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Interview with

Dr. Björn Lindemann

General Manager
Haver Technologies (Tianjin)

Creating Value with Innovation and Partnership



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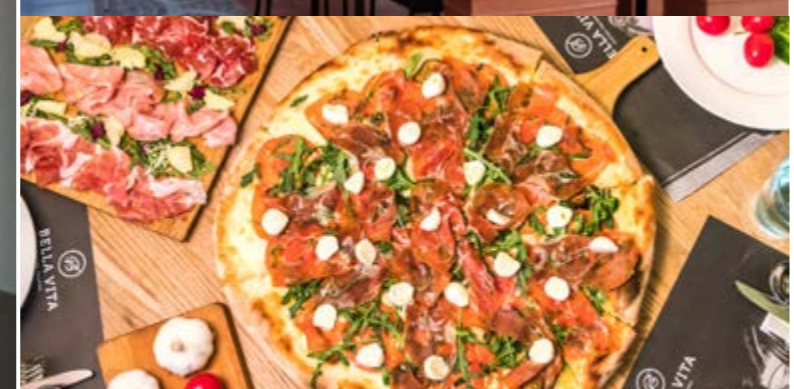
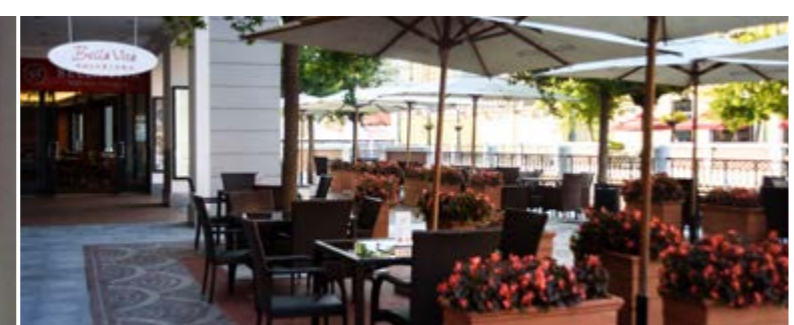
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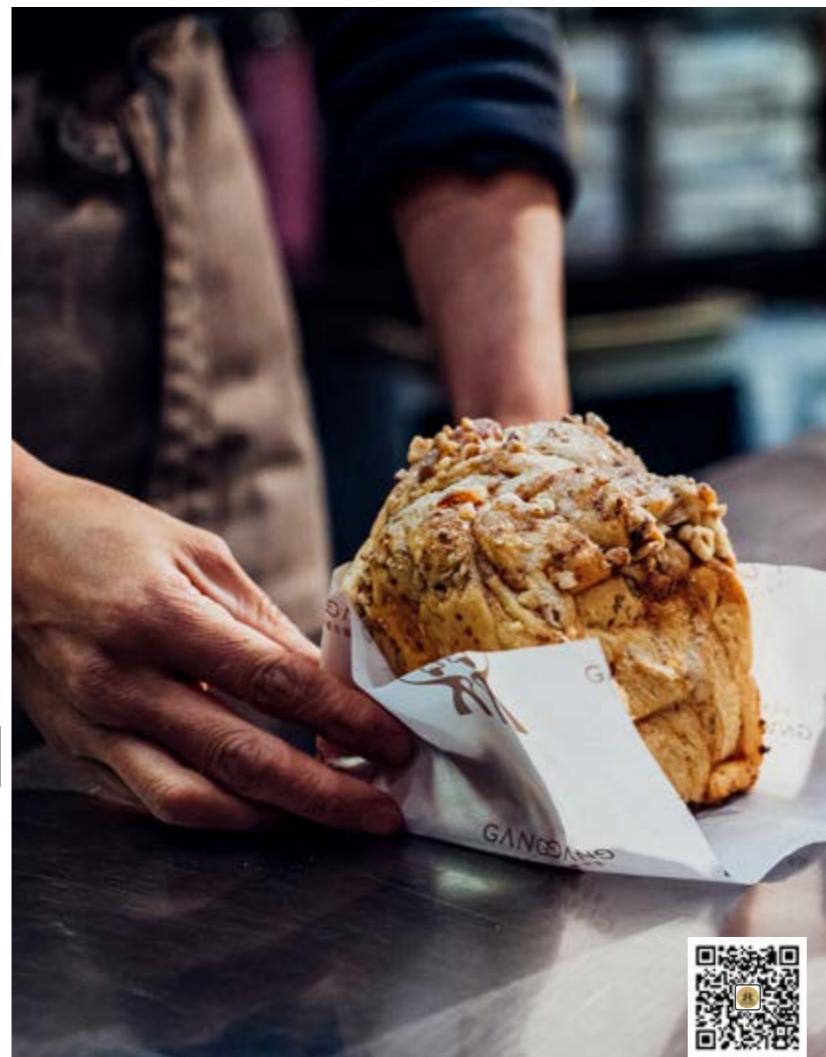
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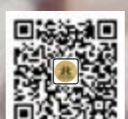
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Dear Readers,

German Chamber of Commerce in Tianjin will celebrate its 10th Anniversary with a Spring Reception on Friday, February 22nd, the first and major high-level gathering of the year.

This event is also quite memorable for Dr. Björn Lindemann, who has personally witnessed the Tianjin Office's remarkable development as the former Tianjin Office Head, and presently sits as a Board Member of the German Chamber of Commerce North China. Dr. Lindemann eventually joined Haver Technologies Tianjin in 2015, and Business Tianjin was honoured to talk with him in this important milestone.

In December, economic data of China were weaker than analysts had hoped for. Both exports and imports are declining, and manufacturing activity is slowing down. The government is taking several measures to provide another layer of support over the long term; such as increase the liquidity to People's bank of China, infrastructure investment, fiscal incentives for households and firms, and more support to small businesses. Despite the current challenges, the economy is still resilient and growing, albeit at a slower rate. The developments in 2019 are yet to be fully seen, and it is too early to predict too pessimistic or optimistic scenario.

The debt rate in China has enormously constructed to approximately 260% to 300% of the size of the GDP. This has raised questions regarding the potential financial scenarios that are looming in front of our site. You can read in our In Depth column an analysis about this important topic.

There are many other interesting articles this month, and I invite you to read them all after having checked our content page. We are sure you will find topics that will help you in your professional and personal life, such as the ways blockchain technology will impact the marketing world, how China is making a huge breakthrough bringing smart technologies into the agricultural sector, and why Chinese have been tagged as the fastest adopting and most e-savvy people in the world.

Visit our website www.businesstianjin.com and follow us on our official Wechat account (ID: **business_tianjin**) for a complete list of articles and information.

Best Wishes and Successful 2019!

Mary Smith

Managing Editor | Business Tianjin Magazine

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▲ **REAL ESTATE**
Welcome to Prop-Tech

A number of industries have been changed beyond imagination once they were paired with technology. The cinema industry was changed radically when streaming became possible, impacting everyone from movie theaters to cable networks, and the established movie studios. Technology has changed finance allowing things like online stockbrokers, and even peer to peer networks allowing individuals to lend money to other individuals or to invest in portfolios of other peoples' debt.

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◀ **LAST WORDS**
Climate changes pose a threat to increase in beer prices

Beer drinkers might be paying more for the same quantity of beer in the coming days. A recent study suggests that the yield of malted barley might drastically reduce towards the second half of the century, hence causing a spike in the cost of barley, a vital ingredient in the preparation of the alcoholic drink.

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TIANJIN NEWS

Tianjin sets policies supporting private businesses



Tianjin has issued Several Opinions on Further Promoting the Development of Private Business targeted at solving the current key and urgent problems confronting private enterprises. Private business activity is a vital part of China's economy, and a driving force behind economic and social development. With due regard for its own situation and needs, Tianjin has upgraded the existing policies and has launched 19 practical measures for developing the private economy with higher standards. These specific measures are intended to lower operating costs of enterprises, facilitate financing, enhance core competitiveness, protect legitimate rights and interests, and award major innovative projects.

Alexandre Pato to leave Tianjin Quanjian after owner's arrest



The fallout from the arrest of Quanjian Group chairman, Shu Yuhui, and 17 of the pharmaceutical giant's employees, has begun to be felt in Chinese sport. The Tianjin Quanjian table tennis team dropped the name of its sponsor and now Chinese Super League side Tianjin Quanjian have felt the effects. The Italian press have greeted news of the Chinese side's misfortunes with glee. They believe that Alexandre Pato will now rejoin AC Milan in this transfer window and that the release fee is now negotiable, given Tianjin's financial difficulties.

President Xi Jinping inspects Tianjin



Chinese President Xi Jinping inspected Tianjin Municipality. During his inspection, President Xi went to Nankai University, one of China's top universities. He visited the university's centenary exhibition, talked with a group of academicians and examined a national chemistry laboratory.

New Daxing International Airport to Tianjin in 36 minutes



Construction of a traffic network surrounding Beijing's new airport on the southern outskirts has gained momentum before the aviation hub is scheduled to start test operations by September next year. A subway linking Beijing's urban districts with the airport, Beijing Daxing International Airport, is under construction, while a high-speed railway will be built to connect the airport with Tianjin, which is 120km east of Beijing. The new airport, located 46km south of downtown Beijing, is designed to take pressure off the overcrowded Beijing Capital International Airport in the north-eastern suburbs. The planned railway will enable a 36-minute ride from the airport to Tianjin. Another railway construction under preparation is designed to link the planned Terminal 3 of the Tianjin Binhai International Airport with the Beijing-Shanghai high-speed railway, one of the busiest railway lines in China.

Debut on Beijing-Tianjin-Shanghai line of longer bullet trains



A longer Fuxing bullet train made its debut on 5th of January 2019, whose 17 cars make room for 90 additional passengers. The train, which carries a maximum of 1,283 passengers and stops in Tianjin (South Railway Station), travels on the Beijing and Shanghai high-speed rail line at a top speed of 350 kilometers per hour. It has 22 business class seats, 148 first-class seats and 1,113 second-class seats. China began using a new national railway schedule on 5th of January 2019 that adds 16 services on the Beijing-Shanghai high-speed rail line, from which 10 of them stop in Tianjin South Railway Station.

US food manufacturer to establish pet food plant in Tianjin



Mars Incorporated, a US global manufacturer of confectionery, pet food and other food products, has recently signed an agreement to set up a pet food plant in Tianjin. The investment of the project is over \$100 million, with registered capital of \$40 million, according to the management committee. The new plant aims to become one of the most advanced pet food plants of Mars Inc. across the world, producing high-end and diverse pet food for Chinese customers, and also research and develop more high-end products. Covering around 110,000 square meters, the project is expected to produce more than 250,000 tonnes of products every year.

Tianjin sets GDP growth target of 4.5% in 2019



Tianjin said that the city is expected to attain the economic growth target of 4.5% in 2019. The annual government work report, delivered by Zhang Guoqing at the opening meeting of the annual session of the Tianjin Municipal People's Congress, set the GDP growth target at 4.5 percent. Tianjin's GDP grew about 3.6 percent in 2018.

FINANCE

Beijing City Government moves into new home in Outer District



Beijing's municipal government officially moved into its new suburban home with a dawn flag-raising ceremony. The Chinese capital has planned for years to shift its administrative center out to the outer Tongzhou district in an effort to rein in population growth, traffic congestion and air pollution in Beijing's denser inner districts. Urban planners estimated in 2015 that the relocation would take as many as 1 million people - including civil servants and their families - out of central Beijing. Tongzhou is around 20 kilometers east of downtown Beijing. Since its selection as the city's second "downtown" area in 2015, Tongzhou has seen a housing boom followed by tightened restrictions on newly-arrived residents.

UBS Becomes First Foreign Bank to Control a Brokerage in China



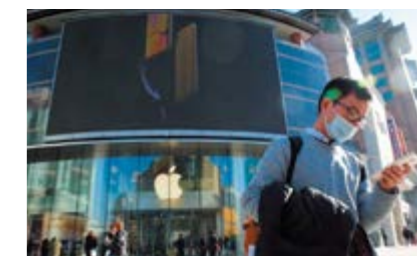
UBS, the first fully licensed foreign-invested securities firm in China, said it has become the first foreign bank to increase its stake to gain majority control of a securities joint venture in China. The Switzerland-based bank company said that UBS has earlier received the approval from the China Securities Regulatory Commission to increase its shareholding in its securities joint venture in China, and UBS Securities Co has increased its shareholding from 24.99 percent to 51 percent. Eugene Qian, the President of UBS Securities, said in a note that UBS will be able to better leverage its close ties with UBS Group's operations in the region, in order to further take advantage of the wide range of opportunities on offers in China's capital markets.

Tesla to break ground on Shanghai factory



Tesla CEO, Elon Musk, and Shanghai Mayor, Ying Yong, celebrated the ground breaking of the electric automaker's first non-U.S. factory. According to the company, the so-called Gigafactory in Shanghai "will allow Tesla to localize production of Model 3 and future models sold in China, with plans to eventually produce approximately 3,000 Model 3 vehicles per week in the initial phase and to ramp up to 500,000 vehicles per year when fully operational." Tesla's new factory is expected to begin partial production in the second half of this year. The company has set up official accounts on popular Chinese messaging and social media platforms WeChat and Weibo, which list more than 30 openings for positions at the Shanghai factory.

Apple Cuts Revenue Forecast in China



Apple is cutting billions from its revenue estimates for the just-ended holiday season, citing sharply slower iPhone sales in China. "While we anticipated some challenges in key emerging markets, we did not foresee the magnitude of the economic deceleration, particularly in Greater China," CEO, Tim Cook, said in a letter to Apple investors. Cook lowered the company's revenue guidance for the three months that ended on December 29th to about \$84 billion from as much as \$93 billion. The announcement of weakness from one of the world's largest companies offers fresh evidence of a global economic slowdown, which has sent stock markets sliding in recent months.

China's foreign trade hits historic high in 2018



China's foreign trade rose 9.7 percent year on year to a historic high of 30.51 trillion yuan (about 4.5 trillion U.S. dollars) in 2018, the General Administration of Customs (GAC) said. The value was 2.7 trillion yuan higher than that of 2017, according to the GAC. "China effectively tackled changes of the external environment last year, and the foreign trade maintained stable and positive growth, reaching a historic high in import and export volume," GAC spokesman Li Kuiwen told at a press conference. Trade with countries along the Belt and Road registered faster-than-average growth, with the trade volume standing at 8.37 trillion yuan, up 13.3 percent year on year.

China's Car Sales Just Fell for First Time in Over 20 Years



Vehicle sales in China fell for the first time in almost three decades last year, as the end of government tax breaks and a wider economic slowdown reduced consumer demand for new cars in the world's largest market. Sales of passenger vehicles were 23.8m in 2018, down 4.1 per cent from the previous year, according to China's Association of Automobile Manufacturers (CAAM). The figures underline that a three-decade run of growth, which has made China crucial to the profits of global automakers, may be coming to an end. China's overall vehicle sales, including trucks and buses, were down 2.8 per cent to 28.1m last year, CAAM said, the first fall since 1990. December sales fell 13 per cent from the same month last year, it added, the sixth consecutive month of decline.

Foreign companies filed a record number of patent applications in China



Foreign companies filed a record number of patent applications in China last year, which, the government said, reflected an improving business environment for overseas investment. A total of 148,000 patent applications were filed by foreign companies in 2018, according to figures from the National Intellectual Property Administration released on Thursday. This was 9.1 per cent higher than the previous year's total. Foreign companies also lodged 244,000 trademark applications last year, about 16.5 per cent more than in the previous year.

