

Insight Into a Changing Tianjin

**BUSINESS JOURNAL TIANJIN**

津衛商務



**Cultivate a socially responsible culture**

*Dialogue with Koh Yan Leng  
City Manager, Tianjin, Ascott China*

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## Excellence in Flight

Raymond Lee has been working at Korean Air for 20 years. His position as Regional Manager has led him to serve in Milan, Beijing and Shenzhen. Last May he began work in Tianjin. Mr. Lee's responsibilities include overseeing the staff of Korean Air's three inter-regional offices: Ticketing and Sales, Passenger Traffic, and Cargo and Sales. **See P20**

## Farming It Out

Tianjin is emerging as a crucial supply chain hub for the country's makers of agricultural machinery. That's thanks to some key investments in the city by US-based John Deere, which has established a network of companies here to manufacture and distribute farm machinery. **See P32**



## TEDA's 25th anniversary

The 25th anniversary of TEDA was celebrated by a festive group representing TEDA's integrated society on 8 December 2009. A group of expats who live in TEDA were invited to sing the song "TEDA welcomes you" with students from nearby schools.

**See P50**



## Princess Residence Museum A new mansion for millennia of culture

Tianjin Princess Residence Museum, called Gege Fu, is a cosy relic invitingly standing in one of Gulou's busiest streets. It is a successful revival project designed to show China's greatest treasures from the Shang Dynasty (1600 BC-1046 BC) to the Qing Dynasty (1644-1912). Don't miss this exhilarating trip down thousands of years of rich history, imperial intrigue and aristocratic taste. **See P64**

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**Dear Reader,**

The UN Climate Change Conference ended last month without an agreement upon specific goals and emission caps for greenhouse gases.

Politicians and citizens of the world lack positive commentary for such mediocre diplomacy, given the hype and two-year preparation for the meeting. But businesspeople in particular face new challenges as a result of indecision among our leaders.

Without defined limits, countries and regions will continue to operate their industries in a manner that maintains their competitiveness. "We had hoped that an agreement in Copenhagen would have resulted in a global level playing field between industrial competitors worldwide," bemoaned Director General Richard Lambert of British business lobby CBI.

And while it is clear that "we're irreversibly on a low-carbon path," according to Abyd Karmali, head of emissions trading at Bank of America Merrill Lynch, analysts and investors still require clear carbon targets in order to plan an appropriate long-term energy investment strategy.

If there is one message to take away from the conference, it is that politics now play a leading role in both business and environmental endeavors. In order to protect either, we will need to affect positive change on the political landscape.

As we begin 2010, we at *Business Tianjin* magazine reaffirm our commitment to supporting and promoting the pursuits of the local business community. We always welcome your constructive input and inquiries. If you are interested in contributing to a future issue of *Business Tianjin*, or just have questions or comments on an article, please reach out to us at the contacts on this page.

We wish you all a highly productive and prosperous new year!

Sincerely,

**Jamie Michael Kern**

**Managing Editor - Business Tianjin**



## 元月份 沸腾滋补炖品

### January — Nutritions and Hot Pot

寒冬已至，身体这个大的热量库源源不断地供应着热量，造成内部空虚。“虚则补之，寒则温之”，冬令进补一些温性美食无疑大有裨益：不但能调节体内的物质代谢，还能使营养物质转化的能量最大限度地贮存于体内，有助于体内阳气的升发，为来年的身体健康打好基础。我们为您精心准备了枸杞地黄煲甲鱼、龙马童子鸡、杞精炖鹌鹑、淮山煲羊腩等炖品。进补，就从现在开始吧。

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## TIANJIN NEWS

### Commerzbank grand opening ceremony



On 26 November, the commencement ceremony of German Commerzbank was held on the 6th floor of the Nikko Hotel. The new Tianjin Branch (Commerzbank's 4th in China), will be located in Exchange Tower 2 on Nanjing Road. The grand opening included speeches from Vice Mayor Cui on the continual development of Tianjin and its financial sector, Tianjin Branch Manager Martin Miller, and several other Commerzbank executives.

- 27 November

### A 1-mil sqm livable city



The Tianjin Eco-City Shimao Project broke ground on 28 November. This event was graced by He Lifeng, Deputy Secretary of the CPC Tianjin Municipal Committee and Director-General of Tianjin Binhai New Area (TBNA) Administrative Committee, and the senior management of Sino-Singapore Tianjin Eco-City Investment and Development Co Ltd (SSTEC) and Keppel Group.

- 28 November

### Christmas Bazaar @ Tianjin International School



Saturday, November 28 was bustling at the Tianjin International School. From 10am to 1pm the annual Christmas Bazaar was host to over seventy vendors providing an array of gifts for the Christmas season: foods from various countries, clothing for various age groups, trinkets, photographs, and much more. All proceeds of this event went toward a local charity.

- 30 November

### TEDA to invest 1.24b CNY in local oil depot



Tianjin TEDA Co., Ltd, an investment firm principally engaged in construction, textiles and apparel, has announced that its subsidiary Tianjin TEDA Landun Group will spend 1.24 billion CNY on the construction of a local oil depot with a maximum capacity of 800,000 cubic meters. The subsidiary will contribute 20% of the cost of building the oil depot and will apply for bank loans to fund the remaining 80%.

- China Knowledge, 2 November

### Kyocera to close handset plant

Japanese conglomerate Kyocera Corp has submitted application to shut down its handset plant in Tianjin. Kyocera (Tianjin) Telecom Equipment Co, which was acquired from Sanyo Electric Co in 2008, mainly produces handsets that target North American markets. Kyocera's production base in Malaysia will take over the manufacturing task of Kyocera Tianjin to produce handsets for Sanyo Electric, while the production of handsets under Kyocera's own brand will be outsourced to other handset makers. The close of the Tianjin plant will mark Kyocera's official withdrawal from China's mobile phone market. Kyocera is the last Japanese mobile phone maker to maintain a business presence in China.

- China Knowledge, 27 November

### Deutsche Bank opens 4th China branch



Deutsche Bank opened its 4th branch in China in Tianjin on 8 Dec 2009 to complement its existing network in Beijing, Shanghai and Guangzhou. Largely focused on transaction and corporate banking, the new branch will initially offer services including treasury products and services for foreign exchange and interest rate hedging; structured trade and export finance; and will also provide onshore sales and customer services support to financial institutions.

- The Asset, 8 December



**Her Majesty the Queen visits Wellington College for 150th anniversary**



Wellington College welcomed Her Majesty Queen Elizabeth II to the school on 1 December 2009. The visit was part of its celebrations marking the 150th anniversary of the founding of the College by Queen Victoria as the national memorial to the 1st Duke of Wellington. Talking with Joy Qiao, a governor of Wellington College International Tianjin, Her Majesty expressed great interest in the school's current

expansion project, asking about the partnership between Wellington College and its first overseas school, and about the development of the city of Tianjin in China. Wellington College International Tianjin will open in September 2011 and will provide the same high standards of excellence and depth of education as Wellington College.

- 8 December

**Bohai Commodity Exchange opened 18 Dec**



China's newly inaugurated Bohai Commodity Exchange is started trading on 18 December. Coal and coke were the first batch of commodities to be traded on the 24-hour exchange, located in Tianjin. More commodities, such as crude oil, chemicals, and agricultural products are expected to be launched on BCE soon. BCE started to review the applications from traders on 1 December. China CITIC Bank, the banking arm of the nation's largest investment enterprise, CITIC Group, signed a strategic partnership agreement with BCE in Shanghai on 8 December. Under the terms of the agreement, the Beijing-based lender will provide relevant financial support to the trading activities on BCE.

- China Knowledge, 9 December

# Freelance Writers Needed



- English speaker with experience in reporting and editing
- Basic knowledge of Chinese language and culture are a plus



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## FINANCE

### Beijing Auto absorbs a dent with collapse of Saab deal



Beijing Automotive Industry Holding Co. was thwarted again this week in its effort to gain access to advanced foreign technology after a deal involving General Motors Co.'s Saab unit fell through. But analysts expect the Chinese auto maker to try again as it seeks a platform for extending its reach worldwide. Koenigsegg Group AB of Sweden struck a preliminary deal in September with Beijing Auto under which the government-owned Chinese auto maker would take a minority stake in Koenigsegg, in return for helping the Swedish exotic-car maker close a funding gap to buy Saab. On 24 November, Koenigsegg said it was backing out of the deal, citing a series of costly delays in closing the Saab deal.

- *The Wall Street Journal*  
27 November

### China wary of gold 'bubble' danger

Hu Xiaolian, the vice-governor of the central bank, said Beijing would not buy gold indiscriminately. "We must keep in mind the long-term effects when considering what to use as our reserves," she said. "We must watch out for bubbles forming on certain assets and be careful in those areas." China announced this year that it had quietly doubled its gold reserves to 1,054 tonnes, the world's fifth largest holding. India has also joined the

rush, gobbling up half the IMF's gold sale.

- *Telegraph*, 2 December

### China invests 90b CNY for safe drinking water



Despite advances over the past 30 years, 270 million Chinese in rural areas still have no access to safe drinking water. China will invest 90 billion CNY to construct a sewage treatment system to keep the drinking water safe. Hydrologist Qian Zhengying gave a keynote speech on "A change on China's water strategy" which indicated China's water management departments had to change from "tapping water resource" to being able to "manage water resource".

- *People's Daily*, 2 December

### China slams foreign banks over derivatives losse

China has accused several foreign investment banks of "maliciously" selling derivative products to dozens of state-owned companies, which then booked more than 11 billion CNY in losses on the deals. The losses were "closely associated with the intentionally complex and highly leveraged products that were fraudulently peddled by international investment banks with evil intentions," said Li Wei, vice chairman of the State-Owned Assets Supervision and Administration Commission (SASAC).

- *AFP*, 4 December

### Chinese firms propose 50b-USD oil buy in Nigeria

Chinese companies have proposed investing 50 billion USD to buy 6 billion barrels of oil reserves in Nigeria, said Emmanuel Egbogah, the nation's presidential adviser on energy, on 8 December. Mr. Egbogah declined to name the Chinese companies looking to buy the reserves. In September the Nigerian government said it was in advanced talks with CNOOC Ltd. over several onshore oil blocks as the state-run company looks to secure drilling rights going unused by Western energy firms.

- *The Wall Street Journal*  
9 December

### Siemens seeks China growth



Siemens said on 8 December its environmental business accounted for around 2 billion CNY (293 million USD) worth of new orders it has signed in the past few days with Chinese firms. The company is increasingly generating its sales from energy-saving and other green-technology products. Revenue from such products in the latest fiscal year was 23 billion EUR (34 billion USD), out of total sales of 76.65 billion EUR. Economic stimulus programs around the world have been adding momentum to the market for green technology, Chief Executive Peter Löscher said, adding that Siemens expects orders of about 50 billion EUR from these government programs over the next three years. About 1.4 billion EUR will come from China, he said.

- *The Wall Street Journal*, 9 December

**Consumer prices rise**

China said it had ended an almost year-long bout of deflation in November while factory output picked up as the world's third-largest economy powered ahead following the global crisis. The nation's CPI, the main gauge of inflation, rose 0.6% y-o-y in November, the first increase since January, official data showed. "The mild rise in prices during economic recovery is actually conducive to economic growth and job creation," said Sheng Laiyun, spokesman for the National Bureau of Statistics (NBS). "Currently there is still no inflationary pressure." The increase was due in part to Beijing's efforts to raise state-controlled prices for fuel, electricity and water to better reflect market forces.

- AFP, 11 December

**Nov iron ore imports jump, steel output down**

China's iron ore imports in November rebounded 12.3% from the previous month to reach 51.07 million tonnes, but steel output slumped over the period as the industry slowed for winter, official data showed on 11 December. Though crude steel output declined 8.7% to 47.26 million tonnes over the month, ore imports remained brisk, with mills seeking to replenish their declining inventories, traders suggested. "Most mills like to have 40 days of stockpiles but heavy steel output means they now have around 20 days," said a Zhejiang-based trader. Analysts said that despite the seasonal fall in steel demand, the increase in ore import volumes in November was not unexpected.


- Reuters, 11 December

**China might not take climate change funding**



China has said it might not take a share of any funding for emerging nations to fight climate change, in an apparent concession at fraught talks in Copenhagen. "Financial resources for the efforts of developing countries (to combat climate change are) a legal obligation," vice foreign minister He Yafei told the newspaper in an interview in the Danish capital. "That does not mean China will

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take a share – probably not... We do not expect money will flow from the US, UK (and others) to China." So far, the European Union has pledged 7.2 billion EUR (10.6 billion USD) in aid, which emerging nations have slammed as "insignificant."

- AFP, 14 December

## LAW & POLICY

### Europe warns China on trade backlash threat

China could face a protectionist backlash next year because of a huge over-expansion of industrial capacity in recent months that may lead to a surge in cheap exports. The government's massive stimulus measures to revive the economy have exacerbated the already serious problem of manufacturing overcapacity, the European Chamber of Commerce in China reported. Industries such as steel, cement and plastics were still "blindly expanding", it said. "By the second half of 2010, there will be far more dumping cases against China for unfair trading," said Joerg Wuttke, chamber president.

- Financial Times, 27 November

### China offers specific carbon targets



China unveiled targets to slow its carbon emissions and said Premier Wen Jiabao would attend the global climate-change summit in Copenhagen a day after Washington laid out concrete US emission targets for the first time and announced that President Barack Obama would join the

meeting. But China's widely expected offer falls short of a cap on emissions. The Chinese State Council, or cabinet, said on 26 November that China would aim to cut carbon intensity – the amount of carbon-dioxide emissions per unit of GDP – by 40% to 45% by 2020.

- The Wall Street Journal  
28 November

### Economic meeting to guide direction

Decisions made at the central economic conference, which began on 5 December, will influence policies next year, the last year of the 11th five-year plan (2006-2010), and guide directions in policy for the next five-year plan. No details of the conference have been released.

- China Daily, 7 December

### China extends, adjusts pro-consumption policies



China has moved to support its economic recovery by extending tax cuts and subsidies for purchases of small vehicles and appliances, while adjusting some measures to counter rising property prices. The announcement on 9 December follows China's annual economic strategy meeting, with leaders promising on 7 December to keep economic stimulus and easy credit policies in place. Domestic demand is seen as crucial for future growth, but economists say consumer spending accounts for less than half of China's economic activity.

- ABC News, 10 December

### China approves 8 to list on ChiNext

More than a month after ChiNext was launched, China's securities regulator has approved a second batch of companies to list on the start-up board, marking slower-than-expected progress in filling seats in the new high-growth, high-risk market. The fact that the new lineup of 8 companies was thinner than the 28 firms that listed on ChiNext's debut also highlights the difficulties in finding qualified candidates for the market tailored to innovation-driven but cash-strapped small enterprises, analysts said. ChiNext was seen as an avenue to fill a funding void for such companies, which have been bypassed by China's recent lending boom. ChiNext opened 30 October on the Shenzhen Stock Exchange, with its initial listings logging gains of as much as 210% on their first trading day.

- The Wall Street Journal  
10 December

## LOGISTICS

### Shipbuilding IPO raises 2.2b USD

China Shipbuilding Industry Co, the country's largest ship equipment maker, raised 2.2 billion USD in a heavily subscribed IPO priced at the top end of expectations, despite a tough outlook for the global shipping industry. The shipping sector is mired in a second year of a downturn due to tight credit markets and a slow recovery in global trade. Analyst Zhang Qi at Haitong Securities in Shanghai said, "As China Shipbuilding Industry's 2009 earnings are forecast at 0.21 CNY per share, a 7.38 CNY IPO price, at 35 times PE, is quite expensive."

- Reuters, 8 December

**China Southern Airline raises cargo capacity**



China Southern Airlines Co, the largest airline by fleet size in the country, on 3 December added two Boeing 777 jets to expand its services to Europe and the US, thus boosting its cargo capacity by 92%. The 777s, each with a carrying capacity of 105.9 tons, will fly two new routes: Shanghai to Frankfurt and Shanghai to Chicago. Forty-three percent of exports from Europe and 21% of imports from China go through Frankfurt, and cargo volume on the Shanghai to Chicago route accounts for 30% of the total cargo volume departing from Shanghai.

- *Alibaba News, 4 December*

**Container rail network to link China to Europe**



A rail network that will transport containers more efficiently and cheaply across China is now taking shape and will eventually be linked to Europe's rail grid, providing competition for shipping lines and road transport companies. The number of container train stations on the mainland would be increased from one to eight next year, said Tsang Yam-pui, an executive director of NWS Holdings, the listed infrastructure arm of New World Development. NWS

owns 22% of a joint venture, China United International Rail Containers (CUIRC), which operates the container rail network in the country. The Ministry of Railways owns 34% of the venture, while French shipping line CMA CGM, German state rail firm Deutsche Bahn and Israeli shipping line Zim own 8% each. CIMC and Luck Glory own 10% each.

- *Cargonews Asia, 30 November*

**TELECOM & TRANSPORTATION**

**RIM signs deal to peddle BlackBerry in China**



Research In Motion Ltd. is betting big on the world's biggest cellphone market. The Canadian smart phone powerhouse has signed a deal with Hong Kong-based IT firm Digital China to distribute BlackBerrys in China. Investors reacted favourably to the announcement, pushing RIM stock up more than 2% on 7 December.

- *The Globe and Mail, 8 December*

**China aviation opposed to EU scheme**

Chinese airline companies are discussing measures to deal with the EU's new tax trading scheme that aims to combat carbon emissions. But they know that bargaining with the EU is beyond the reach of any single company. Civil Aviation authorities have urged the EU to reconsider its plan, which they say has overestimated China's ability to tackle climate change. China is

also stepping up its efforts to save energy and reduce emissions. Although it released no details of its actions, the civil aviation authorities voiced strong opposition to the EU's unilateral move. Li Jiexiang, Director of Civil Aviation Administration of China, said, "The EU's plan to impose carbon emission tax has ignored the different stages of development between developed and developing countries. We are calling for a policy that treats developed and developing countries differently."

- *CCTV, 6 December*

**Shenzhen Airlines boss faces police probe**



The majority owner of Shenzhen Airlines, China's fifth-largest airline by assets, is being investigated by police for unspecified "economic crimes", in the latest scandal to hit the loss-ravaged sector. The company said on 1 December that the police investigation into Li Zeyuan, who controls about 70% of the formerly state-owned carrier, had not affected the airline's operations. It said the airline and all its operations were now under the command of Li Kun (no relation to Li Zeyuan), Shenzhen Airline's president and a former senior government aviation official. No mention was made of Li Mo, Shenzhen Airlines' chairman and son of Li Zeyuan.

- *Financial Times, 1 December*

## Unicom, UnionPay mobile payment initiative

Mobile operator China Unicom and China UnionPay have joined forces to promote mobile payments in the country. Under the terms of the deal, the two companies will collaborate on mobile marketplace, application services, 3G mobile e-commerce, multi-channel payment, logistics and payment instrument confirmation. In October 2009, the Chinese internet company Tencent's Tenpay division won a contract from China Unicom to become its third party online payment service provider. China UnionPay operates as a bankcard association, serving industry and commerce, taxation, transportation, tobacco, water, electricity, coal, gas, communications, securities, funds, insurances, aviation and lottery markets.

