

Insight Into a Changing Tianjin

BUSINESS JOURNAL TIANJIN

津衛商務



novo nordisk



Experience in Knowing What Works

- Dialogue with Lars Arnoldsen 14
Project VP, Novo Nordisk (China)
Pharmaceuticals Co., Ltd. (TEDA Plant)
- Tianjin's manufacturing 19
- Corporate downsizing in a struggling economy 24
- The Tianjin sustainability debate 32
- RMB aspires to be a global currency 35
- Commemorate Confucius 50



TIANJIN PLUS
Your guide to the City

 **TIANJIN PLUS MAGAZINE**
FOCUSES ON
ALL THE FINEST IN LIFESTYLE AND LEISURE
ACTIVITIES IN TIANJIN

LOOKING FOR? 
UPDATED AND FRESH INFORMATION
ABOUT TIANJIN

 **TAKE A PEEK**
INSIDE TIANJIN PLUS
AND **ENJOY** THE CITY TO THE FULLEST 

Advertising Hotline: +86 22 2391 7700

sales@tianjinplus.com (Advertising)
editor@tianjinplus.com (Editorial)
distribution@tianjinplus.com (Distribution)





14



28



38



65

CONTENTS

Business Tianjin/September 2009

BIZ BRIEFS 06

NUMBERS 13

DIALOGUE

Lars Arnoldsen, Project Vice President,
Novo Nordisk (China) Pharmaceuticals Co., Ltd. (TEDA Plant) 14

FEATURE STORY

Tianjin's manufacturing 19

LEGAL ASSISTANCE

Corporate downsizing in a struggling economy 24

LOCAL COMPETITION

Tianjin dairy industry 28

POLICY EXPLANATION

RMB aspires to be a global currency 35

ECONOMY

September Chinese economy report 38

PRESS REVIEW 18

REAL ESTATE

The Tianjin sustainability debate 32

CHAMBERS REPORT

EU, US, Korea, Denmark, Benelux, Italy, Irish Network 42

JOB POSTINGS 43

BUSINESS CHINESE LESSON

Commemorate Confucius 50

PHOTO ALBUM 52

EVENTS IN SEPTEMBER 54

LISTINGS

Dining, nightlife, services 56

ARTS & LEISURE

Science & Technology 62

Books & Quotations 63

Chef's Table 64

Last Word – Guyi Street 65



www.businesstianjin.com

MANAGING DIRECTOR: J. Hernan

MANAGING EDITOR: Jamie Michael Kern

SENIOR EDITOR: Wang Na

EDITORS: Regina Gonçalves, Joe Escobedo, Mansi Sethi, Zhao Jing

CONTRIBUTORS: Joel Villarama, Simon Bai, David Kwon, Michael Hart, Mark Gao, Diego D'Alma, Ilana Wang

GRAPHIC DESIGN: Li Kechao

SALES & ADVERTISING: Zhang Danni

PHOTOGRAPHER: W. Jian, Lukas Birk

DISTRIBUTION: Zhao Wengang, Zhangxu

ADVERTISING: InterMediaChina

PUBLISHING DATE: September 2009

Business Tianjin is FREE ONLY for Members

TEL: +86 22 2576 0956

For extra copies please contact:
distribution@businesstianjin.com

For editorial enquiries please contact:
editor@businesstianjin.com

For advertising enquiries please contact:
sales@businesstianjin.com

For projects and suggestions please contact:
gm@businesstianjin.com

Dear Reader,

Truth is often elusive.

It seems that business pursuits across nearly all fields eventually meet with exaggerated, understated or falsified information. One such example in this month's Press Review relates the case of questionable domestic accounting practices. It goes on to suggest a method for dealing with cover-ups and for unearthing authentic data.

The results of an occupational trustworthiness survey carried out by Xiaokang monthly, sister organization of State-funded Qi Shi (Seeking Truth), were reviewed in the Asia Times on 12 August. "More than 91% of respondents said they no longer believe government statistics on social and economic development," reports the Times, "saying such data is 'all or mostly fabricated.'" This percentage has risen from 79% in 2007. And when many companies are owned, run, controlled, subsidized or otherwise monitored by the government, it is no wonder that citizens remain skeptical about business practices.

So it appears that a company may be able to gain market share by distancing itself from the government – at least to the eyes of consumers. What then, would an appropriate corporate image be in China?

Of 49 social groups listed in the survey, the 5 most trustworthy (in descending order) were farmers, religious workers, sex workers, soldiers and students. Analyze what you may, the "like a good neighbor" slogan has helped State Farm grow to the largest home and auto insurer in the United States.

And just to sate curiosity: the 5 least trustworthy occupations (also descending) were real estate developers, secretaries, brokers, performance stars and directors. Organizations looking to improve corporate image would do best to steer clear of the public media fiascos associated with these groups.

Where certain industries have gained a negative reputation over time, it is important to market present performance as a stark contrast to the past. Even a slight increase in trustworthiness can result in relatively dramatic gains.

As our director puts it, "We are lucky journalists are not in the five least-credible groups."

Sincerely,

Jamie Michael Kern

Managing Editor – Business Tianjin



A spectacular fun event -4th Annual Renaissance Oktoberfest

"Muenchener" band from Munich, Germany, their first performance in Tianjin, famous German food, attractive prizes. Relax with fun, all in Renaissance TEDA

UNIQUELY RENAISSANCE.SM



RENAISSANCE. TIANJIN TEDA HOTEL & CONVENTION CENTRE

Buffet RMB 288 net/per person Two Beer

Deluxe Room + 2 persons Buffet RMB 888 net
18:00, October. 9 & 10, 2009

Booking Hotline:
(8622)-66218888ext.6000
or visit RenaissanceTianjinTEDA.com

29, Second Avenue, TEDA,
Tianjin 300457, China
Tel : (86 22) 66218888
Fax: (86 22) 66219999

© 2009 Marriott International, Inc.

TIANJIN NEWS

MVRDV designs super-sized project



Dutch architectural firm MVRDV and real estate developer TEDA Vantone have teamed up to build a large residential development in the center of Tianjin. Called TEDA, the 240,000sqm development will comprise 10 towers with nearly 6,000 residences. Located on the banks of the Haihe River, it will sit adjacent to the new Yongle Bridge and the Tianjin Eye. The entire project is slated for completion later this year; as of February, four concrete high-rises were already built. The development is expected to house more than 18,000 people in a neighborhood that was, until recently, filled with dilapidated, low-rise social housing blocks.

- *Architectural Record, 28 July*

First Chinese ferroalloy exchange founded in Tianjin



Bohai Morning Post quoted Zone's Investment Promotion Bureau as saying that China's first professional ferroalloy exchange, Tianjin Ferro-Alloy Exchange, is to be set up in TEDA. According to the report, the Exchange was funded by a total of 250 million CNY with registered capital of 100 million CNY. It is mainly to serve as

a platform for trading ferroalloy products, focusing on spot screen trading, market information inquiry, financing and logistics. It is slated to offer real time inquiry of information on the internet in a later period.

- *Steel Guru, 30 July*

Two port terminal projects start construction



The construction of Tianjin Port Nanjiang Special Ore Terminal project and the Tianjin Port Shenhua Coal Terminal auxiliary project began simultaneously on 28 July 2009. Investment in the two projects totaled 2.94 billion CNY and 3.78 billion CNY respectively. Upon completion of the projects, Tianjin Port will have a newly added annual handling capacity of 58 million tonnes. The 400m-long Nanjiang Special Ore Terminal will have an annual handling capacity of 23 million tonnes. The Tianjin Port Shenhua Coal Terminal auxiliary project will have three special coal berths which will mainly be used for railways, railway depots and roads. Each berth will have an annual handling capacity of 35 million tonnes.

- *Steel Guru, 3 August*

Shanghai-Tianjin high-speed train routes



China will launch the high-speed Electric Multiple Unit (EMU) trains on

railways linking the eastern financial hub of Shanghai with northern Tianjin City. The EMU trains, coded D341 and D342, are expected to shorten the trip time from the current 10.5 hours to 9 hours and 14 minutes, said an official with Tianjin Train Terminal. He said the Tianjin-Shanghai EMU will be put into use from 15 August and the Shanghai-Tianjin EMU one day later.

- *Xinhua, 2 August*

CNOOC to invest 5b CNY in lithium-ion battery project

China National Offshore Oil, the parent of CNOOC, on 3 August signed a contract with Tianjin Jinneng Investment to invest 5 billion CNY in Tianjin Lishen Battery Joint-Stock, a subsidiary of the investment company, to build 20 lithium-ion battery production lines. Tianjin Lishen Battery, which has a registered capital of 600 million CNY, is situated in the Tianjin Huayuan Hi-Tech Industry Park. Mao Huanyu, chief technology officer and director of China BAK Battery, which manufactures rechargeable lithium-based battery cells, said that CNOOC's 5-billion-CNY investment may have a large impact on the domestic battery market. In August 2007, CNOOC's first offshore wind power station went into operation, marking the oil giant's entry into the clean energy sector.

- *China Knowledge, 4 August*

Liquor tax to rise



High-end Chinese liquor retailers in Tianjin are expecting a price hike after an increase in the state consumption tax on liquor that took effect on 1 August, as distillers will eventually pass the cost to consumers. The previous

consumption tax on liquor included a specific duty of 1 CNY per kg, and a 20% ad valorem duty on the factory price. In the new policy, the government has changed the tax base and duties on liquor while retaining the 20% ad valorem duties, which means the consumption tax paid by each enterprise would probably double after the new policy took effect. The new policy aims to tackle tax evasion by white liquor makers. Under the earlier dispensation, liquor makers could avoid paying most of the tax by selling their product to distributors at low prices and then reselling them to shops at a much higher price.

- *China Daily, 6 August*

Polo Park to open in 2010



1st Polo Park in Tianjin, located in Hua yuan Industrial Area, will open next May. As one of the 40 Exquisite Business Tourism projects in Tianjin, the park will provide venues and 5-star accommodations for international matches. The project includes a sports service center, polo competition venues and an eco-park area. A café, tea houses, restaurants and convenience stores surround the park.

- *news.163.com, 11 August*

AirMedia to launch Tianjin base



AirMedia Group, which offers air travel advertising in China, signed an agreement on 5 August with the management committee of Tianjin Free Trade Zone to

build a media headquarters and a technology center in Tianjin Binhai New Area. The Beijing-based media giant intends to launch the headquarters with a registered capital of 120 million CNY. The headquarters will be responsible for the e-media advertising in major domestic airports and in 24,000 gas stations belonging to Sinopec, which has signed an exclusive contract with the media firm. The technology center, which will have an estimated registered capital of 20 million USD, will be in charge of the research and development of digital media systems.

- *Alibaba News, 12 August*

Kushi Grill open at Radisson Plaza Hotel Tianjin



Inspired by the Japanese Robotayaki, Kushi Grill opened its doors on the second floor at Radisson Plaza Hotel Tianjin. This premier restaurant delights with its easy elegance and theatre provided by the open grill in the restau-

Goethe Tag
Goethe-Sprachzentrum
Fremdsprachenuniversität Tianjin

Study German in Tianjin Goethe Tianjin Welcomes You!

在天津学德语-天津歌德欢迎您!

- Autumn classes to start 7th September 2009
- TestDaf preparation class to start 21st September 2009

Application time running

Join the worldwide market leader for teaching German. Benefit from 50 years of experience in over 80 countries.

Interested to learn more? We look forward to hearing from you!

Goethe Language Centre, 2F, Bldg. 3, Tianjin Foreign Studies University, 117 Machang Dao, Hexi District, 300204 Tianjin Tel: +86 22 2326 5642 Fax: +86 22 2326 5642
Email: kurse@goethe-slz.tj.cn Website: www.goethe-slz.tj.cn

rant's centre. Tatami mats are separated by shoji walls into several areas around the restaurant for more privacy. Chef Uehara Toshiyasu of Tokyo, with 24 years of cooking experience, is skilled at preparing Kaiseki, Sushi, and an enticing selection of Japanese grilled meat and seafood dishes. Toshiyasu has created special menu for Kushi Grill that includes superior beef sirloin with seasonal vegetables, and teppanyaki made from Kobe beef from Japan.

- 13 August

FINANCE

China Development plans Yuan bond sale in HK

China Development Bank, the government-run bank for public works projects, plans to sell at least 1 billion CNY (146 million USD) of bonds in Hong Kong as China expands its bond market. Bank of China (Hong Kong) and Hong Kong and Shanghai Banking will manage the sale of 2.45% notes. "Such issuance does not only target fundraising," China Development Vice President Gao Jian said at a ceremony for the bonds in Hong Kong. It "implements the People's Republic of China government's important measures to support the development of the financial and bond markets in Hong Kong." China is seeking to expand its bond markets as part of a strategy to boost international use of CNY. The central bank said on 24 July that it would give more foreign institutions permission to sell debt in China.

- Bloomberg, 27 July

Agricultural Bank 1H new loans surge

Agricultural Bank of China's new lending nearly quadrupled in the first half of 2009 to 858.9 billion CNY (126 billion USD) amid a government-backed credit loosening to reinvigorate the economy. The state-backed bank said its new lending in the January-June period this year rose 639.6 billion CNY from a

year earlier. The increase came as new loans in China's banking sector jumped 4.92 trillion CNY in the first half, or tripled, from a year earlier to 7.37 trillion CNY. Outstanding new loans at the end of June were 28.1% higher than at the start of the year at 243.2 billion CNY, Agricultural Bank said in a statement on its website. New micro-lending to individual farmers totaled 34 billion CNY in the first half, seven times the amount in full-year 2008, said the statement, which was dated 24 July.

- Dow Jones, 27 July

GM China car sales rise 78%



General Motors said its sales in China last month rose 77.7% from a year earlier to 144,593 units. Sales in the January-July period rose 42.8% from the same period last year to 959,035 units. "This was GM China's best July ever, extending an uninterrupted series of single-month sales records that started in January 2009," GM said in a statement. GM makes vehicles in China with JV partners SAIC Motor and Wuling Automobile.

- The Wall Street Journal, 3 August

Industrial output rises



China's industrial output, trade and retail sales improved in July, positive signs for Beijing's effort to restore stable growth in the world's third-largest economy. But private sector activity is weak and economists say growth is still depend-

ent on stimulus spending. "The Chinese economy has shown some positive changes," said a spokesman for the National Bureau of Statistics, Li Xiaochao, at a news conference. However, he said, "profits of some enterprises still are in great decline." Industrial production rose 10.8% from a year earlier, the third straight monthly increase in growth, the statistics agency said. Retail sales climbed 15.2%, while investment in factories and other fixed assets also rose.

- AP, 12 August

Crude steel production jumps 13% to record



Crude steel production in China, the world's biggest maker, jumped 13% last month to a record as the nation's 4-trillion-CNY stimulus package spurred demand from builders and carmakers. Output rose to 50.7 million metric tons in July, the National Bureau of Statistics reported on 11 August. That's the third consecutive record monthly high, according to Bloomberg data. Benchmark Chinese steel prices have soared 30% since April, and Baosteel Group can't meet "explosive" demand, JPMorgan Chase & Co. said. The steel revival has hampered China's ability to bargain down iron ore prices paid to Rio Tinto Group, Vale SA and BHP Billiton, and suggests imports of the raw material will keep rising. Steel production rose 2.9% to 317 million tons in the first seven months from a year ago, the statistics bureau said.

- Bloomberg, 11 August

Investment growth slows, prices fall

China's investment growth slowed in July, and consumer and ex-factory prices ex-

tended declines, government data showed on 11 August, buttressing the case for the government to keep its expansionary policies in place. While industrial production growth quickened, the pickup was slight and well below market expectations. The data support Beijing's assessment that the economic rebound's foundation isn't firm, given the world remains in a recession. Top leaders, including Premier Wen Jiabao, have repeatedly pledged in recent days to continue the moderately loose monetary policy and stimulus spending program. Urban fixed-asset investment between January and July rose 32.9% from a year earlier, slowing from the first half's 33.6% rise, according to the data issued by the National Bureau of Statistics. The growth rate was also lower than the survey's median estimate of a 34.0% increase.

- *The Wall Street Journal*, 11 August

IEA raises 2009, 2010 oil demand forecasts for China

The International Energy Agency raised its global oil demand forecasts for this year and next, citing accelerating industrial activity in China, the world's fastest-growing consumer of crude. The world will need an average of 85.25 million barrels of oil a day next year, 70,000 barrels a day more than previously estimated, the adviser to 28 nations said in its monthly report 13 August. Demand growth next year at 1.6% will be lower than earlier forecasts after the outlook for 2009 was also increased. The agency boosted predictions for supply from outside OPEC. "There are some signs of life, certainly in the Chinese economy," said David Fyfe, head of the IEA's oil industry and markets division. "But you've got to offset that with what's happening" in developed economies, where industrial activity re-

mains "very sluggish," he said.

- *Bloomberg*, 13 August

LAW & POLICY

China launches action at WTO to keep US, EU markets open

China launched formal complaints at the World Trade Organization in a bid to take down trade barriers set up by the EU and US, a sign Beijing is fighting more aggressively to keep foreign markets open for its exports. The targets of its two complaints are high EU import tariffs on Chinese screws and a US ban on the import of Chinese poultry. China insists it is countering protectionism and fears about job losses at home in a slumbering global economy. Brussels and Washington say the sanctions are justified by lax business and health rules in China. The EU and the US, the two biggest buyers of Chinese goods, com-

Freelance Writers Needed



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

Insight Into a Changing Tianjin
BUSINESS TIANJIN 津衛商務

If interested, please email your resume and writing samples to
editor@businesstianjin.com

bined for 610 billion USD of imports from China last year. In both cases, the WTO could dismiss the complaints or give China the right to reduce imports by as much as it lost in trade by imposing higher import tariffs on some EU and US goods by the end of 2010.

- *The Wall Street Journal*, 3 August

China eyes new derivative trade rules



China's banking regulator is considering tighter rules on domestic banks' derivative operations after some companies and lenders suffered heavy losses last year, local media said on 4 August. The China Banking Regulatory Commission is studying plans to discourage lenders from trading complicated overseas derivative products, the China Business News reported, citing unnamed sources. It may also ban domestic banks from taking part in complex derivatives transactions between domestic companies and overseas institutions, one of the sources told the newspaper.

- *AFP*, 4 August

China restates easy-credit stance

China's central bank reaffirmed its intention to continue easy-credit policies, citing numerous risks to early signs of a recovery in the global economy. "China's economy is now in a critical period of stabilization and recovery, and maintaining stable and rapid economic growth is still the most important task we face," the People's Bank of China said in its quarterly monetary-policy report. With global demand for China's exports still weak, a solid rebound depends on domestic consumption and investment, the central bank said. Chinese

companies may be more willing to ramp up production now that inventories have been reduced. Sentiment among private-sector businesses remains weak, and consumers' worries about future income could crimp spending. "The foundation of the economic recovery is not yet stable," it said, echoing other agencies' recent comments.

