Cultural Centre Grand Theatre 天津大剧院音乐厅  
19:30  
+86 22 8388 2000  
¥ 80 / 120 / 180 / 280 / 380 / 580



**27** **SAT**  
星期六

**China International Advertisement Festival**  
第十九届中国国际广告节  
Tianjin Meijiang Convention Centre 梅江会展中心  
Oct 27-29





# 今天你有空么？

Are you free today?

chū chāi 出差 go on a business trip	jiā bān 加班 work overtime	yuē huì 约会 appointment
jiǔ huì 酒会 a drinking party	chá lóu 茶楼 teahouse	wǔ huì 舞会 ball
bù hǎo yì sī 不好意思 excuse me	duì bù qǐ 对不起 sorry	
yuē gè shí jiān 约个时间 make an appointment		

yuē huì  
约会  
Appointment

gǎi shí jiān  
改时间  
Change Schedule

022-23302403  
**Looking for something new?  
Berlitz is calling!**  
Berlitz is now looking to hire  
foreign language instructors for our team  
in TIANJIN  
If you are interested in working at  
Berlitz, pls send your CV to:  
[Justin.Truskey@en.berlitz.com](mailto:Justin.Truskey@en.berlitz.com)  
[www.berlitz.com.cn](http://www.berlitz.com.cn)

lǐ lì míng tiān xià wǔ yì qǐ hē chá zěn me yàng  
— 丽丽，明天下午一起喝茶，怎么样？

míng tiān kǒng pà bù xíng wǒ yǐ jīng yuē le péng  
— 明天恐怕不行，我已经约了朋

yǒu chū qù mǎi dōng xī  
友出去买东西。

nà jiù hòu tiān ba  
— 那就后天吧。

xíng hòu tiān xià wǔ sān diǎn wǒ zài chá lóu děng nǐ  
— 行，后天下午三点我在茶楼等你。

— Lily, let's have a cup of tea tomorrow afternoon, is it ok?

— Oh, sorry, I have an appointment with a friend to go shopping tomorrow?

— Then let's go there the day after tomorrow.

— Great. I will meet you at the teahouse 3pm the day after tomorrow.

cān jiā jiǔ huì  
参加酒会  
Join a drinking party

lǐ xiǎo jiě xià gè xīng qī wǔ wǎn shàng wǒ men yǒu gè jiǔ huì xiǎng qǐng nǐ cān  
— 李小姐，下个星期五晚上我们有个酒会，想请你参

jiā bù zhī dào nǐ néng bù néng lái?  
加，不知道你能不能来？

shén me jiǔ huì  
— 什么酒会？

shì jiè shào wǒ men gōng sī xīn chǎn pǐn de jiǔ huì  
— 是介绍我们公司新产品的酒会。

ēn hěn yǒu yì sī wǒ huì qù de nǐ men de jiǔ huì zài nǎ er kāi  
— 恩，很有意思，我会去的。你们的酒会在哪儿开？

zài hé píng fàn diàn wǒ huì fā tōng zhī gěi nǐ de  
— 在和平饭店，我会发通知给你的。

hǎo de xiè xiè  
— 好的，谢谢。

— Miss Li, we have a drinking party next Friday. We'd like to invite you to join the party if convenient.

— What kind of drink party?

— It is a new product launch party.

— Oh, that will be very interesting. I will join it. Where is the party?

— At Heping Hotel. We will send the invitation letter to you.

— Ok, thank you.

liú zǒng wǒ men lǎo bǎn dui zhè gè xiàng mù hěn gǎn xìng qù xiǎng gēn nín yuē gè shí jiān  
— 刘总，我们老板对这个项目很感兴趣，想跟您约个时间

hǎo hǎo tán tán  
— 好好谈谈。

hǎo ā zhè gè xīng qī wǒ yào chū chāi xià gè xīng qī ba  
— 好啊，这个星期我要出差，下个星期吧！

kě yǐ, nín nǎ tiān fāng biàn ne?  
— 可以，您哪天方便呢？

nà jiù xià gè xīng qī èr ba.  
— 那就下个星期二吧。

wǒ men xià wǔ liǎng diǎn qù nǐ men gōng sī, kě yǐ ma?  
— 我们下午两点去你们公司，可以吗？

kě yǐ.  
— 可以。

— Mr. Liu, my boss is very interested in this project. Is it convenient to make an appointment to further talk about it?