- *The Paypers*, 27 November

## GM, SAIC in India vehicle deal



General Motors and China's Shanghai Automotive Industry Corp. are set to announce a tie-up on 4 December for the sale of vehicles in India. GM and SAIC, which have a joint venture in China, are expected to announce plans to bring some of the Chinese producer's light commercial vehicles to India, including minivans and mini-trucks. The Indian commercial vehicle market is dominated by Tata Motors, while Maruti Suzuki is the biggest seller of passenger cars.

- *AFP*, 4 December

## Auto sales, output surpass 12 million units



China's auto output and sales exceeded a record 12 million units each in the first 11 months of 2009, state media said 7 December, cementing the nation's status as the world's largest car market. Sales and production of vehicles for the whole year were expected to both exceed 13 million units. In November, sales reached more than 1.35 million units. Shanghai Automotive Industry Corporation, China's largest automaker, sold around 2.4 million vehicles in the first 11 months of the year, up 54% y-o-y.

- *ChannelNewsAsia*, 7 December

## Passenger-car sales jump 98% in Nov

China's passenger-car sales surged 98% in November, the most in at least five years, as government incentives spurred demand in an auto market poised to surpass the US as the world's biggest. Sales of cars, sport-utility vehicles and minivans rose to 1.04 million last month, according to the China Association of Automobile Manufacturers. Total vehicle sales, which include trucks and buses, rose 96% to 1.34 million. China's passenger car sales have jumped more than 50% for five straight months.

- *Bloomberg*, 9 December

## Unicom's iPhone sales surge



China Unicom's high pricing strategy for Apple Inc's iPhone seems to have paid off at least for now after the company reported better-than-estimated iPhone sales on 10 December. Industry analysts are, however, skeptical on whether the gamble would pay off in the long run as they expect sales to taper after the initial enthusiasm wanes. To date, China Unicom has sold nearly 100,000 iPhones after it was officially launched in China on 30 October. Industry analysts had at that time suggested that the company's high pricing strategy and the absence of WiFi functions in the handset would keep iPhone sales depressed. "We did not expect such robust figures," said Flora Wu, analyst from domestic research firm BDA China. She feels that the high pricing strategy has actually prompted higher grey market sales.

- *China Daily*, 11 December

**GENERAL**

**China sentences 5 church leaders to labor camp**

Five members of an unregistered Chinese Protestant congregation have been sentenced to two years in a labor camp following a police raid on their church, a monitoring group said on 2 December. The report comes less than a week after five leaders of the same church in the northern province of Shanxi were sentenced to prison terms of up to seven years – the toughest punishments against unofficial church leaders in more than three years – on charges including illegal assembly.  
- *Yahoo News, 2 December*

**Carbon emissions will peak between 2030 and 2040, says minister**

China's carbon emissions will peak between 2030 and 2040, the country's science and technology minister told the Guardian as the global climate change summit began in Copenhagen. Wan Gang said he hoped the maximum output of Chinese greenhouse gases would come as soon as possible within that range, and spelled out the steps that needed to be taken to achieve this. His comment, while not official policy, is the closest China has come to setting a target for when its output of greenhouse gases will start to fall.  
- *Guardian, 7 December*

**China urges US to offer sharper carbon cuts**

China said on 9 December it wanted the US to offer sharper carbon cuts by 2020, and President Barack Obama's top aides promised "robust" engagement with world leaders at Copenhagen climate talks. Success at the 7-18 December climate talks in Copenhagen, meant to agree the outline of a new treaty, will hinge

on agreement between the US and China which together emit 40% of global carbon dioxide. Beijing's top climate envoy Xie Zhenhua said the world's biggest emitter wanted to play a constructive role. Xie urged the US to increase its planned cuts in carbon emissions by 2020 and said China could "discuss" a target to halve global greenhouse gas emissions by 2050 if developed nations sharpened carbon cuts and raised financial help.  
- *Reuters, 10 December*

**Celebrate Australia Day with a 5-star wine tasting**



What better way to celebrate Australia Day than tasting some of Australia's best wines with one of the legends of the Australian wine industry. Respected expert, author and wine judge James Halliday will introduce wines from more than 35 Australian wineries all now available in China, including an exclusive selection that he has awarded the ultimate 5 Stars in his best-selling James Halliday Australian Wine Companion 2010. This special event for sommeliers, F&B staff, wine writers, educators, restaurateurs, importers and distributors will be held at Beijing's Grand Millennium Hotel from 2pm to 5pm on Tuesday 26 January, 2010. It will be hosted by the Australian Wine and Brandy Corporation (AWBC) and the Aus-

tralian Trade Commission (Australia).  
- *8 December*

**President Hu unveils Turkmenistan gas pipeline**

President Hu Jintao was set on 14 December to inaugurate a landmark pipeline to transport Turkmen gas across Central Asia into China's energy-hungry industrial centres. The 7,000km gas pipeline is a significant victory for Beijing, marking the culmination of years of lobbying for influence over the region's strategic energy resources, traditionally dominated by Moscow.  
- *AFP, 14 December*

**China begins construction of world's longest cross-sea bridge**

China on Tuesday began construction of the world's longest cross-sea bridge linking its southern economic hub of Guangdong Province to Hong Kong and Macao, a move widely expected to bring economic ties closer. Chinese Vice Premier Li Keqiang attended the inauguration ceremony in Zhuhai, Guangdong, and launched the project. "The construction of the bridge is a milestone event," he said at the ceremony, five days ahead of the 10th anniversary of Macao's return to Chinese rule. "It is a move for Hong Kong, Macao and the Pear River Delta region to cope with global economic downturn, boost investment and inspire people," he said. "Meanwhile, it can also further increase the links and promote economic cooperation between Hong Kong and Macao, and between the mainland and Hong Kong and Macao," he said.  
- *Xinhua, 15 December*

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# NUMBERS

**87,000,000**

More than 87 million Chinese people bought goods on the Internet this year, an increase of 38.9% year-on-year, as reported by Beijing Times.

**10,000**

Indonesians in Jakarta released 10,000 floating lanterns in an attempt to break a Guinness world record.



**310**

The China Gold Association said that gold output could reach 310 tons compared with 282 tons in 2008, solidifying China's position over South Africa as the world's biggest gold producer.

**13,280**

Chang Jing 6, one of China's largest trailing suction hopper dredgers, first launched in Nantong, Jiangsu Province.



**1,000,000,000,000**

Chinese State media reported that from 2010 Chinese banks can issue new loans of up to 1 trillion USD.

**126%**

The People's Bank of China is concerned about a 126% rise in credit card debt in 2009. According to the PBoC, more than 1-billion-USD worth of debt was more than six months overdue by September.

**19**

Italian tax authorities have found 19 works by Van Gogh, Picasso, Monet and other famous artists, hidden away by the founder of the collapsed dairy company Parmalat.



**130,000**

The Ministry of Education said in October that a record 130,000 graduates from Chinese universities and colleges are expected to join the army this winter.

**1,200,000,000**

IKEA plans to tap into China's commercial property market in Beijing and Wuxi, investing as much as 1.2 billion USD over the next five years.



**59.25**

A 59.25kg watermelon was displayed at the 2009 China Farm Produces Processing and Circulation Fair.



**13%**

China's leading liquor maker Kweichou Moutai will raise its average product price by 13% from 1 Jan, a move expected to spark a wave of price hikes in China's high-end liquor industry.



**98%**

Nationwide passenger car sales are up 98% y-o-y at 1.04 million, the Wall Street Journal reported.

**1000**

A resident of Shenyang, capital of Liaoning province, is so fond of beetles that he has modeled his house after a beetle's nest, housing 1000 beetles of all known species.

**180**

More than 180 new technologies and products with Chinese proprietary innovations highlighted a three-day exhibition in Cairo, Egypt.



**600**

Wan'an Town in Anhui Province has a 600-year history of hand-crafting compasses and passing the skills down from generation to generation.





**WTO: China unfairly restricting American CDs, DVDs**

21 December 2009, *Businessweek*

The World Trade Organization's top arbitrators upheld a ruling that China is illegally restricting imports of US music, films and books. The verdict by the WTO's appellate body overruled China's objections to an August decision against Beijing's policy of forcing American media producers to route their business through state-owned companies.

If China fails over the next year to bring its practices in line with international trade law, the US can ask the WTO to authorize commercial sanctions against Chinese goods.

"Today America got a big win," US Trade Representative Ron Kirk said in a statement. "US companies and workers are at the cutting edge of these industries, and they deserve a full chance to compete under agreed WTO rules."

China's import restrictions have been a key gripe of Western exporters, who complain that the nation's rapid rise as a trade juggernaut has been aided by unfair policies that boost sales of Chinese goods abroad while limiting the amount of foreign products entering the Chinese market.



**Currency Contortions**

17 December 2009, *Economist*

The CNY is effectively pegged to the devaluing USD, decreasing the worth of China's 2.3-billion-USD currency reserves and stunting its economic growth. The CNY has fallen 14% against the EUR in the last 10 months of 2009, so that the real trade-weighted exchange rate is back to where it was in 2002, before revaluation in 2005.

Yet while UN members urge China to float its currency, China replies that the yuan is domestic business. Premier Wen Jiabao berated a recent UN summit for "unfair" pressure to again revalue the yuan. China notes that since early 2008, the CNY has risen against most currencies except the Japanese yen.

Analysts say that in order to rebalance global economies, trading nations need a stronger yuan and an increased demand from Chinese consumers. China's current economic stability plan, however, involves maintaining its currency exchange rate and stimulating domestic growth to create jobs. "But not enough," the article comments. "Chinese growth is heavily skewed in favour of investment, not employment."



**China speeds up structural adjustment in petrochem sector**

15 December 2009, *China Economic Net*

Recently, the China Petroleum and Chemical Industry Association (CPCIA) issued its *Instruction on Adjusting Petrochemical Industrial Structure* and *Instruction on Supporting Technologies for Revitalizing Petroleum and Chemical Industry*.

Li Yongwu, Chairman of CPCIA, said, "The two copies of Instructions are the supporting illustration to the *Plan on Adjusting and Revitalizing Petrochemical Industry*, whose aim and principle is to promote the further acceleration of structural adjustment in petrochemical industry and realize persistently sound development."

"The petrochemical industry is big but weak in China," said Li. The conventionally extensive growth model has been incapable of adapting to the current development requirement. Development of the petrochemical industry is necessary in order to expedite structural adjustments, boost industrial upgrades and develop a circular economy.



**China holds to WTO vow on tariffs**

17 December 2009, *CRI English*

The import tariff for fuel oil will be raised to 3% and bumped to 6% for jet fuel next year, an increase by the Chinese government of 1% for both products, which could influence domestic oil prices.

China will also cut a number of import tariffs to meet the World Trade Organization (WTO) commitment it made upon joining the organization in 2001.

"It is highly significant," said Jia Kang, director of the Institute of Fiscal Science, Ministry of Finance. China's market economy status has not been recognized by all nations and its fulfillment of its WTO commitments will help this status be recognized by more countries, he told the press.

The hike in fuel oil taxes will deal a further blow to importers after the country levied a heavy consumption tax on the product, used to power ships and energy plants, because the production cost of the country's fuel importers will rise, analysts said.



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# DEFINING GLOBAL LIVING

*Dialogue with Koh Yan Leng, City Manager, Tianjin, Ascott China*

**B**usiness Tianjin recently spoke with Mr. Koh Yan Leng who manages the Somerset Olympic Tower and Somerset Youyi, two serviced residences gaining popularity throughout the Tianjin area, to find out how they work and what makes them so special.

## **What is Ascott Limited's portfolio in China?**

The Ascott Limited is the world's largest international serviced residence owner-operator, with around 25,000 serviced residence units in key cities of Asia Pacific, Europe and the Gulf region. Its portfolio spans 67 cities in 22 countries.

In China, it operates 26 properties with about 5,000 units in Beijing, Chongqing, Dalian, Guangzhou, Shanghai, Shenyang, Shenzhen, Suzhou, Tianjin, Wuhan, Xi'an and Hong Kong.

## **What are your responsibilities as City Manager?**

My foremost responsibility is to ensure a high standard of quality and service offered at both Somerset serviced residences in Tianjin. We believe once this is taken care of, and with the right marketing and sales strategy, we will be able to delight and surpass our customer expectations and business will stream in.

In addition to taking care of our customers, I am a firm believer that we should also value our staff. If we look after them well, they will equally serve our customers well. "Do unto others as you would have them do unto you."

## **You served as station manager for Singapore Airlines in London, Madrid, Auckland and Shanghai. What are the differences working in Tianjin versus those areas?**

I have always given the same advice to people with aspiration to work outside their country or city that every city has its own beauty and uniqueness. It is how we discover the beauty of the city and how we adapt ourselves to the new culture and lifestyle. So, I have always been able to convince myself to see the brighter side of things whenever I am in a new city and thus far I have enjoyed living in all the above cities.

Madrid and Tianjin seem to be the most similar because in both cities, its people have very strong family ties and value the relationship a lot. Lifestyle in these two cities is also relatively laid back as compared to their surrounding countries, or cities in the case of Tianjin.

## **What are the advantages of renting a serviced apartment?**

Our philosophy is "a home away from home." Other than the regular services such as daily cleaning and 24-hour guest service, there are more we provide than what most people can imagine.





Many people misunderstood serviced residence as an apartment with hotel service minus the food and beverage. However, we are more than that. We are selling a lifestyle, Ascott Lifestyle. We bring life to the lives of our residents; we create a community for them to socialize and a platform to make new friends and neighbors. We organize regular activities that enhance their living and also their family.

### **Who are your competitors and what are Ascott's competitive advantages?**

I always think our biggest competitor is ourselves. We must constantly review and renew ourselves to ensure we do not stagnate. Once complacency sits in, that is the end of us. Apart from ourselves, our main competitors comprise of the whole spectrum of the

hospitality industry including hotels, other serviced apartments and non-serviced apartments.

### **Cultivate a socially responsible culture in your organization.**

Our smaller inventory size allows us to provide more personalized service compared to hotels. This means we can make use of this advantage to ensure we know our residents' names, likes and dislikes, habits, etcetera by heart.

In addition, our typical room size is about three times larger than that of a typical hotel room. In terms of value for money, you pay the same price for

a bigger room with better amenities, such as washer, cooking facilities, appliances and utensils that you would usually only find at home.

Similar to hotels, we also constantly upgrade our product to ensure the relevance of our serviced residence in the market. Our product must match those in the same market and same tier. A very good example is our Somerset Olympic Tower in Tianjin. We are embarking on a refurbishment program to renovate our rooms and our clubhouse. Our rooms are tastefully designed by our interior designer team, and this includes the finer details to ensure the comfort and convenience of our guests. After the refurbishment of the clubhouse, we will be the first serviced residence in Tianjin to house a golf simulator for our avid golf fans.

### **What are your strategies for attracting business travelers?**

Our main clientele is business travelers, both long stays and short stays.

For the long stay residents, we provide spaciousness and convenience. For example, our residences are designed to look like your home with apartment style layout. This means business travelers can have the comfort of a home, yet at the same time enjoy services similar to a hotel.

For transient customers, especially business people who need to entertain their guests, rather than doing it at restaurants it can also be done at their home, which makes the appointment more personal and more meaningful.

### **How do you keep up with industry trends?**

I would like to think we can lead the industry rather than follow trends set by others. We must constantly research and brainstorm for new ideas and benchmark to differentiate our-



selves from others. We should seek to lead rather than just act.

We also must have our ears on the ground to analyze the pulse of the market through our frontline customer contact points. This will help ensure we are able to retain relevance in the ever changing market.

### **How do you measure personal and professional success?**

I do not usually measure success for myself. For certain people, they take it as an encouragement to push themselves further. However, I try not to measure it so as to breed more hunger in myself for more success. Moreover, being successful or a failure is very subjective: certain results may mean success to me, but may be interpreted very differently by others. More importantly, rather than using the time to measure success that is in the past, I would prefer to spend the time on new challenges and push the envelope further for the future.

### **Are there any other comments you'd like to share with Business Tianjin readers and the business community?**

There are lots of opportunities for any company to grow and develop in China, and I think we should also look at the unfortunate people around us. Even though the people of the 1st tier and 2nd tier cities are living quite comfortably, there are still a lot of people in the rural areas still suffering from hunger and deprivation of education. Our mother company, CapitaLand, has set up its philanthropic arm, CapitaLand Hope Foundation, which focuses on supporting the education, healthcare and shelter needs of underprivileged children in the world. We should work hand in hand to take up the social responsibility. As a fellow Chinese and part of the business community, I would urge all decision makers to cultivate such culture in their organization for their operations in China. ☐

# EXCELLENCE IN FLIGHT

Dialogue with Mr. Raymond Lee Regional Manager of Korean Air, Tianjin Office

Raymond Lee has been working at Korean Air for 20 years. His position as Regional Manager has led him to serve in Milan, Beijing and Shenzhen. Last May he began work in Tianjin. Mr. Lee's responsibilities include overseeing the staff of Korean Air's three inter-regional offices: Ticketing and Sales, Passenger Traffic, and Cargo and Sales.

## Tell us a bit about Korean Air.

Korean Air is one of the world's top 20 airlines. In addition, we are a founding member of SkyTeam, a global airline alliance partnering with Aeroflot, AeroMexico, Air France, Alitalia, China Southern Airlines,

CSA Czech Airlines, Delta Air Lines, KLM and two associates to provide customers with extensive worldwide destinations, flights and services.

Privatized from state-run Korean Airlines on March 1, 1969, Korean Air started with just eight small airplanes and was a practically unknown regional carrier. Forty years later, Korean Air operates a fleet of 130 aircrafts to 117 destinations in 39 countries around the world.

For the past 40 years, we have always been committed to provide quality services to our passengers. Therefore, we keep improving ourselves until we could achieve our

mission – Excellence in Flight. This year, Korean Air has raised its anniversary slogan, "Beyond 40 Years of Excellence," which reinforces the corporate mission while striving to become ever better with an innovative and youthful spirit.

**How does Korean Air balance its five main areas of business (Passenger, Cargo, Aerospace, Catering, Hotel & In-Flight Sales) while staying competitive in each industry?**

Korean Air pursues maximum profit through balancing the development of our five divisions.

As an important part of our overall





commitment to excellence, the Air Transportation Division (passenger and cargo services) is pursuing developments in both quantity and quality through strategies, including expanding global air route networks and attracting high-end consumers.

Korean Air's Aerospace Division continues accumulating high add-value technology through manufacturing aircraft parts, satellite parts and carrying out depot maintenance to proactively nurture Aerospace as the new driver for further development.

The Catering Division contributes significantly to the globalization of Korean cuisine. It keeps expanding through constantly developing in-flight meals for passengers worldwide.

The Hotel Division is pursuing win-win outcomes with the development of passenger business. We are actively developing integrative products to enhance the customer experience, including hotel and transportation services. In-flight sales will provide more quality products to expand sales and improve services.