- *The Wall Street Journal*, 6 August

Draft anti-monopoly rules aim at foreign price deals

Draft anti-monopoly rules issued by China propose restrictions on price agreements that could apply to deals reached by foreign companies beyond the country's borders, potentially in mining and other sectors. The draft rules were issued for public comment by the National Development and Reform Commission late on 12 August, and they build on China's anti-monopoly law passed in 2008. The draft document makes clear that Chinese regulators could put foreign multinationals, which sell in China, in their sights when enforcing the proposed regulations against price-fixing deals. "These regulations apply to monopolistic pricing behavior outside the People's Republic of China that produces an exclusionary or restrictive impact on domestic market competition," the Chinese-language draft states.

- *Reuters*, 13 August

LOGISTICS

Dangerous shipping excluded

The transport of dangerous freight will be restricted on the Huangpu River during the 6-month-long Shanghai World Expo next year to prevent accidents, the Shanghai Maritime Safety Administration said on 27 July. More than 100,000 visitors are expected to cross the river by ferry every day. Maritime officials said they had compiled a draft package of special shipping rules for the Expo and were currently seeking opinions from other water traffic departments and shipping operators to ensure it is effective

and feasible. Officials said freighters carrying fuel products will be restricted to between 5AM – 8AM every day.

- *Shanghai Daily*, 28 July

China ports received 25% more crude imports in July



China's main ports received 25% more crude oil in July than a year earlier, signaling that total crude oil imports last month may have risen at the fastest pace in nearly two years to challenge record highs. The ports shipped in 16.27 million tonnes, or 3.83 million barrels per day (bpd), of imported crude oil in July, the Ministry of Transport said on 4 August. The figure, which may vary from official crude import data due for release, does not take into account shipments by pipeline or railway from Russia and central Asian countries. China imported a record 4.02 million bpd of crude oil in March 2008 as it was preparing for the Beijing Olympics. The world's second-largest oil consumer imported just 3.25 million bpd in July 2008.

- *Reuters*, 4 August

Exports decline for ninth month

China's exports fell for a ninth month on weak global demand, reinforcing the government's case for sticking with a "moderately loose" monetary policy to fuel domestic growth. Overseas sales dropped 23% in July from a year earlier, the customs bureau said on 11 August. That matched the median estimate in a Bloomberg News survey of 23 economists. Exports fell 21.4% in June. Premier Wen Jiabao reiterated on 9 August that monetary policy and a "proactive" fiscal stance will remain unchanged because of problems includ-

ing sliding export demand and industrial overcapacity. China, the world's second-biggest exporter, has stalled gains by the yuan against the dollar, increased tax rebates and boosted trade finance to aid exporters.

- Bloomberg, 11 August

TELECOM & TRANSPORTATION

Spring Air to expand fleet to 100 jets



Privately run Chinese carrier Spring Airlines aims to boost its fleet of aircraft to 100 by 2015 from just 13 now, and is only looking at adding planes from the Airbus A320 family, its chair-

man said on 29 July. Spring Airlines plans to list its shares in Shanghai in the second half of next year to help fund aircraft purchases, Wang Zhenghua told reporters on the sidelines of an event to celebrate the carrier's fourth anniversary. "We are talking to underwriters and financial advisers now and we want to have two or three eventually help handle our A-share IPO," Wang said. He declined to give a fundraising target but said the carrier could have a market capitalisation of 8 billion CNY (1.17 billion USD), citing an estimate provided by Citigroup in 2006. Spring Air owns only one of its 13 planes currently in operation, but it may own as many as 30 of its aircraft in 2015 when it has a much bigger fleet, he added.

- Reuters, 29 July

China Eastern back in profit

China Eastern Airlines, one of the

country's big three carriers, returned to profit in the first half because of fuel-hedging gains, in spite of a fall of almost 16% in revenue. The carrier, which last month announced its plan to acquire rival Shanghai Airlines for just under 9 billion CNY (1.3 billion USD), said strong economic growth in China would boost the aviation market this year and that it would benefit from the 2010 World Expo to be held in Shanghai. "The aviation market demand will be boosted by the economic transformation of the PRC, expansion in investment and [increased] consumption of China," said China Eastern chairman Liu Shaoyong. In the first half, China Eastern reported a net profit of 984.7 million CNY, compared with a loss of 175.3 million CNY in the same period last year. Revenues fell 15.6% to 16.17 billion CNY.

- Financial Times, 12 August



FREE SUBSCRIPTION
to Business Tianjin Magazine



To receive a free subscription, simply fax the subscription form insert with all questionnaire answers to +86 22 2391 0555 or email distribution@businesstianjin.com before 30 September 2009.

GENERAL

China says migrants are employed again

China's government said most rural migrant workers have found new jobs after mass layoffs last year, indicating the effects of its stimulus are filtering into the job market. But the downturn is still being felt in weaker growth of household incomes, which could hold back consumer spending. Less than 3% of migrant workers who have returned to cities in recent months are still looking for jobs, said Wang Yadong, a deputy director-general at China's labor ministry. He said 95% of migrant workers preferred to seek work in cities this year rather than go back to farming. He declined to give more detailed figures, and didn't explain how the estimates were made. Mr. Wang's report is the first official update since 4 August on the migrant job situation. Itinerant rural workers are the backbone of China's manufacturing and construction industries, with tens of millions crossing the country every year for work.

-*The Wall Street Journal*, 5 August

China hints at softer line in climate talks

On 5 August, Beijing hinted at room for compromise in global climate change talks, as its negotiator left open the possibility China could commit itself to reducing carbon emissions beyond 2012. Yu Qingtai, Beijing's special representative for climate talks, indicated that more generous financial and technological support from developed countries

could help China reach a peak in its carbon emissions sooner than expected. Along with other developing nations, China wants developed countries to be legally bound to help pay for curbing emissions in poorer ones. "When China's emissions will peak depends on our development stage, our GDP per capita, our resources structure and technology level," he said. "It will also depend on the dynamics of international co-operation, especially technology transfer."

-*Financial Times*, 6 August

Rio Tinto employees' arrested over trade secrets infringement, bribery

Prosecutors have approved the arrest of four employees of the Anglo-Australian mining giant Rio Tinto on charges of trade secrets infringement and bribery, according to a statement of China's Supreme People's Procuratorate on 11 August. Preliminary investigations have shown that the four employees, Stern Hu, Liu Caikui, Ge Minqiang and Wang Yong, had obtained commercial secrets of China's steel and iron industry through improper means, which had violated the country's Criminal Law. Prosecution authorities also found evidence to prove that they were involved in commercial bribery. Investigations have also revealed that there were suspects in China's steel and iron enterprises who were providing commercial secrets for them. The four were detained in Shanghai in early July on charges of stealing China's state secrets.

-*Xinhua*, 11 August

WTO upholds US complaint over China's film, music, book imports

The World Trade Organization ruled on 12 August in favor of a US complaint over China's imports of publications and audiovisual products. The ruling largely upholds the US allegations that certain Chinese measures constituted restrictions to the imports

of such products and are inconsistent with WTO regulations. In response, China's Ministry of Commerce said in a statement published on its website on 13 August that China felt regrettable that the panel had not rejected the US complaint about the imports and distributions of foreign publications and audiovisual products. The statement said that China has provided ample market access to foreign publications, films and audiovisual products, and all its measures are in compliance with WTO regulations. China will conscientiously assess the ruling report by the expert panel and does not exclude the possibility of appealing on China's points of concern, the statement said.

-*Xinhua*, 13 August

China closes factory after 300 children poisoned

Authorities in northern China on 12 August announced the closure of a smelting plant blamed for the lead poisoning of at least 300 children, state media reported. The children, all living near the Dongling Lead and Zinc Smelting plant in Changqing, Shaanxi province, were found to have as much as four times the normal maximum level of lead in their blood. Nearly 1,000 children had now been tested and their results would be known in three to five days. It was not immediately clear how the children were poisoned but officials took samples of groundwater, soil, air and sewage to check for contamination, and there was no mention of adult sickness. Local county deputy head He Hongnian said the closure of the plant had been ordered on 6 August, two weeks after a six-year-old girl was diagnosed with lead poisoning.

-*AP*, 13 August

To subscribe to our daily Biz Brief E-newsletter, please email bizbriefs@business Tianjin.com

33.6%

Government figures showed that China's urban fixed asset investment rose 33.6 %, the largest increase in five years, benefiting from the massive government spending in the construction of railways, roads and infrastructure.

148,000,000

Quanjudu Roast Duck Restaurant served its 148-millionth duck during the 145th anniversary celebration of the restaurant in Qianmen, Beijing.

**40.7%**

Corporate income taxes and turnover taxes paid by "non-citizen" firms in China rose 40.7 % year-on-year to 22.2 billion CNY (3.3 billion USD).

50,000

Virgin Mothership "Eve" recently made a triumphant arrival at EAA Air Venture Oshkosh 2009 for its world public debut. "Eve" is designed to reach an altitude of 15.5km and release Space Ship Two, which will transport passengers to space at 110km. The plane is part of Sir Richard Branson's efforts to create a space tourism industry.

**2,570,000**

A total of 2.57 million people received unemployment insurance in China as of end of June, amounting to an expense of 12.72 billion CNY, said Hu Xiaoyi, vice minister of Human Resources and Social Security.

75,000,000

China's Ministry of Finance said it will continue subsidizing dairy companies' loan interest payments until the end of this year to the tune of 75 million CNY (11 million USD). The subsidy covers 3.11 percentage points of the loan interest rate.

18,700,000

August 1 marked the first anniversary of the Beijing-Tianjin high-speed railway. Over the past year, the intercity express has transported 18.7 million passengers, with a 98% punctuality rate.

**7,500,000,000**

China Railway Group Ltd said it would consider undertaking a 7.5 billion USD railway project contract won by its parent company in Venezuela, which is the biggest overseas contract for railway builder to date.

9%

Due to the stimulus-driven economic recovery, Morgan Stanley has raised its 2009 GDP growth rate forecast for China from 7% to 9%. It has also upped its forecast for 2010 to 10%, according to a recent report by Morgan Stanley economist Qing Wang.

961

Cadbury has announced production of the most expensive bar of chocolate in the world as part of the promotional campaign for the limited return of Wispa Gold.

The edible gold leaf-covered special edition bar is priced at 961.48 GBP (1,628 USD).

**20**

Bubbleologist Samsam Bubbleman set the record for the world's largest free-floating soap bubble using a top-secret mixture he has developed over 20 years.

**19.7%**

According to Australia's Tourism Forecasting Committee, China will lead Australia's inbound tourism market growth over the next 10 years, and is expected to contribute 19.7% of Australia's inbound market growth between 2008 and 2018. The figure is far ahead of India in second place (10.9%) and the UK in third (8.2%).

2162

In a wedding in northeast Jilin province, the bridegroom offered a special gift for his lady: a 2,162-meter long and 1.5-meter wide wedding dress train. The extensive train breaks the existing world record of 1,579 meters.

**200,000**

The 2009 Tianjin International Beer Festival attracted a record-breaking 200,000 visitors, double the number from last year.

EXPERIENCE IN KNOWING WHAT WORKS

Dialogue with Mr. Lars Arnoldsen, Project Vice President, Novo Nordisk (China) Pharmaceuticals Co., Ltd. (TEDA Plant)



In 2008, Novo Nordisk, a world leader in diabetes care, started construction on a new insulin production plant in TEDA. The plant has been designated Novo Nordisk's primary production base in the Asia Pacific region and will supply both China and export markets. The investment amounts to close to 400 million USD and will create close to 500 new jobs in Tianjin. It is one of the largest investments in Novo Nordisk's history, and its largest single investment outside Denmark. The plant will be built on a new 88,000sqm site next to the existing plant. It is expected to be operational in 2012. Major Novo Nordisk insulin products such as NovoMix® 30 and NovoRapid® will be formulated and filled in the plant. Lars Arnoldsen, Novo Nordisk's project vice president, has been managing operations for the past couple years. He recently sat down with Business Tianjin to discuss project management techniques as well as his experiences in China.

In 2007 you were appointed as project leader for the construction of the filling facility in Tianjin. How did your previous experience help prepare you for this new role?

More than 20 years of experience working on projects in India and Europe have allowed me to become very familiar with the necessary processes. However, a large-scale project such as this one cannot be completed without a grand and dedicated team. At Novo Nordisk,

our team also has a tremendous knowledge of project management and the skills necessary to complete the job. So the success of the project is not so much as a result of me but as the joint effort by the team. Our superior recruitment and training program has allowed us to choose and prepare the right people.

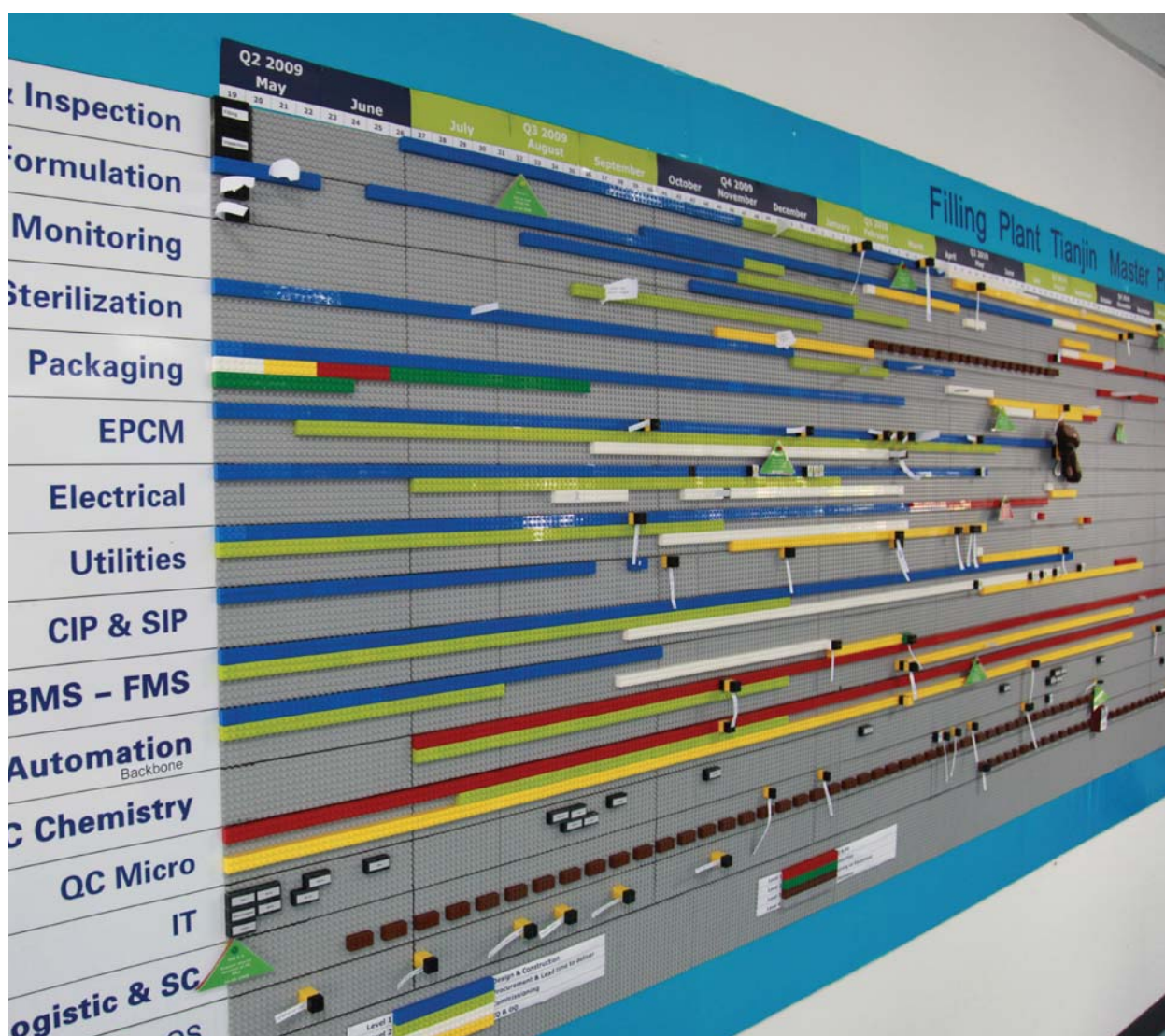
You originally came to China in 1998 then returned in 2007. What are the most surprising changes you noticed about China during this time?

In 1998, China at that time and

TEDA in particular were in the early stages. During that period, bicycles instead of cars filled the streets. In 1998, there was only one McDonald's close to the Holiday Inn Tianjin Hotel, now you see an influx of Western companies like Starbucks and KFC in the area.

The wealth in Tianjin has also changed drastically during this time. You can see it in the way that people dress and the way people think and behave. The Chinese people have become aware that China is accumulating more wealth so now

the people are more concerned with acquiring personal prosperity in the same rapid pace. As a result, the Chinese people are highly interested in quickly advancing in their professional lives. They feel they have to keep pace with their friends and colleagues. This creates people with a lot of initiative who want to achieve more but at the same time as a manager creates challenges in managing employee expectations. At Novo Nordisk, our business requires individuals with a profound knowledge of the industry and project management. So an employee must possess



such knowledge in order to advance in their position.

There has also been a change in the mentality of the Tianjin government regarding the long-term health of the people and the environment. For example, when I originally came to TEDA, I could hardly see a tree. Now I heard the Tianjin government will plant 20 million trees next year, so it really says a lot about the progression in the thought process of local government.

What tools do you utilize on a daily basis in your role as Project Vice President?

I usually employ the managing by walking around (MBWA) technique, in which I talk with employees to monitor how they are performing in regards to the organization's metrics. In doing so I assess the individual performance level of each employee to see how they can improve or assist others. We also like to give people freedom and space to develop themselves.

What skills do you think are necessary to become a successful project manager?

Experience in knowing what works and when to apply it. You can't just look at the training manual and that's it, because you are dealing with people and so it also requires people skills. Furthermore, knowing what is going on not only based on the data but having a feel of the pulse for what is going on in the field.

In addition to knowing the hard skills, a successful project manager has an understanding of the organization and how to get the best out of the people they are working with. This means realizing that some people need a push while others need to be left alone.

Project management is like driving a



Give people freedom and space to develop themselves.

car with the high beams and low beams because with the low beams you can view the short term problems, but in order to stay on track the project manager must use the high beams to have sights on the long term. This allows the company to know exactly which direction to go, which leads to a calmer, relaxed environment.

In establishing your first plant in China, you said the most difficult aspects were “quality mindset, red tape, and business ethics.” Can you please tell us how you dealt with each issue?

The red tape was initially a difficulty but the local government has been very supportive in guiding us. Business ethics, especially in China, is always a concern. We train our employees to respect the laws and the UN resolutions. There are plenty of temptations but our employees have reacted in the legal, proper manner. This is equally vital in quality management because our product if not produced correctly could be lethal, so we as an organization cannot accept anything less than the most stringent standards. We also express this philosophy to our workers to ensure the safety of our employees.

If a project is behind schedule, what actions do you take to make sure the process is completed on time?