LAW & POLICY
Permit rules eased for foreign executives of security firms



Foreigners who are legal representatives or major executives in Shanghai, such as general managers of security firms, no longer have to provide proof of their work experience when the firms apply for business permits. Previously they had to prove that they have at least five years' work experience in the security service business as managers. The same exemption also covers Chinese legal representatives or managers of such firms who have at least five years' experience working in the army, police or security and justice administrations.

Tibet travel to become easier for foreigners



Overseas tourists will find it easier and faster to apply for a travel permit to Tibet this year, as the regional government makes efforts to boost tourism. The Tibet autonomous region plans to cut the time for issuing travel permits to overseas tourists by half in 2019, said Qi Zhala, the chairman of the regional government. Now, it normally takes at least 15 days to receive the permits after they submit the requested documents. Overseas travellers need Tibet travel permits to visit, in addition to a Chinese visa. This extra requirement is based on Tibet's unique ethnic traditions, cultural heritage, reception capacity and ecological protection needs.

GENERAL
China offers 144-hr visa-free transit in 5 more cities



China began to implement its 144-hour visa-free transit policy in five more cities for travellers from 53 countries. These cities are Qingdao, a major port city in Shandong Province; Xiamen, a coastal city in Fujian Province; Wuhan, capital of Hubei Province; Chengdu, capital of Sichuan Province; and Kunming, capital of Yunnan Province. The visa-free transit policy approved by the State Council, applies to people from 53 countries, including Austria, Belgium, Czech, Denmark, France, Germany, Russia and the United States. Passengers are required to carry effective international travel certificates, and have definite onward travel within 144 hours, when entering those five cities.

China's population 'to peak' in 2029 at 1.44 billion



China's population will peak in 2029 at 1.44 billion before beginning a period of "unstoppable" decline. The China Academy of Social Sciences (CASS) study says the country must implement policies to handle a smaller workforce and an older population. Both changes combined could cause "very unfavourable social and economic consequences", the report says. Latest UN estimates say China has a population of 1.41 billion. The study also predicted a rise in the dependency rate, meaning the proportion of non-working people like the elderly and children.

CHINA IN THE WORLD
China plans major cut in number of Everest climbers



China will cut the number of climbers attempting to scale Mount Everest from the north by one-third this year as part of plans for a major cleanup on the world's highest peak. The total number of climbers seeking to summit the world's highest peak at 8,850 meters from the north will be limited to less than 300 and the climbing season restricted to spring. The cleanup efforts will include the recovery of the bodies of climbers who died at more than 8,000 meters up the mountain, they said.

1st Ever Landing on Moon's Mysterious Far Side



Humankind's lunar exploration history saw the opening of a new chapter on Thursday morning as the world's first explorer of the moon's far side landed at its destination after a 26-day space journey. The Chang'e 4 lunar probe, the latest step in China's endeavor to explore the silver sphere, landed at 10:26 on the Von Karman crater in the South Pole-Aitken basin, and then sent back a picture of the landing site shot by one of the monitor cameras on the probe's lander, marking the world's first image taken on the moon's far side.

Tianjin and Beijing Subway to launch One-Day Pass



Subway lines in Tianjin and Beijing will introduce a one-day pass. Tianjin and Beijing now implement a metered fare system for subway rides. Passengers can buy single-ride tickets or use a rechargeable fare card for a ride. But soon, Tianjin and Beijing Subway will offer passengers more ticket options, with the one-day pass the first to be launched. The pass, which will be available in QR code format, will save tourists the trouble of returning their public transport cards before leaving Tianjin and Beijing.

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Feeling the Pinch of the Trade War

By Morgan Brady

The Gregorian calendar year has been concluded and all the economic data from 2018 can now be put into perspective. In 2018, China's trade surplus with the United States has reached an all-time high, at \$323.32 billion – a growth of 17%. This number may be even lower than the actual number, since indirect Chinese exports through other countries to the US are not accounted for. With the world, China's trade surplus reached US\$351.76 billion in 2018.

WEAKER TRADE PERFORMANCE

The trade data showed a decline in both Chinese exports and imports in December. This shows that China is starting to feel the pinch of the trade war. According to data from China's General Administration of Customs, total exports fell to US\$221.25 billion, down 1.4 per cent from November and 4.4 per cent from the same month in 2017. Total imports, on the other hand, dropped to US\$164.19 billion in December, a large decline of 10% from the month before, and a 7.6% drop from the last year. The decline in foreign trade is set to affect private companies more than state-owned ones, given that they are more oriented towards producing goods for the outside world, and thus are sensitive to geopolitical tensions and growth trends outside of China.

A TRADE-WAR TRUCE

The United States and China had agreed on a trade war truce on the 1st of December to last for 90 days. The truce will end on the 1st of March. Yet, the moral impact of the trade may exceed that of the material impact, and thus a short-term truce may not produce substantial results, given the current sentiment as indicated by the PMI, which showed that manufacturing activity contracted last month for the first time in 19 months, as inbound and outbound trade with the outside world declines.

It is worth noting that the situation in the US economy is uncertain. American equities suffered in the fourth quarter of 2018 and there are signs to say that growth over the long term is not guaranteed. Thus, the impact of the trade-war with the US may decline over the long term.

LESS OPTIMISTIC OUTLOOK

The final GDP figures for the full year are yet to be released on the 21st of January, but according to predictions by Economic Information Daily, Xiamen University and the University of London a growth rate of 6.6% is expected. Although this is a positive growth rate by

贸易战的压力开始展现

2018年，中国对美国的贸易顺差为3233.2亿美元，超越了2017年2758亿美元的历史最高记录；同比增长17.2%，较2017年13%的增速明显加速。2018年全年，中国对美国的贸易顺差连续第二年刷新2006年有统计以来的最高记录。

贸易表现较弱

贸易数据显示12月中国出口和进口均下降。这表明中国开始感受到贸易战的压力。根据中国海关总署的数据，2018年12月出口额为2212.5亿美元，同比下降4.4%，创2018年单月同比最低增速。另一方面，2018年12月我国进口1641.9亿美元，同比下降7.6%，创2017年以来最低增速。

12月份有关经济表现的数据发布量低于分析师的预期。出口和进口都在下降，制造业活动正在放缓。近期一些地方政府相继出台了支持当地企业流动性的政策，人民银行也正研究继续出台有针对性的措施，缓解企业融资困难问题。这些措施包括基础设施投资，家庭和企业的财政激励措施，以及对小企业的更多支持。2019年的发展尚未完全展现，现在预测情况还为时过早。

western standards of a single digit growth, it remains very low given China's performance in the last decades. This rate is the weakest in a long period, and a weaker growth rate of 6.3% is expected in 2019, according to some analysts.

WEAKER ECONOMIC PERFORMANCE

November data had shown a decline in the growth of retail sales, reaching the slowest growth rate since 2003. Industrial output growth was also at its slowest pace in three years, signalling an expected decline in demand and worsening economic outlook among both consumers and producers alike. Thus, economists are waiting patiently for retail sales growth about December to get a pulse of the economic situation.

The growth in retail sales of consumer goods throughout the entire year is expected to be around 9.34%, which is slightly lower than the previous year, whereas the growth of CPI is expected to be 2.09% (0.49% over the previous year). PPI growth is projected at 3.09%, which is a considerable drop of 3.21 from last year.

The World Bank provided an update about the Chinese economy in December, pointing to its resilience, and predicting that the growth rate in 2019 will be 6.2%. In 2018, equity prices declined by 20% and the renminbi lost 6% of its value against the dollar.

A SHORT-TERM CUSHION OF SAVINGS

Although many economists expect a slowdown in the Chinese economy, one cushion could actually prove to be a useful mechanism to stimulate the economy. The percentage of consumption in China's GDP is quite low in comparison with western economies, and Chinese consumers have higher savings, which they may use in case of economic slowdown. This can help counter economic disruptions and stabilize domestic demand. But effective strategies need to be implemented over the long term.



CONCLUSION

Data releases regarding economic performance in December were weaker than analysts had hoped for. Both exports and imports are declining, and manufacturing activity is slowing down. However, the savings could provide a good refuge over the short term, albeit that demand for less elastic commodities will be more stable than more elastic commodities when considering income elasticity. The measures that the government is taking can also provide another layer of support over the long term. Those measures include increasing the liquidity to People's bank of China, infrastructure investment, fiscal incentives for households and firms, and more support to small businesses. Despite the current challenges, the economy is still resilient and growing, albeit at a slower rate. The developments in 2019 are yet to be fully seen, and it is too early to predict a too pessimistic or optimistic scenario. **E**

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How China's Growth Model is Different from Other Models

By Morgan Brady



It is often said that the growth in western economies began with the industrial revolution ushered by the advent of the steam engine. Some researchers have pointed out that an agricultural revolution preceded the industrial one. Additionally, a scientific revolution preceded both. After all, our ability to add value as humans depends on how well we use natural resources. This ability enables organizations and economies at large to achieve economic growth. But despite the universality of this rule (that efficiency is the main growth driver), there are many different growth models and stark contrasts between each. The western growth model as well as some eastern growth models, such as that of Japan, are highly driven by exports. However, internally, the capabilities and capacities that enabled those economies to achieve impressive growth are strikingly different in different countries. This makes different models, including that of China, unique in nature.

WESTERN GROWTH MODELS

Analysis show that the Chinese growth model is different from both the eastern and the western models, albeit that it is closer to the former than the latter. When looking at the bigger picture, we find that the western growth models are more homogenous than the eastern growth models. A strong industrial and manufacturing capacity and a very-well connected financial system underpin growth in the western world. For this reason, countries like Germany, which has a strong industrial base and robust production systems, managed to show considerable resistance to the global financial crisis in 2008, and countries not connected to that financial system, such as in the Middle East, were little impacted by the crisis. Ironically, countries under embargo from the US, such as Syria, saw little to no impact from the crisis back then.

EASTERN GROWTH MODELS

Eastern economies used different advantages to achieve their remarkable growth. Singapore, for example, leveraged its strategic location and became a maritime trade hub, as 40% of global maritime trade passes through its Malacca Strait. The country also managed to attract foreign trade and investment. Japan, on the other hand, built its wealth from having skilled labor, efficient systems, and wise management philosophies, as well as inventions (Japan has a high ranking globally in the number of patents that are registered by its nationals each year). China, our third example, built its success on many factors, among which are its productive labor force, its ability to meet global demand very cost-effectively, and its good structural policy making. Research shows that the structural policies and reforms in agriculture, industry, trade and the financial sector have had a positive effect on economic growth.

COMPONENTS OF THE CHINESE GROWTH MODEL

Unlike western models that may rely on bubbles sometimes to fuel growth, China's growth has been fueled by productivity. A very large population, production efficiency and intensity, and capital were the three crucial factors behind such growth. In other words, total factor productivity has enabled growth.

Between 2000 and 2012, over half of China's growth can be attributed to physical capital stock. In earlier periods, the size of the labor force was crucial. And later on, when the gigantic population met with industrialization, it was a great recipe for growth. The labor force was vital in different stages as the economy moved from focusing on agriculture to manufacturing and

中国的增长模式与其他模式的区别

人们常说，西方经济的增长始于蒸汽机问世带来的工业革命。一些研究人员指出，农业革命先于工业革命。毕竟，我们增加人类价值的的能力取决于我们使用自然资源的能力。这种能力使整个经济体能够实现经济增长。但是，尽管这一规则的普遍性（效率是主要的增长动力），每种增长模型之间存在许多不同的增长模型和鲜明的对比。西方增长模式以及日本等东部增长模式受出口的高度推动。中国的模型，在性质上是独一无二的。

西方增长模式

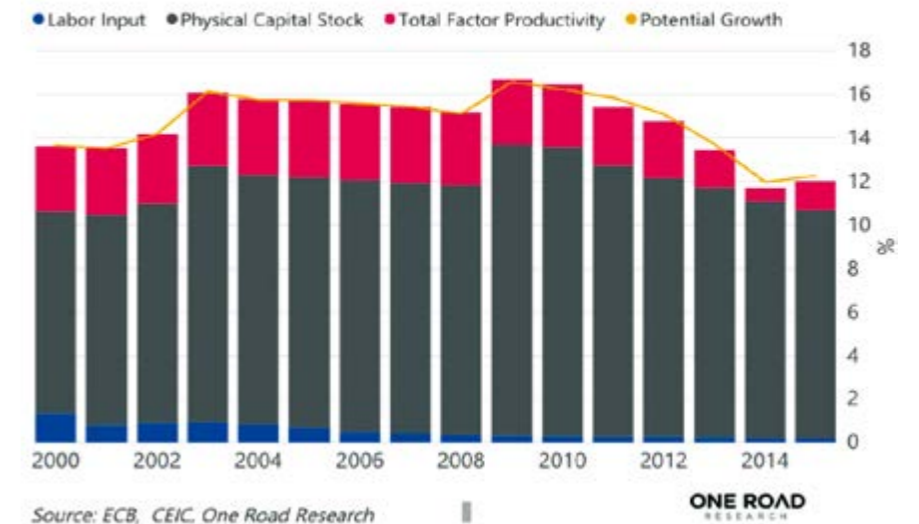
强大的工业和制造能力以及联系紧密的金融体系支撑着西方世界的增长。出于这个原因，拥有强大工业基础和强大生产系统的德国等国家在2008年对全球金融危机表现出相当大的抵抗力。具有讽刺意味的是，受到美国禁运的国家如叙利亚在当时的危机中几乎没有受到任何影响。

now technology. And as the transition went on, investment in human capital intensified in China.

Many elements appear when analyzing the Chinese growth model. First, the country has become an exports powerhouse with an increasing presence in global supply and value chains. Second, the country has relied on investments to a large extent to fuel its growth, especially in physical capital. Third, higher productivity enabled more people to earn more income and the middle class has grown significantly. This has enabled the country to reach the brink of entirely eradicating poverty.

The first two elements pose some challenges. The third one offers relief. Excessive reliance on exports can render the country vulnerable in the face of global shocks, much like the western world. Luckily, the tariffs imposed by the US on Chinese goods may prompt the country to consider another path, and, indeed, the Chinese government is already doing that. Excessive reliance on investments can also be risky, as

Potential Growth of China (Annual Percentage Changes)



Source: ECB, CEIC, One Road Research

investment flows can fluctuate, which can disrupt the growth momentum. On the other hand, increased productivity and higher wages could usher growth in domestic demand, which can fuel sustainable growth. China is recently becoming a more business friendly place with the removal of more restrictions. Additionally, the belt road initiative, which involves building projects and a shipping path that crosses through more than 60 countries may prove to be a solid initiative to reinforce China's position globally.

Together, those factors have been driving China's growth, which is expected to continue over the medium and long terms. The efforts seem to be paying off. As the economy moved up on the ladder of development, the contribution of the services sector to GDP increased, and that of the agricultural sector decreased. The contribution of the industry sector remained somewhat stable.

CHINA IS ALREADY THE WORLD'S LARGEST ECONOMY

Contrary to public convention, which posits that the US economy is the biggest in the world, the Chinese economy is already the biggest economy in the world in real terms. The media, which is mostly financed by the west, like to believe otherwise, as they support their

claims about the US economy with nominal GDP figures, which are not adjusted for differences in purchasing power (or exchange rate). When this necessary adjustment is made, China emerges to be the biggest economy when using GDP figures in terms of purchasing power parity (PPP). While those figures are not perfect, they do offer a more adequate representation of reality.