— That's great. While I need go on a business trip this week, what about next week?

— No problem. Then when will be fine for you?

— How about next Tuesday?

— We will go to your company at 2pm, ok?

— Sure thing.

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Web: www.dingchengvideo.com



# 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
	11:10	09:25	KE001	1234567
Los Angeles	15:15	11:00	KE017	1234567
	20:00	15:20	KE011	1234567
	21:35	17:10	KE061	1.3.5..
Las Vegas	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
	21:00	10:40	KE053	1234567
Vancouver	18:50	12:50	KE071	1234567
Toronto	10:00	10:15	KE073	.23.567
Sao Paulo	21:35	10:45	KE061	1.3.5..

## To Tianjin

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

## To Seoul

ORIGIN	DEP	ARR	Flight No	Days
	11:30	19:25+1	KE002	1234567
Los Angeles	13:00	17:50+1	KE018	1234567
	23:30	03:50+2	KE012	1234567
	23:50	04:25+2	KE062	.2.4.6.
Las Vegas	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
	13:00	17:30+1	KE054	1234567
Vancouver	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.



\* 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.

## 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](http://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)

## 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

## From Tianjin

DEST	DEP	ARR	Flight No	Days
Singapore	09:15	15:05	TZ089	1.45.7

## To Tianjin

ORIGIN	DEP	ARR	Flight No	Days
Singapore	01:30	07:30	TZ088	1.45.7

## 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

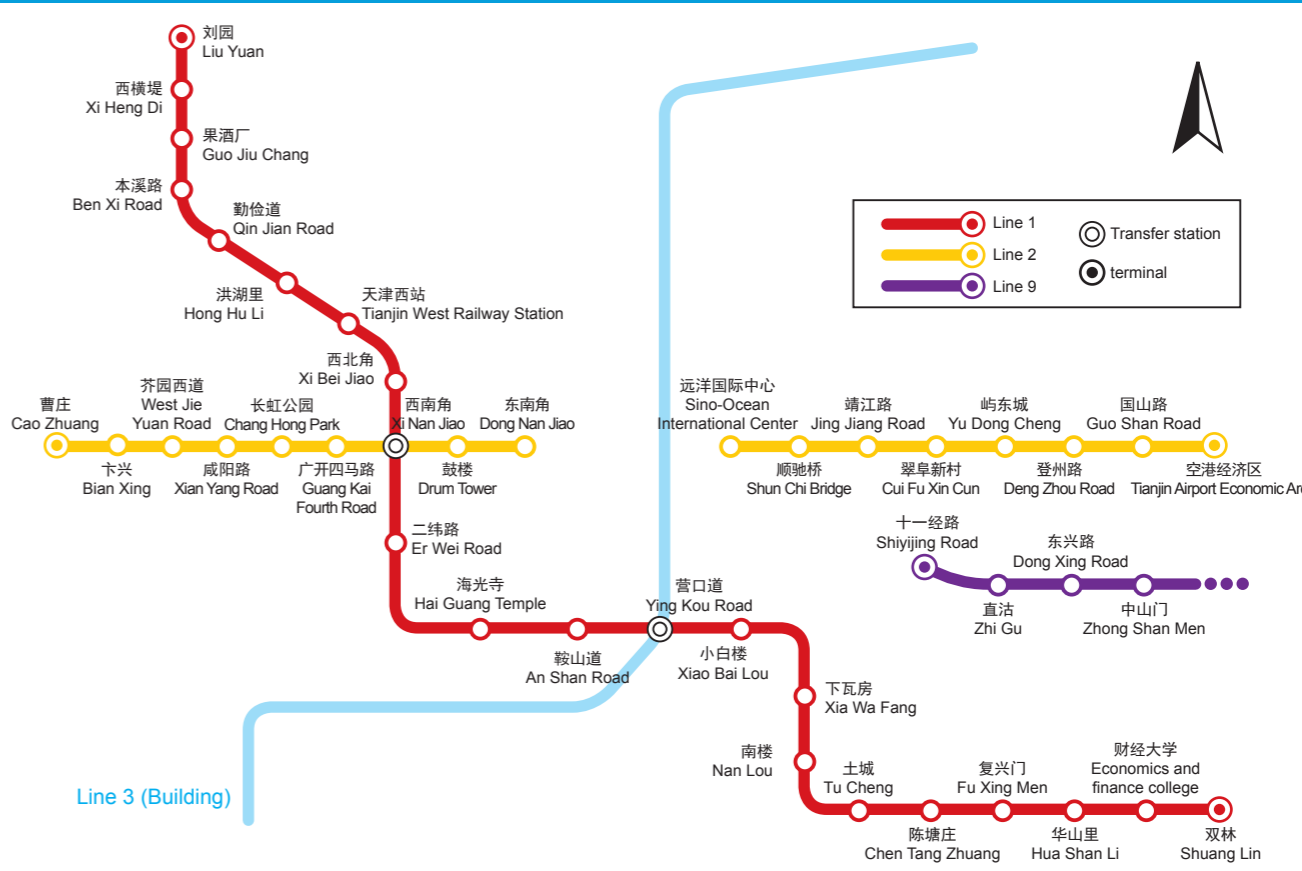
## BULLET (C) TRAIN

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



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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  
中国站  
河东区新开路66号天津天诚丽笙世嘉酒店2层

Fortune Restaurant

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

Fountain Lounge

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



Qing Wang Fu

**A:** No. 55, Chongqing Road Heping District  
**T:** +86 22 8713 5555  
+86 22 5835 2555  
**E:** info@qingwangfu.com  
**W:** qingwangfu.com  
庆王府  
和平区重庆道55号

Riverside Chinese Restaurant

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

Shui An

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

Tao Li Chinese Restaurant

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

Yan Ting Chinese Restaurant

**A:** 2F, The St. Regis Tianjin, No. 158 Zhang Zizhong Lu, Heping District  
**T:** +86 22 5830 9999  
宴庭中餐厅  