### **How would you describe the domestic (China) market from an airline perspective?**

China has always been one of the most important overseas markets for Korean Air. The capacity of the

Chinese market is enormous. With the rapid development of the Chinese economy, Korean Air's business performance is rising alongside it. From January to September 2009, 39% of the total sales of China-Korea routes were from China, achieving a 12% year-on-year increase. The successful holding of the 2008 Beijing Olympic Games has positioned Beijing as a top international city. Also with the upcoming Shanghai 2010 Expo, there will be more opportunity, especially towards the development of the Chinese Civil Aviation industry. So it is our strategy to continue investing in China, especially to tier cities that have unlimited potential for further exploration. One of the main products Korean Air is promoting in China is our transfer service, which will bring conveniences to passengers who depart from designated areas. With Korean Air's direct flights from key Chinese cities to Incheon and over 117 cities in thirty-nine countries around the world, we aim to become Chinese passengers' best choice for traveling abroad.

### **Korean Air's mission and slogan is "Excellence in Flight". What does this mean organizationally, as a manager, and as an employee? How would customers describe it?**

"Excellence in Flight" is the common goal for all of Korean Air's employees; everyone is contributing in different positions to achieve this. The higher

your positional level is, the greater the responsibility that must be taken. The warm smiles of our air flight attendants, passengers' high request of specialty dishes such as Bibimbap (a Korean dish served with rice), and on-time flight departures and arrivals; these are all the reflections of our employees' understanding of "Excellence in Flight". Therefore, we do not need our customers to describe it; we want them to feel it. We hope they think of taking a Korean Air flight as an enjoyable experience.

Among our service enhancements, from September 1 of this year to April 2011, Korean Air will refurbish 32 mid- and long-haul passenger aircrafts such as B777s and A330s with the installation of the recently launched Kosmo Suites (First Class), Prestige Sleepers (Prestige Class) and New Economy (Economy Class) seats. The new First Class seats will enable customers to travel with more comfort in 27-inch-wide seats. Personal monitors have been enlarged to 23 inches to deliver the full excitement of the aircraft's Audio Video On Demand (AVOD) system. The new Prestige Class seats offer a 180-degree, lie-flat option that will allow customers to feel as cozy as if they were seated in first class on other carriers' aircrafts. Korean Air also announced recently that its next generation premium seats would be made available on more routes as part of its ongoing commitment to making air travel more enjoyable for its passengers to mid-haul business destinations in China and Southeast Asia, such as Incheon to Beijing, Shanghai, and Hong Kong.

### **There seems to be a trend of Korean companies in China that exemplifies high human resource quality. Why do you think this is and what makes your company's human resource institution stand out?**

Korean Air operates various programs to cultivate a global mindset and professional capacity in Korean Air employees. We enrolled in MBA programs at various top-notch universities in Korea. We



offer intensive MBA courses for newly promoted executives. The Korean Air Executive Development Program (KEDP) is one of our programs that is designed for Korean Air's executives. KEDP started as a form of company training for the future and was expanded to include executives of Hanjin Group in 2005. In addition, we run global assignments to nurture employees' international capabilities, have an in-house college to equip our employees with more professional knowledge, and lastly we are upgrading our procedures and rules to meet global standards through various education programs and interaction with global airlines to bring about a cosmopolitan mindset and culture for our employees.

**Can you briefly explain the SkyTeam alliance for readers who are unfamiliar it?**

Looking back, our alliance has grown

from four members originally, to nine members and two associates around the world. SkyTeam offers 13,133 daily departures to 856 global destinations in more than 169 countries. Passengers can enjoy high-quality service with all airlines within the alliance, such as the air mileage accumulation program, free ticket exchanges, seat upgrades and VIP lounge services.

A leading carrier in Asia, Korean Air expanded its air routes network to America, Europe and Asia to increase its business capacity. Thanks to our Chinese partner, China Southern, our network includes several popular destinations in Asia. In addition, through sharing facilities and collective investments, Korean Air has reduced marketing costs.

**Korean Air seems to also dabble in fashion. How does the company select such stylish uniforms?**

Korean Air is one of a handful of international airlines to heighten its contemporary and chic image with the help of the world's top fashion designers. Since 1969, Korean Air has led aviation fashion trends by designing cabin crew uniforms that combine serene, self-possessed Korean elegance with a modern flavor.

Our cabin crew uniforms are an essential element of our brand and style. They symbolize the evolution of our airline in becoming one of the world's leading international carriers. The development of our distinctive and fashionable crew uniform designs is also a visual symbol of our commitment to "Excellence in Flight". Internationally renowned Gianfranco Ferré designed our most modern uniform.

**Please describe your life outside of the office.**

During the weekdays, I enjoy hanging out with my Chinese friends. I have found that building sound relationships with people is one of the most important values in China. Now I have become used to this culture and truly enjoying spending time with friends. Also, exploring Chinese restaurants and trying traditional Chinese foods are quite a pleasure.

During the weekend, I usually pursue diversified sports activities such as golf, mountain climbing and badminton. On Sunday, I usually spend time with my family.

**Tell our readers one thing about Korean Air that they might not know.**

Korean Air is also contributing many efforts to environmental issues. Korean Air has planted thousands of trees, primarily in Asia. This year is the third year of our tree planting in Inner Mongolia. We will continue this effort and help to protect the environment in China and around the world. ☐





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# CORPORATE SOCIAL RESPONSIBILITY IN CHINA: TOWARD A “HARMONIOUS SOCIETY”



Simon Bai  
Winners Law Firm

### I. Definition of Corporate Social Responsibility

In recent years, Corporate Social Responsibility (CSR) has been gaining momentum and has become an ever-increasing topic of interest among businesses and researchers. Yet an exact definition of CSR is elusive and opinions vary.

According to Wikipedia, CSR “is a form of corporate self-regulation integrated into a business model. Ideally, CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure its adherence to law, ethical standards, and international norms. Business would embrace responsibility for the impact of their activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere.”

World Bank’s definition is that CSR is the “commitment of businesses to managing and improving the economic, environmental and social implications of its activities at the firm, local, regional and global levels.”

The European Commission defines CSR as “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”

Most EU states apply the EU Commission’s official definition of CSR – being voluntary and therefore outside the scope of legal compliance and governmental regulation.

In China, though, CSR is being discussed both within the context of legal compliance and voluntary corporate commitment to responsible corporate citizenship. CSR in China covers all aspects of corporate governance, taking into account ethical, social, environmental and human rights dimensions. In general it covers a wide variety of social responsibilities such as community outreach, working conditions

(health and safety) and employee benefits, environmental protection and sustainable development, product liability, education and philanthropy. China has not, however, been able to come up with its own official definition of CSR under Chinese national conditions.

### II. CSR in China

Given the widespread inconsistency and difficulty in enforcement of law in China, observance and implementation of existing laws and regulations is still very much a matter of relevance when discussing CSR in China. CSR challenges abound in China. There has never been a shortage of reports on abuse of employees, coal mine deaths, environmental degradation and food contamination problems in China – evidence that CSR is rather low on the agenda of businesses.

A number of laws in force in China have provisions dealing with CSR issues.

Article 5 of *The Company Law of the People’s Republic of China* states, “In conducting its business, a company must abide by laws and administrative rules and regulations, observe social morals and business ethics, conduct businesses in good faith, subject itself to the supervision of the government and the public and fulfill social responsibilities.”

Chinese legislature and government have adopted many other laws and regulations with respect to responding to issues of CSR, including *Labor Law of the People’s Republic of China*, *Trade Union Law*, *Law of the PRC on the Protection of Rights and Interests of Women*, *Provisions on Special Protection for Juvenile Workers*, *Production Safety Law of the PRC*, *Code of Occupational Disease Prevention of the PRC*, *Cleaner Production Promotion Law of PRC*, *Regulations on Enterprise Minimum Wage*, *Energy Conservation Law of the PRC*, *The Environmental Protection Law of the PRC*, and *Product Liability Law of the PRC*.



Despite the multitude of relevant policy, China is still only in the initial stage of developing standardized, systematic and widely participated CSR social programs.

Corporate social responsibility “beyond law” is the responsibility of enterprises beyond the mandatory obligations by force of law but in line with social values and business ethics. Even the legal norms on such responsibility are “soft law”; they mainly incorporate social values and widely-accepted business ethics in corporate business behaviors and governance structure, so as to realize corporate “self-regulation”. Yet unlike multinational companies from Europe and US, Chinese businesses are under much less pressure to pursue CSR initiatives on top of their minimal legal compliances. Lack of pressure groups, independent trade unions and active NGOs has led to lit-

tle incentives for Chinese companies to abide by a higher level of criteria of responsible business conduct.

Nonetheless, the Chinese government has an interest in engaging companies, Chinese and foreign alike, in social and environmental activities to contribute to China’s sustainable development.

The Chinese government has adopted a different course to CSR than that of the EU. China’s government has made CSR part of its strategy to bring about President Hu’s policy of establishing a “harmonious society”. Many organizations and local authorities have actively carried out works toward such a mighty goal through various efforts. Partly supported by the government, Chinese CSR standard CSC9000T was launched in 2005. CSC9000T is a mixture between the management standard ISO9000 and the CSR stand-

ard SA8000. SA8000 is based on international labor and human rights law. CSC9000T is based on Chinese labor law, and now only applies to the textile and apparel industry.

As Chinese firms like Haier, Lenovo, and Chery are making advances into foreign countries, many Chinese companies are flocking to undertake CSR programs. The United Nations Global Compact and the Global Reporting Initiative have gained steam within China in recent years. Increasingly more adherents file reports disclosing their environmental and social performance.

### III. Thoughts on future CSR in China

The public needs to be more actively involved in the debate of how to enhance CSR in China in order to make meaningful steps toward a harmonious society. There also remains much

# POLICY EXPLANATION

to be done on the part of the government, legislature and business community. The following are some of my thoughts for a better and more effective CSR:

1. Draw up industry-specific CSR standards in order to more effectively promote CSR among Chinese enterprises.
2. Establish and more aggressively enforce CSR standards among State-owned companies and public-listed companies as pilot programs in selected industries which have nation-wide impact
3. CSR should be one of the criteria against which the performance of an executive of such companies are evaluated
4. Promulgate more stringent laws



for certain aspects of CSR, in particular for environmental protection, sustainable development and product liability; In addition, more effective enforcement is crucial to the success of such laws.

5. Apply CSR to State-owned banks as one of the qualifications in granting credit for certain types of government projects.
6. Encourage and promote voluntary CSR programs among companies by means of local tax benefits and priority in terms of other preferential treatment.
7. Require employers to provide CSR training programs for employees.
8. Enact laws and regulations which require local and national media to dedicate a certain amount of time to CSR programs. The role of media is never to be under-estimated, especially in China
9. Use CSR as a framework through which business engages in multi-stakeholder partnerships for sustainable development. As always, the all-powerful governments at various levels must effectively coordinate and facilitate such initiatives.

There is considerable skepticism of CSR. Critics argue that some companies' projects initiated in the name of CSR may simply be giving lip-service to sustainability or responding to external critics, and may be used as a smoke-screen for what is really being done on the ground. This is largely true in today's China. CSR remains much more a window-dressing than an earnest commitment to responsible corporate citizenship. 田

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## OUTBOUND GUARANTEES AVAILABLE TO SECURE THE FOREIGN LOANS OF A FOREIGN INVESTED ENTERPRISE



Yunjie Si



Tingting Li

by attorneys  
Yunjie Si and  
Tingting Li  
Garrigues Shanghai

In comparison to wholly domestic enterprises, foreign invested enterprises (FIEs), such as Sino-foreign joint venture enterprises (JVs) or wholly foreign-owned enterprise (WFOEs), have more freedom and convenience in financing from abroad, usually in the form of foreign loans from foreign institutions including their foreign shareholders (Foreign Creditor). Guarantees to secure an FIE's loans may be required by the Foreign Creditor; these are legally defined as "outbound guarantees" under *Measures on the Administration of the Outbound Guarantee provided by Domestic Organization*<sup>1</sup> and its implementing rules<sup>2</sup> (Outbound Guarantee Regulations). This article will give an overview on the outbound guarantees available to be provided by a FIE to its Foreign Creditor and consequent implications and restrictions.

### What types of outbound guarantees are available in China?

Under Chinese law, the outbound guarantee could be made mainly in three forms: third-party warranty, mortgage and pledge. The third-party warranty is usually provided by a bank issuing a bank guarantee to the Foreign Creditor. Due to their economic efficiency, mortgages and pledges on the properties and rights owned by the FIE are more commonly used to secure the loans from the Foreign Creditors.

#### (1) Mortgage

Under a mortgage, the FIE mortgages its owned properties (or rights if applicable) to the Foreign Creditor without transferring the possession of such properties, so if the FIE fails to repay due debts or any other

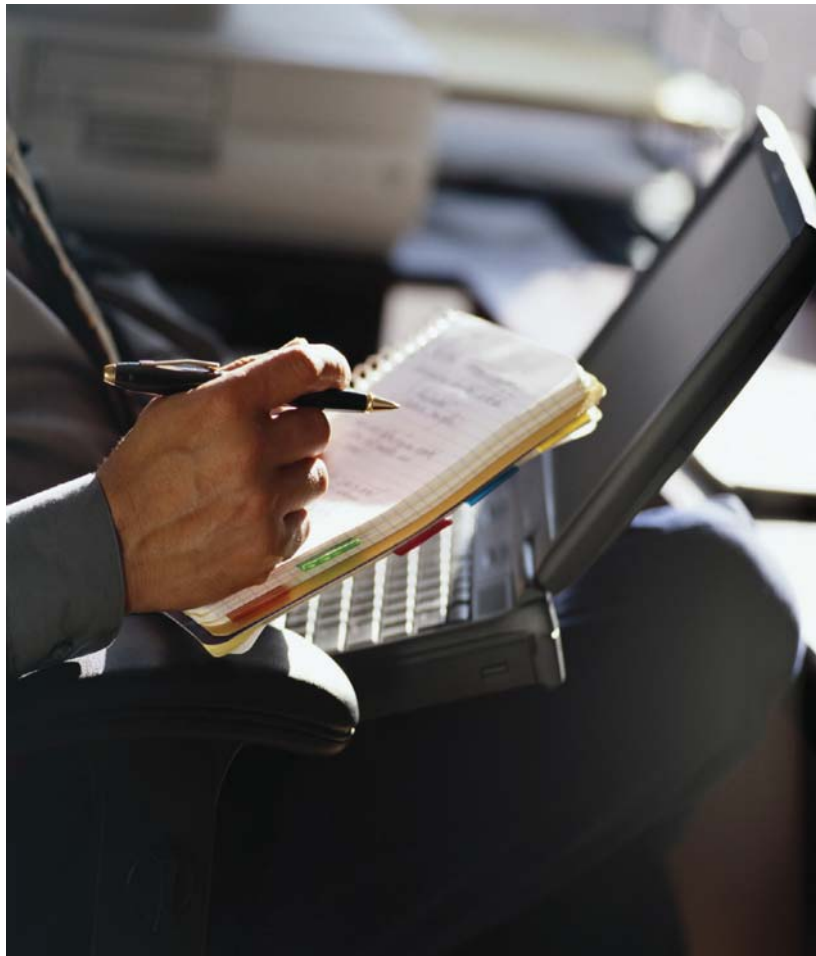
agreed circumstance occurs, the Foreign Creditor is entitled to seek priority payments from such mortgaged properties. The following are the main properties and rights that can be subject to mortgage:

- ( i ) premises and the land fixtures thereon;
- ( ii ) land use right of the construction land;
- ( iii ) production machinery, raw materials, semi-products and products;
- ( iv ) buildings, vessels and aircraft under construction;
- ( v ) vehicles;
- ( vi ) operational right of contracted barren land which is contracted by public bidding, auction or public negotiation.

#### (2) Pledge

Under a pledge, the FIE pledges its chattels to





the Foreign Creditor for occupation or pledges its rights to the Foreign Creditor, so if the FIE fails to repay due debts or any other agreed circumstance occurs, the Foreign Creditor shall be entitled to seek priority payments from said chattels or rights. The following are the main rights that can be subject to pledge:

- (i) bills of exchange, promissory notes, checks, bonds, deposit slips, dock warrants and bills of lading;
- (ii) equity or shares that are transferable according to applicable law;
- (iii) trademark, patent rights and property rights involved in copyrights that are transferable according to applicable law; and
- (iv) receivables.

### **What are the prerequisites for any outbound guarantees to be provided by the FIE?**

The outbound guarantee is subject to the governance of several laws and regulations, such as laws on foreign investment, Outbound Guarantee Regulations, *Chinese Property Law*<sup>3</sup> and *Chinese Guarantee Law*<sup>4</sup>, which put forward various pre-conditions. Because foreign exchange is tightly regulated in China, the constitution of an outbound guarantee in China is more complicated than it usually is in other countries:

#### **(1) Valid Foreign Loan Agreement**

Pursuant to *Chinese Guarantee Law*, the guarantee contract is dependent on the principal loan contract, and accordingly, the invalidity of the prin-

cipal contract may lead to invalidity of the relevant guarantee contract. Therefore, before constitution of any outbound guarantee, the validity of the relevant loan agreement shall be assured.

Pursuant to the *Tentative Measures on the Administration of Foreign Debt*<sup>5</sup>, a foreign loan contract shall be registered with the State Administration of Foreign Exchange (SAFE), otherwise, it will be deemed invalid. Certain restrictions on the cap of the foreign loan to be raised by a FIE are also included in said Measures, according to which the accumulated amount of medium-and-long term loans plus the residual amount of short-term loans of a FIE shall not exceed the balance between its total investment and registered capital as verified by the approval authorities in charge of commerce (MOFCOM). In addition, the FIE is not allowed to take out a foreign loan if any of its shareholders fails to pay up the capital contribution as per the schedule in its articles of association; in the case that the capital contribution has not been fully paid up, the foreign loan cap shall be calculated in proportion to the paid-up capital.

#### **(2) Registration**

Since the performance of an outbound guarantee will eventually lead to a foreign exchange flow out of China, certain restrictions and formalities under the foreign exchange control policy are also applicable to outbound guarantees.

According to the Outbound Guarantee Regulations, when a FIE places outbound guarantee over its properties or rights to secure its own foreign debt, the registration procedure shall be handled with the local SAFE within 15 days after signing the guarantee contract. Registration involves submitting foreign debt registration certificate, ownership certificate of

the properties, evaluation report of the properties issued by a domestic evaluation agency, foreign exchange income and expenditure certificate of the last year, audit report of the FIE, etc.; otherwise, the outbound guarantee will be deemed as void and not enforceable.

### (3) Special Requirements for a WFOE

There are special requirements for a WFOE to provide outbound guarantee over its properties or rights. Pursuant to *the Implementation Rules on the PRC Law on Wholly Foreign-Owned Enterprise*<sup>6</sup> and *Reply of MOFCOM concerning the Issue on a WFOE Placing Outbound Mortgage over its Property or Equity*<sup>7</sup>, the WFOE is not allowed to provide any outbound guarantee over its properties or rights if its foreign shareholder fails to pay up the capital contribution in accordance with the schedule as stipulated in its articles of association. Therefore, for an outbound guarantee to be provided by a WFOE, additional approval from

local MOFCOM and filing with the local administration for industry and commerce (AIC) shall be obtained.

