

Insight Into a Changing Tianjin

**BUSINESS**  **津衛商務**  
**MAGAZINE TIANJIN**

# FORGING AHEAD

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Tenova-TIMEC Company, Ltd. Tianjin**

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Business Tianjin / February 2011



## Free trade vs. protectionism

Government actions and policies that restrict or restrain international trade are often done with the intent of protecting local businesses and jobs from foreign competition. A government is said to be engaging in protectionism if it interferes with any all of these measures. In recent years, protectionism has become closely aligned with anti-globalization. [See P12](#)



## Energy demand and green business

China is rapidly emerging as a global leader in renewable energy. Building on its abundant talent, a huge domestic market, development of related industries and massive investment in cutting-edge infrastructure like smart grids, China is well-positioned to overtake developed nations. [See P19](#)



## Forging ahead

Italian-born Andrea Vanzini is the GM of TIMEC, a local leader in supplying technology, products and services for the metal and mining industries. He manages a workforce of over 250 and oversees production activity here. [See P24](#)



## Chinese vs. Western parenting

A fascinating piece appeared in the Wall Street Journal on 8 January by Amy Chua, a professor at Yale Law School, titled "Why Chinese Mothers are Superior". The author was upfront about what some might see as harsh tactics in pushing her two daughters to pursue excellence, and made me consider the differences between "Chinese" and "Western" parenting. [See P69](#)

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February 2011



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Dear Reader,

President Hu just concluded his state visit with President Obama in Washington, DC as of this writing. Considering his first visit came prior to the global economic crisis, it is worth noting a few comparisons.

In 2006, Hu was invited by President George W. Bush for a non-state-designated lunch at the White House. The US-China trade deficit ran 234 billion USD that year, and China's economy grew at around 11%. Hu reaffirmed a promise to lead a more consumer-driven economy, but made no concession on currency revaluation of a quasi-pegged CNY (then 8.02 per USD).

Yet CNY slowly appreciated. And China's promised domestic demand developed. When the global crisis struck, domestic consumption helped China recover quickly.

This year Hu was welcomed back to a fully designated state dinner, complete with all the formality of a global political dialogue. Over the past 4 years, the two nations' annual trade deficit has increased a relatively modest 8%, to 252 billion USD, though China's GDP still grew close to 10%. China's booming consumer-driven economy and strengthened currency (now 6.59 CNY per USD) suggest steady progress for both nations.

Obama quipped to Hu that the US still wants "to sell you all kinds of stuff". And though obstacles continue to stand in the way of free trade, economic indicators point up.

For commentary on trade developments with China, please read through this month's Economy, Feature Story on protectionism, Press Reviews and Legal Assistance columns.

As always, we 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.

Sincerely,

**Jamie Michael Kern**

**Chief Editor – Business Tianjin magazine**

Data from the National Bureau of Statistics, US Census Bureau, OANDA.com and Time magazine.



**TIANJIN NEWS**

**Binhai GDP exceeds Pudong's**



Tianjin Binhai New Area's GDP amounted to 223.13 billion CNY (33.68b USD) in the first half of this year, exceeding the 222.66 billion CNY generated by the Shanghai Pudong New Area, the China Business News (CBN) reported Tuesday. This is the first time that Binhai's GDP has exceeded that of Pudong. Binhai generated 380 billion CNY in GDP in 2009, while Pudong generated 400 billion CNY. Binhai's development is mainly driven by investment on resources and projects, the CBN reported.

- *China Daily, 30 December*

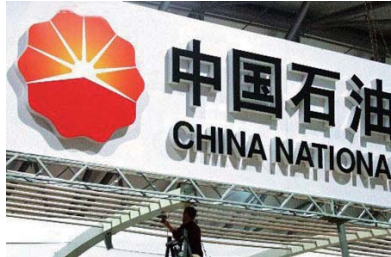
**Tianjin Steel inks iron ore purchase agreement**



It is reported that Chinese steelmaker Tianjin Iron and Steel Corporation Ltd. has inked an iron ore purchase agreement with Hainan, China-based iron ore miner Hainan Mining Corporation Ltd. According to the agreement, Hainan Mining will supply an annual volume of 450,000 tonnes of iron ore to Tianjin Steel from the beginning of 2011 to the end of 2015 for an estimated aggregate contract volume of 2.25 million tonnes of iron ore. Hainan Mining has proven reserves of 270 million tonnes of iron ore with an annual iron ore production of 4.6 million tonnes.

- *SteelGuru, 27 December*

**PetroChina completes crude oil storage project**



PetroChina Co. Ltd., the nation's top oil producer, has completed its 1 million cubic meters of commercial crude oil storage in Tianjin, according to a news briefing on the Tianjin Municipal Government's website. The briefing says the completion of this project is expected to help stabilize the energy supply and ease oil price fluctuation. Pursuant to an agreement signed in September between China and Russia, this project will be used to store crude oil needed by the oil processing joint ventures between these two countries in Tianjin.

- *China Knowledge, 28 December*

**Baltimore firm to design China's biggest mall**

A Baltimore-based architecture and planning firm announced Monday that it has been selected to design China's largest shopping center. Design Development Group Inc. said it won a contract to design the retail component of a mixed-used project called the Tianjin City Culture Center Development, planned for a site less than 50 miles outside Beijing's central business district. It didn't disclose financial terms of the contract.

- *Baltimore Sun, 4 January*

**Singapore's boost for Tianjin Eco-city**



To encourage more Singapore-based companies to participate in the Tianjin Eco-city, International Enterprise (IE) Singapore is offering its new Tianjin Eco-

city Assistance Programme. Ms. Grace Fu, Senior Minister of State for National Development and Education and Vice Chairman of the Singapore-Tianjin Economic and Trade Council, announced this at the Sino-Singapore Tianjin Eco-city Investment Promotion Seminar organized by IE Singapore on Friday. Singapore-based companies can now enjoy a grant of up to 150,000 USD to set up a physical presence in the Eco-city, develop in-market expertise for key staff, and penetrate the local market. Located within Binhai New Area, Tianjin Eco-city has attracted some 1.19 billion CNY (232m USD) making up 46% of Eco-city's total commercial investments from Singapore-based companies as of December 2010.

- *Straits Times, 7 January*

**Melbourne strengthens business ties with Tianjin**



A Melbourne Council-appointed business delegation is expected to travel to sister city Tianjin once every two years, as councillor Carl Jetter said more could have been done in the past to boost business ties. Councillors Jetter, Kevin Louey, Ken Ong and Deputy Lord Mayor Susan Riley visited the Chinese city in October to commemorate the 30th anniversary of the relationship. A report on the trip was presented at the 21 December council meeting, with a motion passed to endorse a biennial business mission programme. The first business delegation is set to visit Tianjin in 2012.

- *Gov Monitor, 10 January*

**Siemens signs contract with Tianjin Metallurgy Group**

Siemens VAI has signed a contract with Tianjin Metallurgy Group Zhasan Youfa Iron & Steel Co. Ltd. to produce a rod outlet for a new rod mill, which will enable the company to produce high-end rod products

with thermomechanical rolling. This is the third mill that Siemens will build for the Tianjin Metallurgy Group. Commissioning is scheduled for year-end 2011. Depending on product mix, the new mill should produce approximately 700,000 tpy with guaranteed speeds of 112 meters per second.

- 12 January

**Jinbin Development to establish real estate fund**



Property developer Tianjin Jinbin Development intends to inject 152 million CNY to set up Tianjin Jinbin Futong Investment, a wholly controlled subsidiary that will subscribe to 150 million limited partnership shares of Jinhe Development Equity Investment Fund Partnership, reports stcn.com, citing a company filing. Jinhe Development is the first joint venture real estate fund set up by Jinhe Equity Investment Management

Company. The fund plans to raise 0.5-1.5 billion CNY while its partner, Futong, will contribute 150 million CNY.

- CapitalVue, 13 January

**Tianjin to build world's largest wine center**



Hong Kong-listed Goldin Properties Holdings Ltd., Tianjin Port (Group) Co. and Dongjiang Free Trade Port have

inked the "Goldin Wine Wholesale and Distribution Center" agreement to jointly build the world's largest wine distribution center in Tianjin, one of China's four municipalities. The distribution center will be located in Dongjiang Free Trade Port zone, one of the largest free trade zones in China, in the city's Binhai New District, and it involves an estimated investment of 30 million USD. Reportedly, the project will kick off construction in the beginning of this

year and start operation in early 2012. The center will be able to store 7.7 million bottles of red wine. Upon completion, it will become the world's largest center for the distribution, storage and wholesale of red wines, with annual sales of 10 billion CNY.

- China Knowledge, 6 January

**FINANCE**

**Wal-Mart invests in China's 360buy.com**



Wal-Mart, the world's largest retailer by sales, has invested in China's largest e-commerce consumer electronics seller, 360buy.com, in a move that underlines

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the growing interest of global retailers in China's rapidly growing online market. The retailer was one of six investors in a round of funding that raised 500 million USD for 360buy, whose rivals include Taobao, the dominant online marketplace owned by Alibaba. Walmart has about 300 stores in China. Its Sam's Club discount warehouse business launched its own e-commerce business there in November, using a new global platform that it has built over the past two years. The retailer has taken similar minority stakes with fledgling e-commerce businesses in the US that it has also worked with, including 1-800-Contacts, a contact lens retailer, and Green Dot, the web-based payments and financial company.

- *Financial Times*, 28 December

**China approves US banks' joint-venture bid**

Chinese regulators said they have granted approval to Wall Street banks Morgan Stanley and JP Morgan Chase to set up joint ventures on the mainland. The China Securities Regulatory Commission said it had approved the tie-ups with Chinese securities companies to allow the US banks to underwrite stocks and bonds in China. The decisions allow the banks to compete with Goldman Sachs, which has had a Chinese joint venture since 2006, and European banks including UBS, Deutsche Bank and Credit Suisse, which have similar partnerships.

- *Channel News Asia*, 7 January

**China auto shares mixed as tax-incentive expiry looms**



Chinese automobile stocks were mixed late December after the government announced it will allow a tax incentive on small-car purchases to lapse by the end of the week, marking the latest move by China to ease the growth in vehicle use. The Ministry of Finance said that, start-

ing 1 January, a tax on the purchase of cars with engine capacity of 1.6L or less will be restored to 10% from the present 7.5%. The government had in January 2009 halved the tax to 5% to stimulate car purchases in the wake of the global financial crisis, before increasing the rate to 7.5% at the beginning of 2010. The looming expiry of the incentive, which had been well-anticipated by prospective car buyers on the mainland, has boosted automobile sales in recent months as consumers brought forward their planned purchases.

- *MarketWatch*, 29 December

**State-owned firms should welcome involvement from foreign capital**

The State-owned Assets Supervision and Administration Commission (SASAC) of the State Council has called for the engagement of non State-owned capital, including private and foreign assets, in the stake-holdings of listed central government-invested State-owned enterprises (SOEs). "To promote their comprehensive strength in a global market full of opportunities and challenges, SOEs are supposed to welcome both private and foreign enterprises to be dynamically involved in their management and share holdings," said Wang Yong, chairman of the SASAC. Wang said the current complicated and volatile economic environment, both at home and abroad, has posed more challenges to China's SOEs, most of which are expected to grow into global industrial giants and become China's economic locomotives.

- *China Daily*, 10 January

**Aluminum Corp. of China to sell debt securities**



Aluminum Corp. of China Ltd. (Chalco), the nation's largest maker of the metal, said its board approved a plan to sell debt securities on China's interbank market. Total outstanding debt instruments, includ-

ing 22 billion CNY (3.32b USD) of short-term paper and medium-term bills already sold, won't exceed 47 billion CNY after the new sales, said Chalco in a statement to the Shanghai stock exchange. The types and terms of the debt issues have yet to be decided, Chalco said. Chalco is stepping up investments in overseas production, including copper assets in Peru and an iron-ore project in Guinea.

- *Bloomberg*, 30 December

**Online ad revenue to beat newspapers**



The Internet is expected to overtake newspapers in advertising revenues in China by 2012 as advertisers increasingly take advantage of the country's booming online market, according to a new report by the Data Center of China Internet. Online advertising revenues are forecast to reach 46.1 billion CNY (6.95b USD), exceeding the 42.39 billion CNY earned by newspapers, by 2012, and become the second-largest media for advertising in the country, said the report. Last year, television advertising maintained the lead, registering total revenues of 75.86 billion CNY, more than twice that of newspaper advertising at 36.5 billion CNY, and almost three times that from online advertising, which was 25.66 billion CNY.

- *China Daily*, 10 January 2011

**Allianz buys shares of China Pacific Insurance**

Allianz, Europe's biggest insurer, said it bought H shares of Shanghai-based China Pacific Insurance (Group) Co. for 855 million USD from Carlyle Group. Munich-based Allianz now owns 240 million H shares in the Chinese insurer, representing 2.8% of China Pacific's total outstanding shares, or 10.4% of the H shares. "We are pleased to have the opportunity to increase our long-term investment in CPIC as we continue to strengthen our position in this important

growth market," said Michael Diekmann, Allianz CEO. The German insurer has already set up a life insurance joint venture and a property and casualty insurance subsidiary in China.

- *People's Daily Online, 11 January*

## Yuan-based trade to increase



One-third of China's cross-border trade may be settled in yuan by 2016, as the Chinese government pushes for the internationalization of the currency, said a senior economist with HSBC on Wednesday. "China's currency has been under-represented in global trade and capital markets, when compared to its trade and economic scale. But triggered by various government measures, yuan-settled trade has been growing fast," said Qu Hongbin, HSBC's chief economist for China. Transaction volumes increased sharply after the People's Bank of China first launched a pilot scheme for yuan trade settlements in June 2009 and expanded it a year later.

- *China Daily, 13 January*

## New moves to globalize CNY

China announced on Thursday that the nation's qualified businesses and banks could settle their overseas direct investment in CNY, a move that could expand the Chinese currency's global reach and ease excessive liquidity domestically. The People's Bank of China, the central bank, said in a notice on its website that banks and businesses which were allowed to settle cross-border trade in CNY would also be permitted to conduct direct investments overseas using yuan, or Renminbi. Further, domestic banks could offer those businesses loans for their overseas investment, and investment profits could be sent back to China in yuan. Related procedures would be more expedient, according to the new rules that

took effect on 6 January.

- *Xinhua, 14 January*

## ICBC to add branches in Europe



Industrial and Commercial Bank of China is more than doubling the number of branches in Europe to expand its global footprint, the Wall Street Journal reported in its online edition. ICBC opens branches in Paris, Brussels, Amsterdam and Milan mid-January, and Madrid the week after, to offer retail and commercial banking services. The bank, China's largest lender, currently has branches in London, Moscow, Luxembourg and Frankfurt.

- *International Business Times, 17 January*

## Ceradyne opens second solar ceramics factory



Ceradyne, Inc. announced the grand opening of its new 218,000sqft factory – Ceradyne Tianjin Advanced Materials – in Tianjin. The facility will produce high-purity ceramic crucibles for the forming of large polysilicon ingots for use in the manufacturing of photovoltaic silicon solar cells. The opening ceremonies were attended by customers from Europe, the US, Taiwan, Korea, Singapore, Malaysia and China. Suppliers and contractors from Italy, Mexico, the US and China also attended along with Chinese employees and key Ceradyne executives, including Ceradyne ACO President David P. Reed and Ceradyne CFO Jerrold J.



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Pellizzon. The new facility is located on Ceradyne's 13.7-acre plot in the Tianjin Airport Economic Area. The operation will be run by Ceradyne Chinese executives and engineers who have been trained by US-based Ceradyne Thermo Materials' management.

- *Marketwire, 20 January*

**US battery firm JV**

Wanxiang Electric Vehicle Co., a division of the Chinese conglomerate Wanxiang Group Corp., signed a joint venture agreement with start-up Ener1 Inc. to make lithium-ion battery cells and packs for vehicles in China. Company officials on both sides said the partnership eventually could be expanded to export batteries from China, but officials at Ener1 have concerns about protecting its US battery production. The joint enterprise is expected to have the ability to produce about 40,000 electric-vehicle battery packs by 2014. Wanxiang is putting up almost all of the capital for the venture, including a 553,000sqft plant in Hangzhou. The tie-up could be seen as a demonstration of China's sometimes-debated thirst for the intellectual property held in the West to help transform its burgeoning economy. Ener1, a publicly traded company with 700 employees, was able to leverage its technical know-how into a 40% stake in the new operation.

- *Wall Street Journal, 18 January*

**LAW & POLICY**

**Skype could be designated illegal in China**



China will crack down on what it called illegal Internet telephone providers, according to a circular from the Ministry of Information and Industry Technology. The statement did not mention any car-

riers by name. It called for a crackdown "on illegal VoIP (voice over Internet protocol) telephone services" and said it was collecting evidence for legal cases against them. Skype, partly owned by web retailer eBay Inc, has been growing in popularity among Chinese individuals and businesses to make cheap or free international phone calls. The circular, dated 10 December, did not say what amounted to illegal services and did not name any VoIP providers it considered to be breaking the law.

- *Reuters, 4 January*

**New standards for rare earth sector**



A set of new industry standards aimed to reduce pollution and regulate practices by rare earth mining companies is set to be revealed this year, after obtaining the appropriate approval from the Ministry of Environmental Protection. The new standards, which are expected to pose operational challenges and raise environmental costs, will put rare earth miners under the spotlight, said Huang Xiaowei, vice-director of the National Engineering Research Center for Rare Earth Materials and a professor in Beijing General Research Institute for Non-ferrous Metals.

- *China Daily, 7 January*

**Measures outlined to fight rampant piracy**

Vendors of illegally copied films, music or other copyright products on-line will face up to three years in jail, China's law enforcement agencies announced in a pledge to crack down on "rampant" piracy. The sentencing policy was revealed at a press conference, when the Ministry of Public Security announced that police had arrested more than 4,000 people suspected of IPR violations since a crackdown began in November. Gao Feng, deputy director of the ministry's Economic Crime Investigation Department, said more than 2,000 cases of piracy involving

more than 2.3 billion CNY (347.5m USD) have been dealt with during the crackdown, which will continue until March.

- *Xinhua, 12 January*

**LOGISTICS**

**Chinese shipyards weather hard times**



China's shipyards delivered less than 80% of their existing orders in the withering global shipping market, said a report from the China Association of the National Shipbuilding Industry (CANSI). A total of 70 million deadweight tonnage (DWT) of ships were scheduled for delivery in 2010, but only 56.76 million DWT (72.8% of the total orders) were actually delivered by Chinese shipbuilders by the end of November, according to the CANSI report. The global financial meltdown has dealt a severe blow to the global shipbuilding industry, and many Chinese shipbuilders' clients had to postpone deliveries due to stringent cash flows or shrinking demand, said Zhang Shengkun, president of the Shanghai Society of Naval Architects and Marine Engineers.

- *China Daily, 5 January*

**China Shipping orders five tankers**

China Shipping Development (Hong Kong) Marine has ordered two very large crude carriers (VLCCs) and three Average Freight Rate Assessment ships (AFRAMaxes), which are tankers that range in size from 75,000-120,000 deadweight tons. The tankers will be built by China Shipbuilding and Offshore International and Dalian Shipbuilding Industry. Tanker Operator reports the acquisition will be funded by parent China Shipping Group through a combination of bank borrowings and internal financial resources.

- *China Economic Review, 5 January*

**Closer cooperation with COSCO eyed**

Turkey's Marti Container Services hopes to further cement its business with Chi-

na Ocean Shipping (COSCO), China's largest shipping group. COSCO entered Turkey in 1996 and now has a 13% share in Turkey's container transportation market. COSCO offers container liner services in major Turkish ports, including Istanbul, Izmir and Mersin, and provides ship agency for bulk cargo carriers at all Turkish ports. Because of its sheer size COSCO owns and controls over 800 modern merchant vessels with an annual carrying capacity of 400 million tons, Turkey is but one of the markets in which it is an important player.

- 12 January

## TELECOM & TRANSPORTATION

### In rivalry, China Unicom offers free mobile Internet to users

China Unicom started offering free Wi-Fi access until the end of March for customers who have signed a contract, in order to catch up with its competitors China Mobile and China Telecom, and boost its 3G business in China. Since China Unicom launched its Internet-capable smartphones, services utilizing the Internet have become increasingly important for the company to compete with its rivals. "China Unicom is partially forced to offer Wi-Fi access, because China Mobile and China Telecom already began offering similar services last year," said Jake Li, an analyst at Guotai Junan Securities.

- China Daily, 5 January

### Overseas telecoms keen to deploy China's TD-LTE

Cell phone operators including Sprint and Japan's Softbank Telecom plan to deploy TD-LTE networks. Sha Yuejia, executive vice-president of China Mobile Communications Co., said that TD-LTE, the next-generation telecommunication standard provided by China Mobile, will be a mainstream 4G technology across the world in the near future. He said the fourth-largest carrier in the United States, whose name he did not reveal, has contacted China Mobile and shown interest in building up a TD-LTE network, indicating China's home-grown 4G technology may breach a mature telecom market in North America.

- China Daily, 12 January

### China's car market to triple by 2020

China's automobile market will nearly triple in size to 40 million and account for half of world production by 2020, according to Beijing Automotive Industry Holding, China's fifth-largest carmaker by sales and market share. It expected its own sales to double to at least 3 million units within five years. "I personally believe that 40 million is realistic in 10 years," said BAIC president Wang Dazong. Chinese passenger car sales reached 13.8 million last year, surpassing the US - formerly the world's largest vehicle market - for the second year running.

- Financial Times, 14 January

### China Eastern to buy 50 Airbus airliners



China Eastern Airlines said it had agreed with Europe-based Airbus to buy 50 A320 airliners with a list price of 3.22 billion USD, in the latest sign of the country's aviation boom. The aircraft would be delivered in stages from 2012 to 2015 and would expand China Eastern's capacity by 11.24%, including the fleet of its Shanghai Airlines subsidiary. The airline did not disclose the price of its acquisition but said the Airbus consortium had granted it "significant price concessions... which will mainly affect the depreciation of the aircraft in the operation cost of the company."

- AFP, 31 December

## GENERAL

### China braces for Lunar New Year travel season

The annual mass passenger transportation for the traditional Lunar New Year will start on 19 January, with an expected 2.85 billion journeys in 40 days. The National Development and Reform Commission predicted that the journeys during this peak travel season, commonly known as Chunyun (spring transportation), would be up 11.6% compared to the previous one. Passengers would make 2.56 billion

journeys by bus, up 12% year-on-year; 230 million journeys by train, up 12%; 35 million journeys by boat, up 6%; and 32.2 million journeys by air, up 10%. The Spring Festival, also known as the Lunar New Year, will fall on 3 February 2011.