和平区张自忠路158号天津瑞吉金融街酒店2楼  
(津塔旁, 哈密道正对面)

Japanese

Benkay Japanese Dining

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

Kasumi

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

Kushi Grill

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

Seitaro

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

SôU

**A:** 49F, Tangla Hotel Tianjin, No.219 Nanjing Road, Heping District  
**T:** +86 22 2321 5888 ext.5106  
思创  
南京路219号天津唐拉雅秀酒店49楼

Thai

YY Beer House

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

Western



Aulare Latin Restaurant

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



Bistro Thonet

**A:** No.55 Chongqing Road, Heping District  
**T:** +86 22 8713 5555  
**E:** info@qingwangfu.com  
**W:** qingwangfu.com  
庭悦咖啡  
和平区重庆道55号庆王府院内



Brasserie Flo Tianjin

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

1863 the Dining Room

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

Café@66

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

Café Majestic

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

Café Venice

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

Glass House

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

Pan Shan Grill & Wine

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



Promenade Restaurant

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



Riviera Restaurant

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

Spectrum All-Day Dining

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



DINING

Wine

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Tel:022-83887133  
Hours:10:00-02:00  
**Bailou Wine Bar & Cellar**  
Kaifeng Dao, Heping District, Tianjin (Near Hisense Plaza)  
天津市和平区小白楼街开封道酒吧街  
Tel:022-23393500  
Hours:10:00-02:00  
**TEDA Wine Shop**  
No.8 Eastern Apartment, 2nd Avenue, TEDA  
天津市开发区第二大街二号东方名居底商8号  
Tel:022-65399899  
Hours:9:00-20:00  
**Bin Xi Wine Shop**  
No.187 Binshui West Rd., Nankai District, Tianjin  
天津市南开区滨水西道187号  
Tel:022-23372116  
Hours:10:00-22:00  
**Rong Ye Wine Shop**  
No.175 Rongye Avenue, Heping District, Tianjin  
天津市和平区荣业大街175乙  
Tel:022-27231269  
Hours:9:00-20:00  
All shops open 7 days  
**4006-199-159**  
www.mwines.com.cn

Bars

**China Bleu**  
**A:** 50F, Tangla Hotel Tianjin, No. 219 Nanjing Lu, Heping District  
**T:** +86 22 2321 5888  
中国蓝酒吧  
南京路219号天津唐拉雅秀酒店50层