The best thing is to first be aware of what's going on, what's the problem and what we can do to resolve the issue. In our current delay, we found that the project was more effective when we substitute machinery for human labor during the hot summer months. Every day, I meet with the general contractor so I can assess the current situation to make sure the project is on track.

How can a manager properly create and articulate corporate culture to new employees?

We have a special training program for the initial couple of months where



we teach culture and how it applies to daily life. However, more important than talking about it is making sure that existing staff live the culture and set an example for the newcomers. Our corporate culture basically involves being a descent person.

We create a strong magnet so when employees walk into the office in the morning, they have the Novo Nordisk spirit. At Novo Nordisk, we don't have a Danish culture or a Chinese culture. We have a Novo Nordisk culture which symbolizes the values of the organization as well as the skills and knowledge from people all over the world. It's easier to move employees from a Novo Nordisk location in one country to another because they are familiar with the Novo Nordisk way of doing things.

We also have surveys in which we are evaluated as managers by the employees. In these surveys, we also gauge the employee's knowledge of the corporate culture and how well their immediate manager follows this culture. The main reason we really emphasize corporate culture is because we follow a global strategy in which the same quality standards are followed in every country of operation.

Is there anything else you would like to share with our readers and the business community?

Prior to coming to China for the first time, I'd recommend keeping an open mind. See it and experience it on your own without having any preconceived notions. Also, we'd like to remind the readers that diabetes is a serious problem and that people should take the necessary precautions like daily exercise and healthy eating to prevent cases from occurring. ☐

The spend is nigh

The Economist, 1-7 August 2009

Now that Americans must consume less and save more, a rebalanced global economy will require surplus economies like China, Germany and Japan to save less and spend more. China's 400+ billion USD surplus in 2008 (10% of its GDP) has been the target of scrutiny.



Fortunately China's trade surplus is already shrinking, down 40% to 35 billion USD in Q2 2009. The nation's decreased exports and a consistently increasing domestic demand seem to be meeting Western requests.

Yet despite China boasting the world's fastest-growing consumer market, consumer spending still lags behind overall economic growth. An increasing share of China's GDP comes from investments – a large portion from government stimulus – and a decreasing share from private consumption. The author argues that such short-term work on infrastructure and construction is unsustainable.

Several strategies have been suggested and/or employed to motivate Chinese households (who save an average 28% of disposable income) and businesses to spend rather than save. These include doubling spending on health care, education and social security, lifting the cost of capital, improving access to credit, land reform and currency appreciation.

Equator Principles: Green declaration of Banks

Directors & Boards, August 2009

Government organizations, non-profits and even some commercial organizations are concerned with climate change. Environmental protection, green consumption, energy conservation and emission reduction are all markets with risk and opportunity.



Many enterprises have already included environment and climate change factors into their overall development strategy and are exploring sustainable commerce. Those seeking to do so may benefit from banks which adopt Equator Principles. Equator Principles guide banks to include environmental and social risk management into daily operational management, only financing projects that meet environmental standards.

China Industrial Bank Co. is the first and only Equator bank in China. In September 2008, 13 commercial banks in China signed a social responsibility declaration, committing to take relative social responsibility positively and to promote economic development and social progress across all demographics.

Another View: Tunneling to True Profit in China

NY Times, 17 August 2009



Seeking to calculate normalized profit of a Chinese company prior to its acquisition, the author soon discovered that "Generally Accepted Accounting Principles are not generally accepted in China."

While businesses in gray economies may keep one set of accounts for the government and one for themselves, Chinese companies often forego the latter. "Normalized profit" was a term unfamiliar to the company in question. Calling it "true profit" sounded offensive, and "official profit" was the number already reported to the government. When asked for "the profit you would have received if you had reported everything completely correctly," confused employees said that finding such a value would only result in a greater tax liability.

The author, on whose decision the acquisition laid, resorted to stoking pride and fear to get the desired data. "Your business looks surprisingly unprofitable," he noted, hinting at both poor performance and a low purchase price. The company now wished to report true values, but still faced the embarrassment of admitting deceit. "Don't worry, I've seen this many times before," he assured, and was given the access necessary to calculate normalized profit.

Adjusting for the Future

Caijing, 11 August 2009



In 2009, there is little doubt that China will "protect eight", official shorthand for ensuring GDP growth of 8% or greater. The contribution of investment growth supported by credit expansion is especially significant to this number.

Central parity rates for one-year treasury bills resumed on 8 July rose for four consecutive weeks. The China Banking Regulatory Commission reiterated that it would strictly enforce a 40% down payment rule on purchases of second homes. After a year in waiting, the "Provisional Law for Fixed Asset Loan Management," meant to ensure that credit flows into the real economy, was finally released on 27 July.

Numerous experts believed that a marked change in policy in the third quarter is unlikely. But depending on economic growth trends and consumer price movements, some say large macroeconomic policy adjustments could be seen in Q4 2009.

GETTING OUT OF HERE ALIVE

How Tianjin's manufacturers are coping in a global economic crisis

By Mark Gao

Talking to factory managers around Tianjin suggests that Tianjin is doing no worse than other Chinese cities during the global economic crisis. In fact it's probably doing better, thanks to a thriving port and a growing retail sector.

This reporter's calls to dozens of local companies and consultants have found wages and rents are generally holding steady. Layoffs have been minimized and there are not many empty factories in Tianjin.

Local businesses are enthusiastic about government spending – part of China's 586 billion USD stimulus package – on Tianjin's infrastructure. The largest chunks of cash are being spent on infrastructure, powering the city's future, and on subsidies to industries like petrochemicals and steel, both hit by falling demand.

There may be money about for big projects, but Tianjin's manufacturing scene has clearly taken a hit. Output at lo-

cal factories fell 20% through spring this year, says long-time local consultant Juan Silvestre, whose Boxinves Group advises local foreign-invested firms. "Export orders aren't what they were last year," he explains, though the effects have been muted: rather than close, factories manufacturers have opted to shave off a few production shifts a week.

Whereas last year Tianjin businesses were stung by rising prices for fuel and electricity, this year they're struggling to get orders. "The first few years were challenging because we had a new plant and no customer base, now it's challenging because we have to reduce costs," says the head of a US-owned supplier of industrial gases in Tianjin.

The firm has been walloped by a slump in steel consumption. Orders from local steel mills – key customers – slumped, but so too did supplies to manufacturing firms using steel, explains the executive, who preferred to be unnamed as he's two months from retirement and handing his position over to a Chinese counterpart. He points to that





Companies are merging or shutting down, so there's a large number of qualified candidates on the market.

transition as an effort by company headquarters to cut costs.

Tianjin remains a good location from which to service the northern Chinese market, agrees the American manager. "But the city has gone through cycles." The latest cycle will shake out a lot of firms which have up to now survived on "very small" margins, he predicts. Several of his customers in Tianjin "have ceased to exist." The executive says Tianjin's problems date back to before the Olympics. "Firms forced to close for the Games never reopened: their market share was snapped up by competitors in Guangdong and elsewhere. Then came the global recession."

Mario Bernhardt knows unfortunately well the affects of the recession. The general manager of BHS Sonthofen, a German-owned maker of industrial machinery, has had a "very difficult" year so far. Orders from its key export

markets Europe and India have fallen by over 50% compared to the first quarter of 2008, says Bernhardt. Domestic sales of BHS' crushing and filtration machines have been "satisfactory" but won't rise fast enough to replace lost overseas orders, he explains.

Hence the firm has been laying off staff and trimming other costs to survive in Tianjin. BHS found local suppliers to replace parts for its machines which it hitherto imported. Bernhardt has also seen some relief in falling prices for steel, a key input at BHS. Other costs are harder to trim: rent and utility fees have not been reduced by local authorities – as has been the case in other Chinese cities – to help firms survive these lean times. BHS doesn't contemplate reducing its sales prices. Nor has it cut back on wages; to the contrary, the firm this spring matched a 2008 pay rise of 5% to keep remaining staff content.

Finance is another crunch point for firms like BHS, forced to seek loans to keep cash flow steady. Local banks are not keen to extend loans until existing loans are fully paid, regardless of the collateral backing up the original loan. "We couldn't imagine this problem" back home in Germany, notes Bernhardt.

Firms like his are forced to go through the messy process of bringing in cash via a loan from the overseas parent company. Such cash pressure sounds incongruous given the record flood of credit from Chinese banks to business early this year, a central government effort to keep local business afloat.

Foreign firms have felt local officials' concern when jobs were at stake. "The local government has visited a couple of times to assess the situation," notes Alessandro Zaccarini, general manager at industrial equipment maker TEMA Siebtechnik (Tianjin). "It was clear that their main worries were potential layoffs of workers." Luckily TEMA has been in hiring rather than firing mode so far this year, but still local government "has tried to receive assurance that the level of employment and salary will be at least kept at 2008 levels."

Zaccarini notes 2009 "will be a bad year for new order intake" for the Dutch-German firm, which produces equipment such as centrifuges for the chemical and coal industry. "Our chemical customers are feeling the pain of the overcapacity which was built up during the last few years," says Zaccarini. "New projects are either cancelled or delayed."

Cuts in clients' production and a knock-on cut in clients' maintenance budgets is also denting TEMA's maintenance earnings. Since many of the firm's customers in the chemicals production sector have cut produc-



tion output there's less need for maintenance of machines, "so 2009 will be worse than 2008 for us in this area." But Zaccarini is overall optimistic. "We see signs that customers have resumed production at 2008 levels and are ready to invest again in new operations, even if the pace of it must be assessed in the second half of the year." There's another upside for TEMA Siebtechnik: in the past few months the "extremely specialized" workers it needs have become much easier to find. "More and more companies are merging or shutting down so there's a large number of qualified candidates on the market." There's even plenty of managerial talent, usually the scarcest HR commodity for multinationals in China. "A lot of local managers are afraid that their companies might close or merge and are proactively offering themselves... people who had no interest to talk to us in 2008 have suddenly a strong interest to do so."

Similarly, there are plenty of bright spots for Tianjin's manufacturing business. Investment in the aeronautics sector has improved dramatically,

says Silvestre, as suppliers of aircraft maker Airbus have opened up local operations to the only China plant of the European jet maker. One of those, Swiss-owned composites maker Gurit, set up shop to supply product such as airplane fiberglass for the city's fast-growing aeronautics and wind turbine manufacturing.

By maintaining standards of living among staff, foreign firms can help cement loyalty.

Tianjin "is rapidly becoming a centre for wind energy-based companies," explains Phil Harnett, general manager of the company's Tianjin operations. Tianjin has secured the China locations of world wind equipment leaders like Gamesa and Suzlon. The global recession has also hurt green energy, however. Gurit's order book has been affected "very significantly" by the dry up of long-term capital among organisations and companies working together to build new wind farms.

But Gurit will stick around. At a national political level, China's recently announced increase in VAT refunds for exports from 5% to 11% "will assist us a little," says Harnett. Though costs for business have risen, rent and utility bills have remained unchanged. Luckily in difficult times the firm has had "good support" from the

local government in providing cheap offsite storage to assist in handling the inventory built up as orders drop. Gurit has no expectations or demands for government policy shifts or support. "None really – just stability while the markets recover."

Head of the Tianjin office of real estate consultants Jones Lang LaSalle, Michael Hart sees Tianjin's saving grace in its ability to readjust and reinvent its manufacturing base. Securing Airbus has meant a steady stream



of aeronautics companies into the city. "As a port town Tianjin attracts investors who assemble goods locally for domestic and export markets," says Hart, pointing to a recent investment by WalMart, keen to supply its fast-expanding China sales network through a new Tianjin logistics centre.

The downturn may have been the push the city needed to clean up and diversify its business base. In the past two years city officials started to build a services sector into town, notes Hart. But given the services sector is "not a major driver" of city revenue "this will remain a manufacturing town," he adds. The fight for big-name investors means competition between the city's investment zones is "fierce" he claims.

A rare positive of the dour economic climate so far in 2009 has been a cool-off in inflation, which Harnett notes climbed as high as 9% in 2008 for food and basic household goods. With Chinese companies seeking 20% cuts in salaries, employee retention has become less of an issue for manufacturers in Tianjin. Gurit made

a "small number of redundancies" in 2009 "due to business volume downturn" but in February upped salaries by 4.5%, largely to match rises in living costs. By maintaining standards of living among staff, says Harnett, foreign firms can help cement loyalty. Employees particularly enjoy working for "a stable and caring company," notes Harnett.

Tianjin may be better placed than southerly counterparts like Guangzhou since it handles the shipping and logistics business for northern China, a region outdoing the country's south in key indicators like consumer sales. Indeed generating sales locally in China may be the best way to shelter from the fallout elsewhere. Jim Glennon, a supply chain consultant for adult toy brands for the European market, says he's trying to get local sales up to replace what he's losing in key markets like UK and Holland. "Vibrators and intimate toys just aren't selling in London and Rotterdam."

Local entertainment venues like saunas and massage establishments are

"hopping" in Tianjin compared to back in Europe, says Glennon. "There are lots of corporate entertainment budgets clearly very intact, especially at large state companies." In the first quarter of 2009 he's managed to generate sales of 0.5 million USD in Tianjin adult stores and hotels. "I should do 1.5 million dollars in sales here this year."

Surely, there's stimulus money and optimism around Tianjin. But stimulus spending has its down side. The danger of overcapacity is something that worries the aforementioned US executive, a long-time Tianjin resident. Pointing to idle cranes between Beijing and Tianjin, he's particularly worried that government is pouring stimulus money into industries like petrochemicals. "Even before the crisis there was over-capacity. It will be really hard to make any money in these industries when the economy does bounce back." ■



Your Active Partner !

Business Consulting
Events Organization
Human Resource
Logistics Solutions
International Business Center

 **Boxinves**
www.boxinves.com

Magnetic Plaza, Building A4, 6th Floor, Binshui West Road, Nankai District, 300381 TIANJIN, P.R. CHINA
Tel : +86 22 2391 7700 Fax : +86 22 2391 0555 E-mail : csc@boxinves.com

CORPORATE DOWNSIZING IN A STRUGGLING ECONOMY: NEW TAX DEVELOPMENTS



Diego D'Alma



Ilana Wang

by attorneys
Diego D'Alma and
Ilana Wang,
Garrigues Shanghai

Although the stock markets in certain countries recently are experiencing an upward trend and the media is trying to promote a more optimistic economic atmosphere, no one is relaxing the vigilance in any wave of the economy. Many entrepreneurs are still considering downsizing their investments to reduce costs and risks, while others might be seeking new business partners and opportunities to share risks and resources for the immediate future.

Legal tools for enterprise downsizing

In order to perform such downsizing or reorganization decisions, enterprises might be considering transferring their assets, disposing of their affiliates, cooperating with new business partners, or seeking compromises from their creditors. Such corporate reorganization schemes might legally be carried out as equity or asset transfers, mergers, split-offs and debt restructurings, amongst other kinds of transactions.

Equity or asset transfer

An equity transfer here refers to a transaction by means of which the transferee enterprise purchases the equity of the transferring enterprise to obtain the control over said transferring enterprise. Consideration payment for such a transaction can be in the form of equity (equity and stocks), non-equity (cash, bank deposits, receivables, marketable securities, inventory and fixed assets, amongst others) or a combination of both.

An asset transfer refers to the transaction where the transferee enterprise purchases the real productive assets of the transferring enterprise for a consideration in the form of equity in the acquiring enterprise, non-equity or a combination of both.

Merger

A merger is defined as the lawful amalgamation of two or more enterprises, by means of which

the assets and liabilities of the merged enterprises are transferred to the existing or newly-established post-merger enterprise, for which the shareholders of the merged enterprises exchange their shares in the merged enterprises for an equity consideration in the post-merger enterprise and/or for a non-equity payment.



Split-off

In a split-off, a division of an enterprise is performed, by means of which the divided enterprise transfers all its assets and liabilities to existing or newly-established post-division enterprises, for which the shareholders of the divided enterprise obtain a consideration in the form of equity in the post-division enterprises and/or non-equity consideration.

Debt restructuring

Based on financial difficulties of a debtor, a debt restructuring is defined as the event in which a creditor makes a compromise to



waive part of his credit right in accordance with a written agreement entered into between the creditor and the debtor or a written verdict of a court.

Enterprises may, according to their own economic status and development strategy, select one of the aforementioned legal tools to reorganize their businesses in compliance with the relevant laws and regulations.

Tax burden for corporate reorganizations under the general tax treatment

As a consequence of such reorganization options, the involved enterprises might have to recognize taxable gains or losses for corporate income tax purposes. Under the general tax treatment, the enterprises might have to face an immediate tax burden when performing any of the restructuring options. This is the case for the transferring enterprise, which upon choosing any of the aforementioned reorganization options, might be taxed on the capital gain or loss realized when transferring its as-

sets or equity, merging into another company or splitting-off its assets. Whereas in a debt-restructuring, the debtor might have to recognize debt forgiveness income in relation to the credit right waived by the creditor. Tax implications might also arise, depending on the concrete transaction, for the relevant shareholders.

New preferential tax treatment for corporate reorganizations

In order to facilitate corporate reorganizations under the current adverse economic situation, the PRC State Administration of Taxation and Ministry of Finance jointly promulgated a *Circular on Various Issues of Enterprise Income Tax Treatment Involved in Reorganizations of Enterprises* (the Circular) on 30 April 2009, which entered into force retroactively as of 1 January 2008.

Under this Circular, a preferential tax treatment for specific cases has been established. Namely, the recognition of gains or losses in corporate reorganizations for enterprise income tax (EIT) purposes may be deferred if certain conditions are satisfied, in order to mitigate the tax burden on such transactions.

Should an enterprise be interested in utilizing such preferential tax treatment when conducting corporate reorganizations, the following conditions need to be met:

- The transaction should have a reasonable business purpose and its primary purpose must not be to reduce, avoid or defer tax payments. In practice, there is up to now no criteria published by the tax authorities or case law available for determining the concept of reasonable business purpose. Thus, it is recommended to clarify such concept with the tax authorities on a case-by-case basis to ensure the availability of tax deferral;
- The acquired, merged or split-off part of the assets or equity should meet a threshold of at least 75% of the total equity of the target company;
- For a continuous period of 12 months after the reorganization, the transferee enterprise cannot change the substantial business operations of the assets or equity acquired. The concept of substantial change in the business operations should also be further clarified in the future and, hence, it is advisable to always consider the possible impact of future operational adjustments in the target company or changes to its business activity in order to see if this could impact the tax deferral.
- The proportion of equity payment in the entire payment made for consideration of the reorganization transaction has to meet the stipulated threshold of at least 85%; and
- For a continuous period of 12 months after the reorganization, the former major shareholder, who re-

Gains or losses in corporate reorganizations for enterprise income tax (EIT) purposes may be deferred in order to mitigate the tax burden on such transactions.

ceived the equity payment, cannot transfer said equity.

Upon the satisfaction of the above conditions, the preferential tax deferral may be enjoyed by the enterprises involved; details of which are stated hereinafter:

Equity or asset transfer

In an equity or asset transfer under the preferential tax treatment, only the capital gains or losses deriving from the portion of non-equity payment (cash or other forms of payment) will have to be recognized and taxable at the time of the reorganization transaction.