CONCLUSION

The Chinese people and the Chinese government have shown dedication to becoming the world's largest economy. China's growth model is unique in some ways and is similar to other models in others. It contains elements that can protect the country's growth path in case of potential shocks and is well diversified. More importantly, it is driven by high productivity and innovation, which are cornerstones of growth. Although growth may slow down, it remains sustainable, at least in the short and medium runs, especially as domestic demand contributes more and more to growth. **B**

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Alibaba launches 'A100' initiative

Alibaba Group Holding on January 11th, 2019 launched a new strategic partnership programme that aims to accelerate the Chinese e-commerce giant's transformation into an integrated technology provider to companies around the world.

New York-traded Alibaba's "A100" initiative will offer enterprises of all sizes a one-stop solution to accelerate their digital transformation, which involves implementation of advanced technologies, processes and practices to fundamentally change and improve how traditional businesses operate. "We see a much bigger world beyond 'new retail', a completely new world brought by the digital economy era in which all companies will need a brand-new way to operate," said Daniel Zhang Yong, chief executive at Alibaba, referring to the business model pioneered by the firm that integrates online and offline retail activities.

The new initiative by Alibaba reinforces the rapid evolution of China's major internet players, who built their fortune from consumer-based platforms, into technology powerhouses focused on serving more corporate customers through technologies like cloud computing and artificial intelligence. Alibaba has expanded its activities from e-commerce into digital entertainment and local on-demand services. Its hi-tech infrastructure covers sales, logistics, supply chain optimisation, payments, marketing and a range of supporting services, all powered by cloud-based technologies.

At the Alibaba conference, Zhang said the A100 programme will initially include existing partners in the company's ecosystem. US coffee chain Starbucks, for example, is one of the major brands in that ecosystem, as it collaborates with on-demand food delivery platform Ele.me, Freshippo supermarket, Tmall, Taobao Marketplace and Alipay. To be sure, digital transformation solutions offer plenty of upside for Alibaba and Tencent. Worldwide spending on technologies and services enabling digital transformation is forecast to reach US\$1.97 trillion in 2022, according to research firm IDC.

Source: South China Morning Post



Daniel Zhang Yong, chief executive at Alibaba Group Holding, introducing the "A100" strategic partnership programme at the company's headquarters in Hangzhou



A customer is choosing a Coca-Cola drink in a supermarket in Beijing

Coke has led efforts to shape China's obesity policy

Coca-Cola has spearheaded an effort by American junk food companies, including Pepsi Co, Nestle and McDonald's, to quietly shape China's nutrition policy through a non-profit group called the International Life Sciences Institute, according to new research. "Through a complex web of institutional, financial, and personal links, Coke has been able to influence China's health policies," Harvard Professor, Susan Greenhalgh, said in a report published on Wednesday in the BMJ and Journal of Public Health Policy.

"The company has cleverly manoeuvred itself into a position of behind-the-scenes power that ensures that government policy to fight the growing obesity epidemic does not undermine its interests." While the U.S. and much of Europe have been emphasizing healthier eating by cutting back on soda and unhealthy snacks to fight the global obesity epidemic, multinational junk food companies have targeted rapidly developing countries like China to prop up sales.

Coke spokeswoman, Ann Moore, said in a statement that company supports current recommendations by the World Health Organization and other health authorities to limit intake of added sugar. "We recognize that too much sugar isn't good for anyone," Moore said, adding that the company has listened to prior criticism to understand its role in the fight against obesity. She said that Coke decided in 2017 to stop providing 100 percent of the funding for any research related to well-being, either directly or through a trade group. "We support research efforts by independent and respected research institutions and universities," she said. "Under our guidelines, we will provide financial support for such research only if a non-Coca-Cola entity funds at least 50 percent of the cost."

In a statement, the institute's spokeswoman, Kristin DiNicolantonio, said that the group does not lobby, conduct lobbying activities or make policy recommendations. "Because of its unique public-private structure, ILSI fills knowledge gaps and serves society in ways that any entity on its own cannot," spokeswoman, Kristin DiNicolantonio, said in a statement. The institute's statement also noted that the group requires that at least three companies fund a project to avoid a single business dominating the agenda and that many experts named in Greenhalgh's report are no longer employed or affiliated with the organization.

Source: CNBC

China car sales fall for the first time in 20 years

Car sales in China, the world's biggest vehicle market, have seen their first annual fall in twenty years. Sales fell 6% to 22.7 million units in 2018, according to the China Passenger Car Association (CPCA). The deceleration comes amid a slowdown in China's economy which has hit performance at car manufacturers around the world. The news come after Apple warned that sales would be hit by slowing iPhone demand in China. Meanwhile, the country's most successful carmaker, Geely, is forecasting flat sales this year. Foreign car makers such as Ford, Volkswagen, Jaguar Land Rover and General Motors have all reported falls in sales over the last few months in China.

The China Association of Automobile Manufacturers (CAAM), a government-backed industry group, last month blamed the sales slowdown on economic shifts and "international reasons", referring to China's trade war with the US. Last year, both countries imposed billions of dollars' worth of tariffs on each other's goods. CAAM said it expected the market to be unchanged in 2019 and added that, although demand for diesel and petrol cars was falling, rising sales of electric cars would probably help the overall market to avoid another slump.

The China National Development and Reform Commission (NDRC) says it plans to introduce policies to boost consumer



Car sales are down in China for the first time in two decades

spending on cars as well as home appliances. NDRC vice-chairman, Ning Jizhe, told China's state broadcaster that there was still potential for more car sales. He said policies, such as the introduction of a rural car purchase programme, or a cut in taxes on car sales could help drive sales.

Source: BBC

Chinese Phone Makers Outpace Apple in Much of the World



An Apple store in Beijing. The iPhone maker is facing fierce competition in China, and elsewhere

To the most Americans, the names are unfamiliar, maybe a little hard to pronounce: Huawei, Xiaomi, Oppo, Vivo. They are China's biggest smartphone brands. Around the world - although not in the United States - they are making the handset business brutally competitive. This week, after Apple warned of disappointing iPhone sales in China, industry observers said that devices from the Chinese brands were a major culprit. As the phone market in China reaches saturation and sales shrink over all, the country's hardware makers are pushing hard, and increasingly winning fans, in places like France, Germany, India and Southeast Asia, where consumers find that the phones can do just about everything an iPhone can do at a fraction of the cost.

Apple sits comfortably at the top of the market in many countries, including China, for the highest-end handsets. But companies like Huawei have started to do elsewhere what they have done in

China, competing with the iPhone on experience and value, and luring customers with price comparisons that make them rethink buying Apple's signature product. The cost difference is notable: In China, an iPhone XR starts at around \$950, while Huawei's top-end handsets start at about \$600, and Xiaomi's comparable models start at even less. The iPhone XS starts at around \$1,250. Companies like Huawei and Oppo have made improvements in features and overall quality that are enticing many wealthy Chinese people, said Mo Jia, an analyst in Shanghai for the technology research firm Canalys. Chinese brands' aggressive marketing and sales campaigns in Europe indicate that the companies believe consumers there who have traditionally used iPhones will do the same thing.

Apple still has a hold on consumers in many places. Announcing the sales slump in China this week, the company's chief executive, Timothy D. Cook, said Apple expected to set revenue records in wealthier countries like Germany, Italy, the Netherlands, South Korea and Spain and in some emerging markets like Malaysia, Mexico, Poland and Vietnam. In China, though, Apple's market share has been declining, and the company is clinging to the No. 5 spot in smartphone shipments, according to the market research firm Counterpoint. An Apple spokeswoman declined to comment. China became the world's largest smartphone market over the past decade as rising incomes coincided with an explosion in mobile technology. Today, mainland China's top smartphone seller is Huawei, whose handset line includes midrange devices and higher-end models with all the latest features. Vivo and Oppo, brands owned by the same Chinese parent company, are next. And then comes Xiaomi, whose phones, smart home devices and even sneakers command a passionate fan base. Samsung of South Korea, which sells more smartphones globally than any other brand, has only around 1 percent of the market in China.

Source: The New York Times



Creating Value with Innovation and Partnership

*Interview with Dr. Björn Lindemann
General Manager
Haver Technologies (Tianjin)*

By Mary Liu

创新创造价值 独家专访哈沃科技（天津）有限公司总经理 Björn Lindemann 博士

天津德国商会将于 2019 年 2 月 22 日（星期五）在天津举行春季招待会，庆祝其成立十周年，这是 2019 年首次也是主要的高层聚会。

这一盛会对于 Björn Lindemann 博士来说具有十分重要的纪念意义，Lindemann 博士于 2012 年至 2015 年期间在天津担任德国商会天津办事处主任，并自 2016 年起推举华北地区董事会成员。他亲自见证了德国商会在天津的卓越发展。Lindemann 博士自 2015 年 9 月起加入哈沃科技（天津）有限公司，担任总经理一职，全面负责 HAVER 在华业务的运营与发展。

Business Tianjin 有幸采访到了 Lindemann 博士，就其管理理念与管理方法以及对中德未来合作的展望展开了生动而有趣的交流。其中，Lindemann 博士关于运用正念提高员工舒适度的理论引发了我们极大的兴趣。

*The German Chamber of Commerce in Tianjin will celebrate its 10 Years Anniversary with a **Spring Reception on Friday, February 22nd, 2019**, the first and major high-level gathering of the year.*

*This event is also quite memorable for **Dr. Björn Lindemann**, who has personally witnessed the Tianjin Office's remarkable development as the former Tianjin Office Head and presently sits as a Board Member of the German Chamber of Commerce North China. Dr. Lindemann eventually joined Haver Technologies Tianjin to manage the company in September, 2015.*

Business Tianjin was honored to hear from Dr. Lindemann on his company's strong rapid growth, the thriving German-China collaboration and his strong interest in corporate mindfulness programs as an approach to improve employee well-being and performance.

What have attracted you so much from China to be around for long time?

I started coming to China as an exchange student in Hong Kong in 2005. At that time, I wanted to experience a new culture and learn a new language. After Hong Kong, I went to mainland China for several projects and spent 3 years in Taiwan researching on my PhD thesis. I call Tianjin my "home" for the past 6.5 years.

Until now, I am still drawn to the dynamism and diversity of China. What I particularly like is the optimism that the Chinese show every day, as they work hard to create a better future for themselves and their country. China has given me a lot of opportunities for development as well and I am really thankful for that.

Can you describe HTT and what your company is doing?

Haver Technologies Tianjin (HTT) is the market leader for high-quality packing and filling solutions for customers in the cement, building materials, mining, chemicals, minerals and food industry. We are a subsidiary of the family-owned and managed company Haver&Boecker, with over 130 years of experience with regard to the storing, mixing, packing and dispatching of bulk material.

Haver&Boecker stands for highly efficient, dust-free, green and main-

tenance-friendly packing solutions. In Tianjin, we are aiming to combine the strength of Germany and China – the German engineering, quality standards and attention to detail with the Chinese market know-how, flexibility and optimism. Our experience is one of our biggest advantages: we offer knowledge about the full range of packing machines, bags and products and how they work together. Through our know-how and the testing procedure in our local R&D Centers, we can offer the perfectly customized machine to every customer.

With Haver Technologies being the leader of fully-automated and 'green' packaging systems, in what way can your company contribute in meeting China's 2020 environmental protection targets?

I can see the Chinese market rapidly changing. Rising labor costs, environmental concerns and technological development result in advancements towards more efficient and automated solutions. Our company help China meets its 2020 environmental protection targets by establishing the "Packing Plant of Tomorrow", whereby we offer fully-automated, intelligent, clean and profitable packing solutions to our customers.

Our current "Blue Planet" campaign leverages on two technologies: SEAL and ADAMS. The SEAL technology

guarantees closed bags and a dust-free packing process, which is more profitable as you don't lose any of the product during packing and transportation. With the ADAMS technology we pack products into plastic bags that are sealed and waterproof, which accounts for cleaner packing and longer storage time.

China is more than just a market for us and we are geared to contribute to both economic development and sustainability.

You have indeed grown the company by 30-35% each year from 2016. What three important factors were very crucial in this achievement?

I think the most important factor is having the technology that is needed and demanded in the Chinese market and appreciated by the government.

Secondly, we look for long-term partnerships and provide premium service to all our customers and partners. As a proof, we got the market leaders and major players in the industry as our key customers - and many Chinese customers look at the market leaders and follow them.

Thirdly is the leadership that is demonstrated by our employees when they take proactive roles to address our customers' and colleagues' needs. You can only be successful with a strong team of leaders.



How big is your existing production/servicing capacity? How much more do you foresee it to expand in the next 5 years?

We are foreseeing a strong demand. In fact, we estimate a 50% increase in local production this year and we have already

increased the number of employees by another 20%, with an extension of our workshop space in the works. We anticipate the upgrade of hundreds of lines to meet the needs of the cement industry, while other industries are also looking very optimistic in the coming years.



How do you describe Haver Technologies Tianjin (HTT)'s brand of innovation? How is the change culture being embraced with your employees/workforce?

Haver&Boecker has always been a leading innovator in our industry. We pioneered the first rotating packing machines in the 1960s, as well as the SEAL & ADAMS technology. We are constantly advancing to Industry 4.0 standards by connecting our equipment with mobile devices and offering digitalized monitoring systems for customers.

The change culture is passed on to our employees by way of constant learning through specialized technical trainings and HTT Leadership Workshops that encourage the teams can reflect, think creatively and develop own ideas. As most of our machines are tailor-made to the customers' needs, we often cannot simply follow standard procedures, but highly value our employees who come up with own innovative solutions in projects.

For your Executive MBA thesis, you chose to present the effectiveness of mindfulness trainings on company performance. Can you share why you chose this topic?

The world is full of changes and I am very interested in how the work of the future will look like. In a few years, most of us will not have a 9-to-5 job anymore and the modern business environment will have increasingly flat hierarchies, more job flexibility and remote employees. Hence, there's a greater need for emotional intelligence to handle conflict and challenges.

Given the fast-paced and digitalized world, many employees feel increasingly distracted and stressful when multitasking or facing deadlines. Empirical studies show that practicing mindfulness – which means the awareness of the present moment – can help you cope with these challenges. Mindfulness can help you to go from “autopilot” to being consciously present, thereby increasing your ability to focus, your well-being, your emotional intelligence, and, eventually, also your job performance.

In my thesis I looked at mindfulness from a business perspective, researched how companies are introducing and scaling mindfulness programs in their workplace, and presented best practices.

Based on your study and your experience, how can mindfulness-based interventions be practically integrated in the day-to-day workplace? Can you recommend some best practices of companies who have adopted the mindfulness approach?

The most famous example is probably by Google, which developed their own mindfulness course based on emotional intelligence, neuroscience and mindfulness. This course has been taken by thousands of Google employees and remains as the most popular training offered in the company. In Germany, SAP has offered mindfulness practices to more than 7.500 employees with another 5.000 on the waiting list. In China, Didi Chuxing is probably the most advanced company with regard to mindfulness, providing guided mindfulness sessions through their app to employees and drivers.

In my study I looked at these 3 case studies. Interestingly, these companies often start with a so called “minute to arrive” – starting meetings with a minute in which participants focus their attention on their breath. These companies also offer rooms of silence for employees to practice mindfulness. Reinforcing these are mindfulness talks or mindful lunches. I strongly



believe that in a few years, practicing mindfulness will become as common as going to the gym.

You are a very active member of the board of German Chamber of Commerce in North China. In what way do you continue to bridge and flourish Sino-German relations in terms of trade and investment?