O'Hara's

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

River Lounge

Leave your footprint on the Haihe River. The latest address for an afternoon rendez vous. Cocktails two for one bottles at 25% off.  
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**T:** +86 22 5830 999  
**W:** stregis.com/tianjin  
畔吧  
和平区张自忠路158号天津瑞吉金融街酒店  
(津塔旁, 哈密道正对面)

THE STREGIS BAR 畔吧

**The St. Regis Bar**  
**A:** 1F, The St. Regis Tianjin, No. 158 Zhang Zizhong Road, Heping District  
**T:** +86 22 5830 9958  
瑞吉酒吧  
和平区张自忠路158号天津瑞吉金融街酒店一层  
(津塔旁, 哈密道正对面)

Accounting



Tianjin Office:

**A:** Unit 2901 - 104 The Exchange Tower 2 No.189, Nanjing Lu Heping District  
**T:** +86 22 2318 5056  
**F:** +86 22 2318 5001  
**E:** tianjin@lehmanbrown.com  
天津市和平区南京路189号津汇广场2座29层2901-104室

Beijing Office:

**A:** 6/F, Dongwai Diplomatic Building No. 23, Dongzhimenwai Dajie Beijing  
**T:** +86 10 8532 1720  
**F:** +86 10 85322746  
**E:** beijing@lehmanbrown.com  
北京朝阳区东直门外大街23号, 东外外交办公大楼602

Shanghai Office:

**A:** Room 1501 & 1504, WanTai International Building, No.480, North Urumqi Lu Jing An District  
**T:** +86 21 6249 0055  
**F:** +86 21 6288 1636  
**E:** shanghai@lehmanbrown.com  
上海市静安区乌鲁木齐北路480号1501&1504

Education

International Schools

**INTERNATIONAL SCHOOL OF TIANJIN**  
Working Learning Acting TOGETHER  
**A:** Weishan Lu, Jinnan District  
**T:** +86 22 2859 2001  
国际学校天津分校  
津南区津南微山路



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

SERVICES

Catering Solutions



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

Hotels & Apartments

Hotels



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



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



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



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



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

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**SERVICES**

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

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



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

**Tangla Hotel Tianjin**

**A:** No. 219, Nanjing Lu, Heping District  
**T:** +86 22 2321 5888  
 天津唐拉雅秀酒店  
 和平区南京路219号



**Renaissance Tianjin Lakeview Hotel**

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



**Sheraton Tianjin Hotel**

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



**ST REGIS**

天津瑞吉金融街酒店

**The St. Regis Tianjin**

**A:** No. 158, Zhangzizhong Road  
 Heping District  
**T:** +86 22 5830 9999  
 天津瑞吉金融街酒店  
 和平区张自忠路158号  
 (津塔旁, 哈密道正对面)



**The Astor Hotel Tianjin**

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

**Apartment**

**Astor Apartment**

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

**Sheraton Apartment**

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



**Somerset International Building Tianjin**

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

**Somerset Olympic Tower Tianjin**

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

**Somerset Youyi Tianjin**

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



**The Lakeview, Tianjin-Marriott Executive Apartments**

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



**Qing Wang Fu Club Suites & Serviced Residences**

**A:** No.55 Chengqing Road,  
 Heping District  
**T:** +86 22 8713 5555  
**E:** info@qingwangfu.com  
**W:**qingwangfu.com  
 庆王府公馆  
 和平区重庆道55号

**Logistics**

LOGISTICSTIANJIN can provide a full range of LOGISTICS SERVICES:  
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**Real Estate**



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

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**Serviced Office**



**Regus Tianjin Center**

**A:** 8F, Tianjin Centre, No.219 Nanjing Road, Heping District  
**T:** 400 120 1205  
**W:** [www.regus.cn](http://www.regus.cn)  
 雷格斯天津中心  
 和平区南京路219号天津中心8层



**The Executive Centre**

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**W:** [executivecentre.com](http://executivecentre.com)  
 天津德事商务中心  
 和平区大沽北路2号天津环球金融中心津塔写字楼41层

**Travel Agencies**



Tianjin's travel agency specialising in tourism for foreigners  
**T:** +86 159 2200 0555  
**E:** [info@thestarstravel.com](mailto:info@thestarstravel.com)