For the part of equity payment, the tax base of both (i) the equity acquired by the shareholders of the transferred enterprise (in case of equity transfers) or the transferring enterprise (in case of asset transfers) as

(part of) payment and (ii) the equity or assets purchased by the transferee enterprise will be recognized according to the original tax base of the equity or assets transferred. Thus, it would be deemed as if no taxable income had derived from the transaction and no immediate tax will be due. The obligation of income tax payment relating to the gains or losses deriving from these transactions is then deferred to the time when the equity or assets in question are further disposed in a future transaction where the general tax treatment applies.

Merger

Similar deferral of taxation will occur in a merger case as in an equity or asset transfer case mentioned above: the tax base of the assets and debts of the merged enterprises acquired by the post-merger enterprise will be recognized according to the original tax base of the merged enterprises,

and the tax base of the equity acquired by the shareholders of the merged enterprises as (part of) payment will be recognized according to the value of their original equity held in the merged enterprises.

Further advantages of a merger under the preferential tax treatment lie in the fact that the relevant EIT positions of the merged enterprises prior to the merger will be succeeded by the post-merger enterprise. This means that no deemed liquidation of the merged enterprises shall be carried out from a tax perspective as under the general the tax treatment, and that certain tax losses of the merged enterprise can be carried over and set off by the merging enterprise¹.

Split-off

Similar deferral of taxation will also apply in a split-off case since the tax base of assets and debts of the divided





enterprise accepted by the post-division enterprises should be recognized according to their original tax bases in the divided enterprise.

More preferential than in case of a split-off performed under the general tax treatment, under the special tax regime the relevant EIT positions for the assets of the divided enterprise subject to division will be assumed by the post-division enterprises. Losses of the divided enterprise within the legal covering term may be allocated in the proportion of the divided assets in the total investment and continue to be covered by the post-division enterprises.

Furthermore, the shareholders of the divided enterprise will have the chance to choose the tax base for the equity obtained in the post-division enterprises².

Debt restructuring³

For a debt restructuring that meets all conditions set forth for the preferential tax treatment, if the taxable income generated from the debt restructuring (debt forgiveness income) accounts for more than 50% of the total taxable income of the debtor, it can be averagely apportioned to the taxable income of each tax year within 5 tax years, so that the debtor may benefit from such deferral of taxation.

Conclusion

As analyzed above, in a scenario where a corporate restructuring transaction might aim for the survival of the involved enterprises, the special tax treatment might allow such enterprises, under certain conditions, to avoid immediate tax costs and ease their financial burden on restructuring decisions driven by the economic downturn.

In order to benefit from the preferential tax treatment, the enterprises have to submit the relevant documentation evidencing the qualifications for the preferential tax treatment along with their annual EIT filings of the year when such reorganizations have been concluded. Considering the importance of the tax compliance requirement, a careful documentation shall be prepared for the purpose of treating a reorganization transaction under the preferential tax treatment, where it is highly recommended to look for proper professional advice. ☐

2: If the shareholders of the divided enterprise give up a part or all of the equity of the divided enterprise (old equity) in return for the equity in the post-division enterprises (new equity), the tax base of the new equity shall be recognized according to the tax base of the given-up old equity.

If the shareholders of the divided enterprise will not give up the old equity, the tax base of the new equity should be recognized according to one of the following two methods at its own discretion: (i) The tax base of the new equity can be directly recognized as zero; (ii) First decrease the tax base of the old equity in the proportion of the divided net assets of the divided enterprise to the total assets of such enterprise and then such decreased amount of the tax base would be averagely distributed into the new equity.

3: A debt restructuring will be deemed as carried out through two transactions, namely the transfer of relevant non-monetary assets and the liquidation of debts when paying off debts with non-monetary assets, or the equity investment and the liquidation of debts when using debt-to-equity swap.

1: Certain "ring-fencing" limitations for the losses of the merged enterprise that can be set off by the merging enterprise have been established, which allow offsetting losses equal to the fair market value of the net assets of the merged enterprise × the interest rate of national debt with the longest term issued prior to the end of the year when the merger takes place.

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

MILKING IT

Tianjin is an unlikely hothouse in China's drive to breed and milk more cows

By Mark Gao

One of the least likely sights from the windows of the sleek CRH high-speed train as it bullets between Beijing and Tianjin is that of cows. Munching away on greenish hay under blue steel-sheeting roofs, these black and white beasts are not a sight you expect in this otherwise industrial landscape. True, there's an ever-diminishing bank of farmland between the two cities, but that's worked hard for crops, primarily corn.

There's no pastureland to spare, so Tianjin's cows are kept in yards among factory compounds and apartment blocks, milked for local milk companies. Beijing-based Sanyuan is the biggest local buyer, particularly since it purchased the assets of disgraced local counterpart Sanlu, which was last year caught knowingly buying melamine-laced milk from its middlemen.

Large dairy yards and villages between the two cities that keep small herds of cows for milking are part of Tianjin's ambitious programme to breed more cows to meet rising local demand for milk. Located on the city's south side, Tianjin Dairy Cattle Development Center breeds cows using imported purebred cattle and frozen semen from foreign bulls. China doesn't have native breeds of its own suited for dairy production, hence it's had to import breeds such as the Holstein and Friesian from Europe and the US.

Rather than continuously ship the animals in on cargo planes and ships, Chinese breeders have been keen to breed cows locally. Hence for the past two decades state-owned breeding centres have been busy buying and mastering bull semen from Western bulls.



One of those breeding centres is a series of white-washed, blue-roofed buildings of the Dairy Cattle Development Centre on the outskirts of Tianjin.

Cow breeding goes back a surprisingly long way in Tianjin. Cows were first shipped into the port city in the late 19th century by foreigners living here. Christian missionaries also kept cattle for the milk and meat to feed their Tianjin congregations. As in Shanghai, which had similar dairy farms, Tianjin natives eventually realized the nutritional benefits of milk and so local herds and dairy output both grew even after the concessions reverted to Chinese control in 1949.

Seeing its potential for poverty reduction, the UN-administered the World Food Programme and the European Union through the 1980s and 1990s gave China 160 million USD in aid to build its dairy sector. Foreign aid has inevitably wedged open the door for western cattle breeders who are keen to sell semen and breeding know-how – as well as live purebred animals – to China, where demand for both beef and milk are expected to grow faster than in any other region. Ironically, rising milk consumption in China was cited recently by EU farmers as a key factor moving global milk prices – the 2008 melamine scandal, they claim, depressed both Chinese consumption and global milk prices.

Tianjin's stabled dairy cows are fed on a mix of locally produced maize and grass trucked in from more sparsely populated regions, particularly Inner Mongolia. Tianjin city government gave subsidies to individual dairy farms. In 2002, in a new effort to encourage the sector, the city's Wuying district handed out subsidies to encourage the creation of larger, better herds. In an effort to create 'dairy zones' Beichen district and Jinghai County both built roads to con-

nect up farms with milk processing plants. Later, city government paid 5,000 CNY subsidies for purchases of cows while also subsidizing artificial insemination of farmers' cows with semen from the Tianjin Dairy Cattle Development Centre.

Over 80% of local milk is produced by farms with less than five cows.

Semen sales are controlled by bureaus run by the Chinese government, which in 2005 enacted a new Animal Husbandry Law to regulate sales of genetics and breeding products. There were fears of bad breeding if local farmers and breeding companies were allowed to do it themselves, since there's not much tradition or

knowledge of animal husbandry, certainly not knowledge of valuable dairy breeds, explains Chen Weisheng, deputy director of the National Animal Husbandry Association.

China's dairy industry has been encouraged with state aid because dairy farming is seen as a way to help the country's impoverished rural dwellers, explains Dinguan Hu, a senior researcher at the Agriculture Economics Research Institute at the China Academy of Agricultural Sciences (CAAS). Chinese dairy output grew fastest with the liberalization of the economy in the 1980s. In Tianjin, milk output jumped from 22,000 tonnes in 1980 to 77,000 tonnes in 1990, according to Tianjin-based agronomist Wang Huaibo, whose '50 Years of the Chinese Dairy Industry' published in 2000 remains one of the few authoritative histories of the industry. Wang estimates current output in Tianjin to be in excess of 200,000 tonnes.



Over 80% of local milk is produced by farms with less than five cows. That chimes with figures across China, where farms with more than 1,000 cows accounted for only 0.1% of production. Those figures, collated by the annual China Dairy Statistical Yearbook, show the bulk of production staying with the small man. Despite price drops, earnings from milk sales surpass profit from growing maize and potatoes by up to 200%, explains Wang Huaibo.

Milk processing companies meanwhile weighed in: Shijiazhuang-based Sanlu rented cows to farmers, taking a third of farmers' milk cheques to recoup the price of the cow.

Firms have also guaranteed bank loans to farmers. Eclipsed by last year's melamine scandal, now-defunct Sanlu had 5,000 households in 760 villages.

In Jiangxi province, Jinniu took milk from its pool of 10,000 farmers. Cows however are brought to a communal milking station, making it harder for farmers to dilute the milk – a major problem in China's dairy scene.

Local agronomist and former director of the Dairy Cattle Development Centre, Guo Jinwan sees the creation of dairy zones as a good compromise between the household system and larger, intensive dairy farms: dairy firms and local government fund the purchase of cows for local farmers, while also building proper feed plants and veterinary services. Cows are milked and milk is sold communally by the zone. Number two (in earnings) dairy processor Yili oversees 300,000 cows in 90 such zones. The firm also claims to have 6,000 cows on 200 family farms in pastureland in the unlikely surrounds of Hohot, capital of Inner Mongolia.



While milking cows can bring money into hard-pressed households, quality remains a worry haunting the local dairy sector. There needs to be “more emphasis on quality rather than quantity,” says Kevin Chen, a project director at the China Canada Small Farmers Adapting to Global Markets Project in Beijing. “Milk can’t be regarded in the same way as concrete or steel, where you have production quotas and you obsess about raising output.”

There’s also a bigger issue: technical training for China’s farmers, the small guys, who need to be farmers rather than countryside labourers raising cows just because it happens to be more profitable. Small-time ‘farmers’ with no knowledge of animal husbandry keep milking cows even while treating them with antibiotics. Though China has regional agricultural universities there’s little of the skilling in animal husbandry which is a feature of farmer training in European nations. “There it’s not so much about getting a degree as it is learning how to be a good farmer,” says Chen.

Having had government support in buying cows and building sheds, China’s dairy farmers felt like they were hung out to dry between 2006 and 2007, when milk prices stayed static but input costs climbed.

Output of dairy products in Tianjin has climbed by an average 6% a year in the past five years, according to the China Association of Dairy Industry. Local dairy processors – Sanyuan, Bright and Wadashan all have plants locally – produced nearly 220,000 tonnes of dairy products in 2007 according to the national Dairy Yearbook.

China’s dairy industry is recovering fast after the milk-poisoning scandal which last autumn blackened its name and doomed Sanlu. Demand and variety of products have risen

fast, says Du Binhua, dairy marketing specialist at the CAAS. He points to a resurgence in advertising spending by the big players like Mengniu and Yili. There’s much at stake: A third of market leader Mengniu’s shares are held by foreign investors including Morgan Stanley. The investment is one of a rush of similar buy-ins by foreign investors excited by the seemingly endless potential of milk consumption in China.

There is a seemingly endless potential of milk consumption in China.

Steeped in dairy tradition since foreign settlers brought cows here in the 19th century, Tianjin could be a



regional power in milk production and consumption. The track record of local dairy businesses has so far been patchy. Friesland Tianjin Dairy Foods was a pearl when it emerged in 1989 as a joint venture between Holland’s Friesland Dairy Foods Holdings and a fledgling local state-owned dairy enterprise. Backed with World Bank financing, the project’s greenfield dairy plant was to be a model for dairy farming in the Tianjin region.

The Dutch partner in 2004 however transferred all but a 5% share in the company, which was by then making milk-based and yoghurt drinks. The Dutch partner cited intense competition and low margins, leaving its global brand, Dutch Lady, to its Tianjin partner under a licensing agreement. Italy’s troubled food giant Parmalat also processed milk in Tianjin before the firm collapsed in a mess of financial malfeasance.

Yet if one ventures into local supermarkets there’s a bewildering array of milk and yoghurt products – cheese is catching on slowly in China. Further increases in local dairy consumption seem assured. And meanwhile Tianjin has also become a manufacturing base for international producers of dairy equipment – particularly Korean brands like SamWoo, which makes processing equipment for farm milking parlours.

Its industrial identity is unlikely ever to allow Tianjin to be associated with farming, but its surprising heritage in cow breeding and milk processing make this city well-poised to be a Chinese dairy capital. Look out for those cows on your next fast-train ride to Beijing. There may soon be more of them. ☐

THE TIANJIN SUSTAINABILITY DEBATE



Michael Hart,
Managing Director,
Jones Lang LaSalle
Tianjin office.

I recently participated in a conference in Tianjin which was discussing sustainability and its impacts on real estate. This is a topic that gets covered a great deal in the general media, but our discussion also brought the focus quickly to Tianjin and showed how relevant it is for all of us.

Green Construction and Tianjin

Many people are skeptical that green initiatives will be successful in Tianjin, which is still experiencing rapid increase in wealth – generally a precursor for this debate. The city is also still relatively immature as commercial real estate markets go, so one would not expect to see leading architectural standards implemented here. The interesting thing is that many groups within Tianjin are already actively participating in the sustainability trend.

Who is active in sustainability today?

The groups already actively in sustainability include individual companies who are the end users of buildings, occupiers such as banks who lease space but demand higher standards for that space, and government or joint corporate government groups who are trying to lead the way through building eco-communities. Examples of all three in Tianjin include:

End Users

Otis Elevators, a US company that is part of the United Technologies Group has its China headquarters in Tianjin.

Several years ago when the company decided to build a new headquarters facility in TEDA it committed to making it more sustainable. The company recently received a Gold-level LEED rating for its facility. LEED stands for Leadership in Energy and Environment Design and is awarded by the US Green Building Council for designs that meet a host of specific requirements related to energy savings, water recycling and use of sustainable

Empire State Building built in 1930, still relevant today



building materials. This is a clear sign that leading companies are willing to make the investments necessary to achieve these standards.

Banks

We recently assisted an international bank to find a building which meets its standard requirements (high profile, good facilities, good location). The bank then asked us to help them determine the buildings "green specifications". That is, they wanted a report card on how environmentally friendly this building was so that they could push the landlord to improve certain areas of its performance. Later this information will be pooled together with information on other properties the bank is using across China, and in the future those that rank lowest in the green rankings may face pressure to improve their standards or face being abandoned for more environmentally friendly premises. The moral of this story is that even if you are the greenest building in the city today, in five years this may not be good enough.

What will Tianjin's buildings look like in 79 years?

Sino-Singapore Eco City

Many people have heard of this development, but do not yet have a full picture of what is being developed in the area. The general concept is to create a community with mixed residential and commercial uses and implement proven environmentally sustainable technologies. The area will be a good option for residents and companies who want to choose a location that has not only the standard business amenities and a nice walkable and livable community, but also one that allows you to live and work in verified sustainable buildings.

What to do with this information

So clearly there are examples of companies incorporating sustainability into their projects in Tianjin. What should a developer or company who is looking for space do?

If you are a developer or a builder I suggest you become aware of how quickly the occupiers of space are starting to control this conversation. Buildings that don't comply with sustainable rankings run the risk of being branded a bad place to be located and will have higher vacancy rates and lower rents or sales prices as a result.


Occupiers who are looking to make sure their rental money is getting them a nice-looking space that also allows them to act as responsible corporate citizens should consult the large number of publications available on the web and from service providers. These point out metrics for ensuring your space is sustainable and areas to look for in making your own assessment.

Drivers of sustainable architecture

One group that we have not mentioned in detail is the government. The Chinese government has not yet entered the green debate in a big way, but if they chose to they could change the debate overnight by upping building standards to force all developers to meet high levels of sustainability, building quality or systems. By implementing these changes themselves, developers have more control over the debate and frankly give the government less reason to act to regulate. There are already examples globally of owners and developers acting to refit their own buildings at their own cost to increase their sustainability credentials.

One example that we have seen in New York City is the Empire State Building. My company, Jones Lang LaSalle, is one of several partners that have been working with the owners on a refit of the building to increase its green standards and ensure it will be a place that companies focused on energy efficiency standards can choose. I also believe this example brings home a good point. A building is constructed to last for at least 50 years, if not much longer. The Empire State Building was built in 1930 and is still an important office building today. What will Tianjin's buildings look like in 79 years?

The opportunity

Since we see examples in Tianjin of companies already building their own premises that meet leading Green standards, and we see users of space benchmarking space to see how it ranks against other buildings in China, we must understand this debate is very relevant to Tianjin. Examples in New York that show how buildings that are internationally renowned must also make changes to ensure they are green and thus commercially viable should give us all pause to consider how critical this question will be for maintaining the value of our property if we are not. Tianjin is poised to see a huge building boom over the next five years, let us encourage all stakeholders to ensure this boom is also a leap forward on the sustainability front. 

About Jones Lang LaSalle

Jones Lang LaSalle (NYSE:JLL) is a professional services firm specializing in real estate. The firm offers integrated services delivered by expert teams worldwide to clients seeking increased value by owning, occupying or investing in real estate.



仲量
聯行



- Property investment consulting
- Orientation and relocation
- Expat Guidebook edition
- Property lease/purchase agency
- Property management
- Expenses survey



Tianjin E-SMART Relocation Consultants Co., Ltd.

Since being established in 1996, E-SMART Relocation Consultants Co., Ltd. has been a professional leading expatriates housing and relocation service provider in Tianjin region.