In times of rising international tensions and a threatening trade war between China and the US, the role

of the Chamber becomes even more important. The German Chamber represents the Chamber members in China and is a platform for cooperation of the Sino-German business community. My aim is to support the German companies actively in China, but also to bring Chinese and German businesses together to develop a better understanding about each other.

The Sino-German economic relations actually look good even in the current times of global uncertainty: Germany's



FDI in China made a historical high in 2018 according to the recently released official data from MOFCOM, amounting to USD 3.68bn in 2018, more than doubling the 2017's USD 1.54bn. I am convinced that only by frequent exchanges and contacts through the German Chamber and other platforms we can create common business opportunities and develop our Sino-German relationship in terms of trade and investment.

The 10th year anniversary of the German Chamber of Commerce North China-Tianjin is fast approaching. Having been part of the accomplishments in the past decade, what milestones do you consider most memorable?

There are a lot of accomplishments to be proud of. Our members in Tianjin increased by more than 50% in the last 6 years and there's a strong support for business activities, in fact events are

organized every week. Our members also find the big social events (such as the German Chamber Soccer Cup, The New Years' Reception, the German Oktoberfest or the German Christmas Market) to be highly memorable.

With the 10 years anniversary, we celebrate our achievements and the strong position of the Chamber in Tianjin today. Our Board of Directors North China will also join the celebration and I am looking forward to meeting the CEOs and Managers of our member companies.

What do you consider as your greatest achievement?

One of my greatest achievements was finishing my PhD successfully, particularly because it took more than 3 years of perseverance to start from zero and get all research data by conducting numerous interviews with experts and officials up to the ranks of ministers

and ambassadors. In the end, it was a great honor to be recognized by the University for all my effort.

How do you wind off at the end of the day?

Sport has always been my passion since I was a child. I was a tennis coach during my time in high school and university and I still like to play, however, I end up in the gym after work. My mindfulness practice is also a great tool to unwind, relax, and focus attention on the important things. Moreover, I enjoy meeting up with friends for dinner. Tianjin, especially in the Wudadao area, currently has a lot of new and interesting restaurants to try. **B**

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Alexander Paul

*General Manager
Wanda Vista Tianjin*

Wanda Hotels & Resorts is pleased to announce the appointment of Mr Alexander Paul as General Manager of Wanda Vista Tianjin, effective from January 2019, starting his another journey at Wanda Hotels & Resorts. He will be fully in charge of the hotel's operations and management.

Alexander Paul is from Germany, with over 20 years of experience in the top-end food and beverage, and luxury hospitality industry. He has held numerous senior management positions in international hotel groups, such as Shangri-La, The Ritz-Carlton and Kempinski, with his footprints spread across Europe, the Middle East, America and Asia. Prior to this new appointment, Mr Alexander Paul was the General Manager of Wanda Reign on the Bund.

As a professional hotelier and mentor, Mr Alexander Paul is strongly focusing on guests' caring and innovative aspects of the business. We believe that under Mr Alexander Paul's leadership, Wanda Vista Tianjin will go further and create many success in Tianjin.

"I am honored to be entrusted with the role of General Manager at Wanda Vista Tianjin and proud to continue my career journey with such a professional and energetic team" said Alexander Paul. "I am confident that we have a talented group of associates in place to ensure uplifting experience for our guests and bring Wanda Vista Tianjin to new heights." **B**



Economic Outlook in 2019

By Elisabeth Dong

In 2018, China's growth slowed down to some extent and economy faced pressures. It was a year of internal and external challenges. In order to make assumptions about economic trends in 2019, it is necessary to briefly review the data from the year behind us.

GROSS DOMESTIC PRODUCT

The graph depicts China's GDP growth in 2017 and 2018 on quarterly basis in percentage terms. In the first quarter of 2017 GDP growth was 6.9% and downward slope in Q2 indicates decline to 6.8% by the beginning of the third quarter of 2017. There were no changes until the first quarter of 2018, when another

decline occurred and became even more severe, dropping the GDP growth rate to 6.5% by the third quarter of 2018. Data shown natural course of events, given the fact that in Q3 of 2018, frictions escalated between two trade giants - China and the US, and it is expected in 2019 due to trade war, Chinese GDP will continue its slow decline in 2019. According to the latest economic survey by Nikkei, China's GDP will drop to 6.2% in the current year.

FACTORS AFFECTING DECLINE IN GDP GROWTH

There are numerous reasons which led to decrease in the growth rate of Chinese GDP. One of the most influential factors behind the slowdown were frictions with USA, which resulted in increased tariffs on Chinese exports. Auto

industry was severely affected and that resulted in weak auto sales. Moreover, technology sector has lost its fast pace and China was accordingly affected as one of the world's top electronic devices exporter. For the first time in two years, China's manufacturing sector contracted in December 2018, signaling that it requires more policy support to deal with current trends in the world economy and growing pressures.

This contraction signals the loss of economic momentum and poses challenges for not only Chinese, but the world economy. In case trade war continues after the expiration of deadline on March 1th, 2019 even stronger negative economic effects can be expected. There is reasonable uncertainty whether China and US can overcome issues during the trade war ceasefire. Furthermore, trade war arose suspicions among international investors, who might be driven away from investing in China. But Government was prepared for that possibility and is trying to offset possible issues with Negative List reform, which arrived at the very end of 2018.

The graph depicts new export orders PMI in China for the period January 2017 - November 2018. There is an overall decline in 2018 in comparison to 2017, and the major decline started in July, 2018. Critical level which separates growth and contraction is 50 and after May, 2018, PMI remained under 50, indicating contraction throughout

China's GDP growth (year-on-year basis, in percent)



Source: National Bureau of Statistics, China

2019 经济展望

2018年，中国经济增长放缓，经济面临压力。这是内外并存的挑战。为了对2019年的经济趋势做出假设，有必要简要回顾一下我们背后的数据。

国内生产总值

该图表按百分比描述了中国2017年和2018年按季度增长的GDP增长率。2017年第一季度GDP增长率为6.9%。2018年第一季度出现另一次下降并且变得更加严重之后，直到2018年第三季度都没有变化，国内生产总值增长率下降到6.5%。因为在2018年第三季度，两个贸易巨头 - 中

国和美国之间的摩擦升级。由于贸易战，2019年中国GDP将在2019年继续缓慢下滑。根据日经指数最新的经济调查显示，中国今年的国内生产总值将降至6.2%。

2019年您能期待什么？

不可避免的是，中国将在2019年塑造亚洲的经济趋势，因为中国是大多数亚洲国家的主要贸易伙伴，因此可以预期该地区最大的经济力量和连锁反应。在2019年，预计增长仍将存在，但与2018年相比有所放缓，与美国的紧张关系将继续影响中国和其他亚洲经济体以及全球供应链。

New export orders PMI in China



Source: National Bureau of Statistics, China

the second half of 2018. Data for November and December show weakening exports and imports, which indicate softening global demand.

In addition to external pressures, internal China also had to deal with internal challenges. Weakened domestic demand was a major problem, given its combined effect with tariff increases. Therefore, China raised minimum threshold for personal income tax and cut corporate tax in order to stimulate consumption. Debt at local level was another issue, which Government tried to solve by cutting back spending on the infrastructure.

RECOVERY OF INFRASTRUCTURE AND PRIVATE INVESTMENTS

Relaxation of funding constraints on local governments are expected to

enhance infrastructure investments in 2019 and credit support is expected to help private sector to recover. The graph above depicts fixed asset investment by the private sector beginning in 2010 and ending in 2018. It seems that momentum gained in the end of 2017 begins to lose its strength. The introduction of "six stabilities" is expected to boost the growth, especially in finance sector. In 2019, China will maintain active fiscal policy and continue investing in transport, infrastructure, agriculture, energy conservation and technological R&D, which is expected to promote growth in infrastructure investments.

Furthermore, China released already mentioned Market Access Negative List on Christmas in 2018 aiming at making it easier for foreign investors to invest in China. The list was released

Fixed asset investment by the private sector



Source: CEIC, BNP Paribas Asset Management (Asia)

by the National Development and Reform Commission and the Ministry of Commerce. It is comprised of 151 items and 581 specific rules, down by 177 and 288, respectively, compared with the previous draft version, for investors' easier orientation. Industries that are not listed are available and open for investments worldwide.

WHAT TO EXPECT IN 2019?

Inevitably, China will shape economic trends in Asia in 2019, as the largest economic force of the region and ripple effects can be expected, because China is major trading partner to the most Asian countries. In 2019, it is expected that the growth will still be present, however, slower in comparison to 2018, and that tensions with the US will continue to affect Chinese and other Asian economies, as well as supply chains worldwide.

Chinese Government is determined in aiming for quality and stable development instead of quick expansion, which so far turned out to be successful policy for this country. It is expected that China will aim at inducing domestic demand in order to boost consumption, which is important factor in its GDP, given its vast domestic market.

However, it is also expected that China will deal with supply side as well, by implementing structural reforms, upgrading industries and introducing new business models, as well as attracting foreign investors. In addition, Chinese government will continue working on employment stabilization and finding ways to fight pollution. In conclusion, analysts predict that the economy will continue moderate growth in 2019, at the rate of 6.2%, which is only 0.3% less than in 2018. Accordingly, consumption is expected to stabilize in the current year. **B**

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The Hexi Corridor

Sedative Ancient China Triggers Your Curiosity

河西走廊 宁静的古老中国 激发你的好奇心

当您在中国寻找隐藏的旅游地点时，河西走廊因其历史重要性而成为最受欢迎的目的地。它被认为是汉代至元代唯一的西方通道。自过去几代以来，河西走廊在中华文明中发挥了巨大的作用。

河西走廊的位置

1000 公里的河西走廊始于兰州，位于陡峭的乌沙林山谷，走廊延伸至玉门，带您前往边境城市甘肃和新疆。

嘉峪关堡

没有参观过嘉峪关堡，任何河西走廊的旅游都将变得不完整。它拥有中国美丽山脉的壮丽景色。堡垒的目的是阻止任何入侵的军队，你仍然可以看到马车道的历史足迹。

附近还有嘉峪关博物馆，展出了许多展示此处具有历史意义的文物。

雅丹地质国家公园

雅丹地质国家公园是中国隐藏的旅游地点之一，沿着河西走廊向敦煌方向延伸约 398 平方公里，以其奇特的侵蚀景观而闻名。



famous Grottoes in China, and during 1987, it declared as World Cultural Heritage by UNESCO.

As of today, there are 492 grottoes and more than 2,800 sculptures and 45,000 square meter murals, which you can find here. By hiring **tour guides**, things would be easy for you, which will help you know more about this place, as they are well versed about the history and the role of this particular place in Tang dynasty.

Never miss the opportunity to explore the hidden library cave and the two big



YADAN NATIONAL PARK - THE NATURALLY BUILT PARK

Yadan National Park is one among the **hidden tourist spots in China**, spread about 398 square kilometers towards Dunhuang, along Hexi Corridor and famous for its weird and eroded landscape.

It has many strange rock formations, like animals, temples, pagodas, humanoids, etc., that together act as a backdrop to the park, and has got numerous photo stops to make your visit a delightful one.

The landscape around the park shall look way more dramatic, and you will definitely get a feel like you are standing at the edge of the Earth. If you are bored by the weekend, and looking for a getaway, then you should visit this park and spend some good time with Mother Nature.

Location: Yadan National Park is located 180 kilometers northwest of Dunhuang City.

How to reach there?: From Dunhuang city by minibus, or rickshaws can take you to the spot. You can put your option on rented bicycles, too.

ZHANGYE DANXIA NATIONAL PARK - THE RAINBOW MOUNTAINS:

The Zhangye Danxia National Park stretches along the Qilian Mountain in the western part of China, in Gansu province. It is the largest Danxia landscape in various landforms with fiery multicolor ridges converting the park into amazing visuals of rolling fire waves instrumental in crowing the mountain as the Rainbow Mountains. Because of the very reason, it has been selected as one of the top ten Geographical Wonders of the World, as per National Geographic.

If you are a photo enthusiast, then you will definitely love every minute you spend around this park. You can even explore more of the landscape, by reaching the top portion of the hills, through the precise carved wooden platforms and stairs carved at its best. The park is open all through the day, and you can make the best use of it, to spend some quality quiet time with your family members.

Location: Spread over 322 square kilometers, the Zhangye National Geo-Park is part of Linze and Sunnan counties in Gansu province.

How to reach here: The tourist spot has excellent connectivity by air, train, and road. The Zhangye airport is 15 kilometer from the city. By train, from Beijing will take 18-29 hours depending on the service.

Exploring the Hexi Corridor can let you experience the ancient Silk Route history, the only corridor used by traders to link China with the West. It was the citadel of Chinese civilization, and along the 1000 kilometers route, you can revisit many historically important locations, ethnic groups, archaeological reminiscent, exhibitions, and grottoes. The tour will let you dive deep into the mysterious land and incredible natural wonders.



When planning a trip to the low profile tourist destinations in China, it would be better to go with the **best tour operator** who can offer you economical tour packages, and tailor-made packages which can meet your tour preferences. **B**

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By Nikita Jaeger

When you are looking for a **hidden travel attraction in China**, Hexi Corridor can be a favorite destination, because of its historical importance. It was known to be the only western passage that linked in and out during the Han Dynasty to the Yuan Dynasty. Hexi corridor has played a phenomenal role in Chinese civilization since the past few generations.

Taking a trip to such places shall let you explore the historical relics, engage with ethnic groups and other archaeological discoveries that are known for portraying the culture and tradition of China. Reading further, you shall get to know more details about this mysterious land and the untapped wild beauties of this mystical world. Explore the **hidden beauty of the Hexi corridor** at least once in your lifetime, and carry with you lifelong memories.

Location of Hexi Corridor

The 1000 kilometers long Hexi Corridor starts from Lanzhou, which is on the valley of steep Wushaolin and the corridor extends to the Jade Gate, taking you to the border city of Gansu and Xinjiang.

Hexi corridor holidays shall always embalm you with memorable time, as it is famous for Silk Road Tours. It is the northwest granary and there are lots of natural resources and holds a treasure of cultural heritage. You can find a lot of relics of yesteryears, tempered by rough climates, lay like a chain of wonders. Let us explore the must-see destinations along the Hexi Corridor.

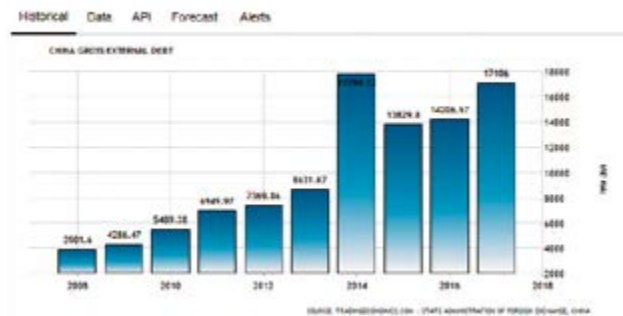
MOGAO GROTTOES - THE HIDDEN GEM

The Mogao Grottoes is known for holding important collections of Buddhist artifacts procured from all over the world. It is one of the three

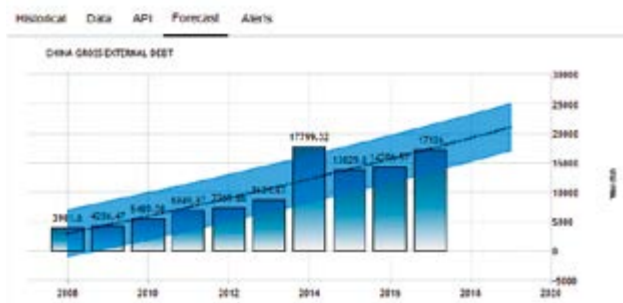
Controlling the Debt

By Sophie Adkins

As of recently, a report was placed before everyone's observation by the International Monetary Fund (IMF) that China could potentially be facing an impending financial crisis because of the pace at which the country is taking debts. As of a calculation in 2018 the total debt of China sums up to 17,106 Billion USD.