**Spas**

**Green Bamboo Well Being Resort**

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

**Hospitals**



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

**HEALTH**



**Tianjin United Family Hospital**

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

**Gyms**

**Powerhouse Gym**

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

**Swimming Pools**

**Indoor Swimming Pool**

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

**TEDA & TANGGU**

**Brazilian**

**Salsa Churrasco**

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

**Chinese**

**Wan Li Chinese Restaurant**

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

**Yue Chinese Restaurant**

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

**DINING**

**Japanese**

**Sake n Sushi Bar**

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

**Italian**



**Bene Italian Kitchen**

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

**Western**

**Brasserie Restaurant**

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



**Feast All Day Dining Restaurant**

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

**BARS**



**Happy Soho Live Music & Dance BAR**

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

**HOTEL**

**Spas**

**Touch Spa**

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

**Yue Spa**

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

**Hospitals**



**Tianjin TEDA International SOS Clinic**

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

**Gyms**

**Champs Elysees**

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

**Holiday Inn Binhai Hotel Fitness Centre**

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

**T.I.C.C. Pink Ribbon Gala Dinner 2012**  
 ticket inquires: [ticc\\_09@hotmail.com](mailto:ticc_09@hotmail.com)  
**The best protection is early detection**  
 All proceeds and donations will be officially presented to  
 Tianjin Cancer Hospital Prevention Centre

Host: T.I.C.C. Tianjin International Community Center	Date: Friday 19th, October 6:30 Cocktails 7:30 Dinner	Where: The Westin Tianjin 101 Nanjing Lu Heping District
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# Malbec

Hello. I trust that you have all enjoyed some great Castello Banfi wines this past September.

For the month of October, I would like to take things back to one of the

places where I grew up and introduce you to the most exquisite Malbec.

One of the six grapes that comprise the famous Bordeaux Blend, its history spans over hundreds of years with both highly celebrated and near tragic moments.

One of the most popular grapes in the world, Malbec lost some of its status after the great frost of 1956 in France, finding a new haven and increased popularity in places like Argentina, where it is made into a full varietal wine, and Cahors, in the South of France, where blended wines require at least 70% of Malbec in order to abide by the regions' AOC.

In Argentina, as mentioned earlier, the love of full bodied, rich and strong wines is a perfect pairing with the amazing beef cuts found there. Producing ink-coloured wines that are robust and tannic, Malbec has now become an icon of the South American country. That is not to say, however, that this great wine was the favourite of the Romans, Henry III and Peter The Great- to name but a few aficionados of this grape.

Our refreshed wine list will be showcasing 4 distinct wines from Argentina, my personal favourites being Terrazas and Trivento Golden Reserve; the latter with a very palatable long finish that pairs amazingly well with steak.

Like the neighbouring wines from Chile, Malbec wines can be enjoyed



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

over and over with a meal or with friends at a great value for the product.

I invite you to enjoy these and many other wines paired with an exquisite selection of veal cuts prepared especially in October by our Chef de Cuisine Alain Li at the Riviera Restaurant or with the array of Wagyu and Angus cuts also prepared by our dedicated Chefs.

I look forward to welcoming you this month and meeting you personally over a glass of this incredible wine.

Salud. **B**

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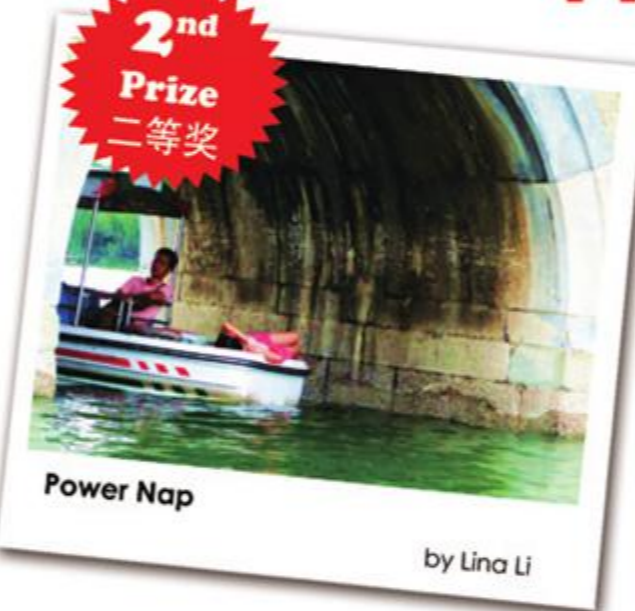
October  
1st Prize  
10月一等奖