-Xinhua, 30 December

### Donors sought to ease blood shortages

The national health authority may introduce a new blood donation system to counter seasonal shortages reported by many local blood banks. The proportion of voluntary donations has reached 99% since the country established the current system and enacted the blood donation law in 1998, Ministry of Health (MOH) figures showed. "However, there are still occasional blood shortages, especially during winters, which force the postponements of many medical operations," ministry spokesman Deng Haihua told a news conference on Monday. The MOH is developing solutions, such as fostering a stable pool of regular donors, Deng said. This will improve the supply's reliability and safety, he said.

-China Daily, 11 January 2011

### Taxi drivers and officials at stalemate over new work rule

Local authorities in Zhengzhou, capital of Henan province, have denied media reports that they dispatched thousands of police officers to break a strike by the city's taxi drivers. The drivers had staged a two-day strike to protest a new government policy that requires them to work seven days a week. Nearly half of 10,607 licensed taxi drivers took part in the strike by refusing to take passengers.

- China Daily, 13 January

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## 6<sup>th</sup>

Results of the "2010 Amazing China - the Most Attractive Chinese Cities for Foreigners" were announced on 5 January. Tianjin ranked 6th. More than 179,000 expats in 353 cities (excluding Hong Kong, Macao and Taiwan) voted from June to November 2010.

## 22.6%

China's tax revenues rose 22.6% to 7.74 trillion CNY (1.17t USD) in 2010 compared to one year earlier, the State Administration of Taxation announced on 9 January.



## 5,098

The Central Commission for Discipline Inspection (CCDI) of the Communist Party of China (CPC) recently disclosed that in 2010, a total of 5,098 officials at the county head level or above have been punished for corruption, and 804 officials were referred for prosecution.

## 70%

China land sales shot up 70% last year, to 2.7 trillion CNY (470b USD) in transactions. Land and resources minister Xu Shaoshi warned of social unrest among frustrated Chinese who can't afford to buy a home.



## 308.39

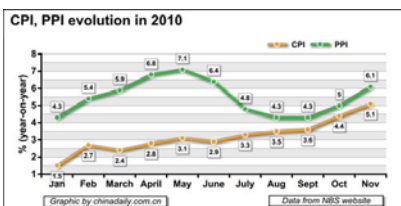
China's gold output in the first 11 months of last year reached 308.39 tons, up 25.89 tons or 9.16% year-on-year, according to figures from the Ministry of Industry and Information Technology (MIIT).

## 6,000,000,000

China's central government will invest 6 billion CNY to restore and protect the Imperial Palace Resort, one of China's best-known tourist destinations, in Chengde City, Hebei Province.

## 34.7%

China's foreign trade in 2010 jumped 34.7% from a year earlier to 2.97 trillion USD, while trade surplus fell 6.4% to 183.1 billion USD from the 2009 level.



## 58%

About 21% of economists surveyed said China's current high inflation rate may last until the third quarter, while 58% said that inflation could ease by the second quarter after remaining high in the first quarter. The consumer price index (CPI), the main gauge of inflation, soared to a 28-month high of 5.1% in November 2010.

## 1<sup>st</sup>

Property tax will be levied on high-end commercial housing during the 12th Five-Year Plan (2011-2015) as part of the government's effort to adjust the property market by fiscal and taxation means. Chongqing will become the first city to collect the tax, as early as the first quarter of 2011.

## 1.4%

China, the world's biggest energy user, increased net imports of crude oil by 1.4 % in December from a month earlier as refineries maintained high operating rates to ease a diesel shortage. China bought 20.6 million metric tons, or 4.9 million barrels a day, more than it exported, according to, data from the General Administration of Customs.

## 8.7%

China's GDP growth is forecasted to be 8.7% for 2011, a slowdown from the 10% expected 2010 growth. Inflation remains the biggest challenge for China's economy in the months to come, said Deutsche Bank officials.



## 350

A high-speed rail link between Shanghai and Beijing will open in mid-June, running bullet trains at an average speed of 350 kilometers per hour. The journey will take less than five hours. Currently, a rail trip between the two cities can take from 10 to 18 hours.

# Free Trade vs. Protectionism

## Conduct and performance of the US and China Part I

Med Chottepanda, PhD.  
Economist/Consultant  
ABEFIS, Tianjin, China

### What is trade protectionism?

Government actions and policies that restrict or restrain international trade are often done with the intent of protecting local businesses and jobs from foreign competition. Typical methods of protectionism are import tariffs, import bans or quotas, trade remedies such as anti-dumping and countervailing duties, subsidies or tax cuts to local businesses, and direct state intervention. A government is said to be engaging in protectionism if it interferes with any or all of these measures. In recent years, it has become closely aligned with anti-globalization.

An expanded definition of trade protectionism could also include the conduct and performance of state-owned enterprises (SOEs); market economy status (MES); research and development grants to target companies in order to promote export; differential treatment between export and non-export companies with respect to granting loans, subsidies, licensing and other regulations; and poor labor standards and employment conditions, which are illustrations of state interventions designed to attain unfair trade advantages.

There is a significant debate surrounding protectionism. Critics argue that, over the long term, protectionism often ends up hurting the people it is intended to protect, and often promote free trade as a superior alternative to protectionism. Protectionists, on the other hand, believe that there is a legitimate need



for state intervention in the form of restrictions on free trade to protect a country's economy and its people's standard of living.

### Renewed interest for protectionism

Historically, protectionism was associated with economic theories such as mercantilism and import substitution. Most modern economists agree that protectionism is harmful in that its costs outweigh its benefits, and that it impedes economic growth. Recent examples of protectionism in developed countries are typically motivated by the desire to protect the livelihood of individuals in important

domestic industries. Formerly, many blue-collar jobs in developed countries were lost to developing countries due to competition. In recent years there has been a renewed discussion of protectionism due to offshore outsourcing and the loss of white-collar jobs. Supporters of "protectionist" laws claim that keeping out foreign goods will preserve jobs, give ailing domestic industries a chance to recover and prosper, and reduce the trade deficits.

### Common protectionist measures

A variety of protectionism policies that restrict trade between states have



been claimed to achieve protectionist goals. These include: **tariffs** (taxes on imported goods, which increase the cost to importers, and increase the price of imported goods in the local markets, thus lowering the quantity of goods imported); **import quotas** (restrictions on quantity that increase the market price of imported goods; the economic effects of an import quota is similar to that of a tariff); **administrative barriers** (various rules regarding food safety, environmental standards, electrical safety, etc.) as a way to introduce barriers to imports; **anti-dumping legislation** (laws to prevent "dumping" of cheaper foreign goods that would cause local firms to close down); **direct subsidies** (government subsidies given to local firms that cannot compete well against imports, in order to "protect" local jobs and help local

firms adjust to the world markets); **export subsidies** (payment to exporters for a percentage of the value of their exports to increase the volume of trade); **exchange rate manipulation** (government intervention in the foreign exchange market to lower the value of its currency by selling its currency in the foreign exchange market, which results in the rise of the cost of imports and lowers the cost of exports); and **international patent systems** (patents, copyrights, intellectual property rights used as handy protectionist measures).

### Protectionism and what it costs

Classical liberal philosopher John Stuart Mill astutely observed that "trade barriers are chiefly injurious to the countries imposing them." His followers claim that it is true today as it was then, for reasons such as **jobs**

**loss** (under protectionism you end up with less money for buying other things, which reduces consumption and thus eliminates jobs); **higher prices** (for example, European consumers pay dearly for EC restrictions on food imports and heavy taxes for domestic farm subsidies); **higher taxes** (you pay more taxes on imported goods, but also raise your general taxes as well, because of increased bureaucracy to manage trade restrictions); and **the debt crisis** (trade restrictions by the Western countries make it impossible for developing countries to earn the hard currencies needed to repay their loans).

Most economists believe that protectionism measures are most likely to harm the people they are meant to help. They instead support free trade based on the principle of **compara-**





## FEATURE STORY

**tive advantage:** the gains from free trade outweigh any losses because free trade creates more jobs than it destroys by allowing countries to specialize in the production of goods and services in which they have a comparative advantage.

### Protectionism: gainers and losers

Free trade supporters claim that those who gain from "protectionist" laws are special-interest groups, such as some big corporations, unions and farmers' groups, all of whom would like to get away with charging higher prices and earning higher wages than they could expect in a free marketplace. These special interests have the money and political clout for influencing politicians to pass laws favorable to them. Politicians in turn play on the fears of uninformed voters to rally support for these laws.

The losers are the ordinary consumers who have to pay higher prices for their goods and services, and are left with limited product choices. They claim that consumer sovereignty is violated by protection laws in favor of fewer individuals belonging to special interest groups.

Free trade has been a panacea to many emerging nations, like China and India. Most economists, including Nobel Prize winners Milton Friedman and Paul Krugman, believe that free trade helped workers in developing countries, even though the workers didn't benefit from the stringent health and labor standards of developed countries. The growth of manufacturing and the myriad other jobs that the new export sector creates throughout the economy are likely to promote competition among producers, lifting wages and living conditions.

### Arguments for protectionism

Protectionists argue that there is a legitimate need for government restrictions on free trade in order



to protect their country's economy and jobs. They assert that economist David Ricardo's theory of comparative advantage (free trade) and its application to the present day is illogical, obsolete, and has lost its legitimacy. The comparative advantage argument for free trade was explicitly and essentially premised on capital (and other factors) being immobile between nations in the early part of the 19th century. Under the new global economy, capital tends simply to flow to wherever costs are lowest to pursue absolute advantage. Protec-

tionists point to the building of plants and shifting of production to Mexico by American companies such as GE, GM, and even Hersheys Chocolate as evidence that capital would move to any country irrespective of its comparative advantage.

The comparative advantage argument is also premised on full employment. According to the comparative advantage theory, "if one or other of the economies has less than full employment of factors of production, then this excess capacity must usually be used





Free trade creates more jobs than it destroys by allowing countries to specialize in the production of goods and services in which they have a comparative advantage.

up before the comparative advantage reasoning can be applied”(Herman Daly, 2007). Protectionists believe that it is therefore erroneous to base trade policy on the principle of comparative advantage in those countries that suffer from significant unemployment or underemployment. They claim that there are other contemporary reasons (listed below) that justify adopting protectionism measures.

**US tax system:** Protectionists argue that government intervention is necessary to maintain a level playing field among trading partners. They believe that allowing foreign goods

to enter domestic markets without being subject to tariffs or other forms of taxation leads to a situation where domestic goods are at a disadvantage – a kind of reverse-protectionism. While there exists foreign discrimination of US products, the US tax system imposes no appreciable tax burden on foreign goods and services sold in the US, but imposes a heavy tax burden on US producers of goods and services regardless of whether they are sold within the US or exported.

Protectionists also argue that this reverse protectionism is most clearly

seen and most detrimental to those countries (such as the US) who do not participate in the value-added tax (VAT) system. VAT generates revenues from taxation on the sale of goods and services, whether foreign or domestic. Protectionists argue that a country that does not participate is at a distinct disadvantage when trading with a country that does; the final selling price of a product from a non-participating country sold in a country with a VAT must bear not only the tax burden of the country of origin, but also a portion of the tax burden of the country where it is being sold.

**Infant industry argument:** Protectionists believe that infant industries must be protected to allow them to grow to a point where they can fairly compete with the larger, mature industries established in other countries. They believe that without this protection, infant industries will die before they reach a size and age where economies of scale, industrial infrastructure, and skill in manufacturing have progressed sufficiently allow the industry to compete in the global market.

**Social legislation argument:** Protectionists say that most industrialized governments have enacted laws to protect their citizens by restricting what companies can and cannot do in pursuit of profit. Examples of laws include child labor, environmental protection, competition (antitrust), occupational safety and health, equal opportunity, collective bargaining, minimum wage and intellectual property. Protectionists argue that these laws place an economic burden on the domestic companies bound by them, placing those companies at a disadvantage when they compete – both domestically and abroad – with goods and services produced by companies unfettered by such restrictions. **E**

(to be continued next month)

# China Economy Report February 2011

By Daniel Kenneth

## How to read government-induced inflation figures and understand real monetary tightening tools: bank lending and money supply

While out-of-control inflation in China poses a serious threat to its social stability in 2011, "CPI rate drop in December was almost certainly expected and it is too early to declare victory on inflation," says Patrick Chovanec, Finance Professor at Tsinghua University's School of Economics and Management. The general market consensus for China's consumer inflation rate (the CPI) is that it will moderate to 4.3% year-on-year for December 2010, down from 5.1% in November.

Based on politics – not economics – Chovanec reasoned that it was imperative for China's leaders to show they were taking action to rein in the skyrocketing cost of living, and that they had the tools at their disposal to enforce a short-term, targeted result.

Chovanec points out that while price controls and related crackdowns on speculation and hoarding make bold news headlines, they have done little to ease the economic pressures causing inflation. He explains the basic economics behind of China's out-of-control inflation: due to China's stimulus policies, its money supply has expanded more than 50% over the past

two years. There's just more money out there chasing the same amount of goods. He warns that capping prices can't change the fact that the money buys less; it only changes how people are forced to deal with that fact – usually in a way that creates even bigger problems, like shortages or black market corruption.

enforce Beijing's controls on the real estate industry. The newspaper editorial reported that some local governments are providing false numbers of low-income housing units built. Some local governments are worried that property controls may hurt local economies and their fiscal intakes. Premier Wen Jiabao

also acknowledged in late December that measures to control the housing market are not being enforced properly.

What matters is not the CPI one month after the government clamps down price controls, it is the CPI six months or a year later, says Chovanec. Although the People's Bank of China (PBoC) raised interest rates and bank reserve requirements, these are less-effective monetary measures to mop up liquidity in China. First, because there is little consumer financing in China, raising interest rates does not decrease overall Chinese consumer demand.

Second, most of Chinese savings are bank deposits, unlike US counterparts who have their savings in stocks, bonds and real estate; higher rates, therefore, will actually increase consumption.

To understand if Beijing will take real measures to drive down inflation in China, "look at net new bank



Just as the Chinese property market has failed to stabilize under the central government's ineffective control measures, government-initiated measures cannot stop investment and the creation of a bubble. The People's Daily, mouthpiece of the Chinese Communist Party, lashed out at the country's local governments, accusing them of failing to adequately



lending and the money supply figures for December and the first couple of months this year,” suggests Chovanec. In 2010, despite plenty of talk about tightening, Chinese banks lent nearly 8 trillion CNY, almost double the level of any other year before their unprecedented 10-trillion-CNY blowout in 2009. Perhaps even more to the point, China’s M2 measure of money supply was up 19.5% in November 2010 compared to same period in 2009. M2 measure is used by economists when looking to quantify the amount of money in circulation and trying to explain different economic monetary conditions.

“Don’t expect inflation to ease anytime soon,” says Shaun Rein, Managing Director at China Market Research Group. Increased cost of living in China is largely systemic, not due to speculators or bad weather, according to Rein. The soaring cost of labour is one of many causes. Salaries rose 20% in 2010 for companies like Toyota and Foxconn, the Taiwanese electronics manufacturer based in China that produces most of Apple’s products. Many companies, including Nike and Adidas, are already shifting to lower-cost production centers like Indonesia, according to Rein.

Real estate costs are squeezing profit margins enough that companies are starting to transfer increased costs to consumers. Starbucks and McDonald’s are raising prices for the first time in several years.

Expect the government to continue to boost reserve ratios for banks and to hike interest rates several times over the next six months, says Rein. However, because of worries about the faltering American economy and the sovereign risk in the Eurozone, Beijing will only be able to brake so much. Also, Chinese debt is reaching a worrisome level and is starting to constrain the rebalancing process, according to Michael Pettis, professor of finance at Peking University. Thus, PBoC increasingly finds it difficult to raise interest rates without causing nationwide financial distress in government-related entities, says Victor Shih, political science professor at Harvard University.

### **Rising trade/currency tensions**

In 2011, China will face increasingly

frustrated global counterparts on two main issues: China’s enormous trade surplus and CNY/USD exchange rates. “For sustained rebalancing of the global economy, we should not count too heavily on consumption growth in the developed world to boost global demand,” write Ashoka Mody, Assistant Director at IMF European Department, and Franziska Ohnsorge, Senior Economist in the Office of the Chief Economist of the European Bank for Reconstruction and Development. That means we are going to spend the next few years fighting over anaemic demand growth, and we will be apportioning that demand via trade disputes, explains Pettis.

According to Financial Times, since de-pegging of CNY from USD in



June 2010, CNY has actually fallen on a trade-weighted basis. Sharp declines against EUR and JPY have more than offset the currency's small gains against USD. Beijing has purchased a substantial quantity of Japanese government bonds, resulting in JPY exceeding its highest value in the past decade.

To be fair, the trade-weighted USD value also has been gradually decreasing since the Federal Reserve's quantitative easing. Yet the fact that CNY dropped in value against EUR – a currency that lost significant value due to the sovereign debt crisis – suggests that Beijing's intervention must have been significant.

The tone of the currency war is going to become more aggressive in 2011. How China manages the rising global tensions with the US, Europe and the emerging markets is going to have enormous economic implication for foreign businesses in China.


**“Don't expect inflation to ease anytime soon.”**

### Making CNY a global currency for trade

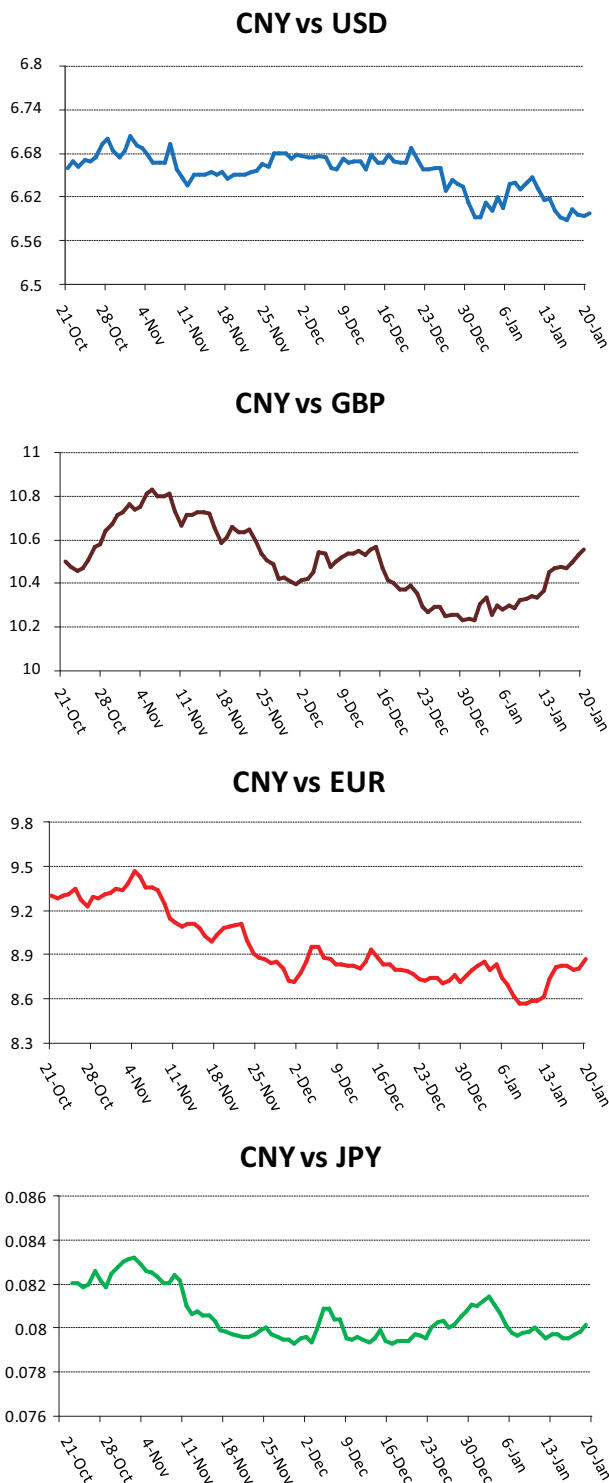
China has taken a further step towards increasing CNY's global stature by allowing domestic companies to move CNY offshore for investment purposes.

The shift came as the PBoC allowed the currency's daily trading reference point to strengthen through the 6.6 CNY per USD level for the first time on 13 January, a day after US Treasury Secretary Timothy Geithner reiterated concerns about China's currency policy, reported Financial Times.

Mainland companies have been using CNY to settle international trade transactions since July 2009 – Beijing's initiative to reduce over-reliance on the use of USD. According to the PBoC, mainland companies can now use CNY to launch businesses overseas and fund acquisitions.

“This is an important step to internationalise the renminbi,” said Dariusz Kowalczyk, a strategist at Crédit Agricole. “It's significant because this will provide an additional means for renminbi to flow out of China.” 

## Three-month CNY trends



Data source: Oanda.com interbank rate





# Surge in energy demand and prospects for green business

Daniel Kenneth



China will drive a global surge in energy demand over the next two decades, with the country expected to account for more than 20% of world demand by 2035, according to the International Energy Agency (IEA).

In its annual World Energy Outlook report released on 9 November 2010, the global energy organisation predicted that China's demand would jump 75% between 2008 and 2035, contributing 36% to the projected growth in global energy use. Global demand would reach 16.74 billion metric tonnes of oil equivalent by 2035.

"It is hard to overstate the growing importance of China in global energy," said Nobuo Tanaka, executive director of the IEA. "How the country responds

to the threats to global energy security and climate posed by rising fossil-fuel use will have far-reaching consequences for the rest of the world."

The greatest driver of oil demand will come from the transportation sector, according to Fatih Birol, the IEA's chief economist. Demand for cars in China is set to increase about tenfold by 2035, he added. The country is also investing heavily in clean energy technologies, as well as electric cars, and could become a big exporter, he said.