### How to constitute outbound guarantees

Pursuant to *Chinese Property Law* and *Guarantee Law*, the outbound guarantee is validly constituted upon fulfillment of certain conditions depending on the guarantee type.

#### (1) Mortgage

Depending on the properties to be mortgaged, the constitution of a mortgage shall be as follows:

- (i) A mortgage over real estate, such as the premises, land use right and its fixtures, is only validly constituted after it is duly registered with the local land and real estate administration authority.
- (ii) A mortgage over other properties, such as machinery, products and movables, is validly constituted once the mortgage contract takes effect. Nevertheless, the Foreign

Creditor is not entitled to claim the mortgage right against any bona fide third party unless the mortgage has been duly registered with local AIC.

#### (2) Pledge

Pledge on chattels is validly constituted when it is delivered to the Foreign Creditor. Pledges on different rights are validly constituted as follows:

- (i) Pledge on bill of exchange, check, promissory note, bond, certificate of deposit, warehousing receipt and bill of lading is validly constituted upon the delivery of such certificates of rights to be pledged.
- (ii) Pledge on transferable equity rights and shares of a limited liability company and the unlisted joint-stock limited company is validly constituted after such pledge is recorded in the register of shareholders which is registered with the local AIC. The pledge on the shares of list joint-



stock limited company is validly constituted upon the registration with security registration and clearing institution.

- (iii) Pledge on transferable registered trademark is validly constituted upon registration with the State AIC. Pledge on the patent is validly constituted upon registration with the State Intellectual Property Right Office. The pledge on the copyright is validly constituted upon registration with the local authority designated by the State Copyright Office.
- (iv) Pledge on the receivables is validly constituted after it is registered with the credit registration institution<sup>8</sup>.

### How to exercise the outbound guarantees in case of default

In case of a default under a mortgage or pledge, according to the *Chinese Guarantee Law*, the Foreign Creditor and the FIE may offset the debt unpaid against an agreed price of the mortgaged properties or pledged chattels, or may agree to convert the mortgaged or pledged subject into cash value through auction or sale in which the guaranteed loan of the Foreign Creditor shall have priority to be repaid.

If the FIE and the Foreign Creditor cannot reach an agreement on exercising the guarantee as above, the Foreign Creditor can file a lawsuit with the jurisdictional court or arbitration commission for exercising the guarantee.

Since the repayment to the Foreign Creditor involves outflow of foreign exchange, approval from the local SAFE is again required, upon which the bank will handle the procedures of sale and payout of the foreign exchange under such outbound guarantee.

### What's the consequence for providing outbound guarantee in violation of law?

Pursuant to *Interpretation of the Supreme People's Court on the Guarantee Law*<sup>9</sup> and the relevant *Implementing Notice of the SAFE*<sup>10</sup>, an outbound guarantee contract shall be deemed invalid if it fails to obtain the required approval or registration from relevant authorities. As mentioned above, any outflow of foreign exchange arising from an outbound guarantee shall be subject to the approval of the SAFE. Nevertheless, there are still some cases in which an unregistered contract can have some effect on the parties. While approving the assumption of liabilities under an invalid outbound guarantee, the SAFE shall apply the following rules:

- (i) Where it has been judged or awarded by the jurisdictional court or the arbitration commission, the FIE shall submit the judgment of the court or the award of the arbitration commission, as well as other documents required in accordance with the foreign exchange laws, and the SAFE will approve the assumption of liabilities in accordance with the amount decided in such judgment or award.
- (ii) Where the FIE and the Foreign Creditor have reached an agreement without referring to the court or the arbitration proceedings, the FIE shall submit the relevant agreements and other documents required in accordance with the foreign exchange laws.

If the principal loan contract is valid while the guarantee contract is invalid, the amount of civil liability to be borne by the FIE to the Foreign Creditor shall not exceed one-half of the FIE's unpayable portion.

If the principal loan contract is invalid thus causing the outbound guarantee contract to be invalid, the amount of the civil liability to be borne by the FIE to the Foreign Creditor shall not exceed

one-third of the FIE's unpayable portion.

In addition, when making the above approval, the SAFE may impose on the FIE a punishment of warning and/or a fine of no more than 30% of the illegal amount.

In summary, due to the various restrictions and formalities under the applicable laws and regulations as well as the adverse consequence for noncompliance, before establishing or accepting an outbound guarantee, it is very important to check and verify its compliance with all the relevant laws and regulations to be sure that the future outbound guarantee will be valid and enforceable. ☐

1: Issued by the People's Bank of China on 25 September 1996 and effective as of 1 October 1996

2: Issued by State Administration of Foreign Exchange on 11 December 1997.

3: Issued by the National People's Congress of the PRC on 16 March 2007 and effective as of 1 October 2007.

4: Issued by the Standing Committee of the National People's Congress of the PRC on 30 June 1995.

5: Issued by the State Administration of Foreign Exchange, National Development and Reform Commission and Ministry of Finance on 8 January 2003.

6: Issued in 1986 and amended by the Standing Committee of the National People's Congress of the PRC on 31 October 2000.

7: Issued by MOFCOM on 31 October 1996.

8: Pursuant to Measures on the Registration of Pledge over Receivables as issued by the People's Bank of China of the PRC on 30 September 2007, the credit registration institution is the credit reference center under the People's Bank of China.

9: Promulgated on 8 December 2000.

10: Issued by the SAFE on 18 January 2001.

Garrigues has over 13 years of experience in advising companies in their investments in China. The team of experienced Western and Chinese professionals at Garrigues Shanghai provides legal advice to foreign companies on a wide range of issues such as incorporation of companies and negotiation of joint ventures, commercial contracting, M&A, tax, real estate, employment, intellectual property, arbitration and infrastructures, as well as to Chinese companies with investments abroad.



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Tianjin-made John Deere tractors on display

# FARMING IT OUT

*China's push to mechanized agriculture bodes well for Tianjin-based John Deere Tiantuo*

By Mark Gao

Tianjin is emerging as a crucial supply chain hub for the country's makers of agricultural machinery. That's thanks to some key investments in the city by US-based John Deere, which has established a network of companies here to manufacture and distribute farm machinery.

Established in 2000, John Deere Tiantuo Co on Hongqi Lu produces 9,000 tractors a year in the 60 to 120 horsepower range. The world's most powerful tractors are typically 280 horsepower. A 21-million-USD joint venture between US-based John Deere and state-owned Tianjin Tractor Manufacturing Co, the company-which followed on from a 1983 licensing deal between the two firms-has six different models for sale in the traditional green-yellow livery of Illinois-based John Deere. Top sellers out of the Tianjin plant include the Iron Bull 8041, an 80 horsepower machine selling for 97,210 CNY, and the Apollo 1204, a 120 horsepower tractor priced at 194,850 CNY.

The company's success in China's fast-mechanizing agricultural scene didn't come overnight. John Deere boss Bill Hewitt was one of the first American businessmen into China after Beijing and Washington mended diplomatic fences in 1972. Here a year after President Richard Nixon's visit, Hewitt was soon picking up deals in China, which was keen through the 1970s for technology partners to help it build its own tractors.

China at the time was slowly beginning to shift from low-acreage, high-labour communes to mechanized farming. A Chinese delegation to John Deere's headquarters in 1975 was impressed with the company's technology, and with Sino-US relations back on track John Deere was able to pick up deals that had previously gone to Russian tractor makers.

A 'Friendship Farm' established in the northeast of the country in 1978 proved a showcase for John Deere tractors, ploughs and harvesters. Through the 1980s the



The John Deere owned Benye brand of lower-horsepower tractors

firm continued to pick up orders for tractors, harrows and harvesters. Yet Tianjin proved the site of John Deere's most significant early China deal, which came in 1983 when it licensed technology to two state owned tractor makers, the first of them the Tianjin Tractor Manufacturing Co.

### **Chinese banks are not keen to lend to farmers, who typically have little in the way of assets.**

Though John Deere first began transferring technology to the city's tractor factory in 1984, more significant for Tianjin is surely John Deere's more recent centring of its China R&D capacity in the city. The new centre will localize the company's products for China, while also

coming up with new innovations for its worldwide operations.

John Deere Tiantuo, which has teamed with the Tianjin University of Technology to source graduates, has brought its well-honed technology and manufacturing systems to bear in China, explains the joint

venture's manager, George Fan. He says the firm's advantage over competitors in China is in efficiency: Tiantuo got three times the volume with half the number of man hours racked up before the joint venture brought John Deere manufacturing processes to Tianjin's tractor factory.

Tianjin is host to a complex web of John Deere firms: in addition to the Tiantuo joint venture, the firm has based its International Trading Company as well as a plant producing transmission systems for tractor engines here. Founded in the rustic town of Moline in 1837, John Deere is the world's largest manufacturer of agricultural machinery, by a long shot. With 28 billion USD in revenue in 2008 and 52,000 employees worldwide, the American firm started out making steel ploughs and today is branching out from agriculture into the construction equipment business of giants like Caterpillar.

John Deere has taken a 50% stake in China's number three excavator, Xuzhou Xuwa Excavator Machinery Co, in the southeasterly city of Ningbo. That's also the location for the company's other Chinese tractor maker, the John Deere Benye firm. Acquired in 2007, it makes low-

## FEATURE STORY

horsepower (<60hp) tractors. John Deere has said it wants to export the tractors, which sell well to horticulturalists and landscapers in Europe and North America.

John Deere also expects to export some of its Tianjin-made tractors, explained Doug Roberts, head of the company's China operations before returning to headquarters last year. John Deere's focus will however be on local sales in China, where, says Roberts, it has observed a gradual shift to mechanization on the vast wheat fields of Heilongjiang and the countless paddy fields of southern provinces. China is attempting to work its limited land bank even harder, and for that large machines deliver efficiency.

For now the focus is clearly on domestic sales. A highlight, surely, was the launch of a Chinese language version of the Furrow, John Deere's monthly magazine for farmers driving its tractors. John Deere sells its tractors via a northeast sales office in Harbin and a northwest equivalent in Urumqi. Shanghai Deere Rental Co meanwhile rents machines to Chinese farmers.

Over 200 company salespeople fan out across the country selling John Deere wares to over 200 independent machinery dealers stocking the firm's wares across the country. Their biggest challenge, explains Roberts, is the lack of finance: Chinese banks are not keen to lend to farmers, who typically have little in the way of assets to put against the borrowings.

John Deere estimates there are 2.5 million farms in the 15% of the country classified as arable. Officially the average size of a farm is 880 acres, but as there are 2.5 million farmers the actual size works out at an acre per farmer. Most of the country's tractors are in the hands of contractors hired by farmers who don't till by hand –



There's no shortage of competition for Chinese farmers' money

they charge by the hour. An ongoing trend of China's rural masses moving from the land into cities will likely lead to larger farm sizes. Yet, soberingly, only 26% of local harvesting is mechanized.

The prospects look promising for John Deere, which has nearly 6,000 staff in China. Demand for agricultural machinery is certainly on the up in China: the number of tractors on local farms has risen from 9 to 16 million between 1994 and 2004, according to figures published by the China Association of Agricultural Machinery Manufacturers (Camm). Sales of agricultural machinery reached 130 billion CNY in 2006, up 25% year-on-year. Local machine purchasing power doubled in 2007,

according to Camm, driven largely by state spending on mechanization of the country's farms.

John Deere has plenty of local competition, perhaps most potently in the form of state-owned giant YTO based in the Henan city of Luoyang. Encouraged by Chinese government policy which pushes firms to invest in Africa, five YTO branch companies divide the Africa market from north to south. General Manager of the company's international sales operations, Song Hai Hao spent eight years in Cameroon and Ivory Coast before being promoted to his current position. YTO low and medium horsepower tractors are popular among African farmers producing rice, coffee and palm oil, said



The export potential of low-cost Chinese tractors is obvious

Song. Significantly, tractors are put together on a YTO assembly line in the Ivory Coast. “The African market is price-conscious but growing fast,” he explained.

YTO claims it beats the internationals on price, but this may not be the case. The YTO 70 horsepower model also retails domestically at about 80,000 CNY, according to Song Hai Hao. Those prices aren’t significantly cheaper than John Deere Tiantuo machines. Similarly, Shanghai New Holland (also a Sino-foreign venture) 50 and 80 horsepower tractors sell locally for 50,000 and 80,000 CNY, respectively.

It may be that, as in cars, Chinese customers go for a reliable foreign

brand name. “Price is important in China... but it is becoming increasingly important here that machinery deliver efficiencies,” says Randy Hoffmann, Senior Vice President Global Sales & Marketing at US-based farm tractor maker AGCO. “Efficiencies and technology bring value and they’re [China] looking for efficiencies.”

Foreign brands have focused on local sales but appear to be looking more to exports. Of the 13,000 tractors sold by New Holland this year, 1,400 went abroad, says a sales manager at the firm’s Shanghai manufacturing plant. Incredibly, exports in 2008 equalled total exports for the past five years, he said. Main markets are Eastern Europe, Southeast Asia and Africa. New Hol-

land Shanghai aims to up exports – to 2,600 tractors in 2009 – while also building stronger machines (110 to 130 horsepower) to meet what it sees as a local demand for larger horsepower, explained the salesman.

China’s tractor makers can look forward to increased demand at home if the government honours recent pledges to allow peasants to mortgage and sell their land. Giving small-scale farmers the power to sell their land could generate the kind of rural prosperity that propelled China out of the Maoist economic cul de sac and onto the road to prosperity 30 years ago. It could also allow China to create farms of the scale that need tractors. YTO saleswoman Helen Yuan is cautious: China’s small-scale farmers are loath to borrow, preferring to pay cash, hence sales growth will be slow unless purchases are subsidised.

Subsidies seem forthcoming. A renewed government focus on rural areas – 4 billion CNY in subsidies for farm machinery in 2008 – drives demand for machinery makers, says a New Holland sales manager in Shanghai. He predicts even better times next year as the subsidy spend rises to 12 billion CNY. With more money about Chinese customers are getting more demanding on quality and comfort, he says.

That will force local tractor makers to up their game. Said the New Holland man: “Exports will rise, but the only other certainty is that competition in the domestic market will get even more fierce.” With its combination of local partner, brand name and efficient manufacturing processes, John Deere Tiantuo looks well positioned to come out on top of China’s tussle for tractor sales. ■

# FINANCIAL REGULATION

By David Kwon

### ***Growth and collapse of China's derivatives market***

“Prices don't make any rational sense. You only buy because you think you can sell it tomorrow to someone at a higher price. You are caught in an endless spiral of higher and higher prices. Fear and greed rule financial markets. You are afraid that you might miss out. Your greed is endless. Foreigners develop a peculiar hubris. They are bulletproof. Fundamentals of value are irrelevant in this world. Then, of course, kaput. It all collapses.”

-from Traders, Guns and Money by Satyajit Das.

At the beginning of 2008, the world's biggest banks were making fat profits in China's nascent derivatives markets. But just weeks later, Chinese companies began to lose billions of dollars on the tailor-made trades they had struck with western dealers. It was the start of a chain reaction that in summer of 2009 unleashed a fierce backlash from regulators and local banks.

Citic Pacific, a Hong Kong-based special steel manufacturing and iron ore mining company, lost 1.9 billion USD in 2008 on “unauthorized” bets against the Australian dollar. “They were hedges with a contract value of AUD 9 bil against the Australian dollar, taken out to cover against an AUD 1.6 bil prospective acquisition and capital expenditure. Losses were incurred on the contracts when the currency declined from 98.5% against the US dollar to less than 70%,” reported South China Morning Post on 22 October 2008. Air China, the country's flag carrier, lost 1.1 billion USD on oil derivatives. They were just two of hundreds of companies that entered trades they claim were wildly mismatched with their hedging requirements. Many western investment banks, such as Goldman Sachs and Morgan Stanley, signed big deals with mainland Chinese companies that wanted to hedge their risk to price volatility in commodities, interest rates and currencies.

On 23 November 2009, Financial Times reported that in stark contrast to the slow pace of derivatives market reform in the US and Europe, China's regulators have in recent months shut down the main route by which foreign banks sold derivatives from offshore operations and have banished speculative deals – moves that have important implications not only for Chinese companies and foreign banks, but also for the evolution of China's capital markets and the internationalisation of the Chinese Yuan.

Due to the sweeping regulatory overhaul, trading volumes have plunged and foreign banks are scrambling to adapt to doing business in the new environment. “If you compare the business we are doing today with the business we were



doing two years ago, it's completely different," says Antoine Castel of Crédit Agricole in Beijing. "You have to forget about [the old] market. It's gone."

According to Chinese regulators, in some instances companies used derivatives as a way to speculate, rather than hedge, while investment banks mainly focused on selling overly complex financial instruments without fully giving details on the potential downside. The dealers say that billions of dollars of trade are being renegotiated in private, some under pressure of State-owned Assets Supervision and Administration Commission (SASAC),

the shareholders and regulators of hundreds of State enterprises.

Total trade volumes have more than halved since a year ago, say market participants. Complex trades have vanished from the market. "We are selling plain vanilla business in China, that is it," says Mr Castel.

"Plain vanilla" means the most basic or standard version of a financial instrument, usually options, bonds, futures and swaps. The opposite is an exotic instrument, which alters the components of a traditional financial instrument, resulting in a more complex security. Plain vanilla has one simple expiration date and strike price and no additional features, whereas an exotic option, such as a knock-in option, adds a contingency so that the option only becomes active once the underlying stock hits a set price point.

### **Offshore-originated trade deals are banned**

This summer, the China Banking Regulatory Commission (CBRC) banned most of the trades that can be originated offshore, shocking the established order.

In the past, most derivatives deals between foreign banks and Chinese companies were struck overseas, mostly in Hong Kong, and mainland banks acted as intermediaries to overcome obstacles such as foreign exchange controls that made it difficult for overseas banks to deal directly with Chinese companies. These "intermediary trades" also allowed those overseas groups to minimise their credit risks by dealing with a small number of big banks rather than dozens of more risky companies.

For the Chinese banks, however, acting as middlemen proved less advantageous. Since the beginning of the crisis (2008), they have been forced to provide their foreign trading partners with vast amounts of collateral, but have been unable to



recover nearly as much money from local companies on the other side of each trade.

As well as banning the practice of intermediary trades, the CBRC now requires that banks ensure clients only buy derivatives that are appropriate for their hedging needs. The rules make it “virtually impossible to do some of the hairier trades and will really chill the market for anything but vanilla trades in future,” says Fred Chang, an industry veteran who now works for the law firm Lovells in Beijing.

Most market participants believe that the regulations, while a stumbling block for the time being, are necessary foundations for the growth of a market that traders expect to be enormous within a decade. David Liao, head of global markets at HSBC China, says the rules would be “a short-term sting in terms of revenue” but would be helpful over the longer term.

But regulation is only the first of the problems for many western groups. The Chinese banks that dominate onshore trading have grown more assertive and are demanding that foreign banks play by their rules.