Head Office:

Add: 19B, Tower 2, Zi Jin Hua Yuan,
No. 15, Binshui Rd., Hexi Dist., Tianjin
Tel: +86-22-2836 0997 ext. 8000
Fax: +86-22-2813 2706
E-mail: esmart@esmart.com.cn
Website: www.esmart.com.cn
P.C.: 300061

Magnetic Capital Shop:

Add: 17-108, Commercial Plaza of Magnetic Capital,
Cross of Wess Binshui Rd. and Linbin Rd.
Nankai Dist., Tianjin
Tel: +86-22-2385 5391
Fax: +86-22-2385 5391 ext. 87
E-mail: esmart@esmart.com.cn
Website: www.esmart.com.cn
P.C.: 300381

<p>Properties in Tianjin and TEDA</p> <p>Joanna Real Estate the Largest Relocation Company in China.</p> <p>~ Over 400 Employees Serving Expats in 9 cities, NOW IN TIANJIN</p> <p>~ Professional English Speaking Property Consultants</p> <p>~ Largest property Database, Skilled at Negotiating Lowest Rates</p> <p>~ Aftersales 24 hours/7 days, Through Out the whole Leasing Term</p> <p>TEL: 86-022-66280211/66280212 (0)13701080877 FAX: 86-022-66280216 E-mail: joanna@joannarealestate.com.cn www.joannarealestate.com.cn</p>	<p>TEDA</p> <p>VILLA 别墅: Royal Palace Villa 165sqm 3Br RMB6000</p> <p>Vantone Central Park 80sqm 1Br RMB2100 113sqm 2Br RMB2400 147sqm 3Br RMB4000</p> <p>Landscape City 150sqm 3Br RMB7000 180sqm 3Br RMB 8000 220sqm 4Br RMB 16000 330sqm 5Br RMB 28000</p> <p>Elite Community 75sqm 1Br RMB2800 135sqm 2Br RMB3800 155sqm 3Br RMB4500 180sqm 4Br RMB7000</p> <p>Fanglin TEDA Garden 134sqm 3Br RMB5000 180sqm 3Br RMB9000 270sqm 4Br RMB15000</p> <p>Greenland Space 110sqm 2Br RMB3000 145sqm 3Br RMB4500 168sqm 3Br RMB5500</p> <p>Sunshine New Route 99sqm 2Br RMB3000 160sqm 3Br RMB4000 206sqm 3Br RMB8000</p> <p>Ginza Mansion 150sqm 2Br RMB6000 209sqm 3Br RMB8000 250sqm 4Br RMB13000 300sqm 4Br RMB20000</p> <p>TEDA New Skyline 160sqm 3Br RMB5500</p>	<p>DOWN TOWN</p> <p>VILLA 别墅: Original County 170sqm 3Br RMB 14000 300sqm 4Br RMB 20000 400sqm 4Br RMB 28000 500sqm 5Br RMB 35000</p> <p>TOWNHOUSE 洋房: Lake Park Ave 160sqm 3Br RMB4000 230sqm 4Br RMB6000 282sqm 4Br RMB10000</p> <p>Crystal City 102sqm 2Br RMB3500 130sqm 3Br RMB4000 186sqm 3Br RMB7500 240sqm 4Br RMB10000</p> <p>APARTMENT 公寓: City Centre 198sqm 3Br RMB17000 255sqm 4Br RMB19000</p> <p>Tianjiao Garden (Hexi) 160sqm 3Br RMB5000 220sqm 4Br RMB10000</p> <p>Peninsula Azure Bay 100sqm 2Br RMB3000 140sqm 3Br RMB4000 150sqm 3Br RMB5500</p> <p>Huan Bohai International 127sqm 3Br RMB3800 170sqm 3Br RMB5500 200sqm 4Br RMB8000</p> <p>Mind-land International 121sqm 2Br RMB4000 158sqm 3Br RMB4500 206sqm 3Br RMB6000 230sqm 4Br RMB8000</p> <p>Ren Ai House King Villa 190sqm 3Br RMB8000 230sqm 4Br RMB12000 400sqm 5Br RMB20000 480sqm 6Br RMB28000</p> <p>Peninsula Azure Bay Villa 200sqm 3Br RMB10000 230sqm 3Br RMB10000 300sqm 4Br RMB18000</p> <p>Magnetic Capital 80sqm 1Br RMB 3500 100sqm 2Br RMB 4800 160sqm 3Br RMB 6500 225sqm 4Br RMB 12000 268sqm 4Br RMB 16000</p> <p>Royal Peninsula 150sqm 3Br RMB4000 168sqm 3Br RMB4500 188sqm 4Br RMB5500</p> <p>Class Dream 120sqm 2Br RMB 7000 160sqm 3Br RMB 8500 190sqm 3Br RMB 13000</p> <p>Blue Water Holidays 117sqm 2Br RMB3500 158sqm 3Br RMB4500 216sqm 4Br RMB7000</p> <p>Ren Ai House King 90sqm 2Br RMB2000 130sqm 3Br RMB4000 183sqm 3Br RMB8000</p> <p>Carmel Garden 88sqm 1Br RMB 4000 160sqm 3Br RMB 6000 250sqm 3Br RMB 10000</p>
	<p>All JRE services are FREE to our client</p>	<p>104 E4c Binhai Finance Zone, No. 20, Guangchang East Road, TEDA, Tianjin, 300457</p>

RMB

ASPIRES TO BE A GLOBAL CURRENCY



Simon Bai
Winners Law Firm

Cross-border trade settlement in RMB

In April, China's State Council announced a pilot program to allow exporters and importers in five cities – Shanghai, Guangzhou, Shenzhen, Zhuhai and Dongguan – to settle cross-border trade deals in Chinese currency Renminbi (RMB). Hong Kong, Macao and the Association of Southeast Asian Nations (ASEAN) are part of the pilot scheme designed to make the Chinese currency more freely used outside China for trading purposes. The People's Bank of China (PBOC), China's central bank, promulgated the *Administrative Measures for the Trial RMB Settlement in Cross-border Trade* (the Measures) in July 2009.

The pilot program allows import and export enterprises to price contracts in RMB under which residents may pay RMB to non-residents and non-residents are allowed to hold RMB deposit accounts for the purpose of international settlement. Exporters and importers in China currently have to convert RMB into USD (in most cases) or other currencies to settle international trade. The pilot program will facilitate cross-border trade by making it more convenient for Chinese exporters and importers, who would thus be less vulnerable to exchange rate fluctuations, especially against the backdrop of the financial crisis. Since May, the USD has been weakening, arousing concerns that global trade would suffer from an increasingly unsteady dollar that would lead to increased costs and risks for traders. The Chinese RMB is comparatively stable, which will help trading partners reduce losses. The program aims to alleviate the world's over-reliance on the US dollar. It will also concurrently boost trade among China mainland, Hong Kong, Macao and regional trade partners such as ASEAN countries.

Under Article 3 of the Measures, the program only applies to cross-border RMB trade settlement in the pilot areas approved by China's State Council. In later phases, this cross-border arrangement will likely expand to other Chinese cities and Asian countries, since China has signed a series of "swap agreements" with six other central banks to allow them to acquire RMB for use in trade with China.

PBOC exerts control over cross-border RMB trade settlement according to the needs of macro control and prevention of systematic risks (Article 5).

When the pilot enterprises and overseas enterprises settle import and export trade in RMB, they may settle and clear their RMB funds through RMB business clearance banks in HK and Macao, or through domestic commercial banks that act as agents of overseas commercial banks (Article 6).

Approved by PBOC, the HK Monetary Authority and the Macao Monetary Authority, commercial banks that have joined PBOC's large-sum payment system and can handle



RMB clearance business in HK and Macao, shall be the RMB clearance banks to offer cross-border trade RMB settlement and clearance services (Article 7). This offers an opportunity for Hong Kong to grow into an offshore RMB market.

Commercial banks that are qualified for international settlement in the pilot areas (domestic settlement banks) may sign agency agreements in respect of RMB settlement with participant banks overseas (overseas participant banks) in relation to cross-border trade RMB settlement, open trade current RMB accounts for them, and conduct cross-border payment in RMB as their agent. According to banking regulations, domestic agent banks shall report their agency agreements of RMB settlement and trade current RMB accounts to local PBOC branches for filing. The domestic agent banks shall, according to the requirements of overseas participant banks, purchase or sell RMB within the quota fixed by PBOC. The domestic agent banks shall offer financing service in respect of RMB account to overseas participant banks that have opened trade current RMB accounts with them, for the latter's temporary need

for account position. The financing quota and term will be fixed by PBOC. RMB clearance banks in HK and Macao may exchange RMB and borrow money at domestic inter-bank foreign exchange market and inter-bank borrowing market; the exchange of RMB and the quota and term of borrowing will be fixed by PBOC (Articles 9, 11,12 13).

China lacks the economic and political track record required to underpin a reserve currency.

The Chinese authorities are very prudent on the administration of the scheme. The central bank will put a cap on the size and maturity of all inter-bank borrowing in RMB and maintain stringent monitoring of accounts.





Prospect of RMB becoming a global currency

The pilot scheme is widely believed to be part of China's strive to eventually make RMB freely convertible, and one day a major regional or even global currency along with the dollar, euro and yen. China has signed a total of 650-billion-RMB worth of currency swap deals with South Korea, Malaysia, the Hong Kong SAR government, Belarus, Indonesia and Argentina in a bid to boost bilateral trade with those countries amid the global economic recession.

By widening RMB use in the global trade market, China hopes to gradually increase the status of RMB as an up-and-coming major currency, while continuing to retain control of its value. This experiment will help lay the infrastructure and control necessary for the currency's gradual liberalization.

As trade flows grow with Hong Kong, Macau, trading partners in Asia and eventually the rest of the world, cross-border RMB invoicing and investments among these countries could eventually build up underlying natural demand and supply for the currency, both of which are essential in developing market liquidity.

The Chinese RMB may become a global reserve currency within 15 years, said Russian Finance Minister Alexei Kudrin in April. The minister further said that China needs that time to loosen its foreign exchange system to achieve the goal.

But this prediction is not agreed upon by many analysts.

China is far from ready to allow RMB to be traded freely. Since the global financial crisis slowed China's economy significantly, it is unlikely to allow the RMB to appreciate much in the short term.

It is too optimistic to say that RMB will turn into a global currency within the next 15 years. As commented in the July issue of *The Economist*, there is no real forward market for the RMB, making it hard to hedge risk, and it is not accepted by most countries. Apart from the fact that RMB is not yet fully convertible, China lacks the economic and political track record required to underpin a reserve currency, says Arthur Krober of Dragonomics, a research firm based in Beijing. China would need to ease its capital controls so non-residents could invest in RMB assets and then freely repatriate their capital and income. A reserve currency also requires a deep and liquid bond market, free from government interference.

Many see a long-term decline in the USD and see the RMB as being unready to take its place just yet. There is still a long way to go before the RMB becomes a global currency. □

金诺律师事务所
Winners Law Firm

One of the biggest full-service firms in Tianjin, WINNERS (金诺律师事务所) provides legal service in Mandarin, English, Japanese, and Korean. WINNERS was named "Tianjin Law Firm of the Year" in 2008 and 2009 by Asia Legal Business, a testimony to our achievement as the market leader in Tianjin.

SEPTEMBER CHINESE ECONOMY REPORT

By David Kwon

Export and Import

Chinese trade numbers continue to fall year-on-year but "perked up" on a month-on-month basis.

The month-on-month improvement further confirms that China has passed the worst of stage of the trade flow contraction due to the global financial crisis and is slowly recovering.

	Forecast (Reuters 11 August)	July figures	June figures
Exports	-24.8% (y-o-y)	-23% (y-o-y)	-21.4% (y-o-y)
Imports	-16.4% (y-o-y)	-14.9% (y-o-y)	-13.2% (y-o-y)
Trade surplus	USD 8.2 billion	USD 10.63 billion	USD 8.2 billion

July trade figures show that the Chinese economy is still heavily reliant on foreign demand. "This will likely strengthen Beijing's resolve to maintain strong policy stimulus to support growth, with any significant tightening

in policy unlikely until policymakers are confident that a global recovery can be sustained," said Brian Jackson, economist with Royal Bank of Canada in Hong Kong.

While the trade figures were not too far off from expectations, there are two main implications; one is "the slower fall in import means export orders are increasing," says Zhao Qing Ming, economist with China Construction Bank in Beijing. "Because there are many processing firms in China that import raw materials and then export the finished goods, that means the fall in exports will gradually ease in the next few months."

The other implication is that the annual fall in exports is mainly due to an "abnormally high comparison base last July," says Xing Zi Qiang, economist at China International Capital Corp in Beijing. Last year, factories in China rushed to deliver their export orders before the Beijing Olympics. "The sequential growth in exports for the fourth consecutive month provides clear evidence of the recovery in exports," continued Xing. He expects that the trend of improvement will continue in the second half, exports will turn to positive year-on-year growth by December of this year, and annual export growth will reach 8% in 2010.





To support its exporters, Beijing has repeatedly raised value-added tax rebates on exports since last year, and the central bank has effectively stopped the Chinese currency from appreciating against the US dollar since July 2008.

Inflation

PBoC: Chinese inflation may rebound in the 2nd half of 2009

China's rate of inflation may rebound in the second half of this year, the People's Bank of China said on 29 July, adding that it plans to keep policies stable to ensure an economic recovery. China's economy is at a "critical" stage, the central bank noted in its online report. It said the acceleration of growth in the second quarter from the first had exceeded expectations. Premier Wen Jiabao and the ruling Communist Party's Politburo in July pledged to maintain a "moderately loose" monetary policy, countering speculation that record new loans and surging asset prices will trigger a tightening. Consumer prices fell 1.7% in June from a year earlier, the fifth monthly decline and the biggest drop since 1999, reported Bloomberg.

"Any possible problem with inflation is a long way away," said Wang Qian, an economist with J.P. Morgan in Hong Kong, adding that concerns could mount by late 2010.

China's economy grew an annualized and seasonally adjusted 14.9% in the second quarter from the previous three months, up from an 8.5% gain in the first quarter, the central bank said.

China's retail sales jumped 15.2% in July, up from 15% growth in June according to data released by the National Bureau of Statistics. But deflationary pressures remained intact, with the monthly CPI dropping 1.8% from the year-earlier month (-1.7% in June), while the PPI fell 8.2% (-7.8% in June) because of elevated price levels a year earlier. But Jing Ulrich, Managing Director and Chairman of Equity Business at J.P. Morgan, said the price numbers do not tell the full story.

"China's recent headline inflation readings have not captured the surge in asset prices, which have been an important factor behind monetary policy decisions," said Ulrich. "Food prices, which account for one third of China's CPI basket, are expected to show strength in the coming months. While China's CPI should begin to rise later in the year, price inflation should be moderate, as producers and consumers alike will continue to feel the effects of industrial overcapacity and unemployment for some time to come."

Stock Market

IPO surges 90% on first day

China State Construction Engineering (CSCE) saw its shares surge as much as 90% to 7.96 CNY when it first listed on the Shanghai stock exchange, Wednesday 29 July. Since the new listing suspension ended this summer, demand for new shares have been overwhelming in mainland China.

“The ample liquidity available in the market has raised concern of a bubble forming,” noted Financial Times on 29 July. The Shanghai Composite has gained 88.5% since the beginning of the year, outperforming all major indices around the world. The sheer size of CSCE was 50.2 billion CNY (7.3 billion USD), the largest stock listing in mainland China since PetroChina in 2007, which was at the climax of the Chinese stock market rally, and the world’s largest listing since Visa (19 billion USD) in March 2008.

Also on the Shanghai exchange, Sichuan Expressway shares soared 203% on their first day of trading, Monday 27 July.

Stimulus package

Beijing is concerned over self-created asset bubbles

Chinese regulators publicly ordered major banks to take action over the growing domestic asset bubbles on 27 July. The enormous amount of new loans has been diverted into equity and real estate markets rather than into the real economy. In the first half of 2009, Chinese banks lent a total of 7.37 trillion CNY, more than twice the amount lent in the same period last year.

There have been similar announcements made by other Asian countries such as South Korea and Vietnam, whose governments have forced unwilling banks to flood the economy with cheap liquidity. They now face a situation where “tentative economic rebound could come at the cost of a stable financial system,” wrote Financial Times on 27 July.

New lending by the end of 2009 will probably reach as high as 12 trillion CNY, “a staggering increase of 40 percent of the entire stock of outstanding loans in just one year,” said Wu Xiao Ling, recently retired deputy governor of the Chinese central bank.

FT also noted that the excess new lending will seriously hurt the quality of bank loans and the country’s overall growth. “China’s economic recovery is being constructed on the back of a savaged banking system and tens of billions – and perhaps hundreds of billions – of dollars of



loans will not be repaid,” stated Derek Scissors, a research fellow at the Heritage Foundation in Washington. He pointed out that total loan growth of around 15% has supported GDP growth of more than 10%, but in the first half of this year total loan growth of around 33% supported GDP expansion of only 7%.

China’s benchmark stock index has already more than doubled from the low it reached last November. Property prices have also rebounded strongly, with state media reporting long queues and scuffles at sales promotions for some new real estate projects.

Ms Wu hinted Beijing may soon raise the amount of money banks must hold on deposit with the central bank, marking a change of policy from last year when it aggressively slashed the reserve requirement ratio and interest rates.

The central bank has also ordered 10 banks, including Bank of China, to buy 100-billion-CNY worth of central bank notes with a maturity of one year and a return of just 1.5%, according to Chinese media reports.

This move is interpreted as a warning to banks that have been the most active lenders that they should now start to rein in their excessive behaviour.

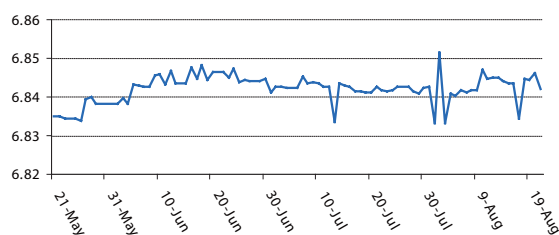
The US and China

American and Chinese economic leaders pledged to maintain stimulus efforts and rein in trade and investment imbalances at the first Strategic and Economic Dialogue talks under the Obama administration in Washington in 27 July.

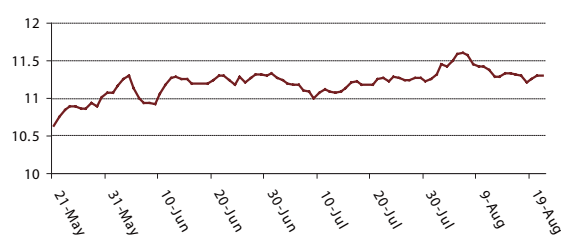
“It is vitally important for China and the US to see through their commitments to repair the financial system and lay the foundation for recovery,” said Treasury Secretary Timothy Geithner at the Dialogue. China’s Vice Premier Wang Qishan said the two will press for an “expansion” of the recovery. While the US pledged to curb the budget deficit and boost household savings, China committed to rely less on overseas demand for its goods, reported Bloomberg on 28 July. There were few signs of the disputes over the Chinese currency and market access that characterized talks in the Bush administration. Nevertheless, Bloomberg analysts expressed scepticism over whether the two governments can secure “balanced” growth. □

Three-month CNY trends

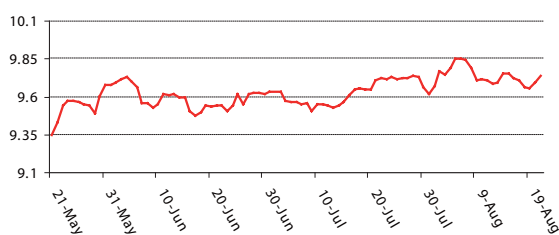
CNY vs USD



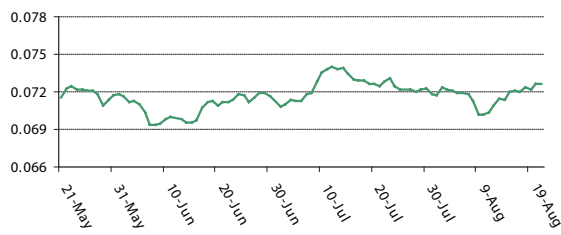
CNY vs GBP



CNY vs EUR



CNY vs JPY



Data source: Oanda.com interbank rate

European Food & Beverage

Celebration Evening 2009

Friday, 11th September

Join us for an enchanting evening of typical & appetizing European Food & Beverage prepared by the French Chef with the assistance of our Tianjin friends and our wine & beer connoisseurs in a new five star hotel along the Haihe River.