Global oil demand will increase 18% to 99 million barrels a day in 2035, from 84 million a day in 2009, the report states. Oil supply, including production of oils not classified as crude, "comes close" to reaching a peak by 2035, driving prices up to 113 USD a barrel in 2009 terms, from around 86 USD a barrel today, according to the watchdog. In nominal terms, prices

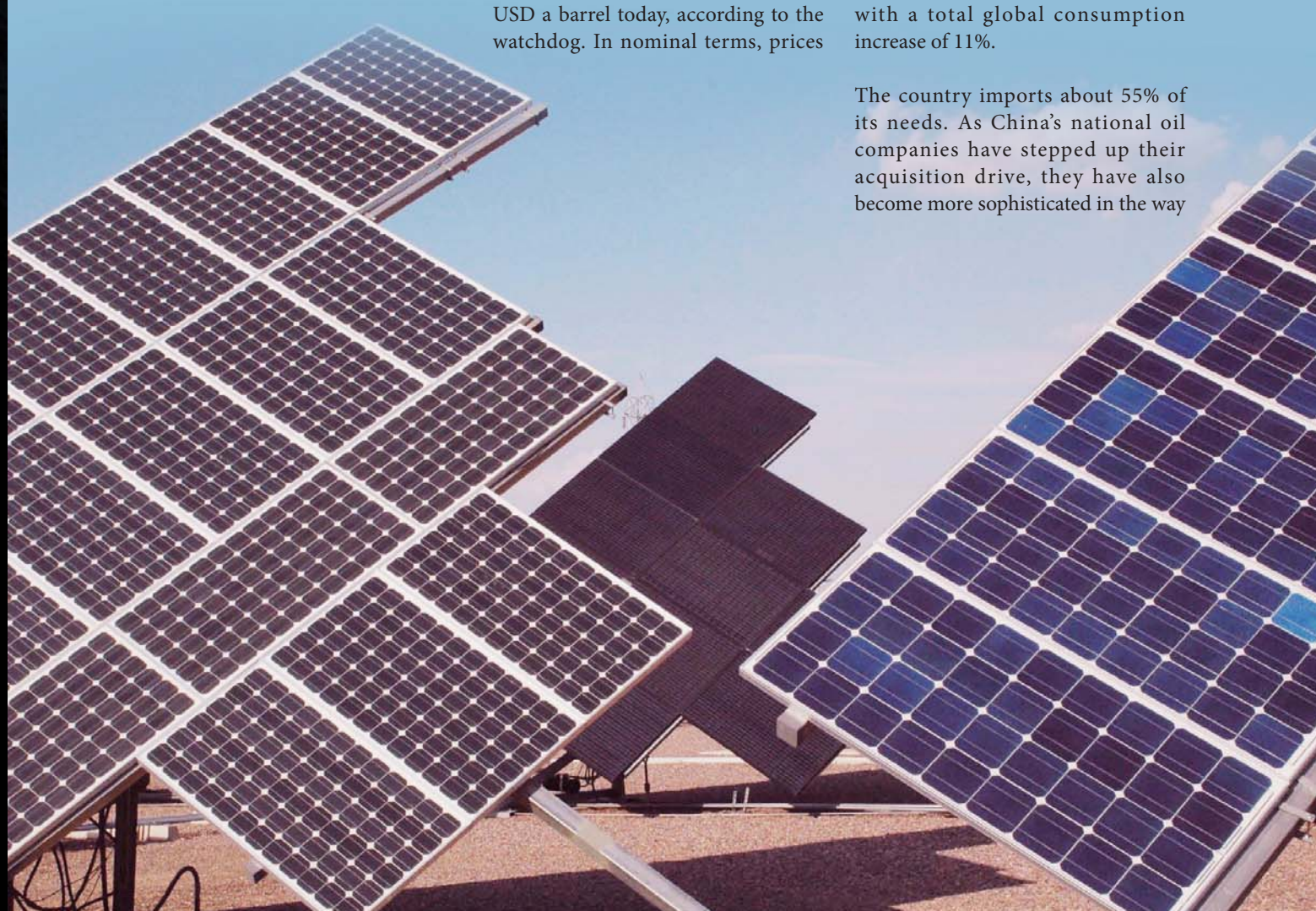
will more than double to 204 USD a barrel, it predicted.

### Chinese oil companies enter into M&A frenzy

China's pursuit of secure natural energy resources to meet domestic demand for energy has become one of the major themes of international trade in recent years. But the country's national oil companies went into overdrive in 2010 to eclipse their international rivals and account for a fifth of all deal activity in the upstream oil and gas industry so far, according to a Financial Times report on 7 November.

China has become the most rapidly growing consumer of oil. In the decade between 1999 and 2009, oil consumption in China increased by 93%, according to analysts at Macquarie Research. This coincided with a total global consumption increase of 11%.

The country imports about 55% of its needs. As China's national oil companies have stepped up their acquisition drive, they have also become more sophisticated in the way







they operate and in their approach to deals, according to Financial Times.

Whereas before there would be one anointed Chinese buyer at an auction, “now you get a multiple of Chinese buyers early on in the process,” says one banker in a Financial Times report. “They’ve come up the learning curve. They will often be the highest bidder, happy to pay for knowledge of a certain region.”

While M&A might be one way forward, industry executives in China stress that acquisitions will only go so far in helping the country meet its thirst for energy. “Think of how much oil China has to import every day – how can M&A possibly meet this gap?” asks one executive. He says Chinese oil companies often sell the oil they produce overseas into the local market and that China has to rely on trade for energy security, not acquisitions.

### China’s promising green industry

China, the world’s workshop and second-largest economy, is rapidly emerging as a global leader in renewable energy. China’s production of solar energy and wind power over

the past four years have expanded by 31-fold and 27-fold, respectively, making China the world’s largest producer according to Samsung Economic Research Institute (SERI). Building on its abundant talent, a huge domestic market, development of related industries and massive investment in cutting-edge infrastructure like smart grids, China is well-positioned to overtake developed nations.

First is China’s wind power industry, which is growing rapidly due to China’s huge market. China has secured technologies in a short time through collaboration with globally leading companies and through government policy by using locally-produced parts, and state-owned industries centered on machinery. China is the world’s largest producer of wind power turbines. In 2009 alone, 14GW of new wind power turbines were installed, which amounts to 36% of the world’s new installations according to SERI.

Second is solar power. China is also the number one solar cell producer in the world and supplies 43.2% of the global solar cells. Four of the top 10 solar cell companies are Chinese

manufacturers. China’s annual solar cell production growth of 115% between 2006 and 2010, compared to traditional EU solar power markets like Germany and Spain’s average growth of 80%, is remarkable. Based on process innovations in crystalline solar cells, China has secured a high global market share in all sectors, ranging from raw materials, cells and modules to finished goods.

Third is the electric vehicle (EV) market. Thanks to the combination of innovative entrepreneurs and government support, leading Chinese electronic car manufacturer BYD developed the first ever plug-in hybrid vehicles in 2008 and commercialised them in 2010. As of now, 39 companies offer 110 EV models, according to SERI. The Chinese government plans to allocate 100 billion CNY (15b USD), or a subsidy of 200,000 CNY (18,000 USD) per vehicle, over the next decade to revitalise the domestic market. In addition, by pushing for strategic partnerships and M&As with global companies such as Volvo, Daimler, and Better Place, Chinese companies are rapidly upgrading their technologies. ■

# PRESS REVIEW

## Re-engineering Suning

*China Entrepreneur, 7 January 2011*

Suning Appliance currently shows a high sales performance, and up to now sales have steadily grown. Chairman Zhang Jindong, however, has warned that if the company continues to follow its old pattern of development – which focuses on opening new stores and expanding scale – profits margins will narrow.



During the past decade, Chinese electric appliance enterprises have relied on economies of scale to reduce procurement costs. In this way, competitive prices helped win a market of consumers eager for low-cost, high-quality commodities. But now consumers have become fastidious and pragmatic, forgoing mere product function in favour of higher product quality and value, and conceding to paying premium fees for them. So Suning has built up elite stores which do not sell discounted appliances. Suning's elite stores sell many similar functioned products, such as business mobile phones and music handsets, but the high-end products reap greater profits.

The e-commerce platform also has a natural price advantage which will persist in the future. Customers often find what they want in the stores, then purchase online. The challenge is to provide superior service to online clients, as does online retailer Jingdong (360buy.com), which has a mature and efficient distribution system.

## Special report: China's place in the world

*Economist, 4 December 2010*

This 16-page feature lays out the history of China's diplomatic and economic presence on the world stage. It begins by allegory with the story of king Goujian, who in 492BC was kidnapped and imprisoned. His captors, observing his dignity, released him back into his former kingdom. For 8 years, Goujian bided his time, built up an army and weakened his captors with distractions of good business, extravagance and women. When finally ready, he rose up and forcefully reclaimed his kingdom.



The series of articles analyse potential futures for a rising China. A host of concerns – ranging from land/water disputes and weapons capabilities to trade protectionism and currency manipulation – directly affect the world's perception of China, and vice versa.

Security and stability depend upon mutual trust between parties, which is why rising tensions, stronger rhetoric and displays of might have politicians and businesspeople second-guessing forays into China. The final article outlines 10 ways to ameliorate international relations with China, and touches on the outcomes of alternative actions.

The report is highly recommended reading for businesspeople considering a prolonged venture into China. Knowing the political and economic history can give a better understanding of the present climate, and what to expect in the near future.

## Subtraction marketing: simplify products

*Directors & Boards, 12 January 2011*

The traditional marketing idea in China is that the customer/investor is god, and the enterprise should cater to the client's wants and needs. In this traditional view, enterprises hold massive promotional activities to push their products, to beneficial effects. This has been because customers often have difficulty in making decisions, so they tend to purchase more things at bargain prices. But all this has now changed in China.



As a result of the explosive growth in number and type of products, Chinese customers find it is increasingly difficult to choose. The slew of options turns consumers off of new products and back on to familiar ones.

Less is more. Fewer but better products can help shoppers and clients selection one more quickly and easily. Yet most Chinese enterprises don't want to reduce their product ranges, because they harbour concerns over losing market share to rivals. But simplifying product lines now can cut costs while increasing both sales and consumer satisfaction.

## Chinese follow the same old script (and they get the punch line)

*Washington Post, 19 January 2011*

Columnist Steven Pearlstein's epigrammatic summary of President Hu's visit to Washington begins with, "Here we go again".

The US, writes Pearlstein, leads up to the talks by again announcing contempt for China's currency, IP and subsidy policies. President Hu again denies claims and promises to effect change. US jobs are again lost to China, so the US again threatens to restrict outbound investment. China again taxes imports. The talks are, again, ultimately called a success.



Companies from around the world continue to sell their leading technologies for access to the world's largest market, sacrificing long-term performance for short-term gains. Meanwhile, China's deals "provide short-term profits to one company and its shareholders but in the long run undermine the competitiveness of the other country's economy".

By instead praising and adopting China's policies, hints Pearlstein, the US might be able to recover and stand on its own. It may need to adopt similar industrial policies to level the playing field and compete with an aggressive China.



# GETTING STARTED

成立公司

VOLUME 38

I am going to set up a new company. This is the start-up plan.

我 | 将要 | 成立(1) | 一家 | 新 | 公司(2), | 这是 | 初步 | 计划(3)。  
wǒ | jiāngyào | chénglì | yíjiā | xīn | gōngsī, | zhèshì | chūbù | jìhuà.

We can move into our new office after January first.

1月1日 | 之后 | 我们 | 可以 | 搬进(4) | 新的 | 办公室(5)。  
yī yuè yī rì | zhīhòu | wǒmen | kěyǐ | bānjìn | xīn de | bàngōngshì.

The new marketing manager will assist you in handling relevant matters.

新任的 | 市场(6) | 经理(7) | 会 | 协助(8) | 你 | 处理(9) | 相关(10) | 事宜(11)。  
xīnrèn de | shìchǎng | jīnglǐ | huì | xiézhù | nǐ | chǔlǐ | xiāngguān | shìyí.

If you are not initially going to run your own factory, have you already begun to investigate factories?

如果 | 你 | 先不 | 打算 | 在 | 起步 | 阶段(12) | 经营(13) | 自己 | 的 |  
rúguǒ | nǐ | xiān bù | dǎsuàn | zài | qǐbù | jiēduàn | jīngyíng | zìjǐ | de |

工厂(14), | 那么 | 已经 | 开始 | 调查(15) | 工厂 | 了吗?  
gōngchǎng, | nàme | yǐjīng | kāishǐ | diàochá | gōngchǎng | le ma?

Yes, I've started. And I've found some talents for research and development.

是的, | 开始了。 | 并且 | 我 | 已经 | 找到了 | 一些 | 研发(16) | 的 | 人才(17)。  
shì de, | kāishǐ le. | bìngqiě | wǒ | yǐjīng | zhǎodàole | yìxiē | yánfā | de | réncái.

Artists are also needed to design the logos.

还 | 需要 | 一些 | 美术 | 人员(18) | 设计(19) | 商标(20)。  
hái | xūyào | yìxiē | měishù | rényuán | shèjì | shāngbiāo.

You are right. So many details: logos, slogans, letterhead, business cards...

是啊。 | 有 | 好多 | 的 | 细节(21): | 商标, | 标语(22), | 信头(23), | 名片(24)……  
shì ā. | yǒu | hǎoduō | de | xìjié: | shāngbiāo, | biāoyǔ, | xìntóu, | míngpiàn ...



(1) 成立	chénglì	set up	(13) 经营	jīngyíng	run/operate
(2) 公司	gōngsī	company	(14) 工厂	gōngchǎng	factory
(3) 初步计划	chūbù jìhuà	start-up plan	(15) 调查	diàochá	investigate
(4) 搬进	bānjìn	move in	(16) 研发	yánfā	research and development
(5) 办公室	bàngōngshì	office	(17) 人才	réncái	talented person
(6) 市场	shìchǎng	market/marketing	(18) 美术人员	měishù rényuán	artistic person/people
(7) 经理	jīnglǐ	manager	(19) 设计	shèjì	design
(8) 协助	xiézhù	assist	(20) 商标	shāngbiāo	logo
(9) 处理	chǔlǐ	handle	(21) 细节	xìjié	detail
(10) 相关	xiāngguān	relevant/correlation	(22) 标语	biāoyǔ	slogan
(11) 事宜	shìyí	matters/arrangements	(23) 信头	xìntóu	letterhead
(12) 起步阶段	qǐbù jiēduàn	initial stage	(24) 名片	míngpiàn	business card

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.



# Forging Ahead

Mr. Andrea Vanzini  
General Manager, Tenova-TIMEC Company, Ltd. Tianjin



**T**enova is a worldwide supplier of advanced technologies, innovative products and integrated services for the metal and mining industries. TiMEC Co. LTD. – Tenova's production facility in Tanggu Marine High-Tech Development Area, Tianjin – specializes in structural steel components, pipe to pipe and heavy plate parts for Tenova's industrial equipment. TiMEC annually produces between 10,000 and 20,000 tons of equipment and components at the Tianjin fabrication center for its worldwide customers.

Italian-born Andrea Vanzini, the General Manager of TiMEC, has been with the company since July 2009. He manages a workforce of over 250 and oversees production activity.

### **What were the advantages of opening your factory in Tianjin?**

Tianjin is one of the historical industrial fabrication centers in North China, with good infrastructure and investment incentives. This area can count on a large number of manufacturing companies, which gives us the possibility to find on the market highly skilled workers and good managerial personnel, and to have a net of selected suppliers suitable for our needs.

Plus, TiMEC is only few kilometres away from the third-largest Chinese port (Xingang) and Tianjin airport, a strategic location from a logistics

point of view to facilitate both export and domestic business.

### **Many equipment manufacturing companies are focusing on China. How does your company sustain growth in a competitive market?**

One of the key factors to growing in our market is the ability to manufacture high technology and quality products at competitive costs. This can be reached only by the combination of Tenova's worldwide continuously developing technology and TiMEC's high-quality production and manufacturing process optimization.

### **How has the recent growth in renewable energies impacted your production?**

Tenova has several patented technologies which target energy-saving during the metal-making and thermal processes. Hence, our fabrication focuses on energy-efficient equipment and components. The recent awareness in green environment and energy-saving gives us a competitive edge, both to Tenova and TiMEC.

In addition, we have equipped our shop facilities with renewable energy systems, such as solar panels for water heating. We also invested in Ground Source Heat Pumps (GSHP), which lower our energy consumption.

### **Who are your target markets?**

We provide whole equipment, main machinery parts and key structures

for different industries, mainly the metal-making and mining industries. So all who fall into this category are our customers. Renewable industries like wind farm equipment are also a potential market for our fabrication.

### **What products does TiMEC offer?**

TiMEC's main field of activity is the design and fabrication of steel structures, machinery and equipment for:

- Fully integrated EAF steel-making from iron and ferroalloy ores and scrap up to liquid steel,
- Thermal processing from reheating to heat treatment of high quality flat and long products,
- Processing of metal strips from hot strip mill down to all final products,
- Cold rolling mills and auxiliary equipments for ferrous and non-ferrous flat strip products,
- Fully automated roll shops for hot strip and cold mills, and
- Mining, handling, storage, loading and unloading of bulk materials from mines to the end users of iron ore, coal bauxite, and others.

### **How does TiMEC contribute to Tenova?**

TiMEC is the fabrication center of Tenova group in China and represents the combination of Tenova-





va's global technology with the Chinese industrial fabrication competence and capacity.

The main benefits that TiMEC can grant to all the companies belonging to the Tenova group are:

- the fabrication of products involving high levels of complexity and quality,
- continuous feedback from fabrication to engineering for product/production optimization,
- the fabrication of products containing proprietary and protected technology which is kept in house,
- convenient alternatives in logistics with the ability to fabricate key components closer to end users, and
- cost savings with respect to traditional sources.

Our mission is to be a plant recognized for Western quality standards at "almost" Chinese prices.

**How do you find and train the appropriate staff for company operations?**

TiMEC is a young and dynamic company. Due to the nature of the company, we are in need of young engineers with good potential and a strong passion for the industry. We give training-abroad opportunities to pass along the technical competence in our group, and we are dedicated to career development of our staff.

**What challenges face the manufacturing industry on a local and global scale?**

A severe market competition, contributed by both local and international suppliers; international trade risks, such as the exchange rate fluctuations; increasing labor costs; and raw materials price volatility.

**What are your 2011 goals and visions for TiMEC in Tianjin?**

To make TiMEC the best world-class manufacturing and fabrication center in China by increasing our competitiveness and continuously pushing for internal improvements. We are working toward greater output, better quality and delivery, higher customer satisfaction and more efficient operational and commercial results in the new year.

**Our mission is to be a plant recognized for Western quality standards at "almost" Chinese prices.**

**Throughout your working experience in the company, how would you say the market has changed, and how does your company adjust to these changes?**

China is a rising nation in the economic world, and a huge potential market worldwide. There are many new opportunities, and there are changes day by day. So China is quite varied compared with Italy.

Since the crisis that started in August 2008, the layout has dramatically changed in quite a few industrial markets. Looking into mining and metallurgical industries, the recovery has been led by China and Far-East countries instead of the United States and Europe.

Tenova had successfully targeted and developed new customers out of the area as a business strategy. The market competition is getting severe nowadays, and we have to continuously improve especially in terms of cost

reduction while maintaining our guarantee on quality and delivery.

**Can you tell us about your involvement in the community and your social responsibility policy?**

Tenova group contributes to environmental protection worldwide by supplying energy-saving industrial equipments that are manufactured in our plant. TiMEC has built up a supplier network in Hi-Tech Marine Economic Development Area and set up partnerships with local qualified fabricators. TiMEC provides good employment opportunities to staff coming from Tianjin, including Tanggu District. TiMEC's shop is OHSAS 18001 certified to ensure proper attention to health, safety and environmental issues.

**How do you foresee the future for TiMEC?**

With the development of China, TiMEC has already gained some strategic advantages globally. We will continue to improve ourselves and be ready for future challenges, to play a more critical role as top supplier of metal and mining-related equipment in the global market. An expansion plan is underway to increase both the plant scale and production volumes. Cost reduction by improving the working process and efficiency will be one of the focuses for continuous improvement in this new year.

**How have your experiences in Tianjin been thus far?**

I've enjoyed Tianjin in many ways: friendly people, eye-opening culture, and a safe society. Sometimes in the evenings I enjoy playing guitar with my friends at a local restaurant. ☒

(Photos provided by David Lee from TiMEC)





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# Pedal Power

**Tianjin's iconic bicycle maker needs to ride into export markets to survive**

By Mark Gao

**T**he Flying Pigeon Project is Jeff Stracco's blog and a paean to one of China's most legendary brands. Once the wheels under China's socialist revolution, Tianjin's legendary cycle maker Flying Pigeon has been supplanted and abandoned as locals are cajoled and goaded to buy cars.

A smartly designed website was born out of a passion for buying, fixing and adapting Flying Pigeon bicycles, as well as models of other brands like Yongjiu (Forever) and Hongqi (Red Flag). An auto engineer from New Jersey, Stracco shared his encyclo-

paedic knowledge of Chinese two-wheelers, naturally showing up for the interview on his Flying Pigeon, an old-school roadster with arched handlebars and a big bell he added for extra sonic power.

Stracco's quest for his two-wheelers and the gadgets he's added all make for good copy for the Flying Pigeon Project website. Most of his wheels were picked up in second-hand shops and markets: his favorite hangout is a cluster of second-hand shops around Beixinqiao subway stop in Dongcheng district in the heart of Beijing.

Stracco has been pleasantly surprised by the amount of traffic the blog has generated. He's gotten mails from all the continents, from Ireland to India. Curiosity and nostalgia prompt most of the emails. "They miss the old bikes." Some of his correspondents want help with buying a batch of bicycles. Others are seeking parts. Those who write for advice have also come to the right place. Stracco is knowledgeable about the history of Chinese bicycles and explains why there are so many of them. "The Communists saw bicycles as very important vehicles and wanted to standardize them."





Hence a private Japanese-owned bicycle maker in Tianjin in 1950 became State-owned Flying Pigeon, and blueprints for bicycles were brought in to put China's masses on the road. To cut costs and crank out the machines quickly, Flying Pigeon, Forever and other brands adapted the same standard. "An upshot that we still benefit from is the street-side bike doctors. These guys have to stock very few parts to keep the bike fleet running. If they had to stock hundreds of parts...it would never work."

Built to last, the Flying Pigeon was the life goal of families in Maoist China. "You typically waited for months for one," says Stracco, who reels off Deng Xiaoping's promise of a "Flying Pigeon in every home."

Today of course it's a Buick in every

backyard (or on every footpath) as Flying Pigeon and similar brands have fallen, perhaps permanently, from local grace. Proof are the bicycle parks across China turning into yards of abandoned, rusting metal.

That's not new to Stracco, being from the east coast of the US, the garden state of Bruce Springsteen whose songs celebrate cars, chrome and Cadillac. He nonetheless frowns with sadness about his Chinese workmates' low view of life on two wheels. "It's not a fashionable bike, they say 'a bike is bad enough but a Flying Pigeon...give me a break!'"

Flying Pigeon won't be going out of business anytime soon. Stracco recalls an interview he read with the company's president who said sales

are better in small-town China. "Also the company does well enough from selling parts because there are so many of the bicycles already out there and they need maintaining."

There's also the laowai factor. Flying Pigeon has more cachet among retro-loving foreigners for whom the arching handlebars and gold-on-black lettering hark back to a less westernised China. Long identified as the mark of a laowai – the over-enthused China arrival who wants to live in a hutong, pedal to work and eat jiaozi for dinner – the Flying Pigeon has fans too in Los Angeles and Paris, both served by websites brim-full with sales and rides.

Aside from knowing the minutiae of bike parts and pieces, Stracco also throws an eye to the macro-economic



future for China's bicycles. "Plenty of local bicycle makers have gone out of business. Indeed most of the legendary old marques have either rusted away or handed their manufacturing over to a few giant factories like Toleka (Tianjin Ocean Bicycle Industry Group), which from sheer economies of scale still make money. Others have gone for export markets."