The big four State-owned commercial banks now refuse to deal with the local operations of foreign banks unless they provide contractual guarantees on the trades from their global

headquarters. Foreign banks are reluctant to provide these guarantees or other concessions being demanded, explains Financial Times, because it would lead to higher capital charges, and they fear it would trigger a cascade of similar demands from banks across the world.

As a result of the stalemate, a two-tier system has emerged, with foreign banks trading almost exclusively among themselves, while local banks do the same. Most market participants expect a solution to the deadlock to emerge in time, most likely with foreign banks backing down on their positions. Moreover, at some point the trading books of the Chinese banks will reach bursting point and they will need to offload their risks to their western peers.

Foreign banks, while bruised, are clearly unwilling to submit to either regulatory clampdown or local competition. Financial Times quoted one western banker in China saying, “You have to be in this market. You can’t afford to stay out of it.”





**Regulatory framework to minimize speculation in forex deals**

The State Administration of Foreign Exchange announced on 19 November that it will limit the number of bank accounts owned by individuals that can be used in certain foreign-exchange transactions. The measures are meant to address "unusual foreign-capital flows using individual [accounts] to enter the country, to strike at the foreign-exchange black market and underground banks and to protect the order of the foreign-exchange market environment," SAFE said in a separate statement.

Although the new regulation is not directly related to the CNY exchange rate, because it is a technical measure that closes a loophole in existing rules, it reinforces the idea that Beijing intends to maintain control over capital flows.

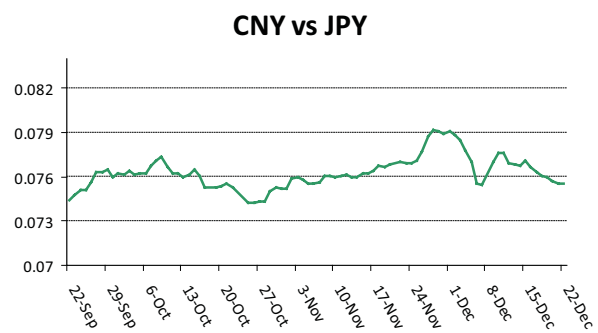
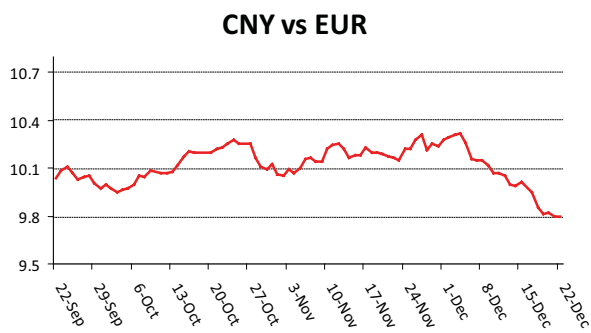
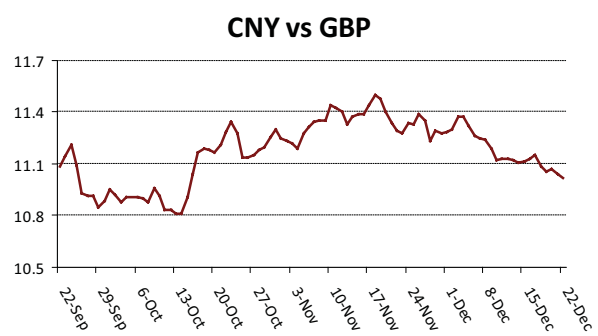
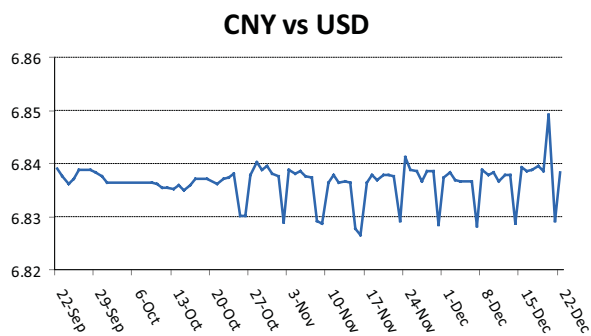
Chinese officials have in recent months grown more vocal about "hot money" flowing into the country. China's economy is growing faster than all other major economies and pressure from Washington and other foreign capitals is mounting for Beijing to permit CNY to resume

appreciating against the dollar. So far there is no sign Beijing will loosen its grip on the exchange rate.

Capital outflows from China are also presenting issues for regulators. For instance, cash from mainland China is playing an important role in pushing up property prices in the city of Hong Kong, which uses its own currency. SAFE's statements on 25 November said the new measures bar transfers of money from one source into five or more bank accounts owned by individuals onshore in China within a short period. Likewise, five or more individuals in China can't simultaneously send money to an individual offshore account within a period of a few days.

Existing rules let individuals send up to 50,000-USD-worth of CNY out of the country each year, or bring in that much. Similarly, under existing policy, Hong Kong residents are allowed to transfer foreign exchange worth 20,000 CNY (about 3,000 USD) into a mainland China bank account each day. □

**Three-month CNY trends**



Data source: Oanda.com interbank rate

# SYSTEMATIC GARBAGE COLLECTION (Part1)

A quite unknown but very effective idea to finish and start the year



Wolfgang Knüfer

I would like to introduce an idea to you which astonishes executives again and again whenever I mention it in my seminars or lectures. It is the motto to install a systematic process of eradicating the old, the overcome and the superfluous in an enterprise: "Get rid of the garbage!"

Most people and organizations do too much miscellaneous and take too many actions which do not create any direct value. People, like organizations, are figuratively "habit animals"; they are hamsters. Papers, forms, meetings, procedures... everything is collected and enclosed as a trained habit. We are unable to systematically flush our offices clean because we didn't develop an "organ" to get rid of the waste.

As a biological organism we have such organs, and as long as they work well and fulfil their service, we don't need to worry about our

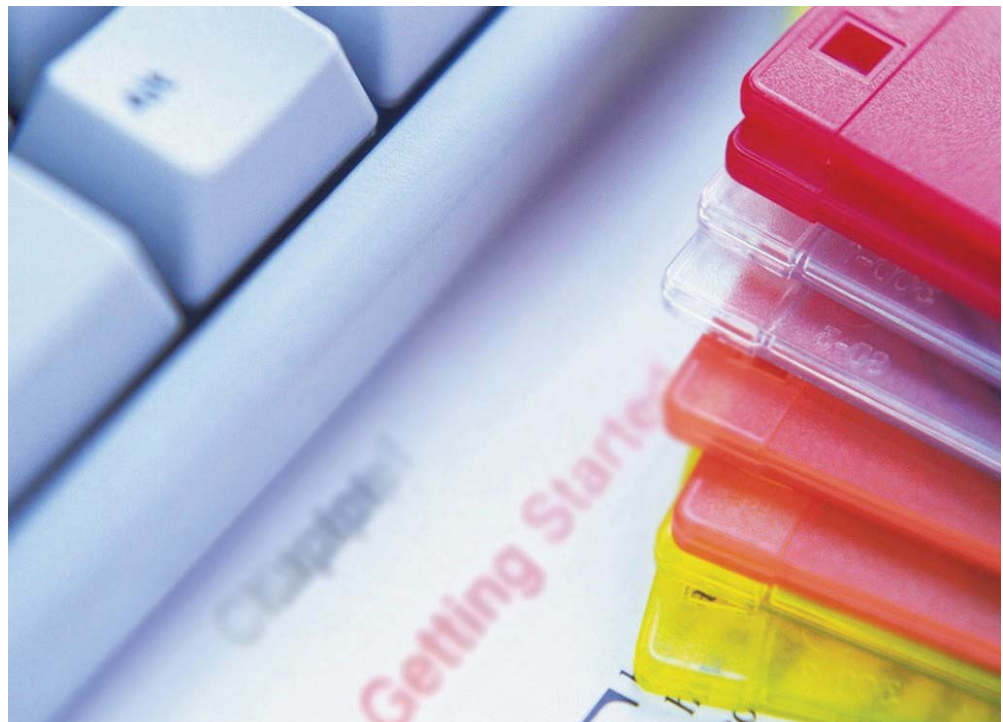
health. As a social organism, however, we lack these organs for our daily behavior.

Waste removal makes the decisive difference between fat and lean organizations, between inefficient and efficient, between slow and fast and between weak and vigorous.

### Moving from the idea to a method

Application of this idea requires the regularly asked question: *What, out of all the tasks we do today, would we not start to do if we hadn't already begun it?*

This question may not be particularly good English but it is exceptionally effective. It has to be taken into account that the question is not: *What should we not have started (at that time)?* Though this variant of the question sounds very similar, it is pointless to state it this way, because the latter question deals with the past while the former targets the





future. Worrying about the past may occasionally be interesting, but there is usually no benefit to it.

*What would we not begin, if we were not already right in the middle of it? And with what should we therefore part? What should we stop?*

Let's contrast these thoughts with the usual behaviour of people and organizations: On top of all the things we already do each year, we add new and additional tasks, because we want to be modern, to be innovative, to not miss anything. This is the safest way to suffocate beneath our own garbage pile. Vigorous organizations turn this behaviour consciously and systematically upside down and ask the question: What should we part with? What should we not do any more?

It was the systematic and obstinate application of this question that turned GE from a fat, sluggish and bureaucratic giant into one of the best run, most vigorous, most profitable and primarily most innovative enterprises. The center of the enormous turnaround at General Electric, which took place in the beginning of the 1980s, was created by the decision to step out of all business areas in which GE was not at least second in the world market. Some business areas could be eliminated with just a pen-stroke; others took more than 10 years before GE eliminated their existing delivery and guarantee obligations, spare parts support, and service to loyal customers. If GE had not made this decision at the beginning of the 80s, the enterprise would still be working in these areas with all consequences and loads for the organization and its profitability.

What is possible for a giant enterprise is far easier for small and medium-sized enterprises that asks and answers these questions. *What would we not start with...?*

We should ask this question every two to three years regarding our customers, technologies,

products and markets. And we should ask this question every year regarding all other topics relevant for our organization – administration processes, computer systems and programmes, forms in use, tracking lists, prepared reports and meetings – if only because we've gotten used to them.

Most of these things were useful and appropriate at the time we introduced them. That is why "What should we have not started?" is the wrong question. At that time we had good reasons for starting it: the thing was probably well-considered, and there was no better alternative. But nothing outlives its use like administrative procedures and management programmes.



Of course there is nothing wrong with testing products, markets, customers and technologies annually instead of every three years, especially when you have to deal with particularly fast-moving developments in your market. We must choose the temporal intervals appropriately, keeping an eye on the characteristics of the business. But we should not wait longer than three years in any field to ask what still makes sense and what has become waste and a burden by now. This question should not only be asked for the enterprise as a whole but it should be asked by each department, for each department, by every executive, and for every executive.

### **nothing outlives its use like administrative procedures and management programmes.**

I suggest reserving a whole day each year with your closest and most important employees to discuss only this question and not another 20 additional agenda items. In the beginning, when you ask this question for the first time, your people may look at you a little strangely because they don't know how to deal with such a question. Until now you have always asked them "What additional things can we do next year?" But never, "What should we not do any more?" If you run into some level of uncertainty or guardedness you may explain the garbage collection. You will notice relatively quickly that your employees will mention many things which they would not begin with, had they not already begun them. Once you get answers, you won't need to ask, "Shall we part with it or not?" but rather, "How quickly can we get rid of it?"

As mentioned before, we can submit some things to the garbage bin with an immediate decision; other items may take years before they're truly gone. But we have to begin now for things to be on the right track.

And perhaps most importantly, we have steered the thinking of the employees in a completely different direction. We are on the way to purification and detoxification of the organization. ☐

#### *The author:*

*Wolfgang Knüfer can look back at a successful career as an international manager and management consultant. He works as a coach with main emphases on leadership, time management, sales and communication for a variety of companies worldwide. The list of his references covers well-known enterprises and organizations like IBM in Atlanta, Thyssen-Krupp in Düsseldorf, Pacific Bell in San Francisco, Harada in Osaka, Karstadt in Essen and Siemens in Tianjin. Wolfgang Knüfer has been working for the European Chamber of Commerce in Tianjin and makes himself available for exclusive seminars on diverse management and leadership topics.*

## International organizations based in Tianjin have the following open positions: (在津跨国公司招聘以下高级人员)

### Area Sales Manager (区域销售经理)

Code: ASM1001

#### JOB DESCRIPTION:

- Deliver sales target, achieve profit objectives and control sales expense
- Develop and maintain strong client relationships
- Identify and realize new business opportunities
- Ensure local business execution is consistent with company business strategy
- Build and develop effective sales team

#### WHO WE ARE LOOKING FOR:

- Sense of marketing and financial competence
- Strong management and leadership skills
- Excellent communication and presentation skills
- Can work under pressure and willing to face challenges

### Senior Marketing Analysis Specialist (高级市场分析专员)

Code: MAS1001

#### JOB DESCRIPTION:

- Prepare and implement marketing investigation
- Analyze competitor intelligence, and provide constructive suggestions
- Prepare monthly sales and P&L forecast, and annual budget
- New business development and inspection
- Other tasks as assigned by marketing director

#### WHO WE ARE LOOKING FOR:

- Bachelor's or Master's degree, financial analysis background is preferred
- 3+ years of relevant experience
- Skilled in data analysis
- Excellent communication and interpersonal skills, strong team spirit
- Good command of written and spoken English and Mandarin

### IT Manager (IT经理)

Code: ITM1001

#### JOB DESCRIPTION:

- Lead and participate in the processes to deploy and support IT technologies to meet the business needs
- Supervise daily operational processes and procedures
- Cooperate with Group IT, worldwide networks that solve business and data needs
- Organize and build IT team for each factory, definite responsibilities for each position
- Identify staff career development and training needs, coach and motivate staff on daily basis
- Manage IT projects to ensure quality.

#### WHO WE ARE LOOKING FOR:

- Bachelor's degree or above; major in computer science, information or engineering
- 5+ years of working experience, at least 2 years as supervisor/manager
- Good command of English reading, listening, speaking and writing
- Effective team leader
- Willing to learn new technologies
- Highly organized and able to meet multi-tasking demands.

### Legal Adviser (法务)

Code: LA1001

#### JOB DESCRIPTION:

- Monitor and improve processes for contract development and maintenance
- Review contract documents; update and develop standard documentation in order to protect company's interests on contractual commitments
- File statutory documentation and record-keeping, establish and maintain systems for required documentation
- Responsible for routine legal matters, establishing legal policies and internal control

#### WHO WE ARE LOOKING FOR:

- Bachelor' degree in Law
- Good command of English reading, listening, speaking and writing
- A minimum of 3 years professional experience in a multinational corporation
- Stringent, professional work ethic
- Mature, independent, excellent communication and multicultural interpersonal skills
- Results-oriented and able to function as an effective team member



If you are interested in any of these positions, please send your resume and mention **Code No.** to [HR@boxinren.com](mailto:HR@boxinren.com)

## TALKING SALES

VOLUME 25

We would like to know your plan to promote the sale of our products.

我们 | 想(1) | 了解(2) | 你方(3) | 推销(4) | 我们 | 产品(5) | 的 | 计划(6)。  
wǒmen | xiǎng | liǎojiě | nǐfāng | tuīxiāo | wǒmen | chǎnpǐn | de | jìhuà.

We heard that you have years of experience in promoting the sale of porcelain products.

我们 | 得知(7) | 你们 | 在 | 推销 | 瓷器(8) | 方面 | 很有 | 经验(9)。  
wǒmen | dézhī | nǐmen | zài | tuīxiāo | cíqì | fāngmiàn | hěnyǒu | jīngyàn.

We've done our best in promoting the sale of your products.

我们 | 竭尽 | 全力(10) | 推销 | 你们 | 的 | 产品。  
wǒmen | jiéjìn | quánlì | tuīxiāo | nǐmen | de | chǎnpǐn.

We are doing our utmost to open up an outlet.

我们 | 正在 | 尽 | 最大 | 努力(11) | 以 | 打开 | 销路(12)。  
wǒmen | zhèngzài | jìn | zuìdà | nǚlì | yǐ | dǎkāi | xiāolù.

Thanks for all the work you've done to promote the sale of our products.

感谢(13) | 您 | 为 | 推销 | 我们 | 的 | 产品 | 所作 | 的 | 努力(14)。  
gǎnxiè | nín | wéi | tuīxiāo | wǒmen | de | chǎnpǐn | suǒzuò | de | nǚlì.

This pattern of sweaters can find a ready market in the western part of China.

这种 | 样式 | 的 | 毛衣(15) | 在 | 中国 | 西部(16) | 很 | 畅销(17)。  
zhèzhǒng | yàngshì | de | máoyī | zài | zhōngguó | xībù | hěn | chàngxiāo.

This product has been a best seller for nearly one year.

该 | 产品 | 成为(18) | 畅销货(19) | 已经 | 将近 | 一年(20) | 了。  
gāi | chǎnpǐn | chéngwéi | chàngxiāohuò | yǐjīng | jiāngjìn | yínián | le.

There is a poor (no) market for these articles.

这些 | 商品 | 滞销(无销路)(21)。  
zhèxiē | shāngpǐn | zhìxiāo (wú xiāo lù).

We can discuss further details when you have a thorough knowledge of the marketing possibilities of our products.

等 | 你们 | 全面 | 了解(22) | 我们 | 产品 | 销售 | 可能性(23) | 之后, | 我们 | 再 | 进一步 | 细谈(24)。  
děng | nǐmen | quánmiàn | liǎojiě | wǒmen | chǎnpǐn | xiāoshòu | kěnéngxìng | zhīhòu, | wǒmen | zài | jìnyībù | xìtán.

Our demand for this product is steadily on the rise.

我们 | 对 | 该 | 产品 | 的 | 需求(25) | 正在 | 稳步地(26) | 增长(27)。  
wǒmen | duì | gāi | chǎnpǐn | de | xūqiú | zhèngzài | wǎnbùdì | zēngzhǎng.

According to the marketing conditions on your end, we are sure that you can sell more this year.

根据(28) | 你方 | 的 | 市场 | 情况(29), | 我们 | 确信(30) | 今年(31) | 你们 | 会 | 销得 | 更好(32)。  
gēnjù | nǐfāng | de | shìchǎng | qíngkuàng, | wǒmen | quèxìn | jīnnián | nǐmen | huì | xiāode | gènghǎo.

Special terms are allowed to customers who place trial orders before the end of the current month.

本月底 | 之前(33) | 来 | 试订货(34) | 的 | 客户(35), | 可 | 享受(36) | 特别的 | 优惠 | 条件(37)。  
běnyuèdǐ | zhīqián | lái | shìdìnghuò | de | kèhù, | kě | xiǎngshòu | tèbié de | yōuhuì | tiáojiàn

According to your estimate, what is the maximum annual turnover you could fulfill?

据你 | 估计(38), | 你 | 能 | 完成(39) | 的 | 最大(40) | 年销 | 售量(41) | 是 | 多少呢?  
jù nǐ | gūjì, | nǐ | néng | wánchéng | de | zuìdà | nián | xiāoshòuliàng | shì | duōshǎo ne?

If you like, I can arrange a meeting for you to meet our technicians, to give you an overall understanding of our products.