As per the trend, the only forecast that we see is the debt only going up in coming years, crossing almost 20,000 Billion USD.



The debt rate in China has enormously constructed to approximately 260% to 300% of the size of the GDP. This has raised questions regarding the potential financial scenarios that are looming in front of our site. There are people who have embossed arguments that the world faces imminent threats due to the rapid accumulation of the debt endorsed by the country rather than the actual debt rate. The soaring threats it can pose to the financial stability of China and

the potential outbursts that might embrace the world if the monstrous debt that encircles the country is not fixed, are to ponder upon.

Experience has shown that the countries who have garnered such increasing debts at this rapid rate have brought themselves at a place which has, most frequently, resulted in a crisis in their financial systems and eventually, an economic breakdown.

But the question that makes the world wonder is how the country's economic stability, in such a short amount of time, has come to shackles and why? Does it pose any threat to the financial situation of the country? And if so, then how is the state and the government trying to handle the situation? Is it even manageable?

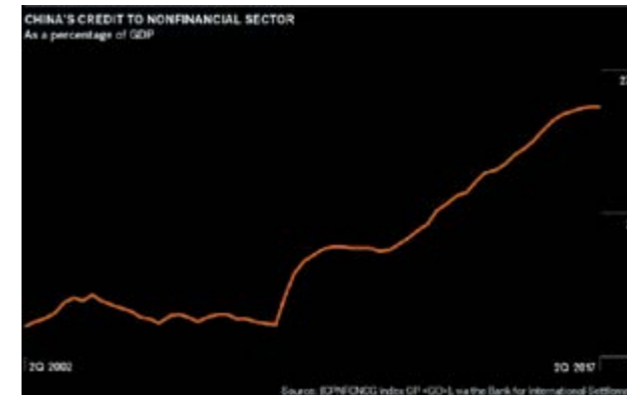
Breaking the debt situation in China, we find three main factors contributing to the source; household debt referring to the personal loans provided to the locals by the financial companies. It has raised the bar to 43% as of 2016, but it closely resembles the rate of other developing countries marking it relatively moderate.

Secondly, the government debt is the amount of money owed by the state government or the local government presiding over the country. This form of debt has risen dramatically due to higher accumulation by the local government at the time of financial crisis. Some policies permitted financial banking in state banks eventually resulting in an increase in the debt situation.

Lastly, corporate debt is the primary bank loan taken to help the financial situation incorporates. It is the main contributing factor to the gigantic debt that surrounds the country rising to a peak as high as 166.3% of the GDP.

WHAT ARE THE REASONS THAT OPENED THESE FACTORS UP?

The booming economic growth that brought the country to become the world's major superpowers was partly because of its investment in the industrializing sector. The domestic



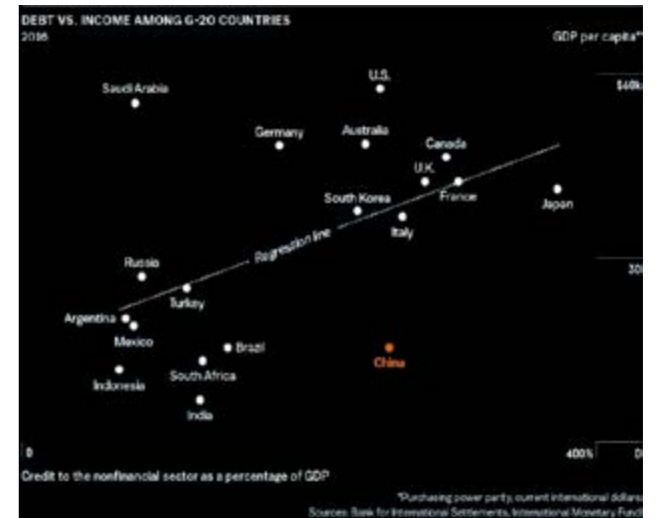
infrastructure that blossoms the cities of China and huge impacts made on the economy of the world by spending rather fondly on the global market, and such greater investments made overseas were a result of immersive loans and borrowed money that eventually paved the way for this crisis in the country's financial system.

China comprises a huge number of ghost cities that were supposed to accommodate the dreams of families moving to reside in the cities from the countryside. The cities were established before the financial crisis took upon China, as a result of spending hugely on the borrowed money swallowed by the country. These cities, however, are comparatively abandoned considering the number of families that currently populate the area. Only 10% of what was expected of the whole population lives in these ghost towns.

Shadow banking has greatly affected the situation that China currently resides in. Shadow banking refers to the kind of marketing and banking that is carried out under the traditional set of rules followed by local banks, but are refrained from the acts and regulations that otherwise embrace the traditional banks. This form of banking is set up in many developed countries due to its effective benefaction to that global economy, but it also serves a great disadvantage with its potential pursuit of directing the economy rates higher; it greatly offers a financial leverage and indirectly raising the ratio of debts in the local area.

Many Chinese companies have taken a huge amount of debts. These debts are taken in the local sector and shadowed the exhibition of their actual repayments to cover impending debts. This is done as a source to increase the economy of China and for the potential recognition in their promotion upon pressure from the various policies enforced by the government. As the worst outcome possible because of the accumulation of debts, but the following decline in earnings, analysts have referred to this being a heavy contributor scaling up to 2/3 of the resulting situation in China.

The state banks have transferred immediate loans to the local governments, under the authorization of the lead holding the country together, to fund the risky land and real estate properties. However, the expected yield was decreased, and the rain washed over the productive loans resulting in higher debt rate compared to the earnings.



This kind of debt, according to predictors, has contributed majorly to the financial crisis in China.

There has been a conspiracy regarding the trade war that it is a sponsor in the monstrous debt confining China. The government presiding over the United States of America believe that their increase in tariffs has lead China to its worst state possible and could direct them into a negative decline in their economic growth. However, China has been relying on the exports far less than it has been in the last decades. It might not change the fact that China currently has a higher debt rate than the US, but this trade war can impose various problems for both the parties providing more the very reason for China to retaliate with equal or more force.

China can empower their control on the US companies spread over across the country and make the economic situations rather difficult for the government of the United States indirectly. China can also increase their tariffs at a higher rate than the US, which could produce a relative shock to the US. Also, considering the fact that China has a lesser impact on their exports.

To cover up the financial crisis in China, the government has termed it manageable, discarding the various reports and threats that the debt could create for the country. They have taken over and have been exhibiting financial laws and monetary policies to reduce the leverage acquired by different SEO's (*Season Equity Offering*), previously initiated to increase the economic growth. Realizing the state's endurance in being burdened by the local government with the provincial loans, the government has issued policies to aid in reducing such impacts. The plummeting debt situation has come too far to be completely eradicated, but analysts say that if the tightening of such debt-controlled policies can be exhibited, the country may encounter a better outcome than it is facing today. **B**

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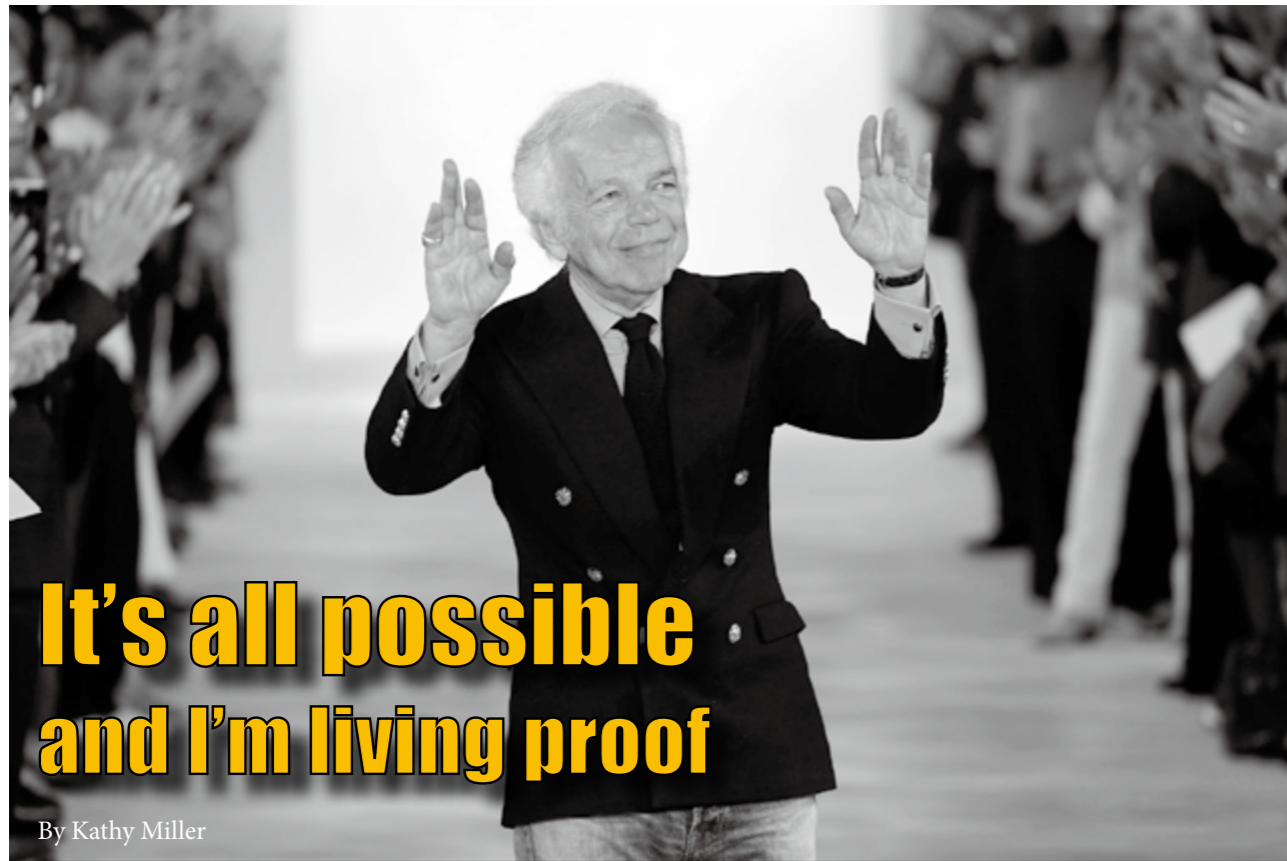
控制债务

截至最近，国际货币基金组织（IMF）已经提交了一份报告，在每个人都预测到中国可能面临即将发生的金融危机之前，分析了该国承担债务的速度。截至2018年的计算，中国的债务总额达到171.06千亿美元。

中国的债务率已经大大增加至GDP的约260%至300%。围绕如果该国的巨大债务没有得到解决，可能会使得整个世界的潜在危机爆发，这是需要进一步思考的。

蓬勃发展的经济使中国成为世界主要的超级大国，部分原因是它对工业化部门和中国城市的国内基础设施的投资。通过在全球市场上进行大规模的投资，对全球市场产生巨大影响。

暴跌的债务状况已经非常严重并且无法彻底根除，但分析人士表示，如果能够出现债务控制政策的收紧，中国可能会有比现在更好的结果。



**It's all possible
and I'm living proof**

By Kathy Miller

You have to create something from nothing

A philanthropist, business executive and famous fashion designer, who grew up in Bronx, had a huge dream about his future. As of 2018, *Forbes* estimates his wealth at \$7.2 billion, which makes him the 91st richest person in America. He is **Ralph Lauren**. He was born in Bronx, New York City, but by nationality he is Jewish. When he turned sixteen, his last name Lifshitz was changed to Lauren. The reason for this change was the fact that he was being teased by other children in school.

I AM NOT DESIGNING CLOTHES, I'M CREATING A WORLD

While he was working for Beau Brummel in 1967, Ralph began designing his own men's neckties with a wider cut, branding them under the name **Polo**. Only one year later, he created a full menswear line, and soon enough he began creating women's line too.

Soon after that, his lines were sold in the department store Bloomingdale's in Manhattan. Until then, Bloomingdale's has never given a designer their own in-store boutique. The clothes that he was creating were a mix of English and American style, which was worn by the upper class. Since his brand was rapidly growing, beside neckties and underwear, his company started creating many different products such as apparel, accessories, home furnishing and other licensed product categories.

EVERY TEAM HAS ITS COLOR - POLO HAS SEVENTEEN

Ralph Lauren's brand *Polo* was growing rapidly, which meant that he had to keep up with new trends that were famous at the time. In 1972, Lauren released a short-sleeve cotton shirt in 24 colors. One of the most famous tennis pro players of that time was **René Lacoste**, who wore this shirt during

his match, automatically becoming the brand's signature look. Beside sport players, his collection was worn in many movies, such as *The Great Gatsby* (1974), starring Robert Redford and Mia Farrow. He also received credit for helping to outfit the cast of *The Wild Party* (1975), starring James Coco and Raquel Welch.



一切皆有可能，我就是证明 你必须从无到有地创造

他把一个单一的时装品牌变现成一个价值 75 亿美元的多品牌产业，被称为“美国梦的销售者和奠基人”。他就是拉尔夫·劳伦 (Ralph Lauren)。拉尔夫·劳伦出生在纽约市的布朗克斯，但是按国籍他是犹太人。12 岁时他就开始打工赚钱买衣服。上中学时，拉尔夫·劳伦立志将来要成为百万富翁，他只读了两年大学，后来进入美国陆军服役。退伍后，拉尔夫·劳伦找了一份推销员的工作。1967 年，他得到了一个设计领带的机会，劳伦开始贩售自己设计的领带，并以“POLO”为商标。次年，拉尔夫·劳伦开始进军时装界，他的设计很快得到了市场的认可。1972 年，拉尔夫·劳伦发表了 POLO 著名的网格短袖衬衫，共 24 色，很快就成为经典款。1997 年，POLO RALPH LAUREN 在纽约证券交易所上市。2012 年，拉尔夫·劳伦为美国伦敦奥运代表团设计了官方制服。在所有时尚品牌中，没有谁能比拉尔夫·劳伦更能代表美国。因此，也没有任何一个品牌身上像拉尔夫·劳伦那样与生俱来带着鲜明的标签。本期我们总结了拉尔夫·劳伦所代表的一系列奋斗精神，或许可以帮助你更好地理解为什么这个品牌是如此的成功。



"I HATE WHEN PEOPLE CALL ME PHILANTHROPIC BECAUSE I SEE IT AS MORE COMING FROM THE HEART"

Since he started designing clothes, Ralph Lauren has been part of many charities, volunteering programs and educational programs. In 2014, the Ralph Lauren partnered with the **Royal Marsden**, the largest cancer center in Europe, to develop a world-class breast cancer facility. They opened the Royal Marsden Ralph Lauren Center for Breast Cancer Research in 2016.

In 2000, he launched **Volunteer program** for his own employees, and the point of it was to energize employees and create meaningful connections with the communities in which they work.

Also, in 2004, **The Polo Fashion school** was established, in which company executives work with inner-city youth to offer insights into the fashion business.