India, still less motorized than China, also makes bikes in numbers, even cheaper than China. "Now the Africa market is starting to go to Indian brands like Hero." Which all suggests an uncertain future for old wheels like Flying Pigeon.

But there's hope in China, judging by the promises of some of the country's smog-maddened mayors to reclaim

road space for bicycles. Also worth noting is a local ability to modernize and innovate: Taiwanese bicycle makers, who do their manufacturing on the mainland, have subsumed and improved on iconic bicycles like British Raleigh and Sturmey Archer – may they be about to do the same for Flying Pigeon?

Certainly, if the company's bicycles can get their marketing right, there's surely a place for them in the plans of western cities coaxing citizens back on bicycles. Sadly, Stracco foresees India's cycling ways going the way of China's: right now, there aren't the roads (or buying power) for cars: "But in 10 years' time demand will fall off a cliff." Cyclists of the world, unite.

While visiting Tiananmen Square in May of 2006, Antonio Rocamora Trias fell in love with China's traditional Flying Pigeon bicycles. Waiting for the flag-raising ceremony at the Square, his eye was caught by bicycles rolling by the Forbidden City, recalls the Barcelona native. The photos he took of "those beautiful cycles" are on his website today, advertising the Flying Pigeon cycles he imports and sells in Spain and other European countries. Ironically, as Beijingers look increasingly condescendingly at the bicycle, Eu-

ropean mayors are restricting cars in favour of bicycle lanes – creating market share for bicycle sellers like Rocamorra Trias.

### **How did you discover Flying Pigeon, and why did you decide to import these bicycles to Spain?**

About two months after returning from Beijing in 2006, I was reading an article from La Vanguardia in which the correspondent in Beijing was talking about "the big traffic jams of that city" and that "it was a pity but the cars were taking the place of the beautiful Flying Pigeons". I started to look for more info about this brand. I found out that it was a Chinese treasure, a legendary brand. In Spain there was a very small offering of rod-pull brake bicycles. So all of these together pushed me to import them.

### **Has there been increased demand for Flying Pigeon in Spain?**

We launched them in December 2007, in the AutoRetro International Fair in Barcelona, after having to go through the homologation [safety standards testing] process for getting the permit to import them. The welcome of the clients was quite good, and nowadays we are well-known in the small world of classic bicycle fans. However, there







is always a fight between those defending the European old brands against the Asian brands, but this happens also with other goods and I guess it will be always there.

### Who is your typical customer?

The typical customer is a middle-aged man or woman, most of them reminded of their old bicycles when they see the Flying Pigeons. It is also very popular among younger consumers who want to ride something different, who will give up performance in favour of elegance and comfort.

### What is the appeal of these bicycles to Spanish customers?

The elegance and natural beauty of their designs. I've seen some models that look very similar, but FP have a sum of small details that make it re-

ally special. In fact, we have also sold the bicycles in several other countries, not only in Spain, which means that it is really appreciated.

### How many bicycles do you plan to sell per year?

The costs in origin are growing very fast due to RMB increases, labor cost increases and also steel price increases. Apart from that, we are still being punished by the unfair [EU] antidumping tax. So everyday FPs are more and more expensive while our markets are in the midst of a big economic crisis, so I really don't have any idea how sales will be in the next future. But in any case, our market is not very big since most of the riders look for good performance in front of other values offered by FP like exclusivity, elegance and comfort.

### Has there been an increase in cycling in Spain, and is this related to environmental/economic reasons?

Yes, everyday cycling is becoming more and more popular, but we are still far away from other countries from north Europe like, for example, Germany or Denmark. According with the last big report published in July 2010, Barómetro de la Bicicleta en España, about 2.5 million people in Spain ride a bike every day. Little by little, car drivers are getting used to sharing the road with cyclists, and everyday there are more roads only for bicycles. This is the main reason for the increase in cyclists, together with the launching of bicycle public services in most of the main cities. 

### What's in a frame?

Mass makers of bicycles, such as Flying Pigeon, prefer to weld their machines together as pieces of steel, a durable if heavy material. More expensive bicycles, particularly sports cycles, are made of more expensive carbon, chosen for its malleability and sleek appearance (carbon frames don't have to be welded), as well as aluminium. Light and durable, titanium has lately also emerged as a favourite material of bicycle makers.

While sports cycle makers like carbon for its smooth, beautiful designs, carbon is brittle. Quality road bicycles are not cheap. Spending on a bike varies, but you'll need to put down 5,000 CNY to get anything worthwhile. Serious cyclists put down 50,000 EUR – as in motors it's all about brands (Auto makers like Ferrari also make bikes).



Simon Bai  
Winners Law Firm

## OPENING OF LOW-ALTITUDE AIRSPACE FOR GENERAL AVIATION



### Overview of the GA industry in China

General aviation usually refers to all aviation activities other than scheduled airlines and military flight. It includes business aviation, medical evacuation, exploration, aerial photography, crop dusting and forestry, firefighting and rain-making, news gathering, rescue missions, off-shore exploration, public security, pilot training, sport and private aviation.

GA aircraft usually fly at low altitude, which usually refers to airspace below 3,000 meters. China's low-altitude airspace is tightly controlled by the Chinese Air Force and the Civil Aviation Administration of China (CAAC, now under the Ministry of Transportation).

Today China's GA industry is relatively small compared to commercial aviation and is far

behind the US, Europe and Australia, where the GA industry is mature. Estimates put the number of GA aircraft at less than 1000 in China, while the number in the US exceeds 220,000.

Connecting remote and rural areas to the cities, GA aircraft are a very important element in the overall aviation transportation infrastructure.

GA aircraft's uniquely high mobility and ease of landing and takeoff can help to minimize the loss of life and property when disaster occurs. We can imagine that if China had a more developed GA industry than it does now, the relief efforts during Sichuan and Yushu earthquakes, as well as during flood disasters each year, would have been much





easier and more effective. GA aircraft played an important role during and after Hurricane Katrina in the US and in the tsunami disaster in the Indian Ocean.

The GA industry has not been high on China's agenda over the past decades. Obtaining clearance for GA aircraft to operate a specific flight may take days, or even weeks, although improvement is being made. Yet the delay in developing general aviation has affected the social and economic development of China.

### **GA industry regulation in China**

Since 1949, airspace in China has been under the control of the People's Liberation Army. Merged into the newly formed Ministry of Transport in 2008, CAAC is charged with overseeing civil aviation operators and commercial airline flights.

There are hundreds of rules and regulations with regards to aviation and GA activities in China, many of which are outdated, irrelevant, and need to be consolidated, updated and ultimately replaced by a unified Aviation Law. It is reported that the first draft of such a law has been completed by CAAC. Though a positive development, it remains unclear how long it will take before the draft could be proposed to the legislature – China People's Congress – let alone get approval.

The major legislations in relation to GA are:

*Civil Aviation Law of the People's Republic of China (1996), Basic Rules of the People's Republic of China on Flights (2001), Regulation on the Control of General Aviation Flight (2003, CGA Regulation) and The Provisions on the Administration of Business Licensing for General Aviation (2007, the Provisions).*

According to CGA Regulation, General Aviation refers to the aviation ac-

## POLICY EXPLANATION

tivities other than the military, police, customs anti-smuggling flights and public air transport flight. It includes the flights for industrial, agricultural, forestry, fishery, mining, architectural operations and the flight activities for medical, rescue, relief, meteorological observation, ocean monitoring, scientific research and experiment, remote sense mapping, educational training, cultural and sports, tourism and visiting purposes. Any entity or individual undertaking GA flight activities shall, if using an airport flight airspace, air route or airline, file an application to the flight control department, i.e. CAAC. CGA Regulation, for the first time, defines the concept of temporary flight airspace, which is distinct from airport flight airspace, air route or airline. This is particularly relevant to GA flights which usually operate in temporary flight routes. Temporary flight airspace needs to be approved by CAAC: application shall be made 7 days in advance, supported by a flight plan detailing such information as purpose of flight, type of aircraft, name and call number of captain, and number of flight crew.

The Provisions specifies that CAAC is responsible for nationwide unified administration of licensing for general aviation, which is divided into three categories: Class A, Class B and Class C, depending on the nature of GA activities. For example land petroleum services, marine petroleum services, medical rescue, rainmaking, business flight, general aviation charter flights, flight taxi, and trainings for private or commercial pilot licenses all fall into Class A. The differentiation suggests different capitalization requirements in application of business license. For example, a Class A license requires a registered capital of 50 million CNY.

The current laws and regulations in relation to GA activities in general set too many restrictions and thus

makes any application for GA flight a nightmare of complicated, murky and time-consuming processes burdened with red tape and bureaucracy. As a result, many private GA flights recently ran the risk of being considered illegal by the government. GA flight laws have to be reformed and updated in order to meet the rising demand from the public as well as to keep pace with the general economic conditions of today's China.

**China's vast airspace is opening up to private aviation. The sector has been growing at a double-digit pace since 2000.**

### Take-off of a blue sky economy?

Slowly but surely, China's vast airspace is opening up to private aviation. The sector has been growing at a double-digit pace since 2000.

In November 2010, an unprecedented Guideline jointly issued by the State Council and the Central Military Commission indicated China will gradually open part of its low-altitude airspace – altitudes lower than 1,000 meters – for GA flights, or for the use of aircraft for purposes other than those of airlines, the military and the police. This marks a major policy change toward an open sky program that is yet to be fully sketched out.

The Guideline calls for further reforms to be implemented for the ongoing trial of low-altitude airspace program in two flight control zones: Shenyang, capital of Liaoning province, and Guangzhou, capital of Guangdong province. In the meantime, Beijing, Lanzhou and three other flight-control zones will be opened up to low-altitude flights as a pilot program.

According to the Guideline, the country's low-altitude airspace will be divided into three sections: areas under control, areas under surveillance, and areas where aircraft can fly freely after reporting their flight plans in advance. The division of airspace categories can ensure that the different demands of public transportation aviation, general aviation, and military aviation can be met by assigning appropriate airspaces for different purposes.

The reforms in those existing areas will be expanded in 2011, and to the entire country within the next few years.

Such developments are interpreted by many in the industry as a historical opportunity for aviation businesses in China, and for international players. In the US, the GA industry contributes 150 billion USD to the economy and provides 1.5 million jobs. The policy shift may unleash pent-up demand for private air services and create a market worth 10 billion USD, according to a report by the US-China Aviation Cooperation Program. China certainly represents a large frontier of untapped potential for the GA industry.

Nonetheless, it remains unclear when detailed specific implementing rules of the Guideline will be issued. The Guideline, which fails to elaborate on any substance of possible reform measures, is simply too vague for anyone to predict when China will usher in an era of blue sky boom. Some skeptical analysts even point out that airspace will continue to be managed by the military for any foreseeable future, which defies any calls for transparent regulation. **B**

WINNERS has been recognized consecutively as "Tianjin Firm of the Year" by two international legal journals: *Asia Legal Business* from 2008-2010, and by *China Law & Practice* from 2009-2010.

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Mr. Murray Fowler, Deputy Head



Mr. David Cook, Founding Headmaster



Mr. John Zermani, Head of Junior school

## Wellington College International Tianjin Open Day

**W**ellington College International Tianjin held its inaugural Open Day on Saturday, 15 January 2011. The event was presided over by Founding Headmaster Mr. David Cook, Deputy Head Mr. Murray Fowler, and Head of Junior School Mr John Zermani. A former Head Girl of Wellington College in the UK, Ms. Georgina Singer, was also on hand to give a memorable account of her time at Wellington. Ms. Singer said, "By sending your children to Wellington, you are not only providing them with a forward thinking learning experience, but also giving them an invaluable gateway into a global community of students and teachers, past and present."

The Open Day took place in Wellington's new nursery building, while prospective parents and students were also given a guided tour of the main teaching building, striking in its resemblance to the architecture at the College in the UK. A large number of hard hats were required for the tour, as numbers at the Open Day far exceeded expectations. Construction of the College – due to open in August 2011 – will be completed in May. All of the parents present were extremely positive about the facilities on show, and there was a widespread feeling of anticipation for the opening later this year. Mr. Cook and everybody at the College wishes to thank everybody who attended the Open Day and all who participated in the event.

Wellington will be holding its next Open Days on 26 February, 2 April and 14 May. Places at the Open Days are limited and early booking is encouraged. Please contact the College for all bookings and general enquiries on +86 22 8758 7199, 187-2248-7836, or send email to [register@wellingtoncollegeintl.cn](mailto:register@wellingtoncollegeintl.cn).



Diego D'Alma



Robbie Chen

by attorneys  
Diego D'Alma  
and Robbie Chen  
Garrigues Shanghai

## Tax rules for mergers & acquisitions and new implementation rules (Part I)



**W**ith the gradual recovery of the economy, M&A transactions are being considered by many taxpayers in China to expand their current business, sell inefficient assets or adjust the current corporate structure. When structuring such deals, enterprises should not only take into account the legal requirements and procedures involved in the M&A transaction, but also be aware of the tax implications arising from the contemplated transaction.

As a general principle of Enterprise Income Tax (EIT), any gain derived by an enterprise engaged in transferring its assets, equities or engaged in a merger or split in China should be taxable in China. This principle is clearly a predicament for enterprises when defining their restructuring transactions. Guoshuifa [1997] 71 (Circular 71), however, provided certain reliefs for foreign invested enterprises engaged in such corporate restructurings so

that, under certain circumstances, the gains arising in the transaction could be exempted.

Nonetheless, after promulgation of the new EIT law, taxpayers doubted whether the tax treatment rules for corporate restructurings under Circular 71 were still applicable under the new EIT law. Various practices were subsequently followed by different local tax authorities due to the lack of clarification.

In order to provide a unified guideline of the tax treatment under the new EIT law in respect of corporate restructurings, the *Notice of Certain Issues Regarding the Enterprise Income Tax Treatment of Enterprise Reorganizations* (Caishui [2009] No.59, "Circular 59") was issued jointly by the State Administration of Taxation (SAT) and the Ministry of Finance (MOF) in April 2009.

Subsequent to Circular 59, the SAT issued the *Administrative Rules Regarding*



*the Enterprise Income Tax Treatment of Enterprise Reorganizations* (Public Announcement No.4 of 2010, “Public Announcement”), which took effect retroactively from 1 January 2010, providing both clarifications on areas that remained uncertain in Circular 59 and guidelines on the filing and documentation requirements.

In this article, we will introduce the main content of Circular 59 (this month) and the Public Announcement (next month), and provide our comments thereof.

### **Key points of Circular 59**

Circular 59 provides the general tax treatment for corporate restructurings and also introduces a more favorable special tax treatment, which is actually a tax deferral mechanism, for taxpayers.

### **General tax treatment**

In principle, Circular 59 requires that, as a general rule, capital gains arising from various forms of corporate restructurings – e.g. debt restructuring, equity acquisition, asset acquisition, merger and split – should be recognized immediately by taxpayers and, thus, be subject to EIT in China.

### **Special tax treatment**

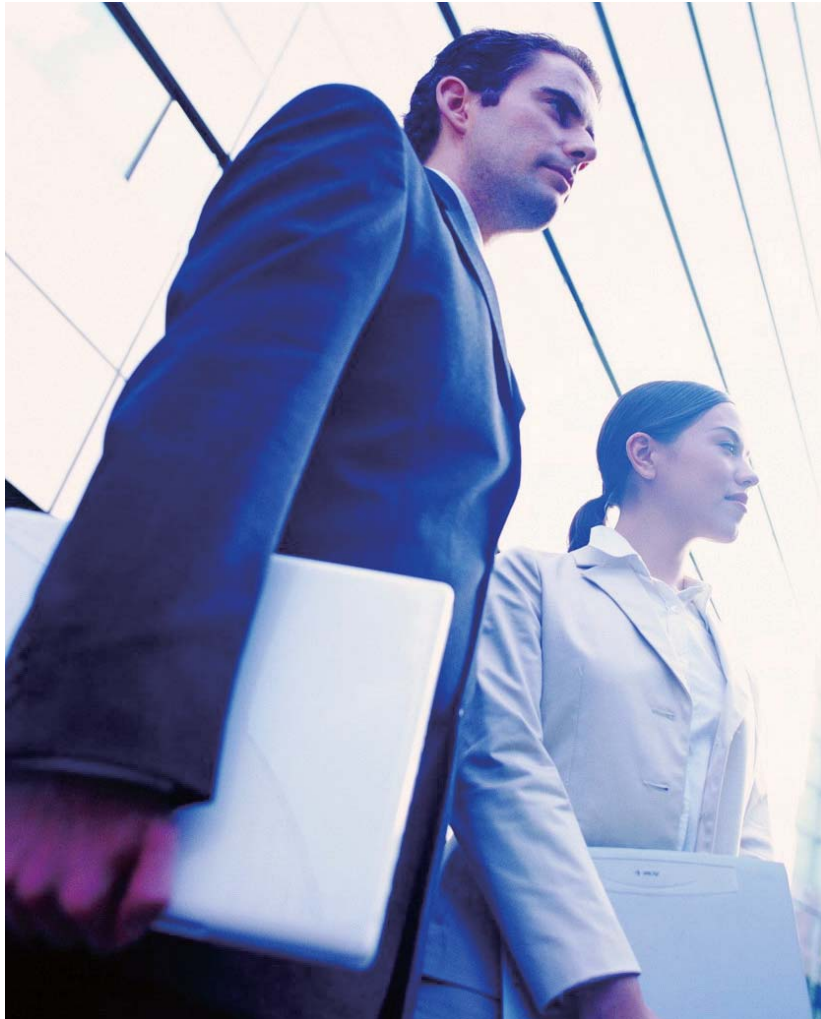
Despite the general tax treatment, Circular 59 provides a preferential tax treatment for corporate restructurings, under which the capital gain arising from the restructuring could be deferred at the discretion of the restructuring parties in certain circumstances. In other words, if certain conditions are satisfied, the restructuring parties could choose to defer the impact of the taxation on capital gain, which is always a hindrance for corporate restructuring. According to Circular 59, the conditions for the special tax treatment differ for domestic and cross-border transactions.

### *Special tax treatment for domestic transactions*

If the equity or asset transaction takes place entirely within China – e.g. the subject of the transaction is in China and the involved parties are all located in China – the transaction might be regarded as a domestic transaction. For domestic transactions, in order to be qualified for the special tax treatment, ALL of the following conditions must be satisfied by taxpayers:

- The corporate restructuring should have a reasonable business purpose and the main purpose of the restructuring is not for tax reduction, avoidance or postponement of tax payment;
- The acquired, merged or spun-off assets or equity should reach a threshold of 75% of the total equity of the target company;
- No changes in the original actual business activities within 12 consecutive months after the restructuring;
- The deal consideration should mainly comprise of equity, and the





equity payment has to exceed 85% of the total deal consideration; and

- The original shareholder should commit not to transfer the equity received within 12 consecutive months after the corporate restructuring.

### *Special tax treatment for cross-border transactions*

The special tax treatment is also available to cross-border corporate restructuring under Circular 59. However, it is limited to the following types of cross-border corporate restructuring:

- Foreign-to-foreign: transfer of a PRC company stock from a non-resident company to its 100%-owned non-resident subsidiary can opt to receive a special tax treatment if:

a) The PRC capital gains withholding tax rate for the transferee post-transaction is the same as the rate for the transferor; and

b) The transferor will not transfer the shares of its 100%-owned non-resident subsidiary within three years post-transaction.

- Foreign-to-domestic: transfer of a PRC company stock from a non-resident company to its 100%-owned PRC subsidiary.

- Outbound transfer of assets/equity: transfer by a PRC company of its assets/equity to its 100%-owned non-resident subsidiary in exchange for the subsidiary's shares would be allowed, but any gain realized by the

transferor will have to be recognized over a 10-year period.

- Others: Other qualified cross-border reorganization authorized by the MOF and SAT.


### **Compliance requirement for special tax treatment**

To elect for the special restructuring treatment, both the transferor and the transferee have to submit relevant supporting documents to tax authorities along with the EIT annual filings of the year when such restructuring is concluded. Failure to properly file will result in the disallowance of special tax treatment.

### **Doubts left by Circular 59**

Although Circular 59 established the tax treatment for corporate restructurings and provided lenient treatments for taxpayers in terms of the special tax treatment, it still left many uncertainties and questions, such as:

- What is the effective date of the restructuring?
- Should parties involved in the restructuring all adopt the general or special tax treatment?
- How can one demonstrate that the restructuring has reasonable business purposes?
- What documentation is required for applying for the special tax treatment?

These doubts were addressed in the Public Announcement, which will be explained in Part II (next month). 

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.

  
**GARRIGUES**



# HR Outsourcing gain or pain?



If you ask US employees what they identify as their biggest fear related to their position, two out of three would respond, "Having my job outsourced overseas". Even Hollywood has taken up the matter in a couple of recent movies, including "Up in the Air" with George Clooney (he works for an outsourcing provider that fires employees and presents compensation packages), and "Outsourced" (the main character is asked to train his outsourced Indian successor). While IT, manufacturing and production have a tradition of being outsourced to a cheap-labor country, recently human resources has also seen increased pressure by well-run, reliable outsourcing companies. Reasons for outsourcing your HR functions are plenty: save costs; focus on core business; improve quality of service; access larger talent pool, external expertise, experience and knowledge; and organizational restructuring. But is outsourcing really the blessing it has been praised to be for the last few years?

HR outsourcing (HRO) can be defined as "placing responsibility for various or all elements of the HR function with a third-party provider" (Turnbull, 2002). While some HR outsourcing firms are generalist, others provide specific services by specialists/experts (e.g. compensation; or recruitment). The biggest users of HRO companies are multinationals, but a growing number of small and midsize companies are hopping on the wagon to relieve themselves of HR responsibilities. A survey from 2004 shows that back then, already 83% of Fortune 500 companies were using a third party to hand over part of their functions. Outsourcing therefore has become an important strategy to leverage organizations' skill and resources to achieve greater competitiveness.

HRO is not used in the same manner in different parts of the world. It is much more common in Europe and the US than in Asian countries. Differences may arise from the size of businesses, cultural norms, the extent

of development of HRO options, labor market characteristics, the degree of sophistication of the HR function, and employment regulations. However, the major reasons for the low uptake in Asian countries seem to be the perceived lack of quality and poor competency level of consultants, as well as limited options. The loss of management control and poor data security are other serious reasons to refrain from using third-party contracts.

Each year, the top 30 countries for outsourcing services are identified by US research organization Gartner Inc. While China and India were the top leaders in 2009, market changes are likely to be seen in the near future with the other countries like Brazil, Vietnam and Russia wanting their share. Lately, due to talks about minimum wage increases and labor law changes, China's formerly popular east coast is looking less profitable for multinational companies. Most likely the trend is going westward, either to inland China, or beyond its borders, especially with the outlook of the Chinese Yuan as a free-floating currency.