如果 | 您 | 乐意(42), | 我 | 可以 | 安排(43) | 技术 | 人员(44) | 和 | 您 | 面谈(45) | 以便(46) | 使 | 您 | 对 | 我们  
rúguǒ | nín | lèyì, | wǒ | kěyǐ | ānpái | jìshù | rényuán | hé | nín | miàntán | yǐbiàn | shǐ | nín | duì | wǒmen

的 | 产品 | 有 | 一个 | 全面 | 的 | 了解。  
de | chǎnpǐn | yǒu | yíge | quánmiàn | de | liǎojiě.

(1) 想	xiǎng	would like to	(22) 全面了解	quánmiàn liǎojiě	a thorough knowledge
(2) 了解	liǎojiě	know	(23) 可能性	kěnéngxìng	possibilities
(3) 你方	nǐfāng	your side	(24) 进一步细谈	jìnyībù xìtán	discuss further details
(4) 推销	tuīxiāo	promote the sale of	(25) 需求	xūqiú	demand
(5) 产品	chǎnpǐn	product	(26) 稳步地	wěnbùdì	steadily
(6) 计划	jìhuà	plan	(27) 增长	zēngzhǎng	increase
(7) 得知	dézhī	learn	(28) 根据	gēnjù	according to
(8) 瓷器	cíqì	porcelain	(29) 市场情况	shìchǎng qíngkuàng	marketing condition
(9) 在...方面很有经验	zài... fāngmiàn hěnyǒu jīngyàn	have years of experience in ...	(30) 确信	quèxìn	sure
(10) 竭尽全力	jìjìn quánlì	do one's best	(31) 今年	jīnnián	this year
(11) 最大努力	zuìdà nǔlì	utmost	(32) 销得更好	xiāode gènghǎo	sell more
(12) 打开销路	dǎkāi xiāolù	open up an outlet	(33) 本月底之前	běnyuèdǐ zhīqián	before the end of the current month
(13) 感谢	gǎnxiè	thanks, appreciate	(34) 试订货	shìdìngguò	trial order
(14) 所作的努力	suǒzuò de nǔlì	all the work you've done	(35) 客户	kèhù	customer
(15) 这种样式的毛衣	zhèzhǒng yàngshì de máoyī	this pattern of sweaters	(36) 享受	xiǎngshòu	enjoy
(16) 中国西部	zhōngguó xībù	western part of China	(37) 特别的优惠条件	tèbié de yōuhuì tiáojiàn	special term
(17) 很畅销	hěn chàngxiāo	to find a ready market	(38) 估计	gūjì	estimate
(18) 成为	chéngwéi	become, has been	(39) 完成	wánchéng	fulfill
(19) 畅销货	chàngxiāohuò	a best seller	(40) 最大	zuìdà	maximum
(20) 将近1年	jiāngjìn yīnián	for nearly one year	(41) 年销售量	niánxiāoshòuliàng	annual turnover
(21) 滞销(无销路)	zhìxiāo (wú xiāo lù)	poor/no market	(42) 如果你乐意	rúguǒ nǐ lèyì	if you like
			(43) 安排	ānpái	arrange
			(44) 技术人员	jìshù rényuán	technicians
			(45) 面谈	miàntán	to meet
			(46) 以便	yǐbiàn	in order to



If you meet any problems in learning Chinese, please send us an email at [bizclass@businesstianjin.com](mailto:bizclass@businesstianjin.com)  
We'll do our best to help you. See you next month.

# CHINESE RETAIL SECTOR BUCKS THE TREND



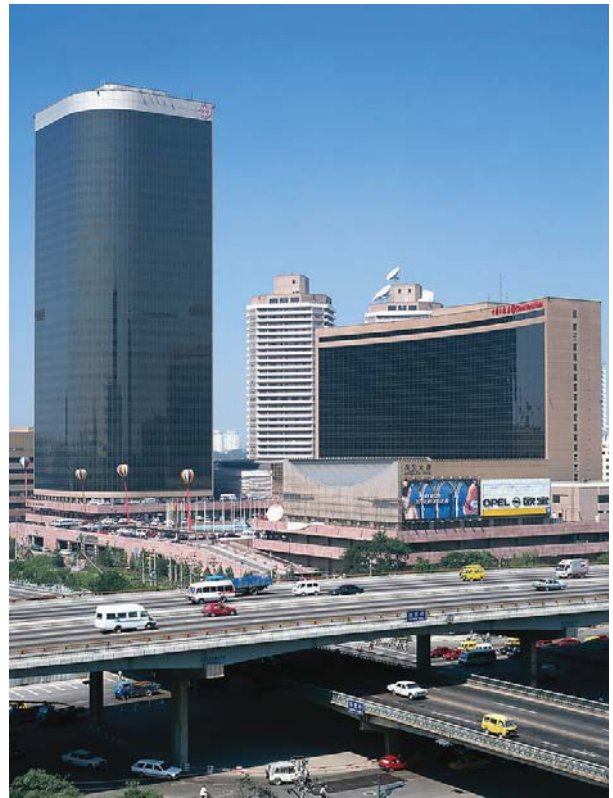
David Ji  
Head of Research,  
North Asia, DTZ

Prime retail property in China has returned two consecutive quarters of growth – 5.7% in Q3 and 3.4% in Q4 – following a small correction in Q1, according to DTZ Research published 21 December 2009. Growing consumer affluence continues to drive the development of the retail sector as annualised rental growth over the past 5 years has been near 8%.

China has been expected to rebound from the economic crisis more quickly than its regional and global contemporaries. DTZ’s Q4 research, however, highlights continuing declines in both office and industrial sectors. Office rental falls are at least starting to moderate, with a decline of 3.3% in the final quarter, having fallen 33.5% from peak to date. Some second tier cities without over-supply, such as Shenzhen and Chengdu, are actually posting positive growth in Q4. Industrial rents also fell during the final quarter by 3% after a small 0.8% rebound in Q3.

David Ji, Head of DTZ North Asia Research, said, “Some key cities are still suffering somewhat from office space oversupply and relatively weak demand, resulting in continued rental depreciation for Shanghai and Beijing, while other mainland cities seem to have reached some level of sustainability.”

The latest figures from DTZ Research mirror recent economic indicators that many major economies are approaching a turning point. Both office and industrial sectors around the globe have either reached or are approaching bottom of the rental cycle; many markets have reached a balance between supply and demand, albeit at a much lower level than the peak of the cycle. During Q4, global office rents fell by 2%, industrial fell by 1% and, significantly, retail grew by 0.2% on the back of gains in Asia Pacific and levelling out in Europe.



Global capital city prime rents are highlighting the continuing trend to recovery. Many local markets are seeing capital cities bucking the global trend. Where wider economic drivers imply more significant falls, prime rents in the main markets have held up far better than anticipated. London City, Paris CBD, Hong Kong and Sydney have all levelled off during Q4 while many tier-two cities have continued to fall. ■



戴德梁行  
DTZ is a leading global real estate adviser operating across 148 cities in 43 countries. Its client-focused activities range from high-quality capital market solutions to cutting-edge occupier-led property services and advice. The comprehensive service offering around the world is based upon detailed local knowledge backed by first-class research. Parent company DTZ Holdings plc has been listed on the London Stock Exchange since 1987.



# TICC Christmas Ball 2009 ▶▶▶





# The 2009 TICC Christmas Ball – Dancing the Holiday Away

**T**he active women of Tianjin International Community Centre organized a memorable event for Tianjin's expatriate community: the TICC Christmas Ball 2009.

Celebrating this festive season in early December 2009, the TICC held its Christmas Ball at the magnificent Sheraton Ball Room, evoking the holiday spirit to build social and community awareness.

More than 200 members of the Tian-

jin expatriate community enjoyed an elegant gala. Being far from home is often challenging, but the Christmas Ball brings with it the warmth and cheer of a friendly community. Guests merrily danced the night away to the classical and contemporary sounds of the Sheraton house band.

Guests received special gifts offered by the TICC Christmas Ball's generous sponsors: Sheraton Hotel Tianjin, Radisson Plaza Hotel Tianjin, Hotel Nikko Tianjin and The Westin.

The TICC is known for its active role in supporting charity causes. This year, the Christmas Ball raised 10,000 RMB for Tianjin's orphanage.

As a media partner, Business Tianjin covered the social event for the expat community in Tianjin and was on-hand to photograph the highlights of the evening.

To those who missed this year's celebration, join us next year! **B**





The 25th anniversary of TEDA was celebrated by a festive group representing TEDA's integrated society on 8 December 2009.

# TEDA's 25th anniversary

Ma Xiuhong, Vice Minister of Department of Commerce, Ren Xuefeng, Vice Mayor of Tianjin, He Lifeng, Chairman of Binhai New Area, and He Shushan, Chairman of TEDA made speeches in the 25th anniversary of TEDA. The program started with a report of the most important achievements during this period and the future plans for the region.

The TEDA Administration is proud of the current achievements, but there are many new development plans to accomplish. The speakers invited and motivated all groups to continue





their efforts and challenge themselves in the near future.

Musical programs followed the speeches. They included the performances of schools, organizations and groups – students of the Musical College, the Community Institute, TEDA Primary School and the Science and Technology University, among many others.

Children and adults shared their talents through programs like “Happy festival”, “Our footprint” and the song “Motherland”.

A group of expats who live in TEDA were also invited to sing the song “TEDA welcomes you” (Taida Huan ying

ni) alongside children from TEDA International School, TEDA Maple Leaf International School and TEDA Primary School.

The event featured a representative group of children of the Yugu minority group, which received an important donation to support community development and educational studies.

Representatives of TEDA Administrative Commission closed the event by thanking everybody for their efforts and contributions, then followed by a pleasing display of fireworks.



Ren Xuefeng, Vice Mayor, He Lifeng, Chairman of Binhai New Area, Ma Xiuhong, Vice Minister of Department of Commerce, He Shushan, Chairman of TEDA (from left to right)



EUROPEAN CHAMBER



# EUROPEAN CHAMBER IN TIANJIN

## Annual Finance & Tax Seminar for 2009

Many significant new tax policies and regulations have been introduced in China since China's new Corporate Income Tax law was enacted. The past year has been a challenging one for companies with business operations in China, both for China tax residents and non-China tax resident enterprises. On top of the emphasis on tax compliance, Chinese tax authorities recognise the importance of changing the regulatory landscape to align with international tax practices, particularly the application of "substance over form" principle.

The European Chamber, German Chamber, Amcham, French Chamber, Swiss Chambers & Hong Kong Chamber jointly organised a finance and tax seminar on 9 December 2009 at Tianjin Nikko Hotel. More than 90 finance and management people from Tianjin MNCs attended.

Our F&T working group chairperson, Kelvin Lee, together with five tax and customs professionals from PricewaterhouseCoopers China, introduced the new tax and customs rules of 2009, covering corporate restructuring, tax compliance of non-tax residents, tax treaty protection application, transfer pricing enforcement and customs audit. In addition, speakers shared their experiences with and insights into the possible impact of these newly enacted rules.



## Factory visit to Alcan Cable Tianjin

On the afternoon of 3 December, more than 40 participants from European Chamber Tianjin and Beijing visited the new Alcan Cable Tianjin plant, one of EUCCC's active members in Tianjin.

Alcan (Tianjin) Alloy Products Co., Ltd. is the first wholly-owned world-class production base which Alcan Cable established in China. It is the latest production department of Alcan Cable, with a projected investment of 60 million USD. It covers 140000sqm in the Tianjin Airport Industrial Park. The Tianjin factory began construction in the second quarter of 2009. When completed, the factory will provide STABILOY® aluminum alloy building wire applied to residential constructions, commercial constructions, public buildings and industrial projects.



Room15A17, Suite 17, Magnetic Plaza, BinShui Xi Dao, Nankai District, Tianjin 300381.

Tel: +86 22 2374 1122 Fax: +86 22 2374 1122

Email: [tianjin@euccc.com.cn](mailto:tianjin@euccc.com.cn) [www.europeanchamber.com.cn](http://www.europeanchamber.com.cn)



# 天津韩国商会

The Korea Chamber of Commerce & Industry in Tianjin, China

## Recent Events

(최근 현황)



### 1. New Year Event

Date: 11 December 2009 17:00  
 Venue: Youth Activity Center  
 Attendees: Member and Korean expats, overseas students etc. (around 500)  
 Organizer: Tianjin Korean Chamber and Society  
 Content:  
 1) Regular General Meeting  
 2) Inauguration of the Chairman Group  
 3) New Year Dinner

### 1. <송년의 밤>행사

- ◆ 일 시: 2009년 12월 11일(금) 오후 17:00
- ◆ 장 소: 청소년 활동중심
- ◆ 참석대상: 회원사 및 한국교민, 유학생 등(약 500명)
- ◆ 주 관: 천진한국상회·천진한국인회
- ◆ 내 용: 1부) 정기총회  
 2부) 회장단 이·취임식  
 3부) 송년의 밤(만찬)

### 2. Enterprise Bank Xiqing Branch Opening Ceremony (11 December)

Time: 15:30  
 Venue: 1F-b, Building A Investment Service Center, Microelectronics Industrial Park, Jingang Road, Xiqing District  
 Person in charge: King Yong ho, Branch Director

### 2. 기업은행 서청지행 오픈식(12/11 금)

- ◆ 일 시: 15:30
- ◆ 장 소: 서청구진강공로미전자공업구(투자복무중심 A좌1F-B)
- ◆ 책임자: 김영호 지행장

### 3. Commemorative Ceremony of Tianjin Korean International School Relocation (11 December)

Time: 14:00  
 Venue: Classroom Building, Tianjin Korean International School

### 3. 천진한국국제학교 이전 기념식(12/11 금)

- ◆ 일 시: 14:00~
- ◆ 장 소: 천진한국국제학교 강당

Address: 1F, Fenglin Hotel, No. 6 Binshui West Road, Nankai District, Tianjin  
 Tel: +86 22 2395 7991~3, +86 22 2395 7991 (24-hour Hotline) Fax: +86 22 2395 7990  
 Http: www.tjkorcham.net E-mail: hanshanghui@hanmail.net



## AmCham-China Tianjin Chapter

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

### AmCham-China, Tianjin Chapter 2009 Winter Holiday Party 5:30-8:30PM, Saturday, December 12th – Renaissance Tianjin TEDA Hotel



The Tianjin Chapter held its annual end-of-the-year party on Saturday, December 12th at the Renaissance Teda Tianjin Hotel. More than 80 guests, members and non-members alike, attended the fun-filled, family event. The buffet dinner featured a variety of western and Chinese dishes. Some of the most popular dishes were the spicy, Sichuan shrimp that singed and delighted the taste buds, and the rack of lamb, whose slightly gamey flavor was perfectly complemented with a glass of red wine. Aside from a fantastic dinner, the evening included a slew of entertainment for all tastes. A magician astounded the children all evening with his sleight of hand and quick wit. Adults enjoyed the fancy footwork of a Michael Jackson impersonator, a hot, energetic dance troupe, and a live band that played English, Mandarin, and Cantonese songs. Hank Martin, Chairman of the Tianjin Chapter and MC for the evening, conducted raffle for the evening. There were a wide variety of prizes, the top one being a Heavenly Bed® compliments of The Westin Hotel. Thanks to PP&G and The Westin who helped make the event a success; smiles and laughter filled the room all evening.



9 Floor, Tower A, Global Trade Center,  
No.36 North Third Ring Road East  
Dong Cheng District, Beijing, 100013  
Tel +86 10 5825 6658  
Fax +86 10 5825 6659

### DCCC proudly announces the Danish Gala Ball 2010.



#### Upcoming Events

**January 11<sup>th</sup>** Roundtable discussion on "Retail strategies in China" (CEOs-only-event)

**January 19<sup>th</sup>** Plastered T-shirts: Building a brand in China

**January 6<sup>th</sup>** Company Visit: CAMCO – How to build a company on climate change.

#### Start February

**DCCC** starts up Young Professionals from the beginning of 2010. We **CALL UPON** all young Danes in Tianjin and Beijing to help us start up this great learning and network opportunity. If you would like to be a part of the organising team or would like to be on the **MAIL LIST**, please do not hesitate to contact Ditte at [ditte@dccc.com.cn](mailto:ditte@dccc.com.cn).

For additional information on events and schedule please visit our website: [www.dccc.com.cn](http://www.dccc.com.cn)

Please remember, you are automatically a member if your company has a membership with **DCCC**.

If you wish to receive invitations to events and news from **DCCC**, please send a request to [mail@dccc.com.cn](mailto:mail@dccc.com.cn)

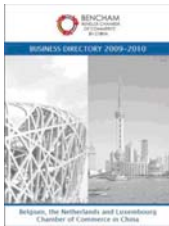
**MERRY CHRISTMAS** to all of you from **DCCC**





The Benelux Chamber of Commerce in China strengthens the business, government and community ties between Belgium, The Netherlands, Luxembourg (Benelux) and China. By representing large, medium and small sized Benelux companies, with offices in Beijing and Shanghai, we provide a wide range of services to ensure our members' success in China.

**BUSINESS DIRECTORY 2010 - 2011**

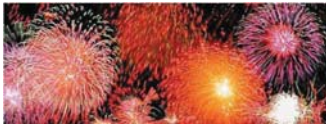


In April 2010, the second edition of the BenCham Business Directory will be published. The new edition will be sent to all our members – around 350 in total – in both Shanghai and Beijing, and will be for sale to the rest of the business community. If you want to advertise your company in our new Business Directory, please go to our website to discover the price packages, or contact Ms. Jessie Zheng at [beijing@bencham.org](mailto:beijing@bencham.org).

The Business Directory 2009-2010 is now available at a discount. Non-members can purchase a directory for 375 RMB (previously 600 RMB) per copy, members who would like to order additional copies pay 180 RMB (previously 300 RMB) per extra copy. Student members can purchase the directory for 125 RMB (previously 200 RMB per copy).

For more information or to purchase the directory, please contact Ms. Jessie Zheng – [beijing@bencham.org](mailto:beijing@bencham.org).

**BENCHAM NEW YEAR'S COCKTAIL – 14 JANUARY 2010**



*Dear BenCham Members and Friends,  
While we look back on 2009 with fond memories,  
a New Year, full of opportunities, presents itself to us.  
It is our pleasure to invite you to our*

*New Year's Cocktail Party  
On 14 January 2010*

*Come and enjoy a festive evening.*

*Taste a wide variety of finger foods and a free flow of drinks in the company of  
the Benelux embassies and BenCham members.*

*Feel free to bring your colleagues, friends and partner to raise glasses to  
a wonderful New Year.*

**UPCOMING EVENTS**

- 14 Jan 2010  
**New Year's Cocktail @ Scarlett – Hotel G**
- 22 Jan 2010  
**SME: How to manage your annual compliance processes in 2010 (Speaker: Sabrina Zhang – Dezan Shira)**
- 6 Mar 2010  
**BenCham Gala Ball: The BenCham Ball goes Expo**

For more information, check out our website.