This year's event will feature:

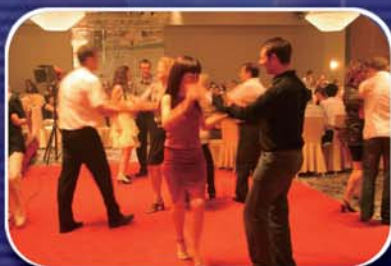
- Cocktail lounge with selected cocktail served
- Tasty foods, wines and beers from different European Countries
- Live band
- Entertainment and games
- Lucky draw prizes
- Picture taking

RMB350 per person, RMB3000 per table.
Ticket price includes: Food, Cocktail, Wine and Beer.
Date: Friday, 11th September, 2009, 6:30pm-1:00am.

Tickets available now Contact Kitty / Una
Email: tianjin@euccc.com.cn Tel: 86-22-23741122

We proudly thank our sponsors for their support:

Major Sponsors



Beverage Sponsor



Venue:
Radisson Plaza Tianjin Hotel



EUROPEAN CHAMBER



中国欧盟商会



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

Financing Consultant (融资顾问)

Code: FC0909

JOB DESCRIPTION:

- Develop successful strategic, outline and full business cases
- Handle contract preparation, reviewing and signing, and mortgage registration-related issues
- Assist in completing loan application forms and collecting supporting documents
- Conduct various client and investment research projects
- Advise on Payment by Results and carry out cost recovery work and financial modeling work

WHO WE ARE LOOKING FOR:

- University degree, systematic knowledge framework in financial issues
- Ability to analyze financial and statistical reports
- Strong interpersonal and presentation skills
- Experience with Microsoft Office tools to build financial models

Secretary (秘书)

Code: SS0909

JOB DESCRIPTION:

- Provide accurate and efficient secretarial support to the director
- Communicate daily with director to ensure he is kept up to date on daily operation
- Coordinate closely with team members, other businesses and supporting departments
- Make travel arrangements, maintain appointment schedules and calendars, and arrange meetings and conferences
- Compose routine correspondences, receive and distribute regular and electronic mail

WHO WE ARE LOOKING FOR:

- Ability to plan, organize, prioritize and complete a high volume of work in a timely and efficient manner
- Work with initiative, careful and responsible
- At least 2-3 years of experience with an international company
- Highly developed organisational skills
- Fluent English, strong verbal and written communication skills, maturity to deal with matters of confidentiality and sensitivity

Marketing Specialist (营销专员)

Code: MS0909

JOB DESCRIPTION:

- Perform tasks such as market analysis, consolidation of reports and sales figures
- Support promotional activities like organizing seminars and trade shows
- Assist manager.

WHO WE ARE LOOKING FOR:

- Bachelor's degree in international trade or marketing-related field
- Minimum 3 years of relevant experience
- Strong marketing sense
- Positive team spirit with good organizing and coordination skills
- Rational, logical, problem solving skills
- Good spoken and written English

Writers and Contributors (自由撰稿人)

Code: WC0909

JOB DESCRIPTION:

- Compose articles that focus on the finest lifestyle and leisure activities in Tianjin
- Contribute on a monthly basis

WHO WE ARE LOOKING FOR:

- English speaker with experience in journalism and writing
- Knowledge of Tianjin's dining & nightlife is essential
- Can work independently and cooperatively
- Self-motivated and creative
- Basic knowledge of Chinese language & culture are a plus



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



天津韩国商会

The Korea Chamber of Commerce & Industry in Tianjin, China

Event review (최근 현황)



3rd Operating Committee

Date: 11 August 2009 16:00

Venue: VIP lounge, 2F Fenglin Hotel

Content:

- 1) Election of the new chairman of Tianjin Korea Chamber and Tianjin Korean Society
- 2) Holding a sports tournament

제3차 운영회의 개최

◆ 일 시: 2009년 8월 11일(화) 16:00

◆ 장 소: 풍림호텔 2층 귀빈청

◆ 내 용:

- 1) 한국인회·한국상회 신임회장 선출에 대한 건
- 2) 체육대회 개최의 건

Upcoming Events

Agenda for the election of the next chairman

11 August: 3rd Operating Committee

14 September: Establishment of the election management committee

1 October: Notification of the election

19-23 October: Receiving candidates

30 October: Confirmation of the election group

6 November: Election for the new chairman

11 December: Inauguration (New Year Party)

차기회장 선출관련 주요일정 확정 안내

8월11일 (화): 제3차운영위원회개최

9월14일 (월): 선거관리위원회 구성

10월1일 (목): 선거관련통지(공고)

10월19~23일: 입후보자 접수

10월30일 (금): 선거인단 확정

11월6일 (금): 회장 선거일

12월11일 (금): 이.취임식(송년의밤)

Guideline for the Korean corporate product sales bazaar

Date: 24 - 25 September 2009 (2 days)

Venue: 1F Fenglin Hotel

한국기업 상품 판매 촉진대회(바자회) 개최 안내

◆ 일 시 : 2009년 9월 24일(목) 25일(금) 양일간

◆ 장 소 : 풍림호텔 1층

Sports tournament for Tianjin Korean expats (R.S.V.P.)

Date: 24 October 2009 9:00-17:00

Venue: Tianjin Institute of Physical Education, Hexi District (near Fenglin Hotel)

The tournament will be held at the same time as the Tianjin Youth Center Football Match to strengthen the relationship between Tianjin Korean expats and Korean enterprises. The two events can also build the spirit of competition between youngsters and adults.

천진 한국교민 체육대회 (예정)

천진 거주 한국교민과 한국기업간의 친목 및 단합 도모하며, 천진 지역 청소년

센타 축구대회와 병행하여 청소년과 성인들의 화합의 장을 마련하기 위함

◆ 일 시 : 2009년 10월 24일(토) 09:00-17:00

◆ 장 소 : 천진 하서구 체육학원(풍림호텔 부근)

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

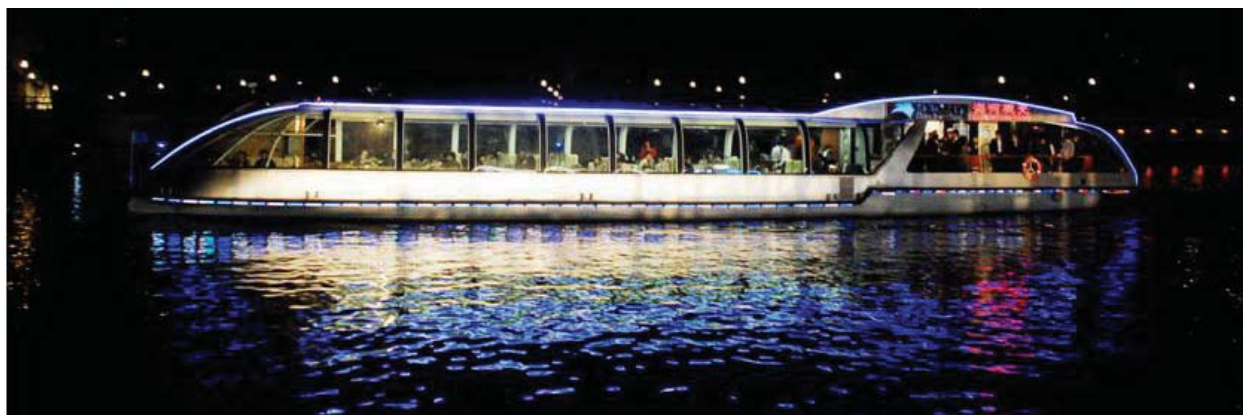


AmCham-China Tianjin Chapter

Recent Event

Monthly Get-Together & Boat Cruise on the Haihe River

18:30-20:30, Friday, August 28



The perfect way to enjoy a nice summer evening before the season begins to change. The event was co-hosted by AmCham-China, Tianjin Chapter and the Tianjin Networking Club. Attendees had the opportunity to enter a raffle and win a prize. The Holiday Inn Riverside catered an assortment of appetizers and refreshing drinks, including beer and wine, during the trip.

If you have any questions or would like more information regarding the event, please contact Amanda He at amandahe@amchamchina.org or call +86 22 2318 5072.

Upcoming Event

2009 Fall Classic Golf Tournament

10:00-20:30, Saturday, October 17

Venue: Tianjin Yangliuqing Golf Club 天津杨柳青高尔夫俱乐部 (Yijing Road, Yangliuqing Town, Xiqing District, Tianjin 天津市西青区杨柳青镇一经路立交桥北)

Tickets

- Individual: RMB850*

- Non-golfers: RMB200 to attend the awards banquet

* Includes greens fee, facilities and caddies, registration pack, lunch on the course, awards banquet and raffle.

Grab your knickers, your clubs, and your caddy because it's time for the **AmCham-China, Tianjin Chapter's Fall Classic Golf Tournament**. In addition to an excellent day of golf, the event will feature a buffet dinner, drinks, and raffle prizes. The rule will be **Two Men's Best Ball**. Awards will be given for the following: top three teams, longest drive, most accurate longest drive, nearest to pin, and best putter. Don't miss your chance to take home your trophy and bragging rights.

For more information on sponsorship, please call the AmCham-China, Tianjin Chapter office at +86 22 2318 5072, or send an e-mail to amandahe@amchamchina.org.

Contact person: Amanda He.

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



BENCHAM
 BENELUX CHAMBER
 OF COMMERCE
 IN CHINA

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

NEW PUBLICATION

**Benelux Chamber of Commerce
 Business Directory China**



It is our pleasure to present to you the Benelux Chamber of Commerce business directory China 2009-2010. The business directory will be send to all BenCham members, Belgian, Dutch, Luxembourgian and Chinese officials and business organizations at the end of this month.

In spite of economically challenging times, we see BenCham membership increase, and with it we offer an increasing number of events and services, including this new directory. The role of BenCham – to provide Benelux companies and our members in particular with a platform to exchange knowledge and vital insights in China – is of the utmost importance, especially in the present period, to build competitive advantages. We also increasingly reach out to the Chinese business community with an interest to expand their operations overseas, and can be a bridge of knowledge and 'guanxi' to interested Benelux partners. It is our hope that the directory may constitute an important tool to support this mutual network of businesses.

BenCham members will receive the directory for **free**. Non members can also purchase a directory for **600 RMB** per copy; members can order additional copies for **300 RMB** a piece. Student members can purchase the directory for **200 RMB** per copy.

For more information and for purchasing the directory please contact Ms. Vincy Zhu - beijing@bencham.org

UPCOMING EVENT

- September 1st, 2009
Young Professional Event: Mind Mapping
- September 11th, 2009
How to manage an International Team with the Chief Conductor Neeme Jarvi of the Hague Philharmonic Orchestra
- September 18th, 2009
SME Workshop
- September 22nd, 2009
Big Networking with All Chambers of Commerce in Beijing

PAST EVENTS

- August 30, 2009
 Welcome back party: Visit to the Legation Quarter in Beijing and Brunch @ Maison Boulud
- August 27, 2009
 Networking with the European Union Chamber of Commerce in China, Swiss Chinese Chamber of Commerce Beijing and the French Chamber of Commerce and Industry in China Brunch @ Block 8
- August 18, 2009
 Biz Socializer TEDA Networking Event @ Renaissance



MISSION

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

BENCHAM BEIJING OFFICE



BenCham team

Rm. 5006 Xinhe Dasha,
 Sanyuanli No.14, Shunyuan Street,
 Chaoyang District,
 Beijing, 100027
 Tel: + 86 (0)10 6465 0320 / 0985
 Fax: +86 (0)10 6465 2080
beijing@bencham.org
www.bencham.org

北京市朝阳区顺源街
 三源里小区14号信和大厦5006室。
 邮政编码: 100027
 Tel: + 86 (0)10 6465 0320 / 0985
 Fax: +86 (0)10 6465 2080
beijing@bencham.org
www.bencham.org

YEARLY SPONSORS





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

The objectives of the Danish Chamber of Commerce in China (DCCC) are to advance, study and protect trade, investment, commercial and other relations between Denmark and China. The DCCC will seek to meet its objectives by:

- Engaging Chinese and Danish governments and other authorities in a dialogue on legislative and other measures affecting trade between Denmark and China;
- Organizing regular member activities such as lectures, seminars, workshops, fairs as well as social events,
- Providing information and advice to Danish companies and organizations considering a presence in China;
- Broadening the understanding in Denmark of China and of the opportunities existing for enhancing commercial relations between China and Denmark;

Upcoming Events

- **First week of September** Welcome Back Party
- **September 2nd** Stambord at the Opposite House
- **September 17th** Company Visit: Nokia

Events are subject to changes

More events will follow. For an updated schedule of events please go to our website: www.dccc.com.cn

If you wish to receive invitations to events and news from the DCCC please send a request to mail@dccc.com.cn

Best Regards,
DCCC



Irish Network China: A Summer of Stout, Alumni

Apart from running its ever more successful social night on the last Thursday of every month, the Irish Network China has been engaging Chinese graduates of Irish universities to set up a network of Irish-educated China-based talent offering social and professional benefits. The INC in August met with a group visiting Beijing from the Confucius Institute based at University College Dublin. It is hoped that the network could organize its first get-togethers in September. It is also hoped that the eventual network will serve as a source of talent and knowledge for Irish companies with operations in China.



And now to drinking games: The INC is also hoping to mark the 250th anniversary of Ireland's most famous drink, Guinness, as part of a worldwide event **on September 24** to toast Arthur Guinness, the founder and first brewer of the world's most famous stout.

Details of venue have yet to be finalized but will be posted on the Irish Network China's website: www.irishnetworkchina.com.

If you'd like to get involved, please email contact@irishnetworkchina.com. Remember, we're looking for volunteers for our weekly English classes for local elderly, unwaged, at Chaoyang Library every Sunday.

We need volunteers

Golden Years English corner, Chaoyang Library, Sundays 14.00 – 16.00

Our oldest student is 90, our youngest 10. They've lived through all of modern Chinese history. Come listen and talk with them for a couple of leisurely hours on a Sunday. You don't have to be a native English speaker. This english group, which was featured in the discovery channel film 'mad about English', meets from 14.00 to 16.30 every Sunday on the first floor of the Chaoyang library.

Chaoyang Library is at the intersection of Chaoyang Lu and Jintai Lu, near the new CCTV Tower.

Nearest subway: Dawang Lu

If you want more details or directions, email: markgodfrey98@yahoo.com or gallylee0801@sina.com.



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

The purposes of the China-Italy Chamber of Commerce (CICC) are the creation and development of economic and trading relationships between China and Italy. The CICC facilitates the access of Italian enterprises to the Chinese market through a wide range of services and benefits on top of organising events that aim to deepen the knowledge of the Chinese market and its regulations. In addition to that it carries out networking activities with the purpose of strengthening Italian-Chinese cooperation.

SERVICES

The CICC offers four distinct services to support Italian companies entering the Chinese market and further the commercial relationships between the two countries. These include Information and Contacts; Communication and Advertising; Assistance; and Logistical Assistance.

The first heading provides data about import-export activities, laws and regulations per product category, Chinese companies and companies registered in China. Moreover, it will highlight business opportunities in China as well as publishing job offers and candidates profiles.

Members will benefit from marketing instruments including direct marketing, advertising on the CICC website, publications, our eNewsletter, and the organisation of promotional events.

The companies that join the CICC are supported by focused research and market analysis; in terms of logistic assistance services, videoconference services, offices and desk rental are also offered.

Check the many other services on our website: www.cameraitacina.com

LIGHTDESK

The CICC offers a Light Desk service through its Beijing office with the purpose of giving informative, logistical and organizational advice to the enterprises that are assisted by the client which requires such service. In particular, it will identify an internal referee to act as a middleman for the client. It will speak on behalf of the client, as well as represent him at fairs or encounters with local counterparts.

Light desk's standard offer focuses on making available up-to-date data regarding multiple aspects of the People's Republic of China, such as its economic system, laws, politics, events, and specific information as requested by the client.

Additional services, including Individual and Logistical Assistance, can also be chosen by Members.

For further information please contact us at the following address: marketing@cameraitacina.com, or visit our website www.cameraitacina.com.

PAST EVENTS

July 14th, 2009 – Seminar: Daily business in China - 101 questions that European companies face after their set up stage in China



The seminar aimed to solve the most widespread and controversial questions coming out from the day-to-day business, through real case studies.

July 29th, 2009 – CICC Summer Networking

The networking event consists of a meeting among entrepreneurs and chambers of commerce of different nationalities.

In this occasion, it was organised by the CICC together with the Swiss-Chinese Chamber of Commerce, the British Chamber of Commerce, the Malaysian Chamber of Commerce and Industry in China, the China-Australia Chamber of Commerce and the Dutch Chinese Chamber of Commerce.

August 5th, 2009 – Seminar New Tax Regulations: the effects on enterprises and the related tax saving plan for enterprises

Topics of the seminar will be the new published provisions and regulations of VAT, the new published revised business tax, the important changes of the new enterprises income tax and related regulations, and the tax saving planning.

For any information or request, please visit our website www.cameraitacina.com or contact our offices:

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

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

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

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



China Bus Travel
Your Bus Leasing Solution

SHUTTLE BUS LEASING

for
COMPANIES

China Bus Travel
offers great deals on coach rentals!

Go from your home directly to
your company with CBT

■ **SAFETY**
PUNCTUALITY
COMPETITIVE PRICES

■ We promise to pay
TAXI FEES to employees
if we don't arrive on time.

- MORE THAN 10 YEARS OF EXPERIENCE IN CHINA
- EXPERTS in the MARKET of COMPANY SHUTTLE BUSES
- FOREIGN and CHINESE MANAGEMENT

For further information,
send e-mail to info@chinabustravel.com or
call +86 135 0207 0987

CONFUCIUS SAYS...

VOLUME 21

Confucius (Kǒng fū zǐ or Kǒng zǐ) is believed to have been born on 28 September 551 B.C. in Changping County of the Lu State (modern Luyuan village, Qufu City, Shandong Province). He was a great thinker, politician, educator and founder of Confucianism in Ancient China. His sayings and ideas are published in the Analects of Confucius (lún yǔ) and Four Books (sishū).

Teacher's Day falls in September in China, chosen to commemorate Confucius and his teachings. This month, we have selected some of his most famous sayings for your reading pleasure.

It is such a delight to have friends come from afar.

有(1) | 朋(2) | 自 | 远方来(3), | 不亦(4) | 乐(5) | 乎(6)?
yǒu | péng | zì | yuǎnfāng lái, | bù yì | lè | hū?

To say you know when you know, and to say you do not know when you do not, that is true knowledge.

知之 | 为 | 知之(7), | 不知 | 为 | 不知(8), | 是知(9) | 也(10)。
zhīzhī | wéi | zhīzhī, | bùzhī | wéi | bùzhī, | shìzhī | yě.