Just before sun sleep in Wu Ling Shan  
by Jim Knudsen



2nd  
Prize  
二等奖



Power Nap

by Lina Li



3rd  
Prize  
三等奖



Vintage Flowers

by Bo Wen Chin

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WIN A TRIP TO HONG KONG





**Megachange: How today's leading companies have transformed their workforces - William F. Joyce**

By Rerbot Watt

Each of the 20 chapters, written by different journalists from The Economist, explores important subjects such as economics, demographics, the environment, conflict, health, and attempts to predict how trends in their development might shape the world in 2050. Recent events, past history and well-referenced data are used to extrapolate a very rational view of the future. Of course, the rise of China features throughout the book, as does the effects on business innovation and the financial markets. The statistics and data used are interesting in their own right but the details about current research are particularly fascinating. When combined with analysis of today's news in a global context it is hugely readable, often surprising and evoking. Its concluding vision of the future is both heart-warming and exciting in its optimism.

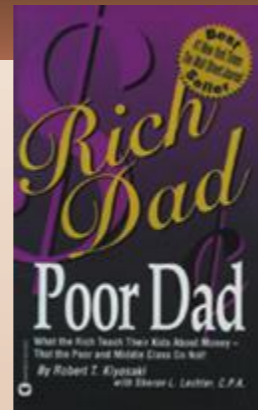


**Rich Dad Poor Dad – Robert Kiyosaki**

By David Rincon

Rich Dad Poor Dad is the story of a born middle class man that tells of how he changed his paradigms to transform himself in a rich person. It is the first book of Rich Dad series. This bestselling book shows a comparison between Robert Kiyosaki's real dad, who thinks like a poor dad, and his rich dad, the person he found that taught him the path to be rich. Robert Kiyosaki, the author, is an American investor, businessman, self-help author, motivational speaker, financial literacy activist, and occasional financial commentator.

Rich Dad Poor Dad is not a guide of how to be rich in five days and doesn't give you any economic secrets. It's a self-help book that makes people think about their behaviours and gives tips of how to improve their personal money management. It's the perfect book to read when you are in a crisis or you want to begin a business, but remember it is not a guide.

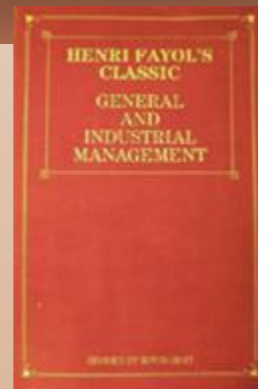


**General and industrial management – Henri Fayol**

By David Rincon

General and industrial management was written by Henri Fayol, a French industrialist that was one of the management theory's fathers. The book groups the business activities, exposes management functions and formulates the principles of management. Although it was published in 1916, it is still useful for almost every manager. It draws on the experience and analysis of the author during his time working at mining companies.

Fayol did a good job of giving readers the essential concepts to manage virtually, any organisation. Almost 100 years after it was published and after thousands of new management theories have emerged, Fayol's principles can be used in today's companies and I'm sure will be very insightful for future entrepreneurs. If you are planning to manage or you are managing an organisation you must read Fayol's book.



If you want to purchase this book, please send an email to [BOOKS@INTERMEDIACHINA.COM](mailto:BOOKS@INTERMEDIACHINA.COM), we will deliver the book to your door.

**QUOTATIONS OF THE MONTH**

Good times, bad times, there will always be advertising, In good times people want advertising; in bad times they have to.

By Bruce Barton

A friendship founded on business is better than business founded on friendship.

By John Rockefeller

All progress is based upon a universal innate desire on the part of every organism to live beyond its income.

By John Wooden

You can never plan the future by the past.

By Edmund Burke

**Measuring the Significance of a Multi-racial Marriage**

By Christopher Ribeiro



On 1 September, my fiancée Jenny and I exchanged marital vows and were officially wed here in Tianjin. It was an average-sized ceremony which included all of Jenny's immediate and extended family as well as several of my family members from the US. The ceremony was conducted in Chinese but both of us spoke in English and Chinese at various times throughout.