**PAST EVENTS**

- 4 Dec 2009  
**SME: How to finance an SME (Speaker: Christine Lambert-Goue)**
- 14 Dec 2009  
**IPR Seminar: Do's and Don'ts of Protecting Your Trademarks in China, joint event with EUCCC, BritCham**
- 15 Dec 2009  
**Young Professional Event: Conflict Management**

For more information check: [www.bencham.org](http://www.bencham.org)

To register for our events, please send an email to [events-bj@bencham.org](mailto:events-bj@bencham.org) or register on our website.

**MISSION**

To strengthen the business, government and community ties between the Benelux countries and China by providing a dynamic networking platform to its members.

**BENCHAM BEIJING OFFICE**



BenCham team

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**YEARLY SPONSORS**





Camera di Commercio Italiana in Cina  
中国意大利商会  
China-Italy Chamber of Commerce

### UPCOMING EVENTS

#### 13 January 2010, Beijing New Year Interchambers Networking Zeta Bar – Hilton

The China-Italy Chamber of Commerce, the SwissCham and the EUCCC invite you to a New Year Networking at Hilton Beijing's Zeta Bar. This will be our first event in 2010 and a good opportunity to get together after the Christmas break.

Come and enjoy the fresh atmosphere of the New Year and take an opportunity to network, exchange contacts and meet Chambers' members.

#### 22-24 January 2010, Duolemeidi Ski Resort Ski&SPA 2010

In 2010, we are organizing a 2½-day Ski & Spa Trip for all our friends and members! We plan to reach Duolomeidi Mountain Resort on Friday 22 January at 10:00pm. After 2 days skiing we move back to Beijing, stopping to relax at Hualai SPA Resort.

The package includes all transportation, accommodation at I-Snow Hotel (double room, incl. breakfast), 1½-day ski pass and entrance fees to the Spa Resort (incl. towels, bathrobes, flip-flops, shower gel, shampoo) – all you need to bring is a swimming suit, warm clothing and sun protection for the slopes, and whatever else you need to enjoy the mountain side! Visit

[www.cameraitacina.com](http://www.cameraitacina.com) for more info.

### PAST EVENTS

#### 28 November 2009, Beijing Italian Grand Ball 2009

CICC wishes to thank all of our Members and Sponsors who took part and supported our Italian Grand Ball this year. Almost 275 people participated in the Italian Grand Ball 2009. After cocktails the attendees tasted a delicious Italian dinner of Paccheri pasta with eggplant and codfish served with oil and cannellini beans, all accompanied by appreciated Italian wines. After the gala dinner the party continued with raffled prizes and a band that played for guests out on the dance floor.

### SERVICES

The CICC services aim to support the entrance process and promotion of Italian companies in the Chinese market as well as to develop and facilitate trade exchanges between the two countries.

#### Information services

- Business credit reports on Chinese companies and companies registered in China;
- Consultation in laws and regulations regarding different product categories;
- Business opportunities, import and export data regarding each category and the market information of products;
- List of contact information of interpreters and translators;
- Database of curriculum vitae and publication of Job Seeker ads on the CICC website;
- List of CICC Members sorted by industry sector and business area;
- The latest news about fairs and exhibitions in China.

#### Communication and advertising services

- Organization of promotional events (logistic support, PR services);
- Direct marketing;
- Advertising on the CICC paper publications and website.

#### Assistance services

- Focused research of suppliers, purchasers, business partners and joint venture opportunities;
- Analysis of Chinese socio-economic situation and assistance during trade missions in China;
- Invitation letters for Chinese visa application.

#### Logistic assistance services

- Leasing of assembly room (with videoconference facilities);
- Leasing of office and desk, with the new Light Desk service!

To take note of the complete list of services, and find forms for service requests, visit the website [www.cameraitacina.com](http://www.cameraitacina.com) and look under the heading "Services".

### JOINING THE CHAMBER

The CICC is proud to introduce the 2010 Membership Campaign.

Membership fees have not changed compared from 2009, and will last 365 days starting from the day of payment!

Ordinary Member: 2.500 rmb  
Supporting Member: 5.000 rmb

Joining as a Supporting Member in 2010 is even more convenient:

- one rotational banner published on the home page of the CICC website for the entire association period;
- one service free of charge, either "information and contacts" or "assistance service" (except for those services requiring a quotation);
- two Membership Cards;
- two copies of the 2009-10 Membership Directory;

Joining the CICC for the first time is quick and easy. Either:

a) Chose between one of the four different application forms on-line, or

b) Contact the chamber by:

- Sending (email or fax) a copy of your Business Licence or Visura Camerale for the Members from Italy;
- Sending (email or fax) a copy of the application form, sealed and signed;
- Paying the Membership Fee (cash or cheque) at your nearest chamber office or via bank transfer.

If you are an old Member and you want to renew your membership for 2010, please submit your membership fee by bank transfer or visit one of our offices to pay by cash or cheque.

For any information or request, please visit our website [www.cameraitacina.com](http://www.cameraitacina.com) or contact our offices:

Beijing  
Unit 2607, Full Tower, 9, Dong San Huan  
Zhong Lu Chaoyang District, 100020,  
Beijing China  
Tel: 0086-10-85910545 Fax:  
0086-10-85910546  
[info@cameraitacina.com](mailto:info@cameraitacina.com)

Shanghai  
Unit 3605-3606A, The Center,  
989 Changle Road 200031  
Shanghai, China  
Tel: 0086-21-54075181 Fax:  
0086-21-54075182  
[infoshanghai@cameraitacina.com](mailto:infoshanghai@cameraitacina.com)

Guangzhou  
Room 1401, International Financial Place,  
No.8 Huaxia Road,  
Pearl River New City 510425  
Tel: 0086-20-85160147 Fax:  
0086-20-85160149  
[infoguangdong@cameraitacina.com](mailto:infoguangdong@cameraitacina.com)

Shenzhen  
Room 220, 2/F, Int'l Chamber of Commerce  
Tower, 3rd Fuhua Road, Futian  
District, 518048 Shenzhen, China  
Tel: 0086-755-88311675  
Fax: 0086-755-88312127  
[infoshenzhen@cameraitacina.com](mailto:infoshenzhen@cameraitacina.com)



# Tianjin and Beijing Events in January 2010 ▶

## ▶ Business Events

Date	Event	Location	Organizer
Dec.18-Jan. 3	New Year Shopping Festival	Tianjin International Exhibition Centre	
Jan.6	Company Visit: CAMCO – How to build a company on climate change	TBD	Danish Chamber of Commerce in China
Jan.11	Roundtable discussion on “Retail strategies in China” (CEOs-only-event)	Royal Danish Embassy in Beijing, San Li Tun Dong Wu Jie 1 16:00 - 19:00 300 CNY	
Jan.14	New Year's Cocktail	 Scarlett – Hotel G (No. A7 Gongtixilu, Chao Yang District, Beijing) 18:30-22:00 Price: BenCham members and their spouses: 250 CNY Non members: 350 CNY	BENCHAM
	Chinese Spring Festival Food Group Phachasing in Beijing	 Beijing Exhibition Center	Ba Jiu Dian (Beijing) Cultural Transmission Co. Ltd.
Jan.19	Plastered T-shirts: Building a brand in China	TBD	Danish Chamber of Commerce in China
Jan.22	SME: How to manage your annual compliance processes in 2010	15:00-17:00	BENCHAM

## ▶ Leisure Events

Date	Event	Location	Organizer
Jan.1-2	Symphonia Vienna Tianjin New Year Concert	Tianjin Concert Hall 19:30 280/480/680/880/1080/1280 CNY	Tel: +86 22 2777 8571 +86 22 2730 7780 400-818-3333
Jan.2	"Qun Ying Hui": The Gathering of the Brilliant - Tianjin Winter Music Festival Heavy Rock Special	Yicoo Creative Zone in Hongqiao District 60 CNY	Tel: +86 13612087080/ 13012257305
	TICC Coffee Mornings	Sheraton Hotel Tianjin	TICC
Jan.3	Yin Cheng Zong Piano Recital	Tianjin Concert Hall 19:30 80/180/280/480/680/800 CNY	Tel: +86 22 2777 8571 +86 22 2730 7780 400-818-3333
Jan.4	Pay Tribute to Chopin - Concert for 200th Anniversary of Chopin's Birth	Tianjin Concert Hall 19:30 50/100/180/280/380/500 CNY	
Jan.14	TICC Monthly Lunch	TBD	TICC
Jan.16	Cointreau Party : Revels Night at Feeling Club	Feeling Club	Tel: +86 22 2825 1919
Jan.18	Spanish Flamenco Dance	Tianjin Jinwan Plaza Theatre 19:30 680/480/380/280/180/100 CNY	Tel: +86 22 2777 8571 +86 22 2730 7780 400-818-3333
Jan.30	Mongolian Pastoral For The Prairie Tianjin Concert	Tianjin Concert Hall 19:30 50/100/180/280/380/500 CNY	

## ▶ Special Days

Jan.1	New Years' Day	Jan.22	Là Bā (Rice Porridge Festival, the 8th day of the 12th lunar month)	
Jan.5	Xiǎo Hán (Lesser Cold)			
Jan.20	dà hán (Great Cold)	Jan.31	World Leprosy Day	

**TIANJIN**

**Chinese**

**China Station**

2F, Radisson Plaza Hotel Tianjin  
No. 66, Xinkai Lu, Hedong District  
Tel: +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

**Cuiheng Village**

2F, block C, Huasheng Plaza  
No. 146, Weidi Dao, Hexi District  
Tel: +86 22 8823 8986  
翠亨邨  
河西区围堤道146号华盛广场C座2层

**Ding Tai Fung**

No. 18, the junction of Zijin Shan Lu and Binshui Dao, Hexi District  
Tel: +86 22 2813 8138  
鼎泰丰  
河西区宾水道与紫金山路交口18号

**Fortune Restaurant**

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

**Fountain Lounge**

Hyatt Regency Jing Jin City  
Resort & Spa  
No. 8, Zhujiang Da Dao  
Zhouliang Zhuang, Baodi District  
Tel: +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

**Go Believe**

Shipin Jie, Heping District  
Tel: +86 22 2727 1116  
狗不理  
和平区食品街

**Tao Li Chinese Restaurant**

6F, Hotel Nikko Tianjin  
No. 189, Nanjing Lu, Heping District  
Tel: +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

**Indian**

**Alibaba Indian Restaurant & Bar**

2F, Sports Hotel  
No. 90, Weijin Nan Lu  
Nankai District  
Tel: +86 22 2391 6368  
阿里巴巴印度餐厅酒吧  
南开区卫津南路90号体育宾馆2楼

**Japanese**

**Benkay Japanese Dining**

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

**Chitose**

5F, Ningfa Group  
No. 21, Shuishang Dong Lu  
Nankai District  
Tel: +86 22 2392 0287  
千登世  
南开区水上东路21号宁发集团5层

**Kasumi**

1F, Crowne Plaza Tianjin Binhai  
No. 55, Zhongxin Da Dao  
Airport Industrial Park  
Tel: +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**

2F, Radisson Plaza Hotel Tianjin  
No. 66, Xinkai Lu, Hedong District  
Tel: +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

**Seitara**

Sheraton Hotel Tianjin  
Zijin Shan Lu, Hexi District  
Tel: +86 22 2335 0909  
清太郎日本料理  
河西区紫金山路天津喜来登大酒店

**Thai**

**Golden Elephant Thai Restaurant**

No. 78, the junction of Yong'an Dao and Guangdong Lu, Hexi District  
Tel: +86 22 2328 7801  
金象苑泰国餐厅  
河西区广东路与永安道交口78号

**YY Beer House**

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

**Western**

**Broadies Tavern**

No. 16, Bar Street, Youyi Lu  
Hexi District  
Tel: +86 22 8837 0933  
部落地西餐酒吧  
河西区友谊路酒吧街16号

**Café@66**

1F, Radisson Plaza Hotel Tianjin  
No. 66, Xinkai Lu, Hedong District  
Tel: +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

**C'est la Vie French Restaurant**

3F, bldg. D, Shang Gu  
Tianta Dao, Nankai District  
Tel: +86 22 2341 9808  
三乐味法国餐厅  
南开区天塔道上谷商业街D座3层

**Glass House**

Hyatt Regency Jing Jin City  
Resort & Spa  
No. 8, Zhujiang Da Dao  
Zhouliang Zhuang, Baodi District  
Tel: +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

**Hank's Sports Bar & Grill**

No. 56, 1F, bldg. B, Shang Gu  
Tianta Dao, Nankai District  
Tel: +86 22 2341 7997  
汉克斯运动酒吧  
南开区天塔道上谷商业街B座1层56号

**La Seine**

No. 50, Tianjin Istyle Town  
Ziyou Dao, Hebei District  
Tel: +86 22 2446 0388  
赛纳河法国餐厅  
河北区自由道意大利风情街50号

**Pan Shan Grill & Wine**

2F, Main Building  
Sheraton Hotel Tianjin  
Zijin Shan Lu, Hexi District  
Tel: +86 22 2334 3388 ext.1820  
盘山葡萄酒扒房  
河西区紫金山路天津喜来登大酒店主楼2层

**Pizza Hill**

Bldg. B, Magnetic Plaza  
Lingbin Lu, Nankai District  
Tel: +86 22 2385 5025  
天津嘉喜来比萨餐饮  
南开区凌宾路奥城商业广场B区

**Spectrum All-Day Dining**

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

**Venezia Club**

No. 48, Tianjin Istyle Town  
Ziyou Dao, Hebei District  
Tel: +86 22 8761 3413  
威尼斯酒吧  
河北区自由道意大利风情街48号

**Wyndsong Restaurant**

1F, Crowne Plaza Tianjin Binhai  
No. 55, Zhongxin Da Dao  
Airport Industrial Park  
Tel: +86 22 5867 8888 ext. 2333  
风之细语西餐厅  
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1层

**Banks**

**Agricultural Development Bank Tianjin Branch**

FF, bldg. B, no. 139, Nanjing Lu  
Heping District  
Tel: +86 22 2711 5744  
中国农业银行天津分行  
和平区南京路139号B座F层

**Bank of China, Tianjin Branch**

No. 80, Jiefang Bei Lu  
Heping District  
Tel: +86 22 2710 2001  
中国银行天津分行  
和平区解放北路80号

**Bank of East Asia (BEA)**

Bldg. G, Rome Gardens  
No. 47, Youyi Bei Lu, Hexi District  
Tel: +86 22 2332 1662  
东亚银行有限公司  
河西区友谊北路47号 罗马花园G层

**BNP Paribas**

11F, The Exchange  
No. 189, Nanjing Lu, Heping District  
Tel: +86 22 2318 7000  
法国巴黎银行  
和平区南京路189号津汇广场11层

**Magnetic Branch**

Magnetic Plaza  
No. 1, Binshui Xi Dao  
Nankai District  
Tel: +86 22 5839 1358  
奥城分行: 宾水西道1号楼奥城商业广场

**China Construction Bank**

No. 19-1, Nanjing Lu, Hexi District  
Tel: +86 22 2340 1616  
中国建设银行分行  
河西区南京路19号曾1号

**Citibank**

18F, The Exchange  
No. 189, Nanjing Lu, Heping District  
Tel: +86 22 8319 1988 ext. 73812  
花旗银行  
南京路189号津汇广场18层

**HSBC, Tianjin Branch**

Ocean Shipping Plaza  
No. 1, Haihe Dong Lu  
Hebei District  
Tel: +86 22 5858 8888  
香港上海汇丰银行天津分行  
河北区海河东路远洋广场1号

**Standard Chartered**

36F, The Exchange  
No.189, Nanjing Lu, Heping District  
Tel: +86 22 8319 1360  
渣打银行  
和平区南京路189号津汇广场36层

**Woori Bank**

Bldg. 1, Magnetic Plaza  
Binshui Xi Dao, Nankai District  
Tel: +86 22 2338 8008

友利银行  
南开区滨水西道奥体商业广场1号楼

**Car Dealers**

**Porsche Center Tianjin**

No. 59, Qiche Yuan Zhong Lu  
Airport Industrial Park  
Tel: +86 22 2435 9911  
天津保时捷中心  
空港物流加工区汽车园中路59号

**Tianjin Star**

No. 28, Huanhe Bei Lu  
Airport Industrial Park  
Tel: +86 22 8490 9090  
天津之星  
空港物流加工区环河北路28号

**Tianjin Tianbao Auto Sales & Service**

No. 70, Huanhe Bei Lu  
Airport Industrial Park  
Tel: +86 22 8827 7777  
天津天宝汽车销售服务有限公司  
空港物流加工区环河北路70号

**Chambers**

**European Chamber, Tianjin Chapter**

Room 15A17, Suite 17  
Magnetic Plaza  
Binshui Xi Dao, Nankai District  
Tel: +86 22 2374 1122  
中国欧盟商会天津分会  
南开区滨水西道奥体商业广场15A17座17室

**German Business Circle Tianjin**

**Deutscher Unternehmerkreis Tianjin, DUT**  
Office 803, Huake Center  
No. 3, Kaihua Dao, Huayuan Industrial Area, Nankai District  
Tel: +86 22 8371 7855  
天津德国人联谊会  
南开区华苑产业区开华道3号华科创业中心803室

**German Chamber of Commerce, Tianjin Office**

No. 3, Yuliang Lu, Nankai District  
Tel: +86 22 2301 1709  
德国商会天津分会  
南开区育梁路3号

**The American Chamber of Commerce, Tianjin Chapter**

Room 2918, 27-29F, bldg. B, The Exchange  
No. 189, Nanjing Lu, Heping District  
Tel: +86 22 2318 5075  
美国商会天津分会  
和平区南京路189号津汇广场B座27-29层2918室

**Tianjin Japanese Association**

Room 607, International Building  
No. 75, Nanjing Lu, Heping District  
Tel: +86 22 2313 2522  
天津日本人会  
和平区南京路75号国际大厦607室

**Tianjin Korean Chamber of Commerce & Industry**

1F, Feng Lin Hotel  
No. 6, Binshui Xi Dao  
Nankai District  
Tel: +86 22 2395 7991  
天津韩国商会  
南开区滨水西道6号枫林宾馆1层

**Tianjin Korean Society**

1F, Feng Lin Hotel  
No. 6, Binshui Xi Dao  
Nankai District  
Tel: +86 22 2395 6600  
天津韩国人会  
南开区滨水西道6号枫林宾馆1层

**Education**

**International Schools**

**International School of Tianjin**  
Weishan Lu, Jinnan District  
Tel: +86 22 2859 2001  
国际学校天津分校  
津南区津南微山路

**Tianjin International School**

No. 1, Meiyuan Lu, Huayuan Industrial Area, Nankai District  
Tel: +86 22 8371 0900  
天津国际学校  
南开区华苑产业区梅苑路1号

**Tianjin Rego International School**

No. 38, Huandao Xi Lu  
Meijiangu South  
Hexi District  
Tel: +86 22 8816 1180  
天津瑞金国际学校  
河西区梅江南环岛西路38号

**Kindergartens**

**Hopeland International Kindergarten & Day Care Center**

No. 46, Xiaguang Dao, Weijin Nan Lu, Nankai District  
Tel: +86 22 2392 3803  
华兰国际幼稚园  
南开区卫津南路霞光道46号

**Universities**

**German Language Centre Tianjin Foreign Studies University**

Bldg. 3, Tianjin Foreign Studies University  
No. 177, Machang Dao  
Hexi District  
Tel: +86 22 2326 5642  
天津外国语学院 歌德语言中心  
河西区马场道117号天津外国语学院3号楼

**Event Planning**

InterMediaChina is Tianjin's premiere event planning company. We will pinpoint the features that can make your event a success and ensure that your target audience is reached through superb advertising and promotion. Also arrange the following:

- Budgeting
- Selecting and reserving the event site
- Transportation and parking

To set up an event with InterMediaChina, please send e-mail to gm@intermediachina.com

**Exhibition Centre**

**Tianjin International Exhibition Center**

No. 32, Youyi Lu, Hexi District  
Tel: +86 22 2801 2988  
天津国际会展中心  
河西区友谊路32号

**Hotels & Apartments**



**Crowne Plaza Tianjin Binhai**

No. 55, Zhongxin Da Dao  
Airport Industrial Park  
Tel: +86 22 5867 8888  
天津滨海圣光皇冠假日酒店  
空港物流加工区中心大道55号

**Golden Crown Hotel**

No. 18, Nanjing Lu, Hexi District  
Tel: +86 22 2303 8866  
金皇大酒店  
河西区南京路18号

**Golden Ocean Hotel**

No. 338, Nanjing Lu, Nankai District  
Tel: +86 22 2746 6666  
金泽大酒店  
南开区南京路338号

**Holiday Inn Tianjin Riverside**

Phoenix Shopping Mall  
Haihe Dong Lu, Hebei District  
Tel: +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**

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

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

No. 8, Zhujiang Da Dao  
Zhouliang Zhuang, Baodi District  
Tel: +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 Plaza Hotel Tianjin**

No. 66, Xinkai Lu, Hedong District  
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# Radisson

PLAZA  
HOTEL TIANJIN  
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## Seared Foie Gras and Braised Oxtail Meat – A Feast of Favours

Chef Xavier Joseph is an expert in worldwide food. He was born in Malaysia, has a Portuguese background and grew up in the USA. His passion isn't Asian, European or African per se, but the mixture of them all. Fusion food is his motif and his experience as a chef in the USA, France and Italy, among other countries, made him capable of creating unique dishes with flavors from the four corners of the world.