Generally, only 3% of organizations outsource their entire HR department. Single-process outsourcing is therefore viewed to be the segment of HRO with the predicted biggest growth in the coming years. Outsourcing users in Asia are mostly multinational companies, and the most commonly outsourced function is recruitment. MNCs can benefit from specialists and their well-established HR services by relying on local expertise and drawing from local labor law knowledge instead of having to develop this core competency internally. The HRO market in China was estimated to be worth 5 billion USD by the end of 2009, while the Philippines raked up 11 billion USD.

### Advantages and disadvantages

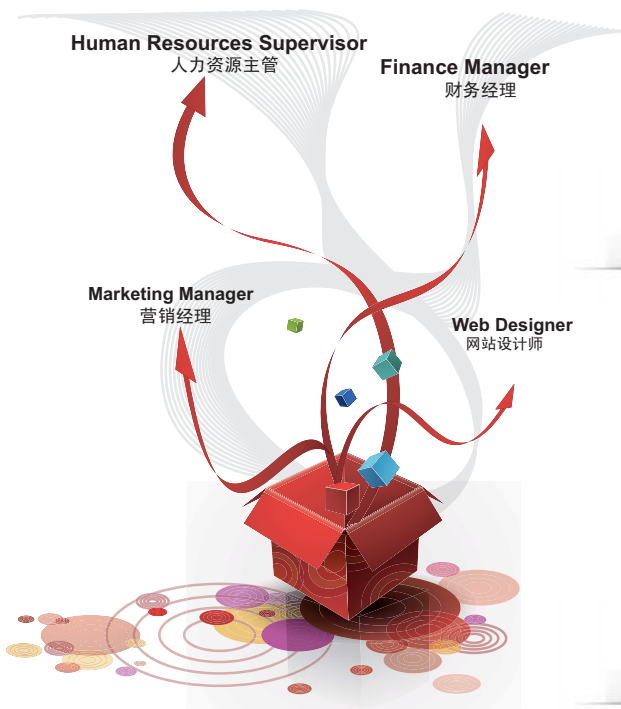
Other advantages of HRO can be seen in the availability of technology that does not have to be developed in-house, the possibility to expand in new markets through local agents,





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Marketing Manager  
营销经理

Code: MM110201

#### JOB DESCRIPTION:

- Develop strategy for growth and expansion of current business
- Maintain and develop relationships with key customers
- Coordinate and execute planned events
- Lead a marketing/sales team
- Check sales proposals, presentations and contracts, negotiate and close contract with clients
- Prepare monthly report of activities and goals

#### WHO WE ARE LOOKING FOR:

- Bachelor's degree or above, major in marketing or business administration
- 5 years of marketing/sales experience
- Ability to meet multiple objectives in an entrepreneurial environment with little supervision
- Negotiation skills
- Good interpersonal skills
- Team-leading experience
- Proficiency in written and spoken English

Human Resource Supervisor  
人力资源主管

Code: HRS110202

#### JOB DESCRIPTION:

- Establish and implement HR policies and projects
- Manage the recruitment process
- Communicate and coordinate internal and external communication
- Develop a training program that supports the needs of the business and enhances the performance of individuals
- Organize and manage training activities, develop and improve the content of training courses, manage and file training results, ensure the effect of training courses on the improvement of employees' actual working ability
- Develop relationships with agency and arbitration bureau
- Coordinate with other departments

#### WHO WE ARE LOOKING FOR:

- Comprehensive knowledge of HR policies and practices
- Strong mentoring and counseling skills
- At least 3 years of experience in a similar position
- Patient, good at communicating with people at all levels
- Degree in Human Resources, Business Administration or related discipline
- Works well under high pressure
- Good spoken and written Mandarin and English

Finance Manager  
财务经理

Code: FM110203

#### JOB DESCRIPTION:

- Responsible for accounting department
- Prepare and analyze periodic financial reports
- Coordinate monthly closing and budget control
- Handle tax declarations
- Support all CFO responsibilities
- Manage cash flow

#### WHO WE ARE LOOKING FOR:

- Education in Finance
- Several years of experience in the financial field
- Highly organized
- A fine eye for details
- Good spoken and written English
- Team player, sense of responsibility

Web Designer  
网站设计师

Code: WD110204

#### JOB DESCRIPTION:

- Create design prototypes, including graphic design, site navigation, and layout of content, for company websites
- Build websites using technologies that conform to international standards, and ensure that they are universally accessible
- Maintain and update existing websites when requested by clients
- Provide training on maintenance and update procedures to clients who choose to take charge of their own websites

#### WHO WE ARE LOOKING FOR:

- Bachelor's degree in graphic design or other discipline related to the primary responsibilities
- At least 2 years of web design experience, of which a minimum of 1 year producing table-less, XHTML, standards-compliant cross-browser, and gracefully-degrading code, and a minimum of 1 year of experience with DOM scripting and Movable Type
- Knowledge of JavaScript, CSS, PHP and dynamic HTML; experience with Adobe Flash, Dreamweaver, and Photoshop
- Superior knowledge of current web-design trends and techniques, a strong online portfolio displaying user-centered design, and experience with web database solutions definite assets

and a certain flexibility depending on workload and demand. But most importantly, it enables the company to stay focused on the core business, and focus its energy and development there.

Regardless of all these desired benefits, the decision to outsource any HR function should not be taken lightly. While you outsource the process to an external partner, the finished service or end result will still be your responsibility. Therefore, you lose control over part of the chain, which can be vital when organizational changes appear or future business strategies change directions. The standardized process agreed to in a long-term contract might then not actually be favorable and create more conflicts and discussions in the end. Before entering contractual agreements, the organizational preferences and current and future business profile need to be clarified.

Outsourcing HR involves outsourcing sensitive information that may leak, and potentially create legal issues. Furthermore, you create a high dependency on a third-party provider by outsourcing HR functions. The more you outsource, the higher the risk for the outsourcing provider to change the rules (making higher payment demands, for example). So be sure to draw up a contract that gives room for

flexibility to change the procedures if need be, and to exit the contract, beforehand. Hidden costs like legal costs involved in contract management and lost time during the initiation period should be kept in mind.

**Major reasons for low HR outsourcing uptake in Asian countries: perceived lack of quality and poor competency level of consultants.**

One aspect not often considered is that HRO results in local lay-offs, crushing the company's reputation on site. In the US, an estimated 3.3 million jobs will be laid off to India and China by 2015. Such action has led to a higher dissatisfaction amongst remaining staff and created insecurity, which in turn slow productivity. It may also result in a decreased

number of applicants, who fear being the first in line for a new "round of outsourcing activity".

### **So, when should you outsource your HR function?**

Of course, this depends on what your main aim and motivation is. You should ask yourself what aspects of the existing HR function are unsatisfactory. If you view your HR department as an integrative part of your organization that sets you apart from your competitors, it is better to centralize the function in-house in a productive and efficient way. As an alternative to third-party providers, you can create a shared service center that acts as an internal hub for the delivery of business-focused HR administration. Some companies have also stepped forward with employee self-service systems (ESS) that enable non-HR employees to undertake HR tasks by themselves. For other companies, the HRO world has developed into a mature industry, and providers with excellent reputation can be found in almost any corner of the world.

A word of warning, though: "Don't outsource something that you don't understand yourself, or that is broken; fix it, understand it, before you hand it over to somebody else. They will not solve the problem for you!"<sup>1</sup>







Philippe Healey,  
Project Manager,  
China IPR SME  
Helpdesk

## Managing IP as a business asset

**F**or most businesses, intangible assets represent more than 50% of the value of the enterprise. The most significant group of intangible assets are those protected by intellectual property, such as inventions, designs and brands. Since they form such a large part of the overall value, their management as financial assets is important to the success of the business.

Businesses that actively manage their IP as a financial asset outperform their peers by up to 30%. They do so by maximising the effectiveness of investment in the business, driving performance in areas that produce the best return, and managing operational risk. They may also use their IP assets as security to obtain various forms of funding. Moreover, there are opportunities to gain strategic

advantage in relation to the sale or purchase of a business.

A good IP management strategy enhances the ability of the business to raise funding by managing the issues that affect valuations of IP assets.

Understanding the financial value of specific IP assets to the business is of particular importance when moving into a new market – product or geographic – because there will be new risks as well as opportunities.

China presents some special challenges and practical steps to protect the value of IP assets, which are often as important as legal ones. This article aims to explain how IP assets matter from a financial perspective and



to assess how to manage them to the greatest business advantage.

### Managing return on investment and improving performance

Where there are several IP assets, knowing the comparative return on investment (ROI) of each one allows the overall business strategy to focus on those that will give the best return. It also means that the risk to the viability of the business, if certain IP rights are lost, can be assessed. This is important in deciding how to structure your commercial relationships and operations in China.

As with tangible assets, measuring the ROI of IP requires knowledge of its monetary value and of the amount of investment made in it over a given period. Ascertaining individual IP assets consists of identifying the technology and brand in each separate product and any brand that is used for more than one product.

### Providing security for financing

IP assets can be used to provide security for a wide range of methods of raising funds. China has been at the forefront of the use of patent

mortgages; a variety of fund-raising structures are readily available from Chinese financial institutions as well as European ones.

Fund-raising options include:

1. **Providing security for existing bank borrowing.** It is not unusual for a company's IP to be covered by the general charge taken by its bank but at a nominal or nil value. Valuing it separately often increases the value of the security covered by the charge. This can be used either to increase the borrowing or to reduce the interest charged on it. If the IP assets are to be used for another form of security it will be necessary to get them released from any bank charge. This will be easier if they are included at only a nominal value;

2. **Providing security for new debt.** This can be to support new bank borrowing for cashflow or for longer-term debt to fund investment in new products or markets. Lending against IP assets is a specialised form of lending usually carried out by dedicated teams within larger lending organisations or by smaller specialist lending houses;

3. **Patent (and other IP) mortgage.** A

patent mortgage is one form of lending against patents or other IP assets. The significant difference between this and security under a charge is that a mortgage will usually transfer title to the lender immediately on default. It is a well-established form of lending by some Chinese banks who may have more familiarity with it than their international counterparts;

4. **Creating a vehicle for raising equity.** If IP assets are owned by a company created for that purpose and generate a royalty income, then shares can be issued in that company to raise new equity finance;

5. **Securitisation (bond issue).** An alternative to issuing shares in an IP holding company is to use the company's assets as security for a bond issue in the market. This is more likely to be an attractive option for medium-sized businesses with brands or technology that are reasonably well-known in their own market-place;

6. **Secure assets to benefit a third party.** A further use of an IP holding company is to provide security to benefit a third party such as the com-







pany's pension fund or a new venture in the same group of companies.

IP assets are often undervalued in company accounts. Identifying and valuing them can result in a worthwhile increase in the value that existing lenders will put on them as security for current lending. This can be very useful in a credit crunch.

The acceptability of IP assets for fund-raising will depend to a considerable extent on what valuation is put on them and whether they are owned by an appropriate entity.

There are several considerations that impact valuation, including whether the IP assets are clearly identified, consolidated in one ownership rather than dispersed, protected from insolvency risks associated with operational activities, protected by appropriate registrations, subject to a structured enforcement programme, licensed to group businesses and/or third parties to generate income, and being used to increase the profitability of the business.

### Drawing up an IP strategy

A well-managed IP strategy makes a significant difference to the valuation of a company's IP assets. A valuer will assess the economic impact of the IP on the company's business. Although there are several different valuation methodologies, all take account of the risk to the IP. A realistic IP strategy that is documented and demonstrates effective support for the overall business strategy will always enhance the ultimate valuation figure for the IP.

The IP strategy reinforces the overall business strategy and will change as the business moves through different stages of its development. It will often also differ from one market to another, because the business will be at different stages of its lifecycle in each. The balance of which IP rights are most useful and so should get priority in investment and management time will vary accordingly.

For example, in establishing a new market, registration of trademarks and patents, designs or copyright to protect the product is likely to be

more significant than enforcement against infringers. Once a business is established, enforcement is likely to take a higher priority. When it seeks to increase market share compared with its competitors, then the focus may well be on defending litigation.

It is essential that the management of the company is involved in drawing up the IP strategy and understands how it will support the business objectives. The key people to be engaged are the chief executive, finance director, tax advisor, general counsel, chief technology officer and chief operating officer.

The IP strategy should be reviewed whenever the business strategy changes, and at least once a year.

### Conclusion

With a strategic IP management approach and the appropriate identification, valuation and protection of your IP assets, you can use your intangible assets to your advantage, providing security for financing and improving your company's overall performance. To best use IP assets as business tools, Helpdesk experts strongly recommend that SMEs also ensure their key IP assets are protected by registration, adequately prevent IP from being exposed by current and former employees and business partners, and structure IP ownership that is most appropriate for any planned use as security for raising finance. ☐



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Jason Gao  
General Manager  
DTZ Tianjin

# Residential Transactions Rebound

## Tianjin Q4 2010 report



### Economic overview

According to the Tianjin Statistics Bureau, the city's economy continued to grow rapidly in the first three quarters of 2010. Tianjin's GDP reached 644.86 billion CNY (96.97b USD), an increase of 17.9% year-on-year (y-o-y).

Investment in fixed assets in the first three quarters of 2010 increased 32.0% y-o-y to 462.35 billion CNY (69.53b USD). Notably, real estate investment increased by 21.9% y-o-y to 62.97 billion CNY (9.47b CNY).

Per capita disposable income has grown steadily to reach 17,015 CNY (2,559 USD) in the first three quarters of 2010, a y-o-y increase of 12.4%.

### Offices

In Q4 2010, office rents witnessed a continuous upward trend to reach 106.66 CNY

(16.04 USD) per sqm per month, an increase of 4.99% quarter on quarter.

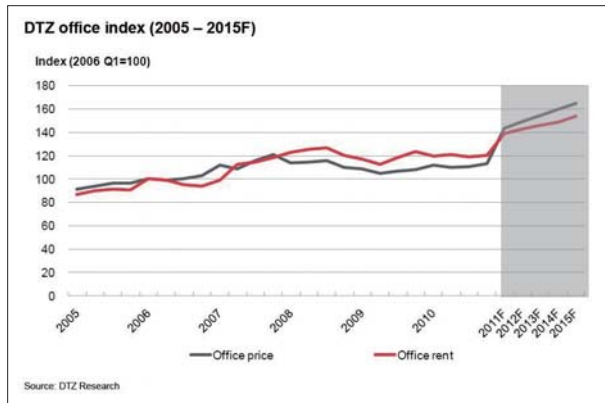
A delay in the launch of Tianjin World Financial Centre resulted in no new supply in the fourth quarter. Existing projects absorbed more tenants, dropping the city's overall availability ratio from 16.3% in the Q3 to 15.0%.

Meanwhile, the net absorption of grade A office space was 9,277sqm, down significantly compared to the previous quarter. Most of the office leasing transactions remained stable in Q4. Projects such as Tianjin IFC, Global Centre and the Exchange II had relatively high absorption in the quarter.

Stabilized investment activity caused office prices to rise 3.2%, according to the DTZ office index, to 121.9% of 2006 levels (see graph). It is expected that office prices



and rents will grow at a faster pace as office quality continues to upgrade and occupier demand continues to improve.



In the near future, several high quality office projects located along Haihe River, along Nanjing Road, in Xiangluowan business district and in Yujiabao financial district are expected to enter the market, which will bring more new supply to the city's grade A office. Moreover, two business centres will be formed upon completion of the development of Yujiabao and Xiangluowan CBD. We believe that the availability ratio is past its peak and will fall steadily over the next few years.

Recent transactions include Schneider Logistics (Tianjin) Co., Ltd. leasing 1,052sqm and Eisai (China) Pharmaceutical Co., Ltd. leasing 380sqm in Maigou Times Square, High Chemical International Trading Co., Ltd. leasing 300sqm in Regent Plaza, and China International Capital Corporation Ltd leasing 700sqm in Tianjin Centre.

### Retail

The retail occupier market has been sustained by robust consumer confidence. From January to October of 2010, total consumer goods sales in Tianjin increased by 19.3% y-o-y, reaching 240.84 billion CNY (36.22b USD).

On 4 December, Tianjin Department Store, with an 84-year-old history, officially reopened after renovations. The 60,000sqm of retail space now house a better mix of tenants, including supermarkets, restaurants, themed cafes and beauty salons.

After 18 months of intense construction, Hedong Wanda Plaza, one of the 20 major building projects in Tianjin, opened on 20 November. This 510,000sqm, 5.3-billion-CNY project will be a new modern commercial landmark in the Trade and Logistics Zone along Tianjin Binhai Boulevard.





The retail market remained stable compared with the previous quarter. The average rent of some high-quality projects remained high at 300-600 CNY (45.11-90.22 USD) per sqm per month. Projects within this range include The Exchange, Isetan and Robbinz Department Store.

On 9 November, Isetan, the leading retail giant from Japan, signed an agreement with Tianjin TEDA Co., Ltd. to open a new store in Tianjin. The 5-floor, 25,000sqm Isetan TEDA store will be wholly owned by Isetan TEDA (China) Investment Co., Ltd. and will open in spring 2012. It will be Isetan's fifth department store in China.

The construction of the Metro system is right on schedule. Lines 5 and 6 launched this year. With the completion of Lines 2 and 3 and the extension of Line 9 in the first half of 2011, the commercial market along these Metro lines is expected to see further development.

**City-wide average residential prices increased 30.80% year-on-year.**

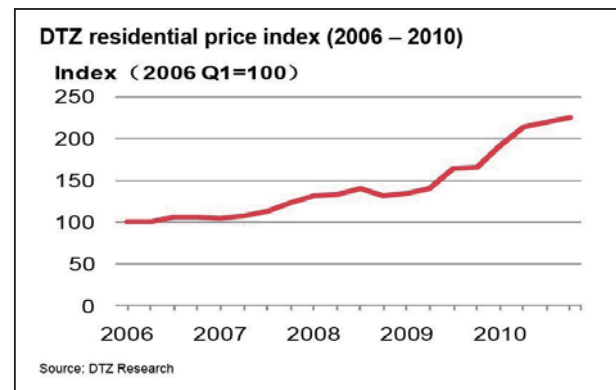
## Residential

In the first two months of Q4 2010, a total of 1,542,418sqm of new residential supply entered the market, including 778,852sqm in Binhai New Area. Also of note was the completion of 339,338sqm in Nankai district.

Affected by buyer expectations, the residential housing transaction volume rebounded sharply in Q4 2010. Total residential transacted area reached 685,128sqm in the first two months of Q4. Among the six urban districts, Heping recorded the highest transaction volume (110,621sqm), followed by Hedong (64,162sqm) and Nankai (58,474sqm) districts.

Despite the sharp growth in transactions, average prices increased slightly. The city-wide average price reached 13,005 CNY (1,956 USD) per sqm in October/November of this quarter, a y-o-y increase of 30.80%. Among the six inner city districts, the residential price in Hedong experienced the highest average increase, up 45.56% y-o-y to 13,939 CNY (2,096 USD) per sqm at the end of November.

In the first two months of Q4, land transaction in Tianjin remained stable. Plots set aside for subsidised housing saw stable supply, and several of these plots were successfully transacted. We expect a large amount of general market supply, as well as some subsidised housing supply, to complete in the future. This new supply is expected to soften housing prices in the city in the short term. In the long run, however, we believe Tianjin's real estate market development will remain on a stable and healthy track.



## Recent transactions

Tianjin Binhai Huanggang Industrial Co., Ltd. purchased a total of 10 plots along the Jingjintang Expressway for residential use for 1.77 billion CNY (270m USD). The total floor area of 1,221,557sqm amounted to an average accommodation price of 1,452 CNY (218 USD) per sqm.

Taoyuan Habitat purchased a plot with a total area of 161,788sqm in Binhai New Area for 12,362 CNY (1,859 USD) per sqm, or 2 billion CNY (300m USD). **B**

**DTZ** 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 is based upon detailed local knowledge backed by first-class research. The parent company, DTZ Holdings plc, has been quoted on the London Stock Exchange since 1987. [www.dtz.com](http://www.dtz.com)



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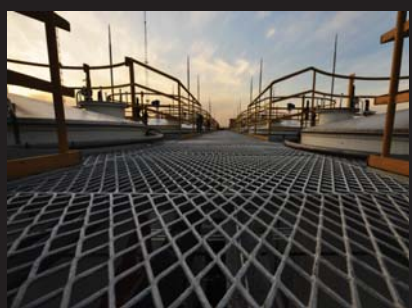
[www.weacn.com/expatshowbeijing/](http://www.weacn.com/expatshowbeijing/)





## 2010 EUCCC Photo Contest Photo Exhibition

European Chamber of Commerce, Tianjin Chapter organized the Tianjin's first company photo contest on 12 December 2010 at Raffles Hotel Tianjin. Business Tianjin, as the Exclusive Media Partner of this event, will publish the best photos from the exhibition, submitted by local companies, in its February and March issues to share with you.



**AKZO**



**Alcan**



**Gamesa**



**English First**



**Goglio**



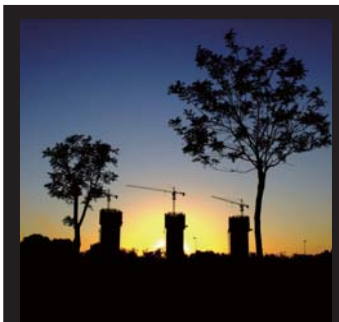




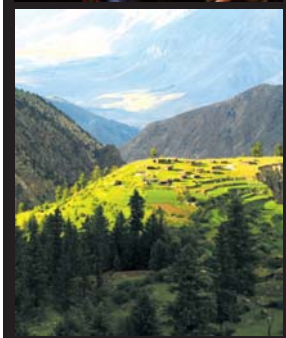
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**BenCham – the Benelux Chamber of Commerce in China – strengthens the business, government and community ties between Belgium, The Netherlands, Luxembourg and China. With offices in Beijing, Shanghai and one newly established in the Pearl River Delta, we provide a wide range of services to ensure our members' success in China.**

## BENCHAM GALA BALL 2011

BenCham is preparing for our yearly Gala Ball. This year BenCham is celebrating its 10th anniversary. Therefore the theme of the gala is:

### The BenCham X Ball X years in Business

Every year, BenCham focuses on helping others with our Gala. This year, BenCham has decided to support three charities with the proceeds of the auction: Handicap International, Special Commune and Morning Tears. The BenCham Ball will take place on 26 February 2011. Please keep an eye on our website for more information.

Do you want to support our gala by becoming a gala sponsor or a lucky draw sponsor? If so, please contact us at [gala-bj@bencham.org](mailto:gala-bj@bencham.org).