Reviewing what you have learned and learning anew, you are fit to be a teacher.

温故(11) | 而 | 知新(12), | 可以(13) | 为 | 师(14) | 矣(15)。
wēngù | ér | zhīxīn, | kěyǐ | wéi | shī | yǐ.

Studying without thinking leads to confusion; thinking without studying leads to idleness.

学(16) | 而 | 不思(17) | 则(18) | 罔(19), | 思 | 而 | 不学 | 则怠(20)。
xué | ér | bùsī | zé | wǎng, | sī | ér | bùxué | zédài.

In the pursuit of knowledge, curiosity is more important than knowledge itself, and interest is even more important than curiosity.

知之 | 者 | 不如(21) | 好 | 知者(22), | 好知 | 者 | 不如 |
zhīzhě | zhě | bùrú | hào | zhīzhě, | hào zhī | zhě | bùrú |

乐知者(23)。
lèzhīzhě.

Do not be concerned about others not appreciating you. Be concerned about you not appreciating others.

不患(24) | 人 | 之 | 己(25) | 知, | 患 | 不 | 知 | 人 | 也。
bù huàn | rén | zhī | jǐ | zhī, | huàn | bù | zhī | rén | yě.

One should be fond of learning and not feel ashamed to ask questions from your inferiors.

敏(26) | 而 | 好学(27), | 不耻(28) | 下问(29)。
mǐn | ér | hàoxué, | bùchǐ | xiàwèn.

Among any three people walking, you will find somebody to learn for sure. Their good qualities are to be followed, and their shortcomings are to be avoided.

三人 | 行(30), | 必(31) | 有 | 我师(32) | 焉。 | 择(33) | 其善(34)
sānrén | xíng, | bì | yǒu | wǒ shī | yān. | zé | qí shàn

者 | 而 | 从之(35), | 其 | 不善者 | 而 | 改之(36)。
zhě | ér | cóngzhī, | qí | bù shàn zhě | ér | gǎizhī.

(1) 有	yǒu	have	(19) 罔	wǎng	confusion
(2) 朋	péng/péng yǒu	friends	(20) 怠	dài	idle
(3) 自远方来	zì yuǎnfāng lái	coming from afar	(21) 不如	bùrú	not as good as
(4) 不亦	bùyì	isn't it?	(22) 好知者	hàozhīzhě	a person who is curious about knowledge
(5) 乐	lè	delight	(23) 乐知者	lèzhīzhě	a person who has great interest in learning
(6) 乎	hū	classic interrogative final particle	(24) 患	huàn	concern about/worry about
(7) 知之为知之	zhīzhī wéi zhīzhī	To say you know when you know	(25) 己	jǐ	oneself
(8) 不知为不知	bùzhī wéi bùzhī	to say you do not know when you do not	(26) 敏	mǐn	clever
(9) 知	zhī	knowledge	(27) 好学	hàoxué	be fond of learning
(10) 也	yě	classical final particle of strong affirmation or identity	(28) 不耻	bùchǐ	do not feel ashamed
(11) 温故	wēngù	reviewing what you have learned	(29) 下问	xiàwèn	ask questions from one's inferiors
(12) 知新	zhīxīn	learning anew	(30) 三人行	sānrénxíng	Among any three people walking
(13) 可以	kěyǐ	can	(31) 必	bì	must, for sure
(14) 为师	wéishī	become a teacher	(32) 师	shī	teacher
(15) 矣	yǐ	particle of completed action	(33) 择	zé	select, choose
(16) 学	xué	study	(34) 善	shàn	good quality
(17) 不思	bùsī	without thinking	(35) 从之	cóngzhī	to be followed
(18) 则	zé	lead to	(36) 改之	gǎizhī	to correct



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



On 15 August, China launched the **high-speed** Electric Multiple Unit (EMU) **trains on railway linking Shanghai and Tianjin**. The EMU trains, coded D341 and D342, shortened the trip to nine hours.



The **25th FIBA Asia Championship 2009**, lasting for 9 days, successfully concluded at Tianjin Olympic Center Stadium on 16 August night. **China Table Tennis Open Championships 2009** also completed on the same day.



The **9th International Beer Festival** was held in Tianjin from 24 July to 2 August. About 100 producers from home and abroad participated in the beer carnival to promote their brands. The festival **attracted about 30,000** people to the opening ceremony at Tianjin Amusement Park.



Water Park began offering **free admission to the public** on 1 August. More visitors have been to the park for an evening stroll since the waiver.



KID-TREE, offering more than 50 careers and over 70 positions for children to experience, softly opened on 10 August. Sixty children, aged 9 to 14, experienced the "adult world" for 72 hours.



On 29 July, **11 American students** came to an evening party to **celebrate the 82nd anniversary of the PLA** at Pukou Road community. The students, hailing from Florida State University, learned the parade step, military-like salute and kung fu from the People's Armed Police at the party.



Tai Li Hua, the leader of **China Disabled People's Performing Art Troupe (CDPPAT)**, visited **Tianjin SOS-Kinderdorf International** on 9 August along with performers. They performed and donated 200,000 CNY to the children's organization.

Local Events in September 2009 ▶



► Business Events

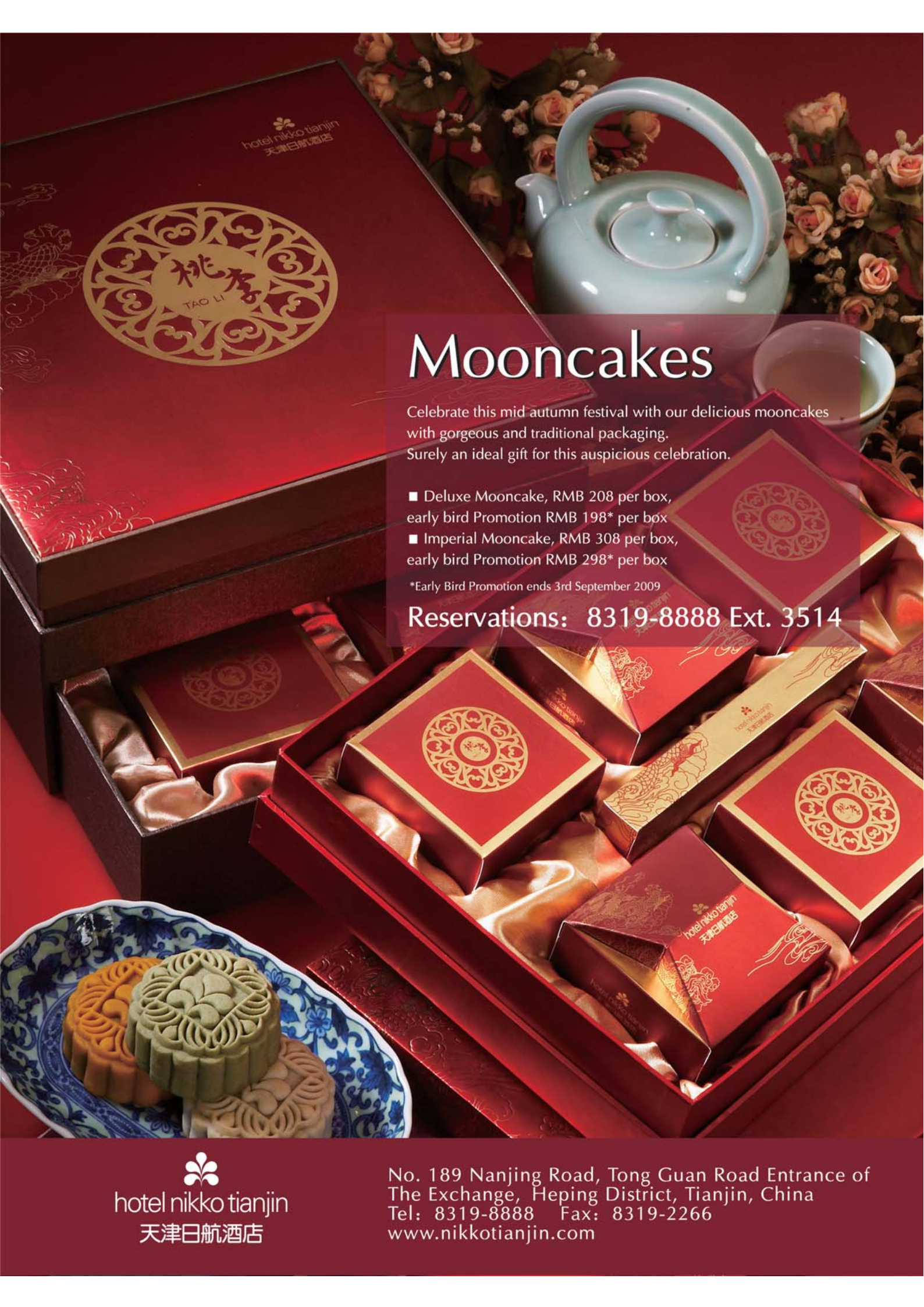
Date	Event	Location	Organizer
Sep. 8-10	The 16th China International Hardware Fair	Binhai International Convention & Exhibition Centre	China National Hardware Electric & Chemical Products Commercial Association Tel:+86 10 6335 6966
Sep. 16-18	2009 China Dental Exhibition International	Binhai International Convention & Exhibition Centre	China International Conference Center for Science and Technology (CICCST), Tianjin Society of Stomatology
Sep. 18-20	International Hospitality Equipment & Supply Fair	Tianjin International Exhibition Center	National Tourism Bureau, Tianjin Government
Sep. 18-20	2nd Tianjin Financial Cultural Fair & Tianjin International Investment and Financial Planning Expo 2009	Binhai International Convention & Exhibition Centre	Tianjin Binhai Exhibition Co., Ltd
Sep. 23-25	China International Exhibition on Plastics & Rubber Injection Moulding Industry	Binhai International Convention & Exhibition Centre	Applas Co. Limited Tel:+86 10 6603 9351

► Leisure Events

Date	Event	Location	Organizer
Aug. 16 - Oct. 16 18:00-24:00	<i>Riverbed Villa Night Bar Square Event</i>	Riverbed Bar Street in The Old Town of Tianjin	Hank's Sports Bar & Grill
Sep. 1	TICC Monthly Coffee Meeting	Sheraton Hotel Tianjin	TICC
Sep. 4 18:00-23:59	Italian-Chinese Fusion Wine Dinner	Tao-Li Chinese Dining, 6th floor of Hotel Nikko Tianjin, 189 Nanjing Lu, Heping District, Tong Guan Dao, Entrance of the Exchange Mall	Hotel Nikko Tianjin Chetan Shroff Tel: +86 13821946785 E-mail: fbsm@nikkotianjin.com
Sep. 3-6, 9-13	Kaixin Mahua Modern Drama	Ergong Theatre, Hedong District	Ergong Theatre Booking Hotline: +86 22 5888 5757
Sep. 11 18:30-01:00	European Food & Beverage Celebration Evening 2009	Radisson Plaza Tianjin Hotel	Tianjin European Chamber Tel: +86 22 2374 1122
Sep. 17	TICC Monthly Lunch	Venue to be determined	TICC
Sep. 19	TICC Bus Trip - Birds Nest & Water Cube	8am in front of Pizza Hill restaurant, located at Magnetic Capital, Building B, Binshui Xi Dao in Nankai District	TICC

► Special Days

Sep. 7	báilù (white dew)	Sept. 8	International Anti-illiteracy Day
Sept. 14	Clean Up the World Day	Sept. 16	International Ozone Layer Protection Day
Sept. 21	International Peace Day	Sept. 23	qiūfēn (autumnal equinox)
Sept. 27	World Tourism Day	Sept. 28	Confucius' Birthday



hotel nikko tianjin
天津日航酒店



Mooncakes

Celebrate this mid autumn festival with our delicious mooncakes with gorgeous and traditional packaging. Surely an ideal gift for this auspicious celebration.

- Deluxe Mooncake, RMB 208 per box, early bird Promotion RMB 198* per box
- Imperial Mooncake, RMB 308 per box, early bird Promotion RMB 298* per box

*Early Bird Promotion ends 3rd September 2009

Reservations: 8319-8888 Ext. 3514


hotel nikko tianjin
天津日航酒店

No. 189 Nanjing Road, Tong Guan Road Entrance of
The Exchange, Heping District, Tianjin, China
Tel: 8319-8888 Fax: 8319-2266
www.nikkotianjin.com

TIANJIN

Chinese

China Station

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

Cuiheng Village

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

Ding Tai Fung

No. 18, Binshui Dao, Hexi District
Tel: +86 22 2813 8138
鼎泰丰
河西区宾水道18号

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

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楼

Go Believe

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

Tao Li Chinese Restaurant

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

Japanese

Benkay Japanese Dining

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

Chitose

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

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楼

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

Indian

Alibaba Indian Restaurant & Bar

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

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

Thai

Golden Elephant Thai Restaurant

No. 78, Guangdong Lu
Hexi District
(Behind Yonghe Dou Jiang Fang)
Tel: +86 22 2328 7801
金象苑泰国餐厅
河西区广东路78号(永和豆浆坊后侧)

YY Beer House

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

Western

Broadies Tavern

No. 5, Bar Street, Youyi Lu
Hexi District
Tel: +86 22 8837 0933
部落地西餐酒吧
河西区友谊路酒吧街5号

Café@66

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

C'est la Vie French Restaurant

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

Glass House

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

Hank's Sports Bar & Grill

1F, bldg. B, Shang Gu
Tianta Dao, Nankai District
Tel: +86 22 2341 7997
汉克斯运动酒吧
南开区天塔道上谷商业街B座1层

La Seine Café

7-11, bldg. B, Magnetic Plaza
Lingbin Lu, Nankai District
Tel: +86 22 2385 5018
塞纳咖啡屋
南开区凌宾路奥城商业广场B区7-11

Pan Shan Grill & Wine

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

Pizza Hill

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

Spectrum All-Day Dining

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

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楼

Golf Clinic/Pro Shop

G&G Golf Clinic/ Pro shop/ Club Fitting
Tianjin Sports Center
Binshui Xi Dao, Nankai District
Tel: +86 22 2392 1936/7
+86138 2059 7784 (Coach)
G&G高尔夫动作诊断所/专卖店
南开区宾水西道体育中心内

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

Tianjin International Hot Spring Golf Club

Guanzhuang Cun Nan
Huaming Zhen, Dongli District
Tel: +86 22 2489 0391
天津国际温泉高尔夫俱乐部
东丽区华明镇贵庄村南

Yangliuqing Golf Club

Yijing Lu, Yangliu Qing Zhen Xiqing District
Tel: +86 22 2792 2792
杨柳青高尔夫俱乐部
西青区杨柳青镇一经路(立交桥北)

Gyms

Alex Fitness Club
3-4F, Modern Women Center, Nankai
District
Tel: +86 22 8988 8809
天贝武老爱健身俱乐部
南开区八里台新文化广场旁妇女活动中心3-4层

GLO Fitness & Health Club

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

Powerhouse GYM

Olympic Sports Center C, No. 90
Weijin Nan Lu, Nankai District
Tel: +86 22 8393 2008
宝力豪健身俱乐部
南开区卫津南路90号, 奥林匹克馆C区入口

Sheraton Hotel Fitness Center

Zijin Shan Lu, Hexi District
Tel: +86 22 2334 3388 ext. 2228
喜来登健身美容中心
河西区紫金山路天津喜来登大酒店

Olympic Sports Center Branch

The first sport city over 10,000 square meters in Tianjin

- Three swimming pools for training
- Indoor driving range practice
- Indoor basketball
- Squash court
- Hot yoga
- Integrated circuit training for weight-lifting
- Integrated circuit training for weight-lifting
- Beauty & health salon
- Healthy restaurant
- Child care area

FOR YOUR WELLNESS

WWW.POWERHOUSEGYM.COM.CN

2009 IT IS TIME TO CHANGE



www.powerhousegym.com.cn

POWERHOUSE
GYM®

宝力豪健身

Since 1974 From USA

23382008

Olympic Sports Center G, No. 90 Weijin Nan Lu, Nankai District

Apartments

Astor Apartment

No. 33, Tai'er Zhuang Lu
Heping District
Tel: +86 22 2303 2888
利顺德公寓
和平区台儿庄路33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

Sheraton Apartment

Zijin Shan Lu, Hexi District
Tel: +86 22 2334 3388
喜来登公寓
河西区紫金山路

Somerset Olympic Tower

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

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

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

Banks

Agricultural Development Bank, Tianjin Branch

No. 120, Jiefang Bei Lu
Heping District
Tel: +86 22 2330 0801
中国农业银行天津分行
和平区解放北路120号

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楼

BNP

11F, The Exchange
No. 189, Nanjing Lu, Heping District
Tel: +86 22 2318 7000
法国巴黎银行

和平区南京路189号津汇广场11层

China Bohai Bank

Machang Dao Branch
No. 201-205, Machang Dao
Hexi District
Tel: +86 22 5831 6666
渤海银行
马场道支行: 河西区马场道201-205号

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

China Construction Bank

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

Citibank

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

HSBC, Tianjin Branch

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

Standard Chartered

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

Car Dealers

Porsche Center Tianjin

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

Tianjin Star

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

Tianjin Tianbao Auto Sales & Service

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

Chambers

European Chamber, Tianjin Chapter

Room 15A17, Suite 17
Magnetic Plaza
Binshui Xi Dao, Nankai District
Tel: +86 22 2374 1122
www.euccc.com.cn
中国欧盟商会天津分会
南开区宾水西道奥城商业广场15A17座17室

German Business Circle Tianjin

Deutscher Unternehmerkreis
Tianjin, DUT
Office 803, Huake Center
No. 3, Kaihua Dao, Huayuan
Industrial Area, Nankai District
Tel: +86 22 8371 7855
天津德国人联谊会
南开区华苑产业园区开华道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, 29F, bldg. B
The Exchange
No. 189, Nanjing Lu, Heping District
Tel: +86 22 2318 5075
www.amchamchina.org
美国商会天津分会
和平区南京路189号津汇广场B座29层2918室

Tianjin Japanese Association

Room 607, International Building
No. 75, Nanjing Lu, Heping District
Tel: +86 22 2313 2522
www.tjja.net/page/index.jsp
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
南开区宾水西道6号枫林宾馆1楼

Tianjin Korean Society

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

Education

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

International School of Tianjin

Weishan Lu, Jinnan District
Tel: +86 22 2859 2001
www.istianjin.org
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
www.tiseagles.com
天津国际学校
南开区华苑产业园区梅苑路1号

Tianjin Rego International School

No. 38, Huandao Xi Lu, Meijiang
South Residential Zone
Hexi District



Buy IMPORTED WINE from EUROPE.

Selection of Red and White Wines.

Free Home Delivery. Box of 12 bottles.