STEPPING ASIDE AS CHIEF EXECUTIVE

In the 1980s and 1990s, Polo was expanding quickly, both in the United States and abroad. Goldman Sachs purchased more than a quarter of Lauren's company in the mid-90s, so Polo Ralph Lauren went public on **June 11th, 1997**, trading under the symbol RL. In October 2015, Lauren's company has earned a fortune, which is estimated at more than \$6 billion, ranking him among the 200 richest people in the world. In 2015, Lauren has stepped aside, and the role of Chief

Executive was given to Stefan Larsson. Lauren took on the role of executive chairman and chief creative officer of the company he founded.

I DON'T DESIGN CLOTHES, I DESIGN DREAMS

Many people give up on their dreams, which has become apparent nowadays. The reasons are countless, the money, the time, the lack of eagerness, the lack of patience, etc. Ralph Lauren is one of those people that didn't.

Over the years, many people asked him, how did he do it? How much time did he need to actually live his own dream? How many times has he heard **no** before hearing that first **yes**? He started off as one of the four children in his rather well-off family and today, he is one of the most famous and appreciated people on this planet.

He had a dream to become successful, to build an empire, to share his view on fashion with millions of people, and he did it. And whenever someone asks him "How can a Jewish kid from the Bronx do preppy clothes? Does it have to do with class and money?" his answer is "It has to do with dreams." **E**



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Negative List Reform

负面清单改革

中国继续向外国投资者开放市场，并在2018年12月25日又做了一个非常重要的决策，国家发展和改革委员会（NDRC）对负面清单进行了改革。最新的负面清单是在中国经济改革和自由化40周年之际发布的，可以表明中国愿意持续向外国投资者开放市场。

该文件实质上是一种制度创新，旨在超越当地法规并应用于整个国家，与之前仅限于某些领域的清单相比。负面清单旨在进一步简化并使其更容易在中国投资。它详细说明哪些部门受到限制或无法进行投资。该措施旨在为所有相关方标准化规则。

对于有意投资于受限市场的公司和投资者，负面清单总结了重要程序，标准和必要的准则，以便获准进入所需市场。然而，在当前和未来几年中，法规将如何实践以及外国人如何应对行业特定的法律法规仍有待观察。但政府最近的努力使外国投资者对中国投资更具吸引力。

By Diane Grant

China continues to open up its market to foreign investors and it made another very important step on the 25th of December, 2018, when a reform of Negative List was created by the National Development and Reform Commission (NDRC). The latest Negative List was released on the 40th anniversary of China's economic reform and liberalization, and can be considered as demonstrating China's sustained willingness to gradually open up its market to foreign investors.

This document is in essence an institutional innovation, which is meant to override local regulations and to be applied across the entire country, in comparison to the previous list which was limited to certain areas. Negative list is meant to further simplify and make it easier to invest in China. It elaborates which sectors are restricted or unavailable for investment. This measure is intended as a

step to standardize rules for all interested parties.

According to the 83 pages long document, there are 151 sectors listed. Four of them are prohibited and they are focused on the following: the illegal financing, harmful internet activities, industries where Chinese law prohibits the participation and projects explicitly banned under the Catalogue for Guiding Industry Restructuring. Analysts assume that prohibition list was updated as a government's response to scandals in 2018, where peer-to-peer internet platforms were involved as well as illegal financial activities.

There are 18 sectors that require approval of the Government, including agriculture, construction, transportation, utilities, whole and retail trade, warehousing and postal services, financial, accommodation, information technology and software,

environmental, education, scientific research, health and social work, sport, culture and entertainment industries. Industries which are not listed are open to all investors. However, they will be under government's supervision.

In addition to sectors, there are also 581 rules that are also listed in the updated version of the negative list. It is important to note that prohibited sectors that have been removed from the Negative List, are not necessarily sectors that are now entirely open to foreign investment without restrictions. Perfect example of that is film production which is removed from the Negative List. Despite that, there are industry specific regulations that are still enforced. Foreign investors are not allowed to produce films themselves and they must be granted approval to do so with in cooperation with a Chinese partner.

THE HISTORY OF THE NEGATIVE LIST

Trading partners of China complained that China is free to invest in their countries, but not vice versa. Therefore, China tried to show that it welcomes global investors, and in 2013 it allowed Shanghai to open the country's first free-trade zone. But the free trade zone did not attract foreign funds as expected due to of rigid restrictions and a complex approval processes.

Realizing what undermined the potential of free trade zone, China published its Negative List, which is a list of industry sectors in which foreign investment is either restricted



or prohibited. Restrictions revolve around shareholding limitations and requirements regarding the component of high-ranking executives.

The first version of the List was published in 2016. This version applied in four provincial regions including: Shanghai, Guangdong, Tianjin and Fujian, with free trade zones and it was on trial basis. In 2017, the list encompassed another 15 provinces and cities.

According to the words of the director of Economics System Reform at National Development and Reform Commission, Xu Shanchang, the latest List, published on Christmas in 2018, is different from the list issued by the Ministry of Commerce in June last year. In comparison, previous version of the Negative List had 177 more items and 288 more rules, which makes the new list significantly reduced.

However, certain things remained unchanged from earlier lists on sectors closed to private and foreign firms. For example, the processing and distribution of edible salt is one of the industries where no changes were made. Furthermore, in vehicle manufacturing and finance, the involvement of foreign businesses remains under lengthy and convoluted approval process, although the government recently rose the cap on how much of a joint venture with a local Chinese partner a foreign investor can now own.

CONCLUSION

The release of the new, updated List enhances the influence of the market in resource allocation, while at the same time enabling more stable and transparent environment for everyone. This new Negative List aims at encouraging investors, especially foreign ones, to carefully study new items and rules, which should help them decide whether investing in China is viable business decision.

For companies and investors that are interested in investing into restricted markets, negative list sums up important procedures, standards and necessary approvals in order to be granted access to desired market. However, it remains to be seen in the current and upcoming years how things will go in practice and how foreigners will cope with industry specific laws and regulations. The latest efforts by the government in making it more attractive for foreign investors to invest in China clearly demonstrate their willingness to make the treatment for foreign and domestic firms be more fair. **E**



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Tips for protecting your IP in China and South-East Asia

保护你的 IP 的贴士 在中国和东南亚

中国和大多数东南亚国家最近在建立更强大的知识产权保护制度和使其现有知识产权法符合或接近国际标准方面做出了相当大的努力。但是，假冒，商标侵权和其他侵犯知识产权的行为仍然是中国和东南亚地区的主要问题之一。当欧洲中小企业进入这些市场时，需要注意一些关键点，以确保其知识产权得到有效保护。

知识产权法是地域性的，注册您的知识产权

欧洲中小企业应该意识到知识产权法具有地域性（这适用于东南亚和中国），这意味着知识产权只能在有效的国内注册后强制执行。计划进入东南亚和中国市场的中小企业面临着何时注册其商标，专利或外观设计的问题。答案是，一旦公司考虑将其销售和活动国际化，他们应该采取措施在目的地国家注册其商标和其他知识产权。获取相关信息并采取预先行动是有效保护的关键。

China and the majority of South-East Asian countries have recently shown considerable efforts in creating stronger intellectual property rights (IPR) protection systems, and in bringing their existing intellectual property laws in line with, or closer to, international standards. However, counterfeiting, trade mark infringements, and other IPR infringements, remain one of the major issues both in China and in the South-East Asian region. When European SMEs enter these markets, there are some key points they need to look out for in order to ensure their IPR is effectively protected.

IP LAWS ARE TERRITORIAL, REGISTER YOUR IP

European SMEs should be aware that IP laws are territorial (and this applies in both South-East Asia and China), meaning that IPR are only enforceable upon valid domestic registration. SMEs planning to enter the South-East Asian and Chinese markets are faced with the question of when to register their trade mark, patents or designs. The answer is as soon as a company considers internationalizing its sales and activities, they should take steps to register their trade marks and other IPs in the countries of destination. Obtaining the relevant information and taking advance action is the key to effective protection.

TRADE MARKS ARE GRANTED UNDER 'FIRST-TO-FILE SYSTEM'

The key point is that trade mark regimes in China and South-East Asia generally use a 'first-to-file' system, meaning that the first person to file for trade mark registration in China or South-East Asian countries will own that right in the country once the registration is granted, irrespective of 'first use'. Few exceptions on the protection of unregistered trade marks are possible for Malaysia and Singapore, however, registrations are always recommended. Thus, if an owner does not apply for protection on time, others may do so first and subsequently reap the benefits – free-riding the reputation of another's brand or registering a trade mark in 'bad-faith' in order to sell it back to, or even sue the rightful owner. Registering in 'bad faith' with the intention of making money from it is one of the main causes of IPR infringements in China, Indonesia and Thailand.

In the case of 'trade mark hijacking' (someone registered the SME's trade mark first), SMEs may consider buying back the trade mark. Generally, using a locally based lawyer may allow the SME to buy it back cheaper than by going directly to the seller themselves, because such lawyers can combine the negotiation with administrative filings based on local practice.

GET A LOCAL NAME FOR YOUR TRADE MARK

Additionally, a business should consider how its trade mark would translate into local languages. The registration of a trade mark in original Roman characters does not automatically protect the trade mark against the use or registration of the same or similar trade mark written in local scripts. If a local equivalent is not chosen, consumers will almost certainly choose their own, which might affect the reputation of the company. Choosing a Chinese trade mark equivalent is particularly important because not only the meaning, but also the sound, tone and even look of the Chinese characters chosen for a trade mark name can affect the brand's reputation. If this local name is not registered, companies also run the risk of another company freely copying, or registering the local trade mark themselves. In particular, in South-East Asian countries SMEs are highly advised to register their trade marks in local script version such as Vietnamese, Tamil, Thai, Lao, Burmese or Khmer.

IT IS HIGHLY RECOMMENDED TO REGISTER A COPYRIGHT

Although copyright is an automatic right established upon creation, China and most of South-East Asian countries, allow a voluntarily recordal of copyright. This can provide useful proof of ownership in settling disputes efficiently. Registering a copyright is not expensive, averaging approximately EUR 30, and most IPR enforcement authorities require local copyright registration to start handling company's IPR infringement cases. European SMEs are recommended to register their valuable assets as copyrights. Furthermore, a registered copyright can be useful for backing-up other IPR in enforcement cases. For instance, a business can generally protect its logo under both copyright and trade mark law, or defend an innovative packaging design via a registered design and copyright. To know more on local

practice to protect IP, EU SMEs can contact the China and the South-East Asia IPR SME Helpdesk at question@china-iprhelpdesk.eu and question@southeastasia-iprhelpdesk.eu

Generally, foreign SMEs will need to use a local agent to complete copyright registrations, if they do not have a legal presence or residence in the country where they intend to register their copyright.

NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENTS ARE ESSENTIAL TO PROTECT TRADE SECRETS

How can EU SMEs protect their technical information in China and South-East Asia? China and most of the South-East Asian countries provide a legal framework for the protection of trade secrets, and the laws generally provide for remedies in the event that trade secrets are unlawfully disclosed. However, in order to deal with trade secret infringement cases, SMEs must be able to prove, that an obligation of confidence was clearly stated during their business arrangements with third parties. Non-disclosure and confidentiality agreements can help SMEs ensure that measures have been taken to preserve secrecy. Employees can be contractually bound to confidentiality, and creations made by employees in the course of business can be duly assigned to the employer. Such clauses protect the company's existing and future IP and ensures that the company maintains IP rights to an employee's work product created for the company.





In China, as well as in most South-East Asian countries, trade secrets are granted protection as long as they are kept secret. However, note that in Thailand, even though trade secrets are automatically protected under Thai law without registration (under specific criteria), recordal with the Thai Department of Intellectual property could be advantageous, as it can be used as fundamental evidence in the instance of legal disputes.

PATENTS FUNCTION UNDER FIRST-TO-FILE AND ABSOLUTE NOVELTY SYSTEM

A Europe-registered patent has no automatic legal effect in China and South-East Asia. It is crucial to apply for patent protection in China and South-East Asia for each and every innovation, even if the launch of the product in the international market is not yet scheduled. European SMEs should remember that most countries operate an “absolute novelty” (innovation is not known anywhere) and ‘first-to-file’ IP system. The confidentiality of a new invention should, therefore, be maintained as long as possible, until a patent application date has been obtained. SMEs may consider taking advantage of the protection under the

Patent Cooperation Treaty (PCT) to seek patent protection for an invention simultaneously in several countries, by filing a single “international” patent application instead of filing several separate national applications. China is a contracting state of the PCT as well as the majority of the countries in South-East Asia, except Cambodia and Myanmar.

BE ACTIVE IN ENFORCING YOUR RIGHTS

Entering a new market and protecting IPRs also means being ready to enforce or defend rights, in order to ensure that business objectives are met and, therefore, a budget planning for enforcement is key. In most cases, when European SMEs identify infringement, they should actively enforce their rights. If SMEs manage to build a reputation for ‘being litigious’ then companies will be less likely to infringe their rights in the future. The resources required to achieve such a reputation depend on the extent of the infringement.

Strategy is highly important when enforcing IP rights in China and in South-East Asia, as IP enforcement is still undeveloped in many countries. Multiple avenues of IP enforcement are

generally available in both China and the majority of countries in South-East Asia. In China, administrative action may be advisable over civil litigation or criminal prosecution. Administrative enforcement is filed before specialized administrations and is generally fast, cheap and reasonably efficient. Companies can obtain confiscation and/or destruction of the infringing goods as well as fines, but no damages are awarded. At the same time, in certain South-East Asian countries, like Malaysia and Thailand, criminal actions are more effective at ending infringement because civil actions are lengthy and entail only negligible fines. It is advisable to seek professional advice, when trying to create the most cost effective IP enforcement strategy.

SMEs should also bear in mind that no matter which enforcement route they take, they will need to prepare and collect proper evidence to prove their ownership of IPR in respective countries (this is why IP registration in advance is very important) or that their IP right has been infringed by a third party. This means that European SMEs should be prepared to collect evidence and proactively work closely with the authorities in the enforcement process. **E**

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The China and South-East Asia IPR SME Helpdesks are European Union co-funded projects that provide European SMEs with free, practical, business advice relating to IPR in China (including Hong Kong, Macao and Taiwan) and South-East Asia. To learn about any aspect of intellectual property rights in China or South-East Asia, including protecting your copyrights in the creative sector, visit our online portal at <http://www.ipr-hub.eu/>. For free expert advice on China and South-East Asia IPR for your business, e-mail your questions to: question@china-iprhelpdesk.eu and question@southeastasia-iprhelpdesk.eu. You will receive a reply from one of the Helpdesk experts within three working days.

40%

In a cryptocurrency-related survey by PANews among 4,200 Chinese respondents, 40% of them are willing to invest in crypto in the future. About 22.2% of the respondents were well aware of the concept of blockchain-powered tokens.



79%

For 2019, about 79% of China advertisers intend to increase their digital marketing spending by an average of 20%, higher by 2% in 2019. Majority of the advertisers will focus on mobile advertising on social media platforms and video platforms.



2.5 Million

The number of live births nationwide in 2018 fell by 2.5 million year-on-year, contrary to a predicted increase of 790,000 births, according to analysis by US-based academic, Yi Fuxian. The downward trend is caused by a decrease in the number of women of childbearing age and reluctance of couples to have children due to rising education, health and housing costs.