## UPCOMING EVENTS

- 15 February 2011: **CSR Event:**  
**The Carbon-Conscious Company**
- 17 February 2011: **Young Professionals Event:**  
**How to Pop the Expat Bubble**
- 24 February 2011: **Training: Empowering your Executive Assistant (session 2)**
- 26 February 2011: **BenCham Gala Ball:**  
**The BenCham X Ball – X years in China**

## PAST EVENTS

- 12 January 2011: **Training: Empowering your Executive Assistant (session 1)**
- 13 January 2011: **Social Event: New Year's Cocktail**
- 21 January 2011: **SME Event:**  
**How to manage social risk in China?**

To keep updated on upcoming and past events, please mail our office at [office-bj@bencham.org](mailto:office-bj@bencham.org) or visit our website [www.bencham.org](http://www.bencham.org).

## OUR LINKEDIN FAMILY

All BenCham members are invited to become part of the BenCham LinkedIn group.

To go directly to our member group, please visit: [www.linkedin.com/groupRegistration?gid=105429](http://www.linkedin.com/groupRegistration?gid=105429).

## MISSION

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

## NEW WEBSITE FOR BENCHAM

BenCham has launched its new website! The new website is very user-friendly and contains new sections only accessible to our members. The Business Directory is also available online. Please visit [www.bencham.org](http://www.bencham.org)



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## AmCham-China Tianjin Chapter

### Recent Event

#### Annual Individual Income Tax Seminar - Tianjin

1:30-5:00PM, Friday, January 14 – Hotel Nikko Tianjin



More than 50 members from AmCham-China, Tianjin Chapter and EUCCC Tianjin Chapter attended the Annual Individual Income Tax Seminar at the Hotel Nikko in Tianjin.

During the seminar, PricewaterhouseCoopers experienced professionals Kelvin Lee, Steven Zheng and Rebecca Lai discussed the Annual IIT Self-Declaration form, IIT Audit Risk Exposures, and the Expatriate Employee Secondment Permanent Establishment (PE) Risk Exposures.

### Upcoming Event

#### Monthly Executive Breakfast Briefing

7:15-9:00AM, Thursday, February 24 – The Westin Tianjin

AmCham-China, Tianjin Chapter would like to invite you to the monthly executive breakfast on February 24. During this breakfast, we will discuss program opportunities and topics of interest for AmCham-China, Tianjin Chapter events in 2011. This event is also a great opportunity to meet the members of our Executive Committee. The goal of this executive breakfast will be to increase networking opportunities and information sharing with executives of various companies, all the while enjoying a delicious breakfast at a great price!

#### Venue:

Prego, 3F, The Westin Tianjin  
No. 101, Nanjing Road, Heping District  
和平区南京路101号天津君隆威斯汀酒店3楼意大利餐厅  
Tel: +86 22 2389 0088

#### Program:

7:15 - 7:30AM Registration and networking  
7:30 - 9:00AM Briefings with breakfast

#### Registration:

Cardholding members: 60 CNY  
Employee of member companies: 100 CNY  
Non-members: 150 CNY  
Registration deadline for this event is noon, Wednesday, February 16.

#### AmCham-China Events:

Events have limited seating, so to ensure your attendance we encourage advance online registration and payment for ALL events. We cannot guarantee entry to anyone not registered in advance. All events are off the record and are held in English unless otherwise stated. If there are any questions please contact [amandahe@amchamchina.org](mailto:amandahe@amchamchina.org).

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)

# FEBRUARY 2011

MON	TUE	WED	THU
<p><b>Special Days</b></p> <p>Feb.02 World Wetlands Day Feb.03 The Spring Festival Feb.14 Valentine's Day Feb.17 Lantern Festival Feb.21 World Mother Language Day</p>	 <p><b>2</b></p>		<p><b>3</b></p>
<p><b>7</b></p>	<p><b>8</b></p> <p><b>Puppet Show - The Adventures of Angles</b>                      天津大剧院                      19:30                      ¥ 80/120/180/280/200/300 CNY                      +86 22 2777 8571                      +86 22 2730 7780                      400-818-3333</p>	<p><b>9</b></p>	<p><b>10</b></p>
 <p><b>16</b></p>		 <p><b>16</b></p>	
<p><b>21</b></p> <p><b>Asia Commercial Real Estate Summit</b>                      Intercontinental Hotel-Beijing, Beijing                      21-22 Feb.</p>	 <p><b>23</b></p>	<p><b>23</b></p> <p><b>ISPO China</b>                      Beijing China International Exhibition Center (CIEC)                      23-25 Feb.</p>	<p><b>24</b></p> <p><b>TICC Monthly Luncheon</b>                      Sheraton Tianjin Hotel</p>
<p><b>28</b></p>			

## MARCH 2011

一	二	三	四	五	六	日
MON	TUE	WED	THU	FRI	SAT	SUN
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

<p><b>3</b></p> <p><b>ISH China 2011 -- Sanitation, Heating, Air-Conditioning, Bath &amp; Kitchen</b>                      Beijing China International Exhibition Center (CIEC)                      3-5 Mar.</p>	<p><b>15</b></p> <p><b>TOC Asia - the shipping, ports and terminal event for Asia</b>                      Renaissance Tianjin TEDA Convention Centre Hotel                      15-17 Mar.</p>
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# TIANJIN & BEIJING EVENTS

FRI	SAT	SUN
<b>6</b>	<b>6</b>	<b>6</b>
<b>11</b>	<b>12</b>	<b>13</b>
<p><b>Kunqu Opera: Romance of the Western Chamber</b></p> <p>📍 Tianjin Concert Hall 🕒 19:30 ¥ 50/100/180/280/380/500 CNY ☎ +86 22 2332 0068</p>	<p><b>Hua Mulan - Multi-Media Visual and Musical Symphony Concert</b></p> <p>📍 Tianjin Concert Hall 🕒 19:30 ¥ 30/60/120/180/280/380 CNY ☎ +86 22 2332 0068</p>	
<b>18</b>	<b>19</b>	<b>19</b>
<p><b>Memory Journey - Cello&amp;Piano Concert</b></p> <p>📍 Western Shore Art Salon 🕒 20:00 ¥ 50/60/100CNY ☎ +86 22 2326 3505</p>	<p><b>TICC Beijing Bus Trip</b></p> <p>📍 Pickup from: Pizza Hill-Binshui Xi Dao 🕒 8am-SHARP ✉ ticc_09@hotmail.com</p> <p><b>Horn spring - String Quartet Concert</b></p> <p>📍 Western Shore Art Salon 🕒 20:00 ¥ 50/60/100 CNY ☎ +86 22 2326 3505</p>	<p style="text-align: right;">时间 2011年02月19日20:00</p> <p style="text-align: right;">演出 Vivace弦乐四重奏组 (天津歌舞剧院)</p> <p style="text-align: center;"><b>春光号角</b> —— 弦乐四重奏音乐会</p>
<b>25</b>	<b>26</b>	<b>26</b>
<p><b>China International Auto Accessories Electronics, Tuning &amp; Care Products Expo</b></p> <p>📍 New China International Exhibition Center, Beijing 25-27 Feb.</p>	<p><b>Wellington College Open Day</b></p> <p>📍 The Nursery Building, Wellington College, Tianjin ☎ +86 187 2248 1836 ✉ info@wellingtoncollegeintl.cn</p> <p><b>Russian pianist-Victoria-Maluntzeva solo piano</b></p> <p>📍 Western Shore Art Salon 🕒 20:00 ¥ 50/60/100 CNY ☎ +86 22 2326 3505</p>	
	<b>時光軌迹</b> —— 俄国钢琴家独奏音乐会	
	<p>时间: 2011年02月26日20:00 演奏: 俄国钢琴家、教授、功勋演员 维多利亚·马伦采娃(Victoria·Maluntzeva)</p>	

## TIANJIN & BEIJING EVENTS

<b>22</b>	<b>25</b>	<b>25</b>
<p><b>China International Petroleum &amp; Petrochemical Technology &amp; Equipment Exhibition</b></p> <p>📍 New China International Exhibition Center 22-24 Mar.</p>	<p><b>Expat Show Beijing</b></p> <p>📍 China World Trade Center(CWTC) 25-27 Mar.</p>	

# Selected DOMESTIC FLIGHTS

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

## From Tianjin

DEST	DEP	ARR	Flight No	Days
Changchun	10:55	12:35	GS6571	1234567
Changsha	09:10	11:25	CA1467	1234567
Chengdu	13:00	15:30	8L9976	1234567
Chifeng	14:10	15:15	MU2135	1.3.5.7
Chongqing	11:55	14:25	PN6238	1.3.5.7
Dalian	11:10	12:00	GS7579	1234567
Fuzhou	07:55	11:55	MF8138	1234567
Guangzhou	13:50	17:00	HU7201	1234567
Guiyang	08:10	12:30	GS7465	1234567
Haikou	09:10	14:05	GS7561	1.3.5.7
Hangzhou	13:15	15:00	MF8377	1234567
Harbin	16:00	17:55	CZ3125	1...5..
Hefei	15:20	16:50	GS7463	1.3.5.7
Huhhot	14:00	15:15	GS7468	1234567
Kunming	15:40	18:55	CA1401	1234567
Nanjing	15:00	16:35	FM9291	1234567
Nanning	13:15	18:15	MF8377	1234567
Ningbo	13:10	15:10	GS6603	1234567
Qingdao	08:35	09:35	GS7575	1234567
Sanya	15:00	18:50	CA1389	1234.67
Shanghai	09:00	10:50	FM9134	1234567
Shenyang	11:30	12:45	3U8861	1.3.5.7
Shenzhen	16:35	19:40	ZH9936	1234567
Taiyuan	11:05	12:30	GS6601	1234567
Urumqi	16:00	21:50	CZ6928	1..4.6.
Wuhan	08:00	09:45	GS6695	1234567
Xiamen	14:30	17:05	MF855	1234567
Xi'an	08:10	09:55	GS7465	1234567
Yantai	08:20	09:20	GS7421	1234567
Yinchuan	09:20	11:05	CZ6457	.2345.7
Yuncheng	09:00	10:25	GS6677	1234567
Zhengzhou	12:40	14:00	GS6609	1234.67

## To Tianjin

ORIGIN	DEP	ARR	Flights No	Days
Changchun	13:15	15:05	GS6572	1234567
Changsha	18:20	20:15	CA1468	1234567
Chengdu	09:40	12:10	8L9975	1234567
Chifeng	15:55	17:05	MU2136	1.3.5.7
Chongqing	08:55	11:15	PN6237	1.3.5.7
Dalian	20:10	21:05	GS7580	1234567
Fuzhou	08:30	12:25	MF8137	1234567
Guangzhou	08:05	11:00	CZ3133	1234567
Guiyang	13:10	17:25	GS7466	1234567
Haikou	14:55	19:25	GS7562	1.3.5.7
Hangzhou	21:55	23:55	MF8378	1234567
Harbin	18:45	20:45	CZ3126	1...5..
Hefei	20:10	21:40	GS7464	1.3.5.7
Huhhot	09:00	10:10	GS7467	1234567
Kunming	07:40	12:10	8L9975	1234567
Nanjing	22:55	00:45(+1)	FM9292	1234567
Nanning	19:05	23:55	MF8378	1234567
Ningbo	16:00	18:05	GS6604	1234567
Qingdao	10:40	11:40	GS7576	1234567
Sanya	19:50	23:20	CA1390	1234.67
Shanghai	12:10	14:10	FM9133	1234567
Shenyang	13:35	14:55	3U8862	1.3.5.7
Shenzhen	12:25	15:40	ZH9935	1234567
Taiyuan	15:55	17:00	GS6602	1234567
Urumqi	09:20	15:05	CZ6927	1..4.6.
Wuhan	20:10	22:00	GS6696	1234567
Xiamen	13:45	16:15	MF856	1234567
Xi'an	15:50	17:25	GS7466	1234567
Yantai	19:20	20:20	GS7422	1234567
Yinchuan	11:55	13:25	CZ6458	.2345.7
Yuncheng	15:20	16:40	GS6678	1234567
Zhengzhou	08:20	09:40	CZ6463	1.3.5.7

### Airline Code

**3U** Sichuan Airlines  
**8L** Lucky Air  
**BK** Okay Airways  
**CA** Air China  
**CZ** China Southern Airlines

**FM** Shanghai Airlines  
**GS** Grand China  
**HO** Juneyao Airlines  
**HU** Hainan Airlines  
**JD** Deer Air

**MF** Xiamen Airlines  
**MU** China Eastern Airlines  
**NS** Northeast Airlines  
**PN** West Air  
**SC** Shangdong Airlines

**VD** Kunpeng Airlines  
**ZH** Shenzhen Airlines





# Selected INTERNATIONAL FLIGHTS

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

## From Beijing

DEST	DEP	ARR	Flight No	Days
Addis Ababa	21:05	07:50(+1)	ET605	1.3..6.
Amsterdam	11:55	15:10	KL0898	1234567
Bangkok	17:05	21:20	TG615	1234567
Brussels	01:30	05:45	HU491	.2.4.67
Delhi	18:00	22:40	CA947	1.3.56.
Dubai	23:05	03:45(+1)	EK307	1234567
Frankfurt	11:30	14:50	LH721	1234567
Hanoi	15:30	18:20	VN901	.23.5.7
Helsinki	11:35	14:25	AY052	1234567
Hong Kong	10:00	13:40	CX347	1234567
Istanbul	23:55	04:35(+1)	TK021	1234567
Kuala Lumpur	16:00	22:30	CA971	1.3.567
London	12:10	15:15	BA0038	12345.7
Los Angeles	21:00	16:30	CA983	1234567
Madrid	00:05	05:20	CA907	.234.67
New York	13:00	13:30	CA981	1234567
Osaka	13:50	17:45	JL886	1234567
Paris	13:40	17:40	AF125	1234567
San Francisco	16:00	11:20	CA985	1234567
Seoul*	11:45 14:00 21:20	14:40 17:00 00:15(+1)	KE852 KE856 KE854	1234567 1.3.5.7 1234567
Singapore	00:10	06:40	SQ801	1234567
Sydney	17:00	07:40(+1)	CA173	1234567
Tel Aviv	22:00	03:00(+1)	LY096	.2.4..7
Tokyo	16:40	21:00	JL024	1234567
Ulaanbaatar	11:55	14:30	CA901	1234567
Vancouver	15:50	10:30	CA991	1234567

## To Beijing

ORIGIN	DEP	ARR	Flight No	Days
Addis Ababa	01:20	19:25	ET604	1.3..6.
Amsterdam	17:40	09:55(+1)	KL0897	1234567
Bangkok	10:10	15:50	TG614	1234567
Brussels	12:30	05:30(+1)	HU492	.2.4.67
Delhi	00:10	08:40	CA948	.2.4.67
Dubai	03:50	14:45	EK306	1234567
Frankfurt	17:15	09:30(+1)	LH720	1234567
Hanoi	10:05	14:30	VN900	.23.567
Helsinki	18:00	07:55(+1)	AY051	1234567
Hong Kong	17:00	20:15	CX312	1234567
Istanbul	23:45	15:00(+1)	TK020	1234567
Kuala Lumpur	23:35	05:45(+1)	CA972	1.3.567
London	16:30	10:25(+1)	BA0039	1234.6.
Los Angeles	00:40	05:30	CA984	1234567
Madrid	11:25	06:10(+1)	CA908	123.56.
New York	15:50	18:20(+1)	CA982	1234567
Osaka	09:50	12:20	JL885	1234567
Paris	18:55	11:45(+1)	AF126	1234567
San Francisco	13:50	18:05(+1)	CA986	1234567
Seoul*	09:15 11:40 19:00	10:25 12:50 20:10	KE851 KE855 KE853	1234567 1.3.5.7 1234567
Singapore	08:45	14:50	SQ802	1234567
Sydney	21:00	05:50(+1)	CA174	1234567
Tel Aviv	21:40	13:30(+1)	LY095	1.3..6.
Tokyo	10:30	13:35	JL023	1234567
Ulaanbaatar	15:30	17:35	CA902	.234567
Vancouver	12:50	16:30(+1)	CA992	1234567

## From Tianjin

DEST	DEP	ARR	Flight No	Days
Hong Kong	08:35	12:00	KA1103	1234567
Seoul*	13:10	15:55	KE806	1234567
Nagoya	13:00	16:50	JL840	1234567
Kuala Lumpur	15:50	22:15	D7 2613	1.3.567

## To Tianjin

ORIGIN	DEP	ARR	Flight No	Days
Hong Kong	13:00	16:10	KA1104	1234567
Seoul*	10:35	11:30	KE805	1234567
Nagoya	09:40	11:50	JL841	1234567
Kuala Lumpur	08:30	14:35	D7 2612	1.3.567



\* Flights from Beijing/Tianjin to Seoul, from Seoul to Beijing/Tianjin provided by Korean Air.  
Tianjin-Kuala Lumpur flights provided by AirAsia.  
Schedules are subject to government approval and may be changed without prior notice.

## Airline Code

<b>AC</b> Air Canada	<b>EK</b> Emirates	<b>LH</b> Lufthansa	<b>SQ</b> Singapore Airlines
<b>AF</b> Air France	<b>ET</b> Ethiopian Airlines	<b>LY</b> El Al Airlines	<b>SU</b> Aeroflot Airlines
<b>AY</b> Finnair	<b>EY</b> Etihad Airways	<b>MS</b> Egypt Airlines	<b>TG</b> Thai Airways International
<b>BA</b> British Airways	<b>HU</b> Hainan Airlines	<b>NH</b> All Nippon Airways	<b>UL</b> Sri Lanka Airlines
<b>CA</b> Air China	<b>JL</b> Japan Airlines	<b>NZ</b> Air New Zealand	<b>VN</b> Vietnam Airlines
<b>CX</b> Cathay Pacific	<b>KA</b> Dragon Air	<b>QF</b> Qantas Airways	
<b>CZ</b> China Southern Airlines	<b>KE</b> Korean Air	<b>QR</b> Qatar Airways	
<b>D7</b> Air Asia	<b>KL</b> KLM-Royal Dutch Airlines	<b>SK</b> Scandinavian Airlines	

# Transportation

## TRAINS

### BJ-TJ-TEDA (¥14)

Train	Departs	Arrives
4493	13:10	16:08

### TEDA-TJ-BJ (¥14)

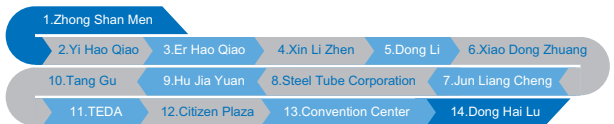
Train	Departs	Arrives
4494	08:05	11:21

## LIGHT RAIL

### TJ - BINHAI (¥6)

Train	Monday - Friday		Saturday - Sunday	
	Time	Freq (min)	Time	Freq (min)
<b>Zhong Shan Men</b> (TJ - Binhai) ¥6 First: 06:30 Last: 21:00	06:00 - 06:45	15	06:00 - 07:00	15
	06:45 - 07:54	5 - 8	07:00 - 08:00	12
	07:54 - 11:00	10 - 12	08:00 - 10:55	8 - 10
	11:00 - 15:58	15	10:55 - 15:17	12 - 15
<b>Dong Hai Lu</b> (Binhai - TJ) ¥6 First: 06:30 Last: 21:00	15:58 - 18:15	10 - 13	15:17 - 17:25	8 - 10
	18:15 - 21:00	15	17:25 - 21:00	12 - 15
	06:00 - 07:00	15	06:00 - 07:00	15
	07:00 - 08:17	8 - 10	07:00 - 10:50	10 - 12
	08:17 - 10:05	11 - 13	10:50 - 12:20	15
	10:05 - 15:05	15	12:20 - 14:32	12
	15:05 - 17:02	10 - 12	14:32 - 17:40	8 - 10
	17:02 - 17:58	5 - 8	17:40 - 18:30	12 - 13
	17:58 - 18:30	10 - 12	18:30 - 21:00	15
	18:30 - 21:00	15	—	—

### Stops:



## TIANJIN-BEIJING AIRPORT Shuttle Bus

¥70 one way

### Tianjin - Beijing Airport Terminals 2/3

04:00-18:00, runs every 45 minutes  
Tian Huan Distance Bus Passenger Station  
The junction of Hongqi Lu and Anshan Xi Dao  
Tel: +86 1686 8999

### Beijing Airport Terminals 2/3 - Tianjin

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

## TEDA-BEIJING AIRPORT SHUTTLE BUS

¥80 one way

### TEDA - Beijing Airport Terminals 2/3

06:30-19:30, runs every hour  
1st Avenue, TEDA  
Tel: +86 22 6620 5188

### Beijing Airport Terminals 2/3 - TEDA

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

## No. 1 Metro Stops: METRO Tianjin

### Metro line 1

Metro line 1 is from Liu Yuan station to Shuang Lin station. It crosses Beichen, Hongqiao, Nankai, Heping, and Jinnan districts  
¥2-5, depending on distance travelled  
06:00-22:00, runs every 10 minutes, 5 minutes during peak hours  
Tel: +86 22 6028 6777



## BULLET (C) TRAIN

### TJ ~ BJ (¥58 - ¥69)

Train	Tianjin	Beijing
C2002	06:25	06:55
C2202	06:40	07:15
C2004	06:55	07:25
C2006	07:10	07:40
C2008	07:25	07:55
C2010	07:45	08:15
C2012	07:55	08:25
C2014	08:20	08:50
C2016	08:35	09:05
C2018	08:45	09:15
C2272	08:55	09:25
C2020	09:20	09:50
C2022	09:30	10:00
C2024	09:55	10:25
C2026	10:05	10:35
C2204	10:15	10:50
C2028	10:30	11:00
C2030	10:40	11:10
C2032	10:50	11:20
C2034	11:10	11:40
C2036	11:35	12:05
C2038	12:00	12:30
C2040	12:30	13:00
C2042	13:20	13:50
C2206	13:30	14:05
C2044	13:50	14:20
C2046	14:00	14:30
C2048	14:25	14:55
C2050	14:50	15:20
C2052	15:05	15:35
C2054	15:20	15:50
C2056	15:35	16:05
C2058	15:55	16:25
C2060	16:20	16:50
C2208	16:30	17:05
C2062	16:45	17:15
C2064	17:05	17:35
C2066	17:15	17:45
C2068	17:45	18:15
C2210	18:15	18:50
C2070	18:30	19:00
C2072	18:40	19:10
C2074	19:00	19:30
C2076	19:10	19:40
C2078	19:20	19:50
C2080	19:45	20:15
C2082	20:35	21:05
C2212	21:00	21:35
C2084	21:15	21:45
C2086	21:25	21:55
C2088	21:35	22:05
C2090	21:55	22:25
C2282	22:05	22:35
C2092	22:15	22:45
C2094	22:45	23:15