The wedding planning served to highlight a few of what will certainly be more challenges in the future. In retrospect, this experience can be viewed as a valuable learning tool for us as we learn to deal with the complexity of being a mixed-race couple that come from distinctly different cultures.

Our marriage was unconventional in many respects. For instance, the family lunch the day before the wedding was the first time our parents met. This isn't typical in any culture, but I don't think it's a stretch to say that this is generally unheard of in China, where the parent's role in granting approval to their son or daughter's future spouse is often decisive. The initial meeting between parents often determines whether the children and their families are a good match socially and financially and also determines the responsibility of the families in regards to the purchase of the future couple's automobile, house and furnishings as well as the financial burden of the wedding.

Some of these questions didn't need answers since Jenny and I had already decided to pay for the wedding ourselves - we also decided we wouldn't follow the tradition of purchasing an apartment - simply because we haven't agreed if we prefer to establish our roots here in China or the US.

Lack of ability to communicate notwithstanding, the first meeting between the families went without a hitch. Things got off to a slow start until about forty minutes in when the baijiu started taking hold. However, by the end of lunch it appeared good impressions had been made on both sides - Jenny and I felt confident that everyone would only become more comfortable with each other at the next day's ceremony.

In many ways however, the luncheon was merely ritual - not to underestimate the importance of the meeting, but ultimately the outcome would have had little impact on the wedding. The wheels had long since been put in motion and it would have taken an unmitigated disaster to bring the wedding to a halt.

We both know that our most pressing challenges will come after the wedding as we learn to maneuver through the myriad challenges faced by multi-racial couples. Onlookers may often see an Anglo/Chinese couple and



# Last Words

find it to be a cliché, particularly when a western male marries a Chinese female; but what mustn't be forgotten is that these couples actually have many more obstacles to overcome than same race couples.

I've found in Jenny, a spouse unlike anyone I've ever met - she's intelligent, capable, warm and considerate almost to a fault. She has the demureness that western males often find attractive in Chinese girls, but can also be sarcastic and has no problem keeping up with me and my brothers when our humour gets a little salty. In me, perhaps she finds someone who is less superficial and has a more wide range of interests than what she might find in a typical Chinese suitor.



Our primary language when communicating to each other is English - my Chinese is only at an intermediate level on my best day but I can generally communicate - she was an English major at university and obviously possesses a strong command of the language. In spite of this, we sometimes run into communication problems which transcend language. There are times when we simply can't understand each other because the cultures in which we were raised are so vastly different. My ability to admit I'm wrong and her ability to forgive me have helped us to get past even our most explosive arguments, but we have realised that our future will hold many incidents of culture induced misunderstandings that other couples can't relate to.

In addition to navigating a path towards better communication, we also have more pragmatic matters to attend to. Questions regarding where to save and invest our money, where to buy a home, where to start and raise a family and the pros and cons of Western versus Chinese educational systems can all be debated for countless hours. While weighing the advantages and disadvantages to these types of problems, we're often surprised to find ourselves arguing against our own native country - which

only proves that the saying "The grass is always greener" is sometimes true.

Perhaps even weightier is the issue of care for our parents, years down the road, which only complicates the question of buying a home. The Chinese model for care of the elderly is much different than that in the US - I'm aware of the responsibility I bear to her parents once they've both retired and are unable to do so for themselves. How we would do this if we do in fact buy a home in the US is undetermined and also what will our role be in caring for my parents in years to come also must be considered.

Obviously, questions of home purchase, children, schools and family responsibility must be considered by every young couple,

but the addition of geography and culture into these decisions makes them much more intricate. That's not to say that advantages don't present themselves. One could argue that we have a larger pool of information to draw from and more options available to us. Our children, for instance, will have the opportunity to be immersed in full English or Chinese schooling during the course of their academic career and will likely be able to adapt to either quite well. Most parents would love to have the chance to expose their children to an opportunity like this.

So now the months of preparation have concluded and the emotional high from the wedding is past, we begin our real journey together - one that will certainly have highs and lows and many difficult decisions - but a journey I'd like to take with no one else except my new wife, Jenny

**What mustn't be forgotten is that these couples actually have many more obstacles to overcome than same-race couples.**

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