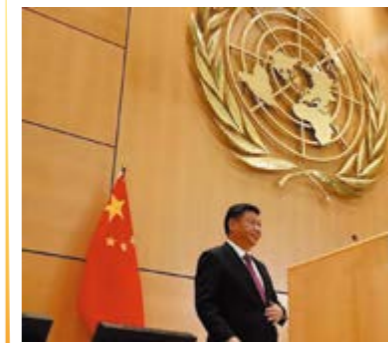
2.9 Million

A total of 2.9 million Chinese students took the 2019 entrance exam for postgraduate studies, the highest number in the past 40 years. Nearly half of those taking the exams finished their undergraduate degree, while the other half are expected to graduate in 2019.



12.01%

China becomes the second largest financial contributor to the United Nation's regular budget, with a 12.01% increase for the 2019 to 2021 period.



¥ 76 Billion

China is Ireland's the third largest destination market for agri-food exports, with estimated ¥ 76 Billion worth of exports in 2017. By the end of 2018, Irish beef exports were at 260 tonnes or ¥ 3.3 Million. An average Chinese now consumes 4kg of beef per person per year.



35,246 meters

According to the Council on Tall Buildings and Urban Habitat, China recorded the highest number of skyscrapers completed in 2018, with 143 buildings constructed that are at 200 meters or 660 feet. Total height of those buildings are measured at 35,246 meters.



10 Million

An experimental tower built in Xian, in Shaanxi province, has managed to produce more than 10 Million cubic meters of clean air a day, since its launch, reducing the smog close to moderate levels over an area of more than three square miles in the past few months.



1,100 kilovolts

The State Grid Corp. of China has started constructing the world's longest and most powerful ultra-high voltage power line stretching 3,293 kilometers (2,046 miles) from Changji to Guquan. Referred to as the Power Silk Road, it aims to transmit 12 gigawatts of power.



The Fastest Adopting & Most E-Savvy People

By Rose Salas

Today's modern living paved the way for the innovation of so many highly-improved gadgets. Technology is undeniably the gateway of success to many people, not only in the development of many jobs, but moreover, in the entrepreneurial area. Everyone nowadays get to live with mobile phones as a necessity; something one can't live without.

More than the practical know-how of technology that is present nowadays, China is second to none in global retailing business. Brands all over the world are persistent in targeting our younger generations, because they believe that they are more sophisticated in terms of quality, taste and product expectations. In this regard, we've been tagged as the fastest adopting and most e-savvy people in the world. Here's why:

- **Increasing number of luxury good consumers**

The world recognized us as one of the top countries who has the most affluent households in the world. In a global luxury spending survey, Chinese consumers have a proven track record as the largest contributors to have purchased luxury goods both here and abroad. From flight bookings, hotel reservations, and online purchases and after



sale support-consumers are very savvy using international apps and sales platforms to communicate to vendors. Unlike in the past, consumers think twice of purchasing goods online from abroad due to language barrier. But with technological enhancements, communication became more adaptable and easier for us.

- **Smart and tech-savvy youth or "millennials"**

The knowledge and wisdom acquired through education

allowed even the youngest of this generation to be curious about the world. To become competitive and the best among their field, advancing their knowledge in technology makes them believe that this is an edge among their peers. As a result, mobile phone has become a daily must-have in any lifestyle. Computer applications and software, that used to be complicated before, became just as facile as playing a mobile game! They are always up to what is trendy.

最快适应电子时代的新新人类

技术无疑是许多人成功的途径，不仅是对于工作的发展，还是在创业领域。

作为现代消费者，我们现在更愿意体验优质商品和服务。我们喜欢旅行，了解世界上其他地方的人正在享受什么。

更值得注意的是，我们如何利用创新来改善我们的生活方式。激情成为我们坚持不懈的决心。我们不怕挑战并抓住每个机会。我们都喜欢使用与互联网相关的移动产品和服务。我们的手机和电脑成为我们的日常合作伙伴。我们希望生活更轻松，方便，因此我们可以与家人共度更多美好的时光。实现这一目标的一个更好的方法是考虑提供发展什么样的技术。我们通过生活在当下并学习过去的经验来建设我们的未来。难怪来自世界各地的人们认为我们是当今最快适应电子时代的消费者！



- **Consumers are drawn to social media influence**

Social media addiction became one of the biggest factors in studying the mobile-first consumer behaviour of people. E-Commerce success is a big thing! Why so many global brands became very interested in this trend is because of the online business platforms and models made available for overseas sellers. Social engagement and interaction came forward in the digital experience. There are online communities sprouting through different networks and people are drawn to join them to enhance their passion and interest. KOLs are almost equal to big celebrities. They are now shaping

the future of Ecommerce by influencing the majority to follow them and sometimes, copy their lifestyle. As a result, consumers are becoming more e-savvy, because they are incorporating their lifestyle based on technology.

- **China is the most dynamic retail market in the world**

With our population and its increasing purchasing trend of around 400 million millennials, the future of E-commerce is said to be happening here now. By 2020, it is projected to have an increase of 25% growth in online selling. Thus, more and more applications will be enhanced and developed to sustain the growing needs of everyone.



Almost everything can be done now in a simple click from smart phones. No one is left behind, because even in the simplest of households, our grandmothers can smartly operate a mobile phone to communicate with their long-distance family members, or even post their Moments in WeChat! Navigation of lifestyle, financial and e-commerce apps will be way easier as time goes by. Content-driven marketing will be the on-going trend here so people are expected to adapt more and more to the norm.

As modern consumers, we are now more open to experiencing premium goods and services. We are now adopting new trends where we go beyond the basic needs and take R and R (Rewards and Recognition) for our hard works. We love to travel and see what other parts of the world have and enjoy. We take advantage of the innovation and climb up the ladder to reach new heights.

What's more interesting to take note of is how we all embrace newness and innovations to improve our way of life. Passion becomes our determination to persevere. We are not afraid to take challenges and take chances in every opportunity. We all love internet-related and mobile-based products and services. Our mobile phones and computers become our daily partners. We want life easier, convenient, and suitable so we can spend more quality time with families. One better way to achieve this is to consider what technology has to offer. We build our future by living in the present and learning from the past. No wonder people from around the globe see us as the fastest adopting or e-savvy consumers of today! **E**

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Individual Income Tax Rules

Changes Relevant to Foreign Individuals



Edmund Yang
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The promulgation of the new PRC Individual Income Tax ('IIT') Law and its implementation rules signifies a shift towards a new IIT regime. To foreign individuals working in China, it is important for them to understand some of the changes and requirements.

One major fundamental change is the definition of a China tax resident.

Under the new IIT Law, individuals without domicile in China are considered China tax residents once they have resided 183 days in China during the calendar year concerned. This new definition of China tax resident is also adopted for the new '6-year' rule. Unlike the old '5-year' rule requiring non-China domiciled individuals to spend more than 30 consecutive days, or 90 days in total, outside China to

restart the 5-year count, non-China domiciled individuals can now restart the 6-year count by spending more than 30 consecutive days outside China during a calendar year, before reaching the 6-year threshold.

Moreover, under the new '6-year' rule, non-China domiciled individuals would not be subject to IIT on their worldwide income providing they have

个人所得税规则与外国人有关的变化

新的中国个人所得税（“IIT”）法及其实施规则的颁布标志着向新的个人所得税制度的转变。对在中国工作的外国人来说，了解一些变化和要求对他们来说很重要。

一个主要的根本变化是中国税务居民的定义。根据新的个人所得税法，在中国没有固定住所的个人在中国居住 183 天后，被视为中国税务居民。新的“6 年”规则也采用了中国税务居民的这一新定义。

此外，根据新的“6 年”规定，非中国居住的个人在全球收入中不会受到 IIT 的限制，前提是他们连续六年没有在中国居住 183 天或更长时间，而且他们已经完成了所需的记录备案。关于延长五年至六年的问题，中国国家税务总局（“SAT”）需要进一步澄清如何完成备案要求以及如何对 2019 年之前的一年进行分类累积的问题。

not resided 183 days or more in China for six consecutive years, plus they have completed the required record filing with the in-charge tax bureau. In connection with the extension from five years to six years, further clarification from the PRC State Administration of Taxation ('SAT') is required on questions such as how to complete the record filing requirement, and how to classify a year prior to 2019 with accumulated absence of 90 days under the old '5-year' rule.

Besides being a China tax resident may impact a non-China domiciled individual's IIT liability on his or her worldwide income, there are other implications as well. For those who are China tax residents, their employers should use the following new accumulated method for calculating the monthly IIT withholding amount.

Monthly IIT withholding amount = (Accumulative taxable amount* x



Withholding tax rate – Quick deduction factor) – Accumulative tax credit – Accumulative tax withheld

*Accumulative taxable amount = Accumulative income – Accumulative tax exempted income – Accumulative standard basic deduction – Accumulative specific deductions – Accumulative specific additional deductions – Accumulative other deductions

Specific deductions refer to statutory social security and housing fund contributions, whereas other deductions include deductible items pro-

vided by various IIT regulations, such as commercial health insurance eligible for IIT incentive, employee contributions to corporate annuity, and commercial endowment insurance eligible for IIT deferral treatment, etc...

Under the new IIT Law, standard basic deduction has been increased to RMB60,000 per year (i.e., RMB5,000 per month). In addition, employment income is now grouped under comprehensive income together with remuneration for labor services, manuscripts and royalty income, subject to the IIT rates table below.

Accumulative taxable income (RMB)	Tax rate	Quick deduction factor (RMB)
0 – 36,000	3%	0
>36,000 – 144,000	10%	2,520
>144,000 – 300,000	20%	16,920
>300,000 – 420,000	25%	31,920
>420,000 – 660,000	30%	52,920
>660,000 – 960,000	35%	85,920
>960,000	45%	181,920



With the introduction of the new accumulated method, individuals may need to manage their cash flow for minimizing the financial impact from the increasing amount of monthly tax withheld. However, this new method is not applicable to non-residents (non-China domiciled individuals who have not resided 183 days or more in China during the tax year concerned). The IIT withholding of non-residents' income should be calculated by types and by items on a monthly or transaction basis, in accordance with the new IIT Law and using the monthly tax rates table applicable to comprehensive income.

For those foreign nationals who have been enjoying the non-taxable benefits (i.e., child education, housing, language training, home leave, relocation, meals and laundry) provided

by the preferential tax policy, they can continue to enjoy these non-taxable benefits for 3 more years during the transition period of 2019 to 2021.

Alternatively, foreign nationals who qualify as residents may choose to claim the specific additional deductions (i.e., child education, continuing education, major medical expense, mortgage interest, rental expense and elderly care) instead of the non-taxable benefits. This selection between non-taxable benefits and specific additional deductions cannot be changed during the same tax year.

Furthermore, foreign nationals, who qualify as residents, can enjoy the preferential tax treatments applicable to annual bonus and employee equity incentive plan income from listed com-

panies during the transition period of 2019-2021. For those who cannot enjoy the preferential tax treatments, these two income items should be taxed together with the other monthly employment income.

According to the new IIT Law and implementation rules, annual reconciliation filing should be completed between March 1st and June 30th of the following year for the following situations:

- individual with comprehensive income from more than one source and the annual taxable amount exceeds RMB60,000
- individual with other comprehensive income, besides employment income, and the annual taxable amount exceeds RMB60,000

Taxpayer	Taxpayer identification number	Valid document of identification
Chinese national	Identity card number	PRC resident identity card
Overseas Chinese with no PRC resident identity card	Taxpayer identification number assigned by the tax authority	PRC passport and certificate of overseas Chinese
Hong Kong and Macau resident		Mainland travel document for Hong Kong and Macau residents or PRC resident permit for Hong Kong and Macau residents
Taiwan resident		Mainland travel document for Taiwan residents or PRC resident permit for Taiwan residents
Foreign national (with permanent resident card)		PRC permanent resident card for foreigners and foreign passport
Foreign national (with work permit)		PRC work permit for foreigners and foreign passport
Foreign national		Foreign passport

- individual with tax payable for the tax year below the amount of tax withheld
- individual applying for tax refund (e.g., tax refund due to claim of major medical expense addition deduction).

In addition to annual reconciliation filing, individual tax filing is required for the following situations as well:

- Individual with business operation income (annual filing due date is March 31st of the subsequent year)
- Individual with taxable income to which the tax withholding agent has not withheld the IIT payable (annual filing due date is March 1st and June 30th of the subsequent year)
- Individual with overseas income (annual filing due date is March 1st and June 30th of the subsequent year)
- Tax filing for cancelation of China household registration for individual who has immigrated overseas (before cancelation of China household registration)

- Non-resident with employment income from more than one source within China (monthly filing due date is 15th of the subsequent month, annual filing due date is June 30th of the subsequent year, or before departure from China, whichever is earlier).

Henceforth, individual who only has taxable employment income and the IIT payable thereon has been fully settled through his/her employer's monthly tax withholdings are not required to perform the annual reconciliation filing.

Another important point is each individual taxpayer has one unique taxpayer identification number for handling all his/her tax related matters. The following table sets out the taxpayer identification number for different types of individual taxpayers.

To properly assess the IIT implications and filing obligation, as well as optimal utilization of the available deductions and preferential treatments, taxpayers and their withholding agents need to have a good understanding of the

new IIT Law and its implementation rules. For example, the differences in withholding and filing requirements, plus tax treatments, applicable to non-China domiciled individuals who are China tax residents versus those who are non-China tax residents.

While the introduction of unique taxpayer identification number is an enhancement to the tax authority's administration and enforcement abilities, it also may increase the risk exposure of non-tax compliance.

Although the documents released by the SAT so far have provided details to the implementation of the new IIT Law and its implementation rules, there are still uncertainties which require further clarification from the SAT. For those who have questions on the new changes, it would be advisable to do some research, and/or seek guidance from tax professional. **B**

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New Draft of Foreign Investment Law



Manuel Torres
(Managing Partner of Garrigues China)



外国投资法新草案

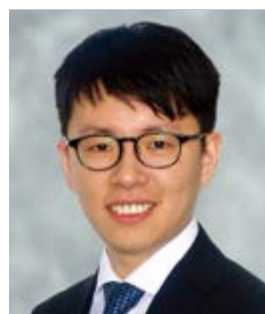
2018年12月26日，中国全国人民代表大会发布了外国投资法草案，征求公众意见。在其他变化中，我们想强调新草案中的以下新发展：

1. 外国投资的新定义

根据新草案，“外国投资”是指外国投资者在新项目，或增加在中国大陆的投资，或收购股份，股权，财产股，或中国内地企业通过兼并或收购的其他类似权益。与此同时，新草案还授权国务院进一步表明其他形式的外国投资。

2. 促进和保护外国投资

新草案强调了在中国经营的外国投资者的平等待遇，并禁止行政当局或其官员要求的强制性技术转让。它还表明，地方政府必须遵守外国投资者的承诺，并依法尊重与外国投资者的投资协议。



Dun Zhang
(Senior Associate)

On December 26th, 2018, the National People's Congress (“NPC”) of China published the draft **Foreign Investment Law** (“**New Draft**”), seeking for public opinions. This draft is considered as an updated version based on a draft made by China's Ministry of Commerce, which was published four years ago (“**MOFCOM Draft**”)¹.

Notably, comparing to the MOFCOM Draft, the scale of the New Draft shrinks significantly from 170 articles to 39 articles, with certain aspects removed from the scope of the law, and various detailed implementation rules replaced by more generic articles.