### BJ ~ TJ (¥58 - ¥69)

Train	Beijing	Tianjin
C2001	06:35	07:05
C2003	07:00	07:30
C2005	07:10	07:40
C2271	07:20	07:50
C2007	07:30	08:00
C2009	07:45	08:15
C2011	08:00	08:30
C2013	08:10	08:40
C2015	08:45	09:15
C2201	08:55	09:30
C2017	09:10	09:40
C2019	09:30	10:00
C2021	09:40	10:10
C2023	09:55	10:25
C2025	10:05	10:35
C2027	10:15	10:45
C2203	10:30	11:05
C2029	10:55	11:25
C2031	11:30	12:00
C2033	11:45	12:15
C2035	11:55	12:25
C2037	12:15	12:45
C2205	12:55	13:30
C2039	13:15	13:45
C2041	13:40	14:10
C2043	13:50	14:20
C2045	14:10	14:40
C2047	14:45	15:15
C2049	15:00	15:30
C2051	15:10	15:40
C2053	15:20	15:50
C2207	15:40	16:15
C2055	16:20	16:50
C2057	16:30	17:00
C2059	16:40	17:10
C2061	16:55	17:20
C2063	17:25	17:55
C2065	17:40	18:10
C2067	17:50	18:20
C2069	18:00	18:30
C2071	18:20	18:50
C2209	18:30	19:05
C2073	19:05	19:35
C2075	19:15	19:45
C2077	19:40	20:10
C2079	19:50	20:20
C2081	20:05	20:35
C2281	20:25	20:55
C2083	20:45	21:15
C2211	21:15	21:50
C2085	21:40	22:10
C2087	22:20	22:50
C2089	22:30	23:00
C2093	23:00	23:30

### TG ~ BJ (¥70 - ¥118)

Train	Tanggu	Beijing
C2272	08:29	09:25
C2292	09:29	10:25
C2274	12:14	13:10
C2276	13:44	14:40
C2286	15:45	16:43
C2294	16:34	17:30
C2296	17:09	18:05
C2278	18:14	19:10
C2298	19:24	20:20
C2280	19:59	20:55
C2282	21:39	22:35

### BJ ~ TG (¥70 - ¥118)

Train	Beijing	Tanggu
C2271	07:20	08:14
C2291	08:05	08:59
C2273	10:45	11:39
C2275	12:35	13:29
C2285	14:30	15:25
C2293	15:20	16:14
C2295	15:55	16:49
C2277	16:55	17:49
C2297	17:55	18:49
C2279	18:50	19:44
C2281	20:25	21:19

### Wuqing ~ BJ

Train	Wuqing	Beijing
C2202	06:52	07:15
C2232	08:12	08:35
C2204	08:32	08:55
C2206	09:32	09:55
C2208	10:47	11:10
C2210	11:42	12:05
C2212	13:22	13:45
C2214	14:32	14:55
C2234	15:37	16:00
C2216	15:47	16:10
C2218	16:27	16:50
C2224	17:42	18:05
C2220	17:52	18:15
C2222	20:07	20:30

### BJ ~ Wuqing

Train	Beijing	Wuqing
C2201	06:45	07:05
C2203	08:15	08:35
C2205	08:40	09:00
C2207	09:10	09:30
C2209	09:50	10:10
C2211	11:25	11:45
C2213	13:40	14:00
C2223	13:45	14:05
C2231	14:50	15:10
C2215	16:15	16:35
C2217	17:20	17:40
C2219	18:25	18:45
C2221	19:45	20:05
C2233	20:15	20:35





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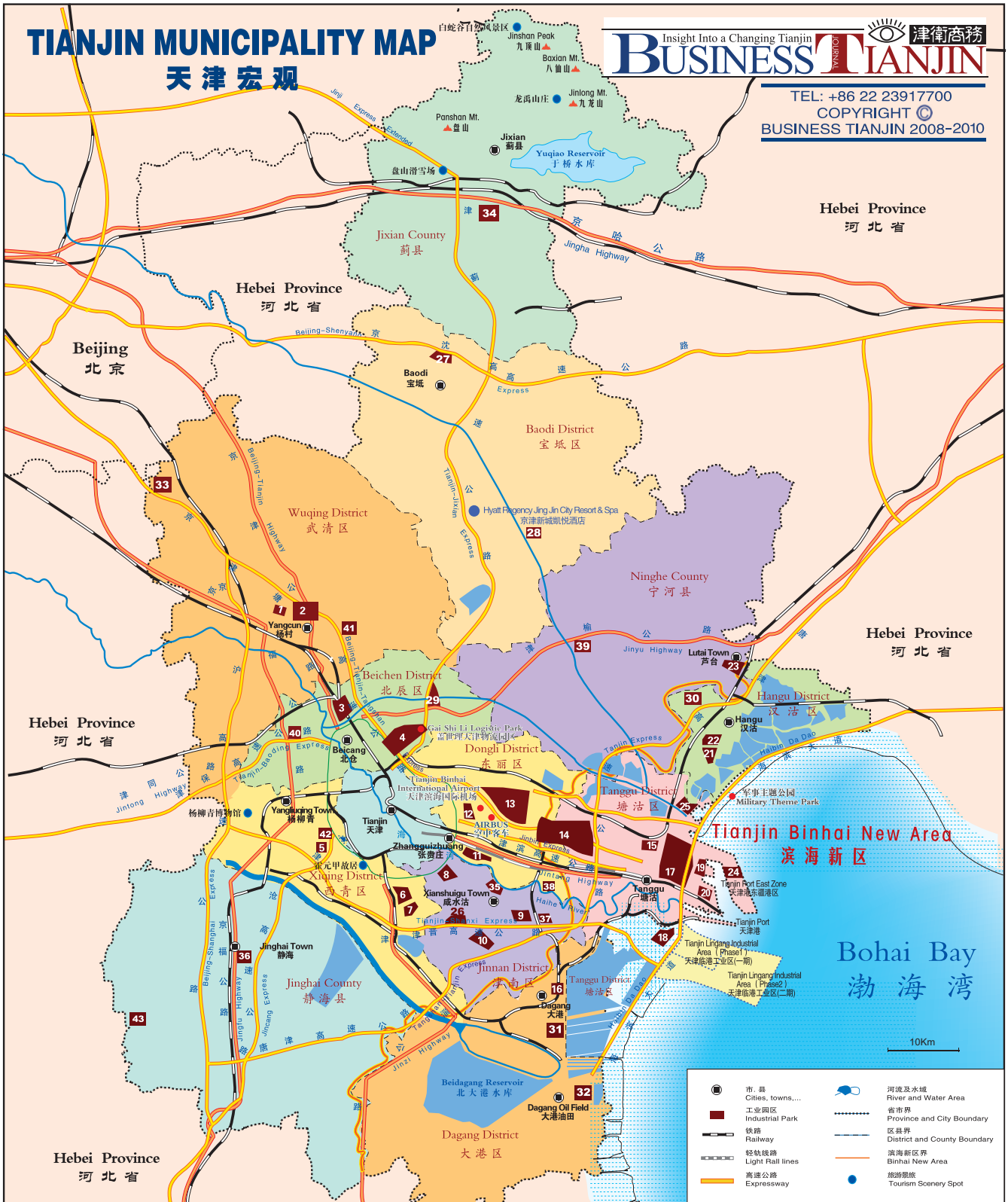
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# Tianjin Industrial Parks & Economic Development Areas



## List of Tianjin Industrial Parks & Economic Development Areas

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





## 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

## Ding Tai Fung

No. 18, the junction of  
Zi Jin Shan Lu and Binshui Dao  
Hexi District  
Tel: +86 22 2813 8138  
鼎泰丰  
河西区滨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  
京津新城凯悦酒店

## Shui An

1F, The Astor Hotel Tianjin  
No. 33, Tai'er Zhuang Lu  
Heping District  
Tel: +86 22 2331 1688 ext. 8920  
水岸中餐厅  
和平区台儿庄路33号天津利顺德大饭店豪华精选酒店1层

## Tao Li Chinese Restaurant

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

## Zen5es

4F, The Westin Tianjin  
No. 101, Nanjing Lu  
Heping District  
Tel: +86 22 2389 0088  
中国元素中餐厅  
和平区南京路101号  
天津君隆威斯汀酒店4层



ZEN 5ES

## Indian

## Alibaba Indian Restaurant &amp; 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

## Bawarchi Indian Restaurant

No. 69, bldg. B, Shang Gu  
Tianta Lu, Nankai District  
Tel: +86 22 2341 2786  
芭瓦琪印度餐厅  
南开区天塔路上谷商业街B座69号

## Japanese

## 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

## Seitaro

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

## Thai

## 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

## 1863 the Dining Room

1F, The Astor Hotel Tianjin  
No. 33, Tai'er Zhuang Lu  
Heping District  
Tel: +86 22 2331 1688 ext. 8918  
1863 至尊西餐厅  
和平区台儿庄路33号天津利顺德大饭店豪华精选酒店1层

## Café@66

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

## Café Majestic

1F, The Astor Hotel Tianjin  
No. 33, Tai'er Zhuang Lu  
Heping District  
Tel: +86 22 2331 1688 ext. 8910  
凯旋咖啡厅  
和平区台儿庄路33号天津利顺德大饭店豪华精选酒店1层

## Chateau35 Wine Bar &amp; Bistro

Opposite 79, Changde Dao  
(Between Kunming Lu and Yunnan Lu)  
Heping District  
Tel: +86 151 2251 1218  
城堡35西餐葡萄酒吧  
和平区常德道79号对面  
[www.chateau35.com](http://www.chateau35.com)

## 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  
京津新城凯悦酒店

## La Seine

No. 50, Tianjin Italian Style 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

## Paelleta Spain

No. 50-52, Kaifeng Dao  
Xiao Bai Lou (1902 Street)  
Hexi District  
Tel: +86 22 2311 0081  
百意达海鲜饭  
河西区小白楼欧式风情街50-52号

## Pan Shan Grill &amp; Wine

2F, Main Building  
Sheraton Hotel Tianjin  
Zi Jin Shan Lu, Hexi District  
Tel: +86 22 2731 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

## Prego

3F, The Westin Tianjin  
No. 101, Nanjing Lu  
Heping District  
Tel: +86 22 2389 0088  
意大利餐厅  
和平区南京路101号天津君隆威斯汀酒店3层



## Seasonal Tastes

知味 seasonal tastes  
1F, The Westin  
Tianjin, no. 101  
Nanjing Lu  
Heping District  
Tel: +86 22 2389 0088  
“知味”全日餐厅  
和平区南京路101号  
天津君隆威斯汀酒店1层

## 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

## Terrace Cafe

1F, Sheraton Hotel Tianjin  
Zi Jin Shan Lu, Hexi District  
Tel: +86 22 2731 3388  
燕园咖啡厅  
紫金山路天津喜来登大酒店1层

## Venezia Club

No. 48, Tianjin Italian Style Town  
Ziyou Dao, Hebei District  
Tel: +86 22 8761 3413  
威尼斯酒吧  
河北区意大利风情街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

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## DINING

## Services

## Bars

**JV'S Bar**

1F, Main Building, Sheraton Hotel  
Tianjin  
Zi Jin Shan Lu, Hexi District  
Tel: +86 22 2731 3388 ext. 1845  
JV'S 酒吧  
河西区紫金山路天津喜来登大酒店  
主楼1层

**O'Hara's**

1F, The Astor Hotel Tianjin  
No. 33, Tai'er Zhuang Lu  
Heping District  
Tel: +86 22 2331 1688 ext. 8919  
海维林  
和平区台儿庄路33号天津利顺德大  
饭店豪华精选酒店1层

**Qba Bar**

2F, The Westin Tianjin  
No. 101, Nanjing Lu  
Heping District  
Tel: +86 22 2389 0088  
Q吧  
和平区南京路101号  
天津君隆威斯汀酒店2层



## Accounting

**LEHMANBROWN**  
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International Accountants

**Tianjin Office:**  
Unit 2901 - 104  
The Exchange Tower 2  
No.189, Nanjing Lu  
Heping District  
Tel: +86 22 2318 5056  
Fax: +86 22 2318 5001  
E-mail: [tianjin@lehmanbrown.com](mailto:tianjin@lehmanbrown.com)  
天津市和平区南京路189号  
津汇广场  
2座29层2901-104室

**Beijing Office:**  
6/F, Dongwai Diplomatic Building  
No. 23, Dongzhimenwai Dajie  
Beijing  
Tel: +86 10 8532 1720  
Fax: +86 10 85322746  
E-mail: [beijing@lehmanbrown.com](mailto:beijing@lehmanbrown.com)  
北京朝阳区东直门外大街23号,  
东外外交办公大楼602

**Shanghai Office:**  
Room 1501 & 1504, WanTai  
International Building,  
No.480, North Urumqi Lu  
Jing An District  
Tel: +86 21 6249 0055  
Fax: +86 21 6288 1636  
E-mail: [shanghai@lehmanbrown.com](mailto:shanghai@lehmanbrown.com)  
上海市静安区乌鲁木齐北路480号  
1501&1504

## Associations

**ICCO (International Committee for Chinese Orphans)**

Tianjin • International Committee for Chinese Orphans  
ICCO is a volunteer organization dedicated to improving the lives of Tianjin's disabled orphans.  
[iccosecretary@gmail.com](mailto:iccosecretary@gmail.com)  
[www.tjicco.org](http://www.tjicco.org)

**Tianjin Toastmasters Club**

The club helps men and women learn and practice the arts of public speaking, listening, and leadership in a friendly social environment.  
[victorwangwq@yahoo.com.cn](mailto:victorwangwq@yahoo.com.cn)

**TICC (Tianjin International Community Center)**

Association and meeting place for foreign passport holders and their families in Tianjin. Organise monthly coffee mornings, luncheons and social/fundraising events, supporting local charities.  
[ticc\\_09@hotmail.com](mailto:ticc_09@hotmail.com)  
[tianjin.weebly.com](http://tianjin.weebly.com)

**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

**China Bohai Bank**

Bldg. 1, Magnetic Capital  
Binshui Xi Dao, Nankai District  
Tel: +86 22 5839 1358  
渤海银行  
南开区滨水西道奥城商业广场1号楼

**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

**United Overseas Bank (China), Limited Tianjin Branch**

The Emperor Palace, no. 236-238  
Hebei Lu, Heping District  
Tel: +86 22 2339 3688  
大华银行(中国)有限公司天津分行  
和平区河北路236号和238号君隆广场

**Woori Bank**

Bldg. 1, Magnetic Capital  
Binshui Xi Dao, Nankai District  
Tel: +86 22 2338 8008  
友利银行  
南开区滨水西道奥城商业广场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

## Chambers

**European Chamber, Tianjin Chapter**

Room15A17, Suite 17, Magnetic Plaza  
Binshui Xi Dao, Nankai District  
Tel: +86 22 5838 7993  
中国欧盟商会天津分会  
南开区滨水西道奥城商业广场17座  
15A17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

## Education

## International Schools

**Cathay Future World Children's Painting Gallery**

No. 3, Ti Yuan Bei  
Huanhu Zhong Lu, Hexi District  
Tel: +86 22 2351 6670  
华夏未来  
河西区环湖中路体院北3号

**International Musical School of Tianjin Concert Hall**

No. 88, Jianshe Lu, Heping District  
Tel: +86 22 2332 0068 ext. 6010  
和平区建设路88号

**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  
Meijiang Nan, 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

**Wellington College International Tianjin**

No. 1, Yide Dao, Hongqiao District  
Tel: +86 22 8758 7199 ext. 8001  
[www.wellingtoncollegeintl.cn](http://www.wellingtoncollegeintl.cn)  
天津惠灵顿国际学校  
红桥区义德道1号

## Kindergartens

**Hopeland International Kindergarten & Day Care Center**

No. 46, Xianguang 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

## Primary Schools

**Tianjin Primary School**

No. 977, Dagu Nan Lu, Hexi District  
Tel: +86 22 8832 0569  
天津小学  
河西区大沽南路977号

**Tianjin Zhongshan Primary School**

No. 1, Ti Yuan Bei, Huanhu Zhong Dao, Hexi District  
Tel: +86 22 2335 8273  
天津中山小学  
河西区体院北环湖中道1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

**Nankai University**

No. 94, Weijin Lu, Nankai District  
Tel: +86 22 2350 1583  
南开大学  
南开区卫津路94号

**Raffles Design Institute, Tianjin**

Block H, no. 28, Jinjing Lu  
Xiqing District  
Tel: 400 688 7300  
天津莱佛士设计学院  
西青区津静路28号H座

**Event Planning**

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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](mailto: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****★★★★★ Hotels****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  
Tel: +86 22 2457 8888  
天津天诚丽笙世嘉酒店  
河东区新开路66号

**Raffles Tianjin**

No. 219, Nanjing Lu, Heping District  
Tel: +86 22 2321 5888  
天津莱佛士酒店  
和平区南京路219号

**Renaissance Tianjin Hotel**

No. 105, Jianshe Lu, Heping District  
Tel: +86 22 2302 6888  
天津滨江万丽酒店  
和平区建设路105号

**Renaissance Tianjin Lakeview Hotel**

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

**Sheraton Hotel Tianjin**

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

**TEDA International Club Tianjin**

No. 7, Fukang Lu, Nankai District  
Tel: +86 22 5869 5555  
天津泰达国际会馆  
南开区复康路7号

**The Astor Hotel Tianjin**

A Luxury Collection Hotel  
No. 33, Tai'er Zhuang Lu, Heping District  
Tel: +86 22 2331 1688

天津利顺德大饭店豪华精选酒店  
和平区台儿庄路33号

**The Westin Tianjin**

No. 101, Nanjing Lu, Heping District  
Tel: +86 22 2389 0088  
天津君隆威斯汀酒店  
和平区南京路101号

**Tian Bao International Hotel**

No. 368, Jingmen Da Dao  
Baoshui District  
Tel: +86 22 2576 1588  
天津天保国际酒店  
保税区京门大道368号

**Tianjin Saixiang Hotel**

No. 8, Meiyuan Lu, Huayuan Industrial Area, Nankai District  
Tel: +86 22 2376 8888  
天津赛象酒店  
南开区华苑产业区梅苑路8号

**★★★★★ Hotels****Best Western Byronn Hotel Tianjin**

No. 90, Xi'er Dao  
Airport Industrial Park  
Tel: +86 22 8486 0000  
天津空港白云酒店  
空港物流加工区西二道90号

**Dickson Hotel**

No. 18, Binshui Dao, Hexi District  
Tel: +86 22 2836 4888  
帝城大酒店  
河西区宾水道18号

**Jinbin International Hotel**

No. 135, Anshan Dao  
Heping District  
Tel: +86 22 8331 1818  
晋滨国际大酒店  
和平区鞍山道135号

**Apartments****Astor Apartment**

No. 32, Tai'er Zhuang Lu  
Heping District  
Tel: +86 22 2303 2888  
利顺德公寓  
和平区台儿庄路32号

**Crystal Palace Hotel Apartment**

No. 28, Youyi Lu, Hexi District  
Tel: +86 22 2835 6666  
水晶宫饭店公寓  
河西区友谊路28号

**Modena Residence Heping Tianjin**

No. 37 Xining Dao, Heping District  
Tel: +86 22 2781 2288  
和平区西宁道37号

**Sheraton Apartment**

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



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

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

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

**TEDA International Club Tianjin**

No. 7, Fukang Lu, Nankai District  
Tel: +86 22 5869 5555  
天津泰达国际会馆公寓  
南开区复康路7号

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

No. 16, Binshui Dao, Hexi District  
Tel: +86 22 5822 3322  
天津万豪行政公寓  
河西区宾水道16号

**Tianjin Centre Residences**

No. 219, Nanjing Lu, Heping District  
Tel: +86 22 5868 2888  
天津中心公寓  
和平区南京路219号

**Logistics**

LOGISTICSTIANJIN can provide a full range of LOGISTICS SERVICES:

- Import and Export shipments
  - Pick up/deliver shipments and documents
  - Inland container transportation
  - Customs clearance
  - Inspection and quarantine declaration
  - Warehousing in bonded zones
- For further details, please send e-mail to [service@logisticstianjin.com](mailto:service@logisticstianjin.com)



### Printing Material

TIANJINPRINT is a 24-HOURS professional printing service provider. Provides the highest level of service by employing the most advanced equipment, superior customer service, and excellent quality control systems, to ensure that customers receive the highest quality products and services. Print, including design, prepress, finishing, binding and inserting. For projects or inquiries, please send e-mail to [info@tianjinprint.com](mailto:info@tianjinprint.com)

### Promotional Products

PROMOTIANJIN is a traditional promotional products agency serving major corporations and non-profit agencies since 1998. Based in Tianjin, it has been actively serving accounts in financial services, health care, media, non-profit, advertising, cultural affairs and home and industrial furnishings fields. Main clients are organizations of all sizes throughout China and abroad. For further details, please send e-mail to [gm@promotianjin.com](mailto:gm@promotianjin.com)

### Real Estate & Relocation

**E-SMART Relocation Consultants Co., Ltd.**  
19B, Tower 2, Zijin Garden  
No.15, Binshui Dao, Hexi District  
Tel: +86 22 2836 0997  
天津市伊斯玛特房地产服务有限公司  
河西区宾水道15号紫金花园2座19B

**LC Relocation C21**  
Office 708, Galaxy Mansion  
No. 68, Yuexiu Lu, Hexi District  
Tel: +86 138 2099 1956  
河西区越秀路68号银河大厦708室

**Royal Relocation Consultants**  
20B, bldg. 2, Zi Jin Garden  
No. 15, Binshui Dao, Hexi District  
Tel: +86 22 2813 6943  
荣联房地产服务有限公司  
河西区宾水道15号  
紫金花园2座20B

### Rentals

**LBT CAR/BUS Rental Services in Tianjin and Beijing with reasonable rates.**  
To make a reservation or enquiry, please send e-mail to [info@chinabustravel.com](mailto:info@chinabustravel.com) or call +86 135 0207 0987



### Serviced Office



**The Executive Centre**  
29F, bldg. 2,  
The Exchange  
No. 189, Nanjing Lu, Heping District  
Tel: +86 22 2318 5000  
天津德事商务中心  
南京路189号津汇广场2座29层

### Travel Agencies

**THE STARS TRAVEL** Tianjin's travel agency specializing in tourism for foreigners  
Tel: +86 159 2200 0555  
E-mail: [info@thestarstravel.com](mailto:info@thestarstravel.com)

### Tianjin China International Travel Service

No. 22, Youyi Lu, Hexi District  
Tel: +86 22 2810 9123  
天津中国国际旅行社  
河西区友谊路22号

### Tianjin China Travel Service

No. 16, Pingshan Dao, Hexi District  
Tel: +86 22 2430 1330  
天津市中国旅行社  
河西区平山道16号