This month Chef Joseph prepares seared foie gras and braised oxtail meat in puff pastry with fig compote and black truffle sauce. A delicacy impossible to resist! Bon appétit!



**Xavier Joseph**  
chef@business.tianjin.com

### Ingredients

- Beef Stock 1/2L
- Cabbage 10g
- Demi Glaze 1/2L
- Fig Compote 10g
- Foie Gras 60g
- Orange Juice 5mL
- Oxtail 50g
- Port Wine 10mL
- Puff Pastry 1 portion
- Sugar 5g
- Tart Shell 1 portion
- Tomato Sauce 1/2L
- Truffle 5g
- Vinegar 10mL
- Salt and pepper

### Preparation

#### Fig Compote

- Mix the sugar, orange juice and vinegar in a sauce pan.
- Add the figs and stir until it acquires a soft consistency and put in the tart shell.

#### Oxtail

- Braise the oxtail with the tomato sauce and beef stock until tender.
- ½ hour later, cool down the meat and remove the bone.
- At the second boil stop the fire and itadakimasu!

#### Truffle Sauce

- Reduce the demi glaze, Port Wine and truffles in a frying pan until they have a thick consistency.

#### Foie Gras

- Slice foie gras.
- Season with salt and pepper.
- Pan-sear the foie gras until it's golden brown.
- Place the oxtail meat on top of the puff pastry.
- Place the foie gras on top of the meat.
- Place the truffles sauce on top of the foie gras.
- Garnish with the fig compote tart and cabbage.



**Time of preparation**  
40 minutes

**Drinks**  
Merlot, Cabernet

#### Chef's Tips

The foie gras should be the last step.  
If you can't find Port Wine, try a Merlot.  
Garnish with other vegetables or fruits.

**Fusion food at Café@66 at the Radisson – Where worldwide food becomes a Tianjin delicacy.**



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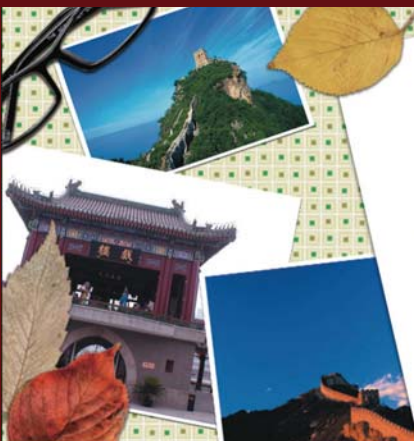
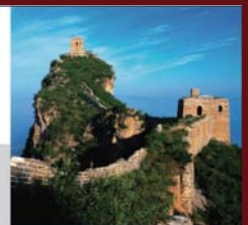
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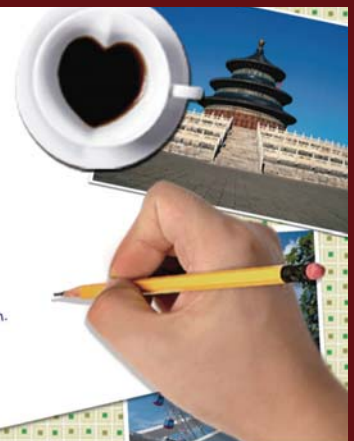
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## EVERYDAY AIDS TO COMMUNICATION

### Can you speak without a voice?

If the larynx is destroyed by disease or in an accident, normal vocalization is no longer possible. In such cases, an electronic speaking device can be used that produces sound and takes over the functions of the larynx.

The sound is transmitted via the surface of the throat into the vocal tract of the pharyngeal space. The user can articulate new sounds by using mouth and tongue movements that are comparable to those used in natural voice training.

A certain amount of practice is needed to use this device and the resulting speech that is created sounds extremely artificial, mainly because the device cannot alter the pitch to give the speech any melody, tone or emotion.

### Can hearing loss be cured?

Hearing loss and deafness can have several causes, some of which can be treated so that the natural ability to hear is restored. Conventional hearing aids can only amplify incoming sound waves, which means that unwanted sounds (e.g. background noise) are also amplified. For this reason, the latest models are increasingly turning to digital technology, which is able to adjust the level of amplification automatically and adapt it to the surroundings within split seconds. A further advantage with the digital hearing aids is that it is possible to locate the sound source using several microphones and thus control the incoming sound more effectively. This is not possible with analog hearing aids.

### How are blind people able to read?

A computer can make it easier for visually impaired people to read. Printed works are scanned into the computer and a special pro-

gram is able to change individual parts of the text on the monitor (e.g. by increasing the contrast or enlarging it) so that people who are not completely blind can still detect something. Another aid that is not dependent on a computer – a screen reading device – works on the same principle. However, these days it is hardly ever used – at most in a transportable form as an electric magnifier.

A different computer program changes the texts displayed on the monitor into data format and enables the contents of the screen to be read aloud via voice output software.

More frequent, however, is the use of a different software program to convert the text into Braille, which can then be accessed by a Braille display connected to the computer, enabling the reader to read the contents of the screen by touch. Apart from the traditional Braille keyboard, there are also keyboards for specialized use, which can deal with specialist material such as shorthand and music notation.

### Are there any improved communication devices in the pipeline?

To some extent, yes. There are ongoing experiments with artificial voice boxes, for example. Although no model has reached production stage, most recent developments show a marked improvement in quality.

There has also been progress with digital hearing aids in the last few years. Digital

processing of acoustic signals is much more rapid, and sounds can also be filtered so that it is possible to cut out background noise.

Up to now it has not been possible to produce an artificial eye, but tests have been done for a vision prosthesis that sends image signals to the brain via the optic nerve.

### High-tech wheelchairs

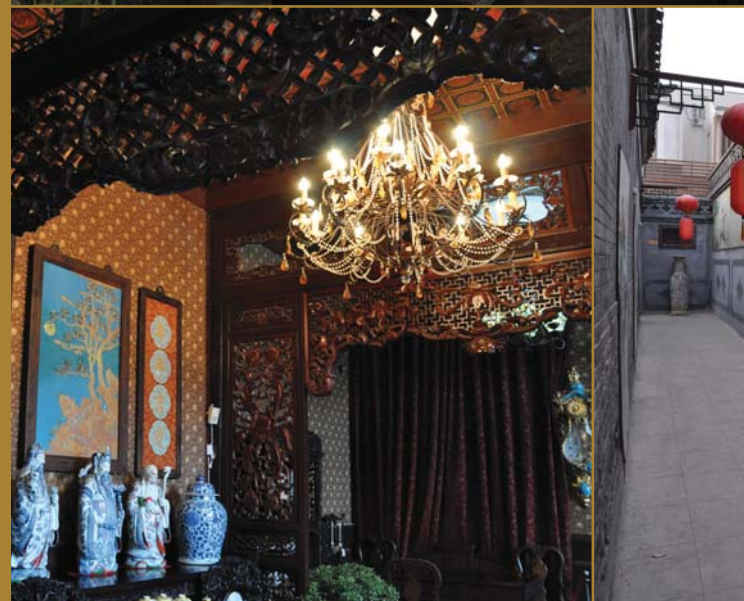
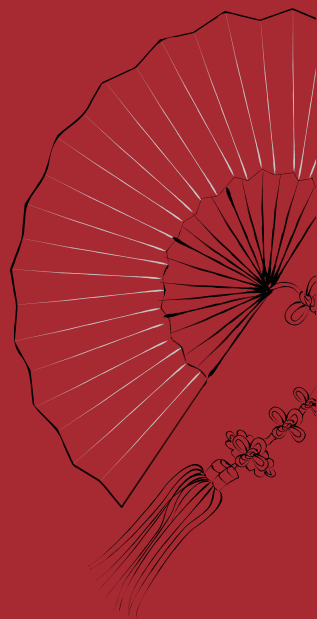
Diseases or accidents can leave people reliant on wheelchairs that must provide for more than just mobility. Over recent years, there have been a number of individual motorized wheelchair models equipped with computers that aid communication. Professor Stephen Hawking, for example, communicates with the aid of such a computer, which is controlled by the user's eye movements and through which he can project his synthesized voice. ☐



# Princess Residence Museum

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Price: 10CNY





**T**ianjin Princess Residence Museum, called Gege Fu, is a cosy relic invitingly standing in one of Gulou's busiest streets, Gulou Nan Jie.

The Princess Residence is unlike any other museum. It is a successful revival project designed to show China's greatest treasures from the Shang Dynasty (1600 BC-1046 BC) to the Qing Dynasty (1644-1912). A few of the priceless artefacts of this private collection are rich yellow and green Han bronze horses, red dragon ceramics used exclusively by emperors, calligraphy paintings by Empress Cixi, decorative artefacts owned by Puyi, gold and silk gloves, and noble jewellery pieces. What also makes it so distinctive is the fact that the museum is a picturesque Qing Dynasty aristocratic mansion divided and structured according to the architectural requirements of the emperor. Representing the gracefulness of all things dictated by imperial patterns, this mansion was once owned by Princess Gege Fu (1886-1944).

Aside from the works of art, the museum itself encloses a history many are unaware of. The walls stow the secrets of one of the most disruptive and intriguing times in Chinese history, the reign of the Guangxu Emperor (1871-1908) during the Qing Dynasty. Yu Derling, or Princess Derling as she would be later named, lived for three years in this house. Also called Gege Fu, the princess was the personal interpreter for Empress Dowager Cixi (1835-1908). Perhaps the most prominent and famous woman in Chinese history, Cixi personally requested the presence of Gege Fu at the Forbidden City.

The princess was the daughter of a wealthy Manchu aristocratic diplomat and a French woman. Her parents' busy lifestyle led her to travel for all her youth and helped her become proficient in eight languages. After two years at the Forbidden City, the princess then came to Tianjin.

The last and most private of the buildings is the personal chamber of Gege Fu. Although not extensive in size, her chambers reflect her family background. Eclectically decorated with Chinese, Japanese, and western artefacts and motifs, this hall houses a unique collection.

The exceptional history of the one-time home to Princess Yu Derling goes on. A patron of the arts and history, Tianjin actress Zang Xiuyun, on an altruistic effort, acquired the house and made it a tribute to Chinese cultural accomplishments, to Gege Fu, and to the mansion's own history. As she Zhang, "To see the present we must review the past."

Don't miss this exhilarating trip down thousands of years of rich history, imperial intrigue and aristocratic taste. **B**

## China Beyond By Ogilvy & Mather Greater China

Reviewed by Joei Villarama

A book created by a team from one of the greatest brand-builders the world has known, China Beyond contains insights into the consumer, entrepreneurial and everyday habits of people from China's 4th to 6th tier cities. For those in advertising, marketing and public relations, or for those always on the look-out for novel ideas, this is a practical introduction documenting snippets and glimpses of life in provinces with a per capita income of 4,000 to 19,000 CNY. Through hand-labelled photos and descriptive essays, China Beyond takes us into the apartments, small towns and villages of Chinese folks, through the streets, into their living rooms and often into their dreams.

The essays start with a themed observation that builds up to a golden nugget of a suggestion that could potentially be developed into a marketing strategy: what the world needs now are more consumers – albeit more discerning and educated.

From QQ to mobile phones, from cybercafés to grocery stores, much can be gleaned from the day-to-day humdrum of existence and the objects and activities that fill up lives. What are the implications for enterprises? Add more entertainment and “spontaneous dimension” to mobile phone use; collaborate with marketers to sell home makeovers; tie up quality with concepts of family traditions and values for premium brands to penetrate the low-tier market.

Advertising can potentially morph into something more than the usual given the manner in which people move through space and congregate in the public environment. “Suddenly, the paradigm is not about a fixed or moving target viz. people at a place or people moving around to get somewhere. Instead it is about mapping the way people go about their city and then find ways of reaching them in the right frame of mind.”

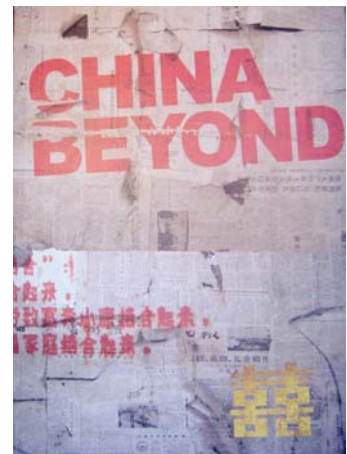
Counterfeit products account for 15 to 20% of products made in China. Most news focuses solely on luxury fakes, yet the most smile-and-laughter-inducing pictures in this book are of imitation consumer goods – Tender for Tide, Eink for Nike, Oily for Olay, Avoid for Avon. The humorous irony of word play gets lost in the “innocent” transliteration of their copycats. China Beyond shows how the retail landscape in lower-tiered cities is as diverse as in the big cities. Companies must learn how to better nurture healthy and interdependent relationships with retailers, never underestimating the fact that in these areas, the consumers' lack of product knowledge gives the retailers more power.

One repeated proposal looks at the limited career options available to the young and ambitious. Why not have a “skills and aptitude testing mobile lab” that goes from town to town helping kids discover themselves? Through community projects like these, brands can be seen as enablers in self-definition and releasers of untapped potential. Adopt young Chinese to be mentored online, giving them more direction in their lives while optimizing the information infrastructure. These activities grow the market and the nation as well by empowering youth, investing time and resources in skill and talent development.

Another field packed with possibilities are the small and medium enterprises (SMEs) whose start-up capital comes mostly from personal savings, family and friends. According to a World Bank study, only 0.5% of SMEs could obtain loans from banks, yet SMEs account for 58% of GDP and 70% of job opportunities (2006). The figures beckon companies to liaise more meaningfully with SMEs.

While the book's writing style may be uneven since the essays are written by people with different English abilities, its emphasis is not so much on the literary. It lies in the perspectives it affords of swathes of Chinese society which may be far from prosperous and successful compared to their Beijing and Shanghai counterparts, but nevertheless share a common and driven optimism about the future.

*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.*



Language: English, Chinese  
Soft cover: 167 pages  
Price: 500 CNY + Shipping

## QUOTATIONS OF THE MONTH

**Success is the maximum utilization of the ability that you have.**

— Zig Ziglar

**When you are content to be simply yourself and don't compare or compete, everybody will respect you.**

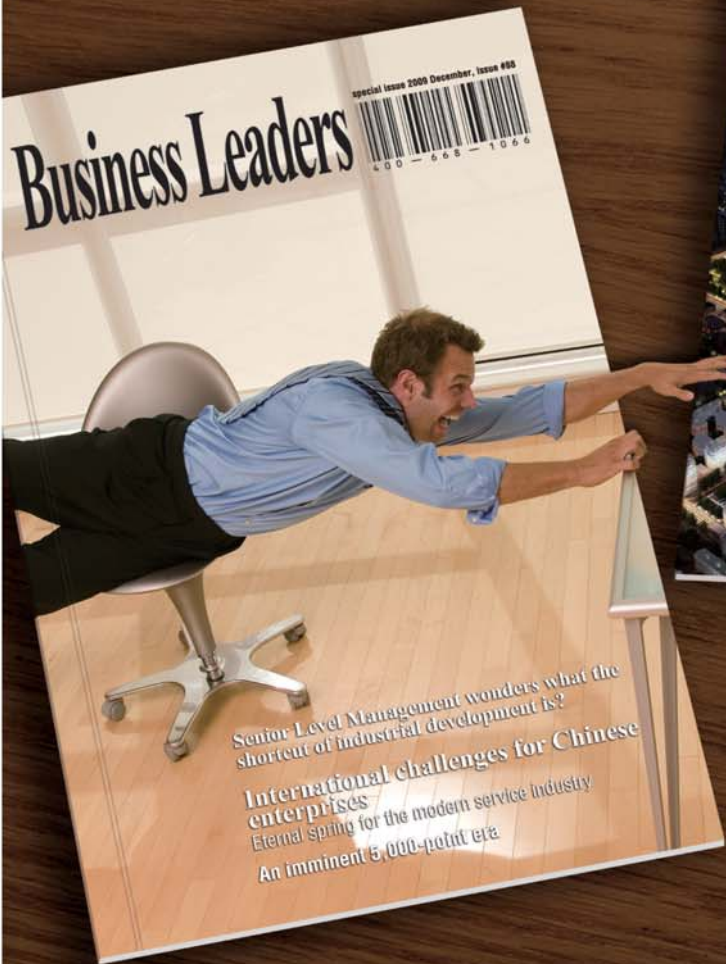
— Lao Tzu

**To see what is right and not to do it is want of courage.**

— Confucius

**Success usually comes to those who are too busy to be looking for it.**

— John Barrymore



## Incredible attraction

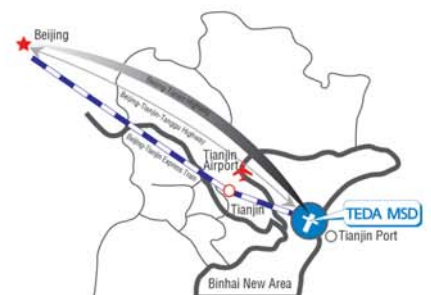
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