Ask prices and our regular service by e-mail: wines@jin24h.com

Tel: +86 22 8816 1180
www.regoschool.org
天津瑞金国际学校
河西区梅江南居住区环岛西路38号

Event Planning

 InterMediaChina is Tianjin's premiere event planning company. We will pinpoint the features that can make your event a success and ensure that your target audience is reached through superb advertising and promotion.
Also arrange the following:
• Budgeting
• Selecting and reserving the event site
• Transportation and parking
To set up an event with InterMediaChina, please send e-mail to gm@intermediachina.com

Exhibition Centres

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

★★★★★
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

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

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

Sheraton Hotel Tianjin
Zijin Shan Lu, Hexi District
Tel: +86 22 2334 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 Westin Tianjin (Opening soon)
The junction of Hebei Lu and Chengdu Dao
Tel: +86 22 2339 0670
天津君隆威斯汀酒店
和平区成都道与河北路交口

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

★★★★★
Best Western Byronn Hotel Tianjin
No. 90, Xi'er Dao
Airport Industrial Park
Tel: +86 22 8486 0000
Global free reservation telephone: 0800 0013 1779
天津空港白云酒店
空港物流加工区西二道90号

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

Geneva Hotel
No. 32, Youyi Lu, Hexi District
Tel: +86 22 2835 2222
津利华酒店
河西区友谊路32号

Holiday Inn Tianjin Riverside
Bldg. A, 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A区

Hyatt Regency Tianjin
No. 219, Jiefang Bei Lu
Heping District
Tel: +86 22 2330 1234
天津凯悦酒店
和平区解放北路219号

Jun Yue Hotel
No. 16, Guizhou Lu, Heping District
Tel: +86 22 2308 8888
君悦酒店
和平区贵州路16号

Tianlun Rega Jinbin Hotel
No. 135, Anshan Dao
Heping District
Tel: +86 22 8331 1818
天伦瑞嘉晋滨大酒店
和平区鞍山道135号

Logistics

Provides 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

Office Facilities

Tianjin Samyong O.A
Selling, maintaining and leasing digital copy machine, laser printer, laser facsimile apparatus E.S. Board, projector, scanner, etc.
天津市三龙电子技术有限公司
Purchasing and leasing office facilities inquiry office
사무기기 구매 및 임대 문의
Tel: +86 22 8379 0237

Printing Material

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

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

Real Estate

E-SMART Relocation Consultants Co., Ltd.

19B, Tower 2, Zijin Huayuan
No.15, Binshui Dao, Hexi District
Tel: +86 22 2836 0997
www.esmart.com.cn
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

Room 2907, The Exchange
No. 189, Nanjing Lu, Heping District
Tel: +86 138 2099 1956
www.lcrec21.com
和平区南京路189号津汇广场2座2907室

Tianjin Starry Relocation Co., Ltd.

Room 102, bldg. 8
Magnetic Capital
Binshui Xi Dao, Nankai District
Tel: +86 22 2835 9161
www.tjstarry.com
天津市世嘉房地产咨询有限公司
南开区宾水西道时代奥城8号楼102室

Rentals

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

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

Serviced Office



The Executive Centre

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
和平区南京路189号津汇广场2座
29层

Travel Agencies

THE STARS TRAVEL

The Stars Travel
Tianjin's travel agency specializing
in tourism for foreigners
Tel: +86 131 0210 7700
E-mail:
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

Tianjin CITIC International Travel Co., Ltd.

No. 2, Zhengzhou Dao
Heping District
Tel: +86 22 2316 1795
天津中信国际旅行社有限公司
和平区郑州道2号

TEDA & TANGGU

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

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

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

Buffalo

TEDA Football Field
No. 5, 5th Avenue, TEDA
Tel: +86 22 6628 2666
水牛石西餐厅
开发区第五大街5号泰达足球场

Parrot Restaurant & 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号

Golf Club

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

Gym

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

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

Gymboree Tianjin Binhai Center

3F, Citizen Plaza
1st Avenue, TEDA
Tel: +86 22 5981 5252
金宝贝天津滨海中心
开发区第一大街市民广场3层

TEDA International School

No. 72, 3rd Avenue, TEDA
Tel: +86 22 6622 6158
www.tedainternationalschool.net
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
www.mapleleaf.net.cn
天津泰达枫叶国际学校
开发区第三大街71号

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 Center

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

TEDA International Hotel & 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

Tianjin Ruiwan Hotel

No. 2527, Yihao Lu, Xingang
Tanggu District
Tel: +86 22 2578 0001
天津瑞湾酒店
塘沽区新港一号路2527号



Baiyun Hotel

No. 12, Fada Jie, Nanhai Lu, TEDA
Tel: +86 22 6620 8888
白云酒店
开发区南海路发发街12号

D. D. Center

No. 26, Jieda Lu, 3rd Avenue
TEDA
Tel: +86 22 2532 0088
大地中心酒店
开发区第三大街捷达路26号

TEDA Center Hotel

No. 16, 3rd Avenue, TEDA
Tel: +86 22 2520 6788
泰达中心酒店
开发区第三大街16号

Victory Hotel

No. 1369, Jin Tang Gong Lu
Tanggu District
Tel: +86 22 2534 4783
胜利宾馆
塘沽区津塘公路1369号

Classified ad

Apartment for LEASE

Vantone Central Park: Normal
apartment, 3-bedroom and
3-bathroom, 227.66 square meters,
monthly rental is 20,000RMB

Peninsula Azure Bay: townhouse,
3-bedroom and 3-bathroom, 194.62
square meters, monthly rental is
18,000RMB

Magnetic Capital: normal
apartment, 1 room, 86.7square
meters, monthly rental is 5,500RMB
Contact: Ma Hongyan

Tel: +86 22 28360997 ext. 8000;
E-mail:
mahongyan@esmart.com.cn

Apartment for SALE

Cheng Jian Da Sha (near to
Cheng Ji Jing Mao Center on
Nanjing Rd.), 117.65 square meters,
selling price is 1,000,000RMB
Contact: Ma Hongyan

Tel: +86 22 28360997 ext. 8000;
E-mail:
mahongyan@esmart.com.cn

To include your advertising, please write to

classified@businessstianjin.com before 15 September 2009



Sheraton
Tianjin
HOTEL

天津喜来登大酒店

Belong

Moon Cakes Festival

Exclusively brought to you by Sheraton Tianjin. The perfect gift for family, friends and business partners.

RMB 138 box of 6 pieces (75 grams each)

RMB 288 box of 8 pieces (150 grams each)

喜来登月饼

由天津喜来登大酒店为您专有打造的精美月饼，是您馈赠亲友及生意伙伴的最佳选择。

人民币138 每盒6块(每块75克)

人民币288 每盒8块(每块150克)

For Reservations, please call 022 2334 3388 ext. 1861

MEMBER OF STARWOOD PREFERRED GUEST®



MATCHES, FIREWORKS, DYNAMITE: FROM THE HIGHLY COMBUSTIBLE TO THE EXPLOSIVE

Why does a match light?

The head of a match contains a sulfur compound (e.g. antimony trisulfide) and potassium chlorate. Potassium chlorate oxidizes sulfur compounds, releasing great quantities of energy. To begin the reaction, the match is pulled over a friction surface that contains red phosphorus, which reacts immediately and extremely forcefully with potassium chlorate. The oxidation of the phosphorus, which comes to rest on the match head during friction, releases enough energy to activate the oxidation of the antimony sulfide. The match lights. Originally, there were matches whose heads were made up of red phosphorus and potassium chlorate directly. They would light on any sort of friction surface but also reacted just on pressure. These sorts of matches could catch fire anywhere, for example in someone's trouser pocket, and are therefore no longer in use.

What is an explosion?

An explosion is a reaction in which a great deal of energy is released very rapidly, similar to when a match is lit. As long as the energy can be discharged, i.e. the reaction takes place in the open, it fizzles out usually in the form of heat.

However, if more energy is released than can be given off through heat transfer, then the surplus is discharged in the form of a shock wave and kinetic energy of the associated object or of objects nearby. This makes explosions dangerous. If the reaction mixture is confined in a solid container, the discharge of energy of otherwise harm-

less mixtures is prevented and energy thus builds up until the container is blown apart. Of course gunpowder burns powerfully in the open air, but it is to a large extent harmless. Within the solid casing of a firecracker, however, it can be dangerous.

Interesting facts

- The first matches were invented in the 6th century in China.
- In the 13th century, bombs containing gunpowder were used as weapons in China.
- In 1285, the Syrian Hasan al-Rammah described the manufacture of gunpowder and its use for firearms.



How does a firework rocket work?

Firecrackers contain explosive mixtures of material that are lit by a fuse. The first reaction takes place in a solid, downward-opening casing. The pressure is discharged through the opening and the recoil sends the rocket high into the air. The actual explosion then takes place in the air in a second chamber. As a pure explosion in the air would be only loud and not particularly attractive for the spectator, substances such as verdigris, sodium, magnesium, and potassium permanganate are added to the mixture, which make colorful flames when lit.

What does dynamite have to do with the Nobel Prize?

Many explosive mixtures hold the danger of self-igniting at the slightest supply of energy. In earlier days, nitroglycerine, an extremely dangerous and unstable liquid with high explosive force, was used for blasting in the mining industry. The Swedish chemist and industrialist Alfred Nobel (1833 - 1896) researched nitroglycerine and by coincidence discovered that it was feasible to bond it in a solid. Thus, in 1866 he invented dynamite, which does not react to vibration. The demand in mining was enormous, especially for diamond mines. Nobel rapidly earned a fortune from his patent. In his will he founded a trust that awards prizes to those who through their discoveries have performed a great service to humanity. The Nobel Prizes have been conferred annually since 1901 in physics, chemistry, peace, medicine, economics and literature. ☐

China Beyond By Ogilvy & Mather Greater China

Reviewed by Joei Villarama

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

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

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

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

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

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

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

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



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

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

QUOTATIONS OF THE MONTH

If you know the enemy and know yourself, you need not fear the result of a hundred battles. — Sun Tzu

There is no greater delight than to be conscious of sincerity on self-examination. — Ronald Reagan

In order to succeed, your desire for success should be greater than your fear of failure. — Bill Cosby

What man's mind can create, man's character can control. — Thomas A Edison



PLAZA
 HOTEL TIANJIN
 天津天诚丽笙世嘉酒店

Foie Gras Cigars with Mango Vinaigrette



Chef YVAN COLLET
 chef@business.tianjin.com

Summer calls for cocktails and light dishes. The Foie Gras Cigars created by Chef Collet are the essential French gourmet starters for your hosting moments. Cook to impress!

Ingredients

Foie Gras

- Cinnamon 5g
- Goose liver 650g
- Plum powder 2g
- Port wine 50mL
- Sea salt 2g
- White pepper powder 3g

Mango Vinaigrette

- Mango – peeled 100g
- Mustard 30g
- Plain oil 300mL
- Salt 2g

Fruit Salad and other Ingredients

- Balsamic Vinegar 5g
- Caramelised Walnut 15g
- Dragon Fruits 15g
- Fig 15g
- Fig Marmalade 30g
- Red Berries 10g
- Watercress 5g

Preparation

1st step:

- Delicately remove all the nerves inside the liver.
- Cleanse the goose liver with the sea salt for 30 minutes.
- After cleansing, marinate the liver with cinnamon, pepper powder and port wine for 10 minutes.
- Place the marinated liver inside tubes to give it a cigar shape.
- Keep the tubes in the fridge for 24 hours.
- Gently push the liver out of the tubes and put the extremity of the cigar in the plum powder for a cigar like appearance.

2nd step:

- Chop the mango away from the pit.
- Place it in a blender until it turns to a pulp and add the mustard.
- Slowly drizzle it with oil while inside the blender.
- Season with salt.

3rd step:

- Place watercress in a plate and the foie gras cigar on top of the watercress.
- Finely chop fruits to your taste and prepare a juicy fruit salad.
- Decorate the plate around the cigar with fresh fruits (figs, dragon fruits and red berries), figs marmalade, the mango vinaigrette with a caramelized walnut on top, and the fruit salad.
- Drizzle balsamic vinegar around the plate and serve with toasts.



Preparation time

50 minutes (+1 day to refrigerate the foie gras cigars)

Drinks

A sweet wine – Monbazillac or Sauternes.

Chef's Tips

1. Cleanse the liver with sea salt to kill the germs inside.
2. Instead of a tube you can also use a terrine.
3. If you can't find white pepper powder you can also use cinnamon powder.

Fusion food at Café@66 at the Radisson – Where nouvelle cuisine's sophistication meets the secrets of Oriental delicacies



THE STARS TRAVEL TRAVELLING WAS NEVER THIS EXCITING

We specialize on the needs of foreign communities
 We offer you the most diverse and culturally rich packages

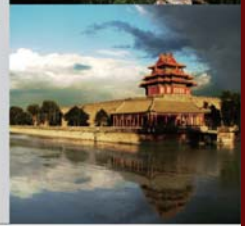
Whether you're looking for:

- A modern and frenetic city itinerary
- A journey to ancient locations
- A stroll through magnificent landscapes or a calming day by the sea, we will make it happen!

For further information, please send an E-mail to

info@thestarstravel.com

or call **+86 159 22 000 555**



Tianjin Samyong O.A 天津市三龙电子技术有限公司



Copy Print Fax Scan
 复印 打印 传真 扫描

10% OFF

Selling, maintaining and leasing digital copy machine, laser printer, laser facsimile apparatus E.S-Board, projector, scanner, etc.

销售、维修、租赁：数码复印机，激光打印机，激光传真机，电子白板，投影机，扫描仪，考勤机，巡更钟，办公设备耗材

사무기기 구매 및 임대 문의
 Tel: +86 22 8379 0237

★ Valid 1-30 September 2009

G&G Golf Clinic/Pro Shop/Club Fitting 体育中心高尔夫



15% off pro shop
15% off change grip, shaft, head.
 Lesson Booking: 13820597784 kim.pro

Add: Tianjin Sports Center, Binshui Xidao, Nankai District.
 天津市南开区滨水西道体育中心内
 Tel: +86 22 2392 1936

★ Valid 1-30 September 2009

GUYI STREET

REVIVING TRADITIONAL EXCHANGES

After four months of reconstruction and remodelling, Guyi Street was inaugurated, revitalizing old Tianjin commerce in the active Hongqiao District.

Many globalizing countries witness the loss and neglect of some of their most traditional and picturesque features. China has been no exception. Ultimately, lifestyles change and what you can find in New York, Lisbon or Bogotá, you will probably be able to find in Beijing as well.

A major part of Tianjin is likewise completely fresh and innovative, often forcing us to wonder what the city was before all this neon and iron expansion. Nevertheless, sections of the city still exhibit their traditional character. Guyi Street in particular is a rebirth of Tianjin's proud history of commerce.



When demolition was to be the street's last sigh and defeat by time was finally becoming reality, its unrevealed potential was glimpsed. Demolition machines were then fortunately replaced by cranes.

After four months preparing and remembering the area's ancient importance, a crossing of several lanes was rebuilt in a blend of ancient Chinese and modern western architectures. Decorations allude to the past. The predominant colours of white and red transmit a feeling of well-being. What surprises the most, in terms of the street's appearance, is the strong influence that architecture and colour have on the creation of a very clean and relaxing environment.

Guyi (Ancient Clothing) Street has again become a haven to some of the



Originally built during the culturally rich and diverse times of the Yuan Dynasty (1271-1368), the strip was a bursting commercial area, welcoming avid buyers day after day. As time went by, the erosion of traditions and architecture profoundly affected the street, relegating it to the remains of better days.



most ancient businesses in Tianjin. Narrow streets bring together loud little restaurants, intrusive shopkeepers, and huge shopping malls. More than one hundred shops daily open their doors, showing us that their legacy is still very much present and appreciated in the city. Unlike in the surrounding shopping area, on Guyi Street many shopkeepers treat their jobs as the continuation of a family business. Most of these shops proudly exhibit bronze plaques reading “Bainian Laodian”, meaning “a hundred-year-old shop”.

Here you can ramble and find an incredible amalgamation of businesses, from delicate Hangzhou silk to traditional Qipao dresses, with the certainty

that they are 100% Chinese; even pyjamas are finely made with traditional motifs. This is probably one of the best places to acquire fabrics. At the famous Rui Fu Xiang people usually have to queue and be patient for outstanding quality and unique designs.

On a less-traditional side, but contributing to the overall street “where you can find everything”, household goods here are cheaper than in other parts of the city. Furniture is typically Chinese, delighting lovers of traditional settings.

The Ni Ren Zhang clay figurines can't be missed, much like Tianjin's pastry authority Erduo Yan. The Ideri Shopping Mall is a wonder for new-gadget aficionados. There is also a wide variety of stores offering shoes, clothes and whatever else you can imagine buying. Stretching authenticity, the Playboy Store and Pierre Cardin make some of the customers wonder.

In the few weeks after its rebirth, the street is already reviving those Yuan

Dynasty times. Locals meet at street corners, discussing fortuitous acquisitions and exchanging gossip and smiles. Although the name literally means “ancient clothing street”, it is becoming a lifestyle street. Even the statues that colour and cheer it are throwbacks to old times, to everyday life circumstances, warmly “interacting” with passersby.

A very positive aspect of this place is that it still has a low tourist profile, which means that for now overseas buyers won't be discomfited and pulled every other two steps.

Guyi Street – where people meet to eat, shop, chat and stroll. ☒





Kushi Grill is now open.
Join us and indulge in perfectly
fresh grilled food by our

Japanese Master Chef who specializes
in Teppanyaki and Robotayaki.

Kushi Grill also boast
one of the best collections of
Sake and Sho-chu in Tianjin.

Grand opening promotion

20%* discount on food

50%* discount on Sho-chu & Sake

Guests will receive a surprise gift

Venue: Kushi Grill 2F

Open hours: 17:30-22:30

* Valid until 12 September 2009

Hailing from Tokyo, Chef Uehara Toshiyasu
has 24 years of experience cooking authentic Japanese food.

NEW HOTEL
RESTAURANT

TIANJIN

Radisson Plaza Hotel Tianjin

66 Xinkai Road, Hedong District, Tianjin 300011, China

Tel : +86 22 2457 8888

Fax: +86 22 2457 6666

www.radisson.com/tianjincn

Radisson[®]

PLAZA
HOTEL TIANJIN

天津天诚丽笙世嘉酒店



CROWNE PLAZA®

TIANJIN BINHAI

THE PLACE TO MEET.

responsive:

Your dedicated Crowne Meetings Director, who is there to provide all you need to make your meetings a complete success. As your meetings experts, our directors are eCornell-trained, highly resourceful and will guarantee a 2-hour response time to your initial enquiry. There's simply nothing better than their professionalism to put your mind at ease.



Experience Crowne Plaza Tianjin Binhai for yourself.

Call 022 5867 8888 Ext.2578, or toll free number 400 88 40 888, or visit www.crowneplaza.com

55 Zhongxin Avenue Airport Industrial Park Tianjin, 300308 P. R. China

PRIORITYCLUB® Simple Yet Rewarding!
MEETING REWARDS

BEIJING SHANGHAI SYDNEY TOKYO LONDON NEW YORK HONG KONG OVER 300 LOCATIONS WORLDWIDE