### Spas

**Dikara Spa**  
4F, Radisson Plaza Hotel Tianjin  
No. 66, Xinkai Lu, Hedong District  
Tel: +86 22 2457 8888 ext. 3910  
迪卡拉水疗中心  
河东区新开路66号 天津天诚丽笙世嘉酒店4层

**Heavenly Spa by Westin**  
6F, The Westin Tianjin  
No. 101, Nanjing Lu, Heping District  
Tel: +86 22 2389 0088  
威斯汀天梦水疗  
和平区南京路101号天津君隆威斯汀酒店6层

**Oasis SPA at Sheraton**  
1F, Sheraton Hotel Tianjin  
Zi Jin Shan Lu, Hexi District  
Tel: +86 22 2731 3388 ext. 2227  
喜来登绿洲  
河西区紫金山路天津喜来登大酒店1层

### Dental Clinics

**Aichi International Dental Center**  
4F, Huaju Department Store  
No. 72-74, Xikang Lu, Heping District  
Tel: +86 22 8568 5606  
爱齿口腔医疗中心  
和平区西康路72-74号华拒百货4层

**Tianjin Dental Hospital**  
No. 75, Dagu Lu, Heping District  
Tel: +86 22 2711 9191  
天津口腔医院  
和平区大沽路75号

### Hospitals

**Binhu Hospital of Chinese Traditional Medicine**  
(Next to IG Supermarket)  
Huanhu Nan Li, Ti Yuan Bei  
Hexi District  
Tel: +86 22 2330 0706  
滨湖中医医院  
河西区体院北环湖南里(津工超市旁)

**Tianjin Children's Hospital**  
No. 225, Machang Dao  
Hexi District  
Tel: +86 22 2351 85305  
儿童病专科医院  
河西区马场道225号

**Tianjin First Central Hospital**  
No. 24, Fukang Lu, Nankai District  
Tel: +86 22 2362 6249  
天津第一中心医院  
南开区复康路24号

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

### Golf Clubs

**Aroma (Tianjin) Golf Club**  
Green base, Guangang Senlin Park  
Dagang District  
Tel: +86 22 6328 5000  
阿罗马(天津)高尔夫俱乐部  
大港区官港森林公园绿化基地处

**Regal Rivera Golf Club**  
Jingjin New Town  
No. 1, Zhujiang Nan Lu, Baodi District  
Tel: +86 22 2966 9266  
帝豪高尔夫俱乐部  
宝坻区珠江南路1号京津新城

**Tianjin International Hot Spring Golf Club**  
No. 5, Zhongxin Da Dao  
Airport Industrial Park  
Tel: +86 22 2489 0391  
天津国际温泉高尔夫俱乐部  
空港物流加工区中心大道5号

**Tianjin Pearl Beach**  
International Golf Country Club  
Yingcheng Hu, Hangu District  
Tel: +86 22 6720 1818  
天津龙海国际高尔夫乡村俱乐部  
汉沽区营城湖

**Yang Liu Qing Golf Club**  
(Overpass the northern bridge)  
Yijing Lu, Yang Liu Qing Zhen  
Xiqing District  
Tel: +86 22 2792 2792  
杨柳青高尔夫俱乐部  
西青区杨柳青镇一路(立交桥北)

### Golf Studios

**Golf Clinic/LAB/Golf Fitness/ Pro Shop/Golf Club Coupons**  
B2, no. 92-1, Huaqiao Building  
Nanjing Lu, Heping District  
Tel: +86 22 2392 1936  
吉恩吉高尔夫诊断中心  
和平区南京路92号增1号华侨大厦B2

### Gyms

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

**Sheraton Hotel Fitness Center**  
Inside Sheraton Hotel Tianjin  
Zi Jin Shan Lu, Hexi District  
Tel: +86 22 2731 3388 ext. 2228  
喜来登健身美容中心  
河西区紫金山路喜来登饭店内

### Westin Workout



5F, The Westin Tianjin  
No. 101, Nanjing Lu, Heping District  
Tel: +86 22 2389 0088  
威斯汀健身馆®  
和平区南京路101号天津君隆威斯汀酒店5层

### Swimming Pools

**Swimming Pool by Westin**  
5F, The Westin Tianjin  
No.101, Nanjing Lu, Heping District  
Tel: +86 22 2389 0088  
威斯汀室内游泳池  
和平区南京路101号天津君隆威斯汀酒店5层

## BEIJING

### Clinic

**Vista Clinic**  
B29, Beijing Kerry Center  
No. 1, Guanghua Lu  
Chaoyang District, Beijing  
Tel: +86 10 8529 6618  
维世达诊所  
北京市朝阳区光华路1号北京嘉里中心B29



## TEDA &amp; TANGGU

## Brazilian

## Salsa Churrasco

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

## Chinese

## Wan Li Chinese Restaurant

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

## Yue Chinese Restaurant

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

## Japanese

## Sake n Sushi Bar

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

## Italian Restaurant

## Bene Italian Kitchen

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

## Teppanyaki

## Baiyi Teppanyaki

No. 2-1-6, King Buyer Shopping Mall  
No. 32, 3rd Avenue, TEDA  
Tel: +86 22 6629 5488  
百一铁板烧  
开发区第三大街32号鸿泰仟佰汇商业广场2-1-6号

Yupin Teppanyaki Restaurant  
Royal Palace

No. 10, 2nd Avenue, TEDA  
Tel: +86 22 6621 8038  
御品法式铁板烧  
开发区第二大街10号御景园

## Western

## Brasserie Restaurant

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

## Feast All Day Dining Restaurant



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

## Parrot Restaurant &amp; Bar

No. 88, Huanghai Lu, TEDA  
Tel: +86 22 6620 1663  
鹦鹉西餐厅酒吧  
开发区黄海路88

## BARS

## Dublin Irish Pub

No. 137, 3rd Avenue, TEDA  
Tel: +86 22 6629 2963  
督伯林爱尔兰西餐吧  
开发区第三大街137号



## Happy Soho Live Music &amp; Dance Bar

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

## Chamber

Tianjin TEDA Chamber of  
Commerce/International  
Chambers of Commerce

A-2, Investment Service Center  
No. 19, Hongda Jie, TEDA  
Tel: +86 22 2520 1071  
天津开发区商会/国际商会  
开发区宏达街19号投资服务中心A-2

## Education

## International Schools

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

Tianjin TEDA Maple Leaf  
International School

No. 71, 3rd Avenue, TEDA  
Tel: +86 22 6622 6888  
天津泰达枫叶国际学校  
开发区第三大街71号

## Kindergartens

## Gymboree Play &amp; Music

2F, bldg. 1, Golden Street Center  
Zhongxin Bei Lu, Tanggu District  
Tel: +86 22 6636 7699  
金宝贝  
塘沽区中心北路阳光金地中心  
1号楼2层

## Exhibition Centre

Tianjin Binhai International  
Convention & Exhibition Center

5th Avenue, TEDA  
Tel: +86 22 6530 2888  
天津滨海国际会展中心  
开发区第五大街

## Hotels



## Dosen Residences

TEDA Fashion Plaza  
Aoyun Lu, TEDA  
Tel: +86 22 6628 5656  
德圣公馆  
开发区奥运路泰达时尚广场

## Holiday Inn Binhai Tianjin

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

Holiday Inn Express Tianjin  
Binhai

TEDA Fashion Plaza  
No. 11, Aoyun Lu, TEDA  
Tel: +86 22 5988 8999  
天津滨海快捷假日酒店  
开发区奥运路11号泰达时尚广场

Renaissance Tianjin TEDA  
Hotel & Convention Centre

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

## Sheraton Tianjin Binhai Hotel

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

## TEDA International Hotel &amp; Club

No. 8, 2nd Avenue, TEDA  
Tel: +86 22 2532 6000  
泰达国际酒店暨会馆  
开发区第二大街8号

## Spas

## Touch Spa

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

## Yue Spa

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

## Dental Clinics

Aichi International Dental  
Center

Cuiheng Plaza  
No. 211, 3rd Avenue, TEDA  
Tel: +86 22 6629 1079  
爱齿口腔医疗中心  
开发区第三大街211号翠亨广场

## Hospitals

## TEDA Hospitals

No. 65, 3rd Avenue, TEDA  
Tel: +86 22 6520 2000  
泰达医院  
开发区第三大街65号

## Western Hospital

1F, Jiafu Garden, 2nd Avenue  
TEDA  
Tel: +86 22 6620 8676  
名医会馆  
开发区第二大街加孚园底商

## Golf Clubs

Tianjin Warner International  
Golf Club

No. 1, Nanhai Lu, TEDA  
Tel: +86 22 2532 6009  
天津华纳高尔夫俱乐部  
开发区南海路1号

## Gyms

## Champs Elysees

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

Holiday Inn Binhai Hotel  
Fitness Center

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



# Body Smugglers



## *IOM helps China battle trafficking of people into, out of its territory*

People-trafficking is more lucrative than drug-trafficking – and it's harder to get caught. This fact is underappreciated by policymakers, media and voters worldwide, but not among the criminal gangs for whom the trading of humans has become an increasingly attractive alternative to drugs. Gangs are also aware of the lighter penalties handed down to traffickers of people, explains Thomas Sinkovits, an official at the International Order for Migration (IOM) in Beijing.

Such is the profile and funding of the battle against drugs that law enforcement is not accustomed to dealing with people-trafficking with the same seriousness, says Sinkovits, speaking to a gathering at the Beijing Community Dinners (BCD), a volunteer group, in December.

IOM is helping stem the scourge of people-trafficking in China by working and sharing know-how with local officials. Unlike smugglers, who typically get would-be migrants across borders for a fee, traffickers control their victims and use them to earn cash, typically by selling them into labour and the sex trade. Given its economic prosperity, China has become a destination for trafficked people from poorer neighbours like Mongolia and Burma.

Sinkovits explained how a recent visit to Russia and Finland that he organised for Chinese officials was instructive in familiarising them with other law enforcers' attitudes to people-trafficking, while also showing them the valuable role that NGOs can play in both stemming the flow of trafficking victims while also caring for victims.

Sinkovits praised the work of organisations like Save the Children, which has been assisting local victims of trafficking to return to life by finding them a job. Save the Children representatives flanking Sinkovits at the BCD event explained the case of two Chinese girls forced to work in the sex trade in Bangkok. The organisation offered psychological as well as financial assistance to the girls, enabling them to get a job. Save the Children also offers help to girls smuggled from Burma into southwestern China for sex and marriage with local men.

Sinkovits explained how the IOM has been offering advice to Mongolian women to return home. Similarly, IOM officials helped facilitate the return to China of two young women who had attempted to immigrate illegally to the US. Their families had paid for the teens to be smuggled through Latin America, but the smugglers' accomplices in South America forced the pair to work for almost a year in local brothels.

While data is hard to verify, Sinkovits believe people-trafficking surpasses drug trafficking as an income source for criminals. Despite the horror cases unveiled – like women being tossed into the sea by Chinese crime gangs – governments haven't taken human trafficking as seriously as the battle against drug runners.

Three thousand CNY, including cash from Business Tianjin, has been donated to the Ruili Burmese Women's Support Group, which helps victims of human-trafficking in Yunnan. **B**

## Selling Big to China: Negotiating Principles for the World's Largest Market

by Morry Morgan

Review by Joei Villarama

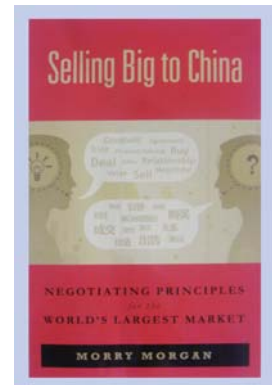
Most of the marketing, selling and bargaining principles contained in this book apply to all places, not just the world's largest bazaar. The book covers the basics plus a whole lot of common but oft-forgotten sense invaluable to anyone in this field. For China watchers and movers, there are insights into the psyche of the Chinese from four main generations. Morry Morgan weaves these into his expositions along with lessons from more than 10 years of running a training company with customers from different cities and provinces in China.

The "Balinghou" are children from the '80s born when the one-child policy was established and who grew up in relatively wealthy households. The "Children of the Revolution" (1965-1978) were born in or just after the disastrous Cultural Revolution and brought up by parents with positive Communist ideals. The "Old Red Guards" (1950-1964) today manage many of the country's state-run organisations and private businesses and were raised in a culture based intensely on relationships, not meritocracy. "True Reds" (1950 and earlier) may be of retirement age but if they happen to be your clients, dealing with them carries extra challenges as they tend to be less open and more cautious.

Divided into four main sections apart from the conclusion, the book takes the reader step by step from the knowledge to the sales call to negotiation and keeping the client satisfied. It starts with a Target Acquisition Equation and works up to a formula for rating your leverage. It details the dynamics of sales from needs analysis to troubleshooting problems with clients, from the moment you step into the building until you triumphantly get the contract, and the crucial follow-up work after delivering the goods or service, including handling complaints.

A lot of the examples and stories come from Morgan's experiences in ClarkMorgan Corporate Training, the company he co-founded in Shanghai with Andy Clark. Six years after their humble beginnings, the company was declared Training Firm of the Year. Through this publication, Morgan has generously shared both the high points and low points from the firm's history, including a trainer who got drunk and injured himself on an intercity train on the way to a team-building event. This was related to illustrate a point about apathy as a cause of conflict avoidance, which characterises one of the five negotiation personality types.

Tom Stader, Executive Director and Founder of The Library Project Charity, which donates books and libraries to underfinanced schools and orphanages in the developing world, eagerly marked his copy of the book with a pen and highlighter. He said, "We totally changed the way we are structuring events because of the insights Morry had about engaging individuals in China." This is one of the testimonials printed on the back of the book, which after reading, all the more resonates.



Language: English  
Hardcover: 224 pages  
Price: 350 CNY + Shipping

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

### QUOTATIONS OF THE MONTH

There is nothing worth more than this day.

— Feb Goethe

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

— Albert Einstein

At twenty years of age, the will reigns; at thirty, the wit; and at forty, the judgment.

— Benjamin Franklin

Being powerful is like being a lady. If you have to tell people you are, you aren't.

— Margaret Thatcher





# Are Chinese mothers better?

By Mike Cormack

A fascinating piece appeared in the Wall Street Journal on 8 January by Amy Chua, a professor at Yale Law School, titled “Why Chinese Mothers Are Superior” (you can read it at [on.wsj.com/hp4Ynx](http://on.wsj.com/hp4Ynx)). The author was upfront about what some might see as harsh tactics in pushing her two daughters to pursue excellence, and made me consider the differences between “Chinese” and “Western” parenting. I put the names in quotation marks because, of course, some Western parents are “Chinese” in their parenting style, and vice-versa – no nationality has a monopoly on parenting styles. Nonetheless, the image of the hectoring Chinese mother is commonplace in the Western mindset.

Mrs. Chua cites what she believes are the three major differences between Western and Chinese parenting. First, “Western parents are extremely anxious about their children's self-esteem” while “Chinese parents ... assume strength”. Second, “Chinese parents believe that their kids owe them everything... [therefore] Chinese children must spend their lives repaying their parents by obeying them and making them proud”. And third, “Chinese parents believe that they know what is best for their children ... That's why Chinese daughters can't have boyfriends in high school and why Chinese kids can't go to sleepaway camp.”

Having formerly been a teacher in the UK and China, and a Scout leader too, I'd like to put forward my own observations. Regarding her three main differences, she may have some good points, but from them she draws the wrong conclusions. To take the first point: children are resilient, true, and the current Western tendency to wrap up children from risk or danger is unwise. But this does not mean that a parent is therefore justified in calling a child who comes home with an A-minus or even a B on a test “stupid”. Reacting with horror at a grade that's merely good rather than excellent devalues what efforts were made in attaining that grade. To be sure, you can as a parent go through the paper and work out how to improve. But dismissing everything that isn't first class shows a freakish competitiveness that distorts school into being an insane grades-chase. It isn't just a matter of believing a child can get an A; it's an appreciation that there's more to life than academics.

Which brings me to the next point. Mrs. Chua says she would never let her children have sleepovers, playdates,



**It isn't just a matter of believing a child can get an A; it's an appreciation that there's more to life than academics.**

and that they must get A grades and learn the piano or violin. Okay, that's her choice. But to me, her children's curriculum (indeed, their world-experience) is extremely narrow. Where are the sports, the hobbies, the play, the natural world, the self-reliance, the friendships? Where is the unfilled time that forces you to look within and consider what you want to do? I believe that Chinese mothers who cram as much education down the necks of their children, rather as farmers do to geese for foie gras, are entirely misguided on personal development. There's education, the storing of facts. But far more important than this is *knowledge*, which can only come from experience.



When I have spoken with Chinese university students, I have consistently sensed that they have little life experience, and all the facts crammed into their minds do not compensate. To put it another way: the most valuable things I learned at school were outside the classroom. Many of my most formative experiences were gained as a Boy Scout, where I learned a million practical skills and how to apply them: I gained such valuable life skills as teamwork, leadership, self-reliance, concern for others and how to engage with strangers. (And my schoolwork improved in direct correlation with the time spent in Scouts. If my mother had been Mrs. Chua, I would never have been allowed to join!) My experience with Chinese students suggested that many of them lacked such skills. I was often surprised, for example, at the social backwardness of the male students, who seemed to have their adolescent energy and boisterousness drummed out of them; they would have been happy

spending hours at an internet café, avoiding direct social contact. I do not think this is a recipe for a healthy society.

As for Chinese children owing their parents everything, I have sometimes been embarrassed by Western children and their selfish behavior towards their parents. Wishing to make your parents proud is a good thing, but spending your life repaying them? It sounds like Chinese parents see children as an investment, something at which you work for the sake of the return. There's nothing wrong with seeking the best for your children, but seeing your children as investments strikes me as narcissistically self-centered and entirely devaluing for the child. I doubt that anyone likes to feel like a horse bred to win the Grand National.

I can't disagree entirely with Mrs. Chua, however. I do believe that Western parents are often reluctant to push their children to achieve, and sometimes fearful of

disciplining them. The tick-tock swing between authoritarianism and anarchy which has long affected Western culture is obviously in an anarchic phase, and children accordingly often have it too easy. I've sometimes been surprised by the ease with which parents give up when it comes to their children smoking, for example, or quitting extra-curricular activities. The absence of boundaries is as much a problem for some children as an over-structured life is for others. It'd be easy to end saying that the forms of parenting should be balanced out; in fact, I think both are wrong. Hectoring parenthood is as bad as absent parenthood. Parents should help children grow as individuals. The more life-experiences they have, the better; the more enriching a child's experiences, the better. This requires a broader vision of what it is to be a parent than Mrs. Chua would recognize, but I think her children would be far the better for it. ☐





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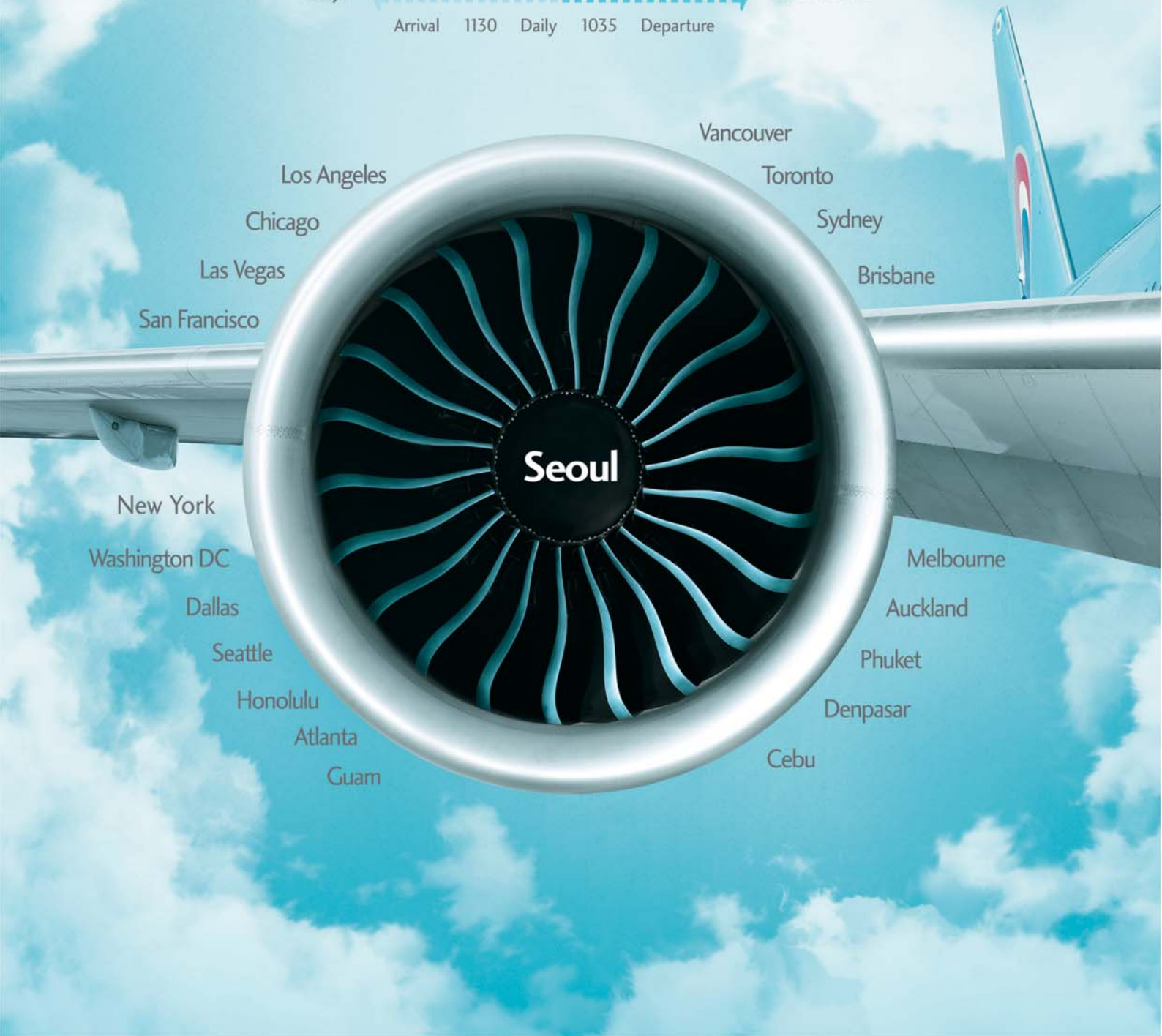
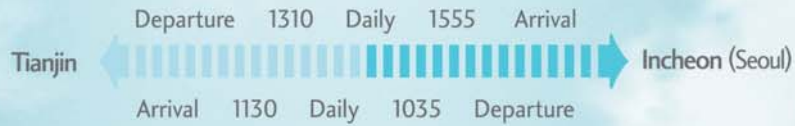
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