Among other changes, we would like to highlight the following new developments in the New Draft:

1 See our commentary on the MOFCOM Draft at https://www.garrigues.com/en_GB/new/draft-foreign-investment-law-chinas-reform-regime-foreign-investment-0

1. New Definition of Foreign Investment

Pursuant to the New Draft, the “**foreign investment**” refers to the investment activities of foreign investors in new projects, establishment of foreign-invested enterprises, or increase of investment in mainland China, or acquisition of stock shares, stock equity, property shares or other similar rights and interests in mainland Chinese enterprises through mergers or acquisitions. In the meantime, the New Draft also authorizes the State Council to further indicate other forms of foreign investment.

Comparing to the MOFCOM Draft, which implies that contractual control over the Chinese enterprises by foreign investor would also constitute “foreign investment”, the New Draft has taken a more conservative attitude towards this controversial issue. This may reflect the ambivalence of the Chinese legislators over the widely used “VIE” structure, which features the contractual control of the onshore companies by offshore special purpose vehicles



(“SPVs”). This kind of contractual control structure has been applied so that the Chinese companies may receive foreign funding (mainly by getting their controlling offshore SPVs listed at foreign stock markets) while still keeping their legal status as domestic companies, so as to maintain the legal qualifications for the operation in the foreign investment restricted/prohibited areas.

Having said so, taking into account the recent challenge from the Chinese government on the VIE structure in specific area (i.e. pre-school education services²), it is not clear what will be the final resolution of the Chinese government on this issue.

2. Promotion and Protection of Foreign Investment

The New Draft highlights equal treatments of foreign investors operating in China, and bans mandatory technology transfers requested by administrative authorities or their officials. It also indicates that local governments are required to keep their promises to the foreign investors, and honour the investment agreements with the foreign investors according to the laws.

3. Foreign Investment Administrative Systems

The New Draft affirms that the State implements the management scheme of pre-establishment national treatment plus negative list. Since the relevant detailed rules of those administrative systems have already been covered by administrative regulations previously published by the State Council, the New Draft does not go into further details.

2 On November 15th, 2018, Opinions Regarding the Deepening the Reform and Standardizing the Development of Pre-school Education jointly released by the Communist Party of China Central Committee and the State Council prohibits the control of kindergartens or non-profit kindergartens invested by the State assets or collective assets through VIE structure.

4. Five-Year Transition Period

Same as MOFCOM Draft, the New Draft also aims to transform the current administration system of foreign investment and to replace the three existing laws on joint ventures and wholly foreign-owned enterprises. The joint ventures and wholly foreign-owned enterprises established so far, based on the three existing laws, will be given a five-year transition period to perform necessary changes on their corporate forms in order to be compliance with the laws applicable at that time (which will be mainly the Company Law of the PRC).

Comparing to the MOFCOM Draft, which provided a three-year transition period, the New Draft has provided two additional years for the foreign invested companies to make adaptations to the then applicable laws.

By emphasizing the principles of protecting foreign investments while keeping silent on the controversial topics, the new draft of Foreign Investment Law sends out the positive messages that China intends to pacify the foreign investors, by making assurances and addressing some of their major concerns. As it may take a few more years for the Foreign Investment Law to be formally enacted, it is advisable for the investors to keep track on the future development of this new law. **E**

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When Property meets Technology, what is the result? *Welcome to Prop-Tech*

By Hongfang Jiang & Michael Hart

A number of industries have been changed beyond imagination once they were paired with technology. The cinema industry was changed radically when streaming became possible, impacting everyone from movie theaters to cable networks, and the established movie studios. Technology has changed finance allowing things like online stockbrokers, and even peer to peer networks allowing individuals to lend money to other individuals or to invest in portfolios of other peoples' debt.

Real estate, however, has been seen as one of the industries that have been slower in adopting new technologies. And while it is possible to now search online for residential and office property, an agent often gets pulled into the mix pretty quickly, making the experience feel not that different from what it was like a decade before. So how is technology changing the property sector and what are we likely to see? That is a big question, but below we provide a couple examples of how Prop-Tech

is changing real estate for people at home, at work and while they shop.

AT HOME

Technology often brings convenience, comfort, savings and security to our homes through what is called the Internet of Things (IoT). Automated vacuum cleaners and mops now make cleaning the home faster and less intense. Smart air filters can automatically ramp up their power when the air is dirty, while smart thermostats can automatically heat and cool the home to meet the occupants' needs. Networked sensors can also help a home owner understand where power is being used to help reduce costs, while cheap cameras, alarms and sensors can alert owners when a child or someone else enters a door, or opens a window.

AT WORK

Many of the devices that work at home can be harnessed by property management firms, reducing staff or

increasing their efficiency in larger office buildings or shopping malls. Individual companies can use sensors to understand which desks and meeting rooms are being used and ensure that the next time they move or refurbish their office that statistics on actual use drives their occupancy planning. Co-working spaces are seen as related to this field as multiple companies can use technologies to share meeting rooms' space efficiently, or keep their data on the cloud reducing the need for individual local servers.

In the real estate brokerage business specifically, Virtual Reality (VR) goggles can now be used to let a potential tenant or buyer get a first "look" at multiple locations before short listing which properties they actually want to see. This saves everyone's time and travel costs. In the design field, Augmented Reality can be used to take pictures of actual space and then use computer models to overlay potential designs. These can help ensure a proposed design had been evaluated

China PropTech Ecosystem					
Co-working	Data Analysis	Market Analysis	Marketplace & brokerage	Short term rental & travel	International brokerage
Virtual Reality & Augmented Reality	Construction & Supply Chain	Renovation & Design	Property Management	Property Financing	

Source: JLL Spark, TechNode

by tenants before construction work begins and before any money is spent.

WHILE WE SHOP

Technology has been changing the way we shop, which, in turn, changes the way we interact with traditional shopping malls and other retail stores. This might mean an online engagement determines where shoppers go, making an important online store a key driver for traffic to actual retail locations. And the large increase in online shopping has also meant mall managers are sometimes reducing the amount of space allocated to fashion, bookshops, and other types of retailers, while increasing restaurants and activity based tenants where shoppers

come for an experience. Meanwhile, electronic payment with Alipay, Apple pay or WeChat can also help retailers get a better feel for a single individuals shopping patterns and behaviors, and more fully understand their preferences. Likewise, before malls had cameras and equipment that allowed them to count the number of people going through different mall entrances or in different areas.

Now, however, facial recognition technology can allow mall owners to plot the exact route a shopper took, or they can rely on signals from cell phones to create "heat maps" showing which parts of the malls are popular at which times each day. Owners can then charge higher rents for these high traffic areas.

These are just a few ways that technology is shaping "Pro-tech." Our colleagues at JLL Spark, our own in-house technology team, have identified 11 specific categories of tech innovation in property. These include:

As we've discussed, the property industry, although a bit slower to adopt technology, is now racing forward and we will see change in almost all areas where we interact with property. We've highlighted a few of these ways, but the transformation of property by technology has just begun. **E**

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Smart farms and agrobots

By Fanny Bates

The United Nations has estimated global population's reach to 8.5 billion by the year 2030, and China's population will grow up to 1.4 billion. With the number of people growing each day, China is facing great problems when it comes to goods and food. Research teams in China are trying to solve this problem by incorporating smart technologies into food production. However, with the increased food production come enormous use of resources such as water, fertilizers, nutrients, and more workforce. As the world's most populous country, China has made a huge breakthrough in bringing smart technologies into the agricultural sector.

FOOD PRODUCTION ON SMART FARMS

According to the South China Morning Post, experiments by the Chinese Academy of Agricultural Sciences could boost crops by 20 to 30%. Wonder how they achieved this?

Instead of using standard resources, they introduced electricity wires into the soil with plants, enabling the farmers to use less pesticide, between 70 to 100% and fewer fertilizers by 20%. This is the world's largest agricultural experiment so far, covering 3,600 hectares of soil. The future potential may be enormous, if we consider the fact that China has 4 million hectares of greenhouses, which production is worth nearly 1 trillion yuan. The experiments are not conducted in the laboratories, but rather out there, on the fields.

The introduction of electricity into the plants was possible due to the usage of bare copper wires which are placed above the ground. They cover the entire size of greenhouses and can carry up to 50,000 volts. These electricity shocks kill the possible bacteria and plant diseases in the air and in the soil. They also control the drainage and the use of water droplets, increasing the process



智能农场和农业机器人

到2030年，联合国估计全球人口将达到85亿，中国的人口将增长到14亿。随着每天人口的增长，中国在商品和食品方面面临着巨大的挑战。中国的研究团队正试图通过将智能技术融入粮食生产来解决这一问题。作为世界上人口最多的国家，中国在将智能技术引入农业领域方面取得了巨大突破。

智能农场 - 电气栽培

据报道，中国农业科学院在全国3600公顷蔬菜大棚中开展的电气栽培试验成效明显，这项技术使蔬菜产量提高了20%至30%。有一个关于种植业的问题已经困扰了科学家们三个世纪：电能促进植物生长吗？而现在，中国有了答案。电气栽培项目的蔬菜生长在裸露的铜线下。这些铜线高出地面约3米，在蔬菜大棚屋顶下从头到尾延伸开来。通电后，这些铜线能产生高达50,000伏的快速正电荷，相当于美国标准住宅电压的400多倍。高频电流能够杀死空气或土壤中的细菌和病毒，从而抑制疾病的传播。它还能够抑制叶子上水的表面张力，加速蒸发。在植物内部，高频电流使得天然带电粒子（如碳酸氢盐和钙离子）的运输加速，诸如吸收二氧化碳和光合作用等代谢活动也有所增加。这种小型蔬菜种植室使用人工光源和电场刺激植物生长，预防疾病。操作是完全自动化的，几乎不需要维护。总有一天，这些小房子会成为大型农场的替代品。

农业机器人

虽然世界各地的富裕国家都在投资自动驾驶汽车，但发展中国家正在为食品革命做出巨大努力，尤其是自动化农业。今年，中国在江苏省启动了一项新的自主农业试点项目。该计划将持续7年，将在农业机器人领域引入新的设备和方法。将来在田里忙活的都是机器人，新型农民不用下地，在智慧农业平台上“躺着收获”。

of vaporization. What's even bigger advantage is that the scientists discovered that metabolic processes, such as photosynthesis (a process whereby sunlight enables plants to convert carbon dioxide and water into glucose, generating oxygen as a byproduct), occur much faster and with no side effects. Professor Liu Binjiang, government agriculture scientist and a leading member of the project, said that "the electric current flowing through the wires is only a few millionths of an ampere by volume - lower than a smartphone cable's workload. It does absolutely no harm to the plants or to humans standing nearby." Thanks to these new, positive findings, China's electro culture rates could increase by 40% every year.

AGROBOTS - ROBOTS IN AGRICULTURE

While rich countries all over the world are investing in autonomous vehicles, the developing world is making a huge effort into the food revolution, especially something called automated farming. Some of the professions may soon be completely substituted with robots and smart technology. This year, China has launched a new autonomous agriculture pilot program located in Jiangsu province. The program, which will last for 7 years, will introduce new equipment and methods in the field of agricultural robotics. "In the past few years, as people become more familiar with farming robots, the applications for these machines are increasing. Compared to the same period last year, the sales of farming robots have increased from 80% to 100%," says Mr. Peng Gang from Botian Automation Technology in Suzhou. These new types of smart farmers could have immense benefits.

In the year 2002, autonomous farming was introduced through the GPS system which was installed on tractors. Tractors could then remember the paths and there was no wasting of land and fuel. Nowadays, farmers are even using these systems to track



pesticide infestation, which helps them in making smart planting and harvesting decisions. Further efforts were taken even outside of China when a UK group of scientists claimed to harvest a crop entirely with autonomous devices. China does keep up with this trend by using maintenance, cultivation, weeding and harvesting robots. Compared to the human workforce, robots have three main advantages:

"First, it saves effort and guarantees that the person works in a safe industry. Secondly, a robot saves water and products. While safeguarding the

quality of the product, it also protects the environment and avoids the pollutions that additives can bring about. Moreover, it saves time and works efficiently. A robot can replace the labor of up to 10 to 20 men." Even though people fear that their job positions may be put in danger, there's no fear for this, because robots still need to be managed by the human workforce. **B**

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Blockchain

6 ways this technology will impact the Marketing world

By John Feng

By now I am sure you have heard about Blockchain, or at least Bitcoin (even if they are different technologies). For readers who are not too comfortable with the subject, I would suggest you search now for the basic concepts of these two innovations, so the following article will make more sense.

Fundamentally, blockchain allows information to be held on an online public ledger without “anyone” owning it, and if, for you, a life without middlemen sounds like a dream, it might be closer to happening than we think.

Even though the majority of people are still trying to understand what this is, many developers and big companies



are already taking big steps towards real-life applications that will improve consumer's and marketer's lives.

Allow me now to show you six ways how this technology can impact the marketing environment all around the world.

DATA

Everything is about data nowadays... The most damaged parties on this matter are the ones that should be rewarded for it – users/consumers/customers. It's almost impossible (without specific software) to surf the web nowadays and not leave a track. Everything you do is being tracked, and even if companies do not really link the information to your individuality (most of the time), they are using it to form big groups of personas. The blockchain (through companies like Blockstack and Skycoin) can allow you to decide what information you share and when you share it. Let's say it is like using a USB stick with your info to access websites and applications, but after you “unplug” it, it will vanish from any servers and will remain with you.

LOYALTY PROGRAMS

The blockchain is all about giving more power to the final user. When any brand will recognize that it has more to win than to lose by allowing customers to use their loyalty points



in services or products outside that specific brand, we have reached a very advanced state of the marketing evolutionary path. The blockchain can allow consumers, every time they make a purchase, to receive a specific token, that can be used in any other store or brand, and not limiting them to that company's group. Besides this, it will allow consumers to have more freedom if they want to start shopping somewhere else due to cases of corruption or animal abuse, for example.

DISPLAY ADS

Brands can now target consumers with social media ads much better than what they did 20 years ago with a TV

ad, but is this really an improvement for everyone? Did any brand ask the targeted “consumers” if they want to watch the ad? And if they don't want, do brands have the right to waste their time, internet usage and patience making them close banners, skip YouTube ads, and so on? Companies, like BAT, are using the blockchain to allow users of their browser to be rewarded for watching ads and allow advertisers to make their ads available to people that are really interested in watching that content.

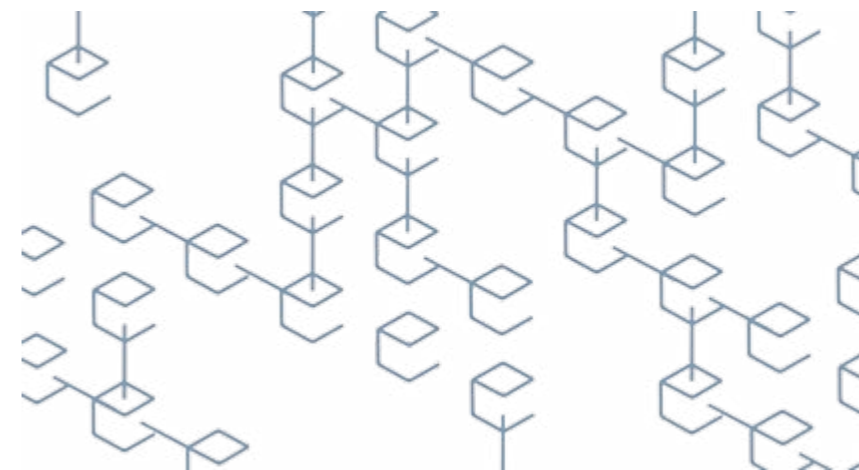
DIGITAL ASSETS

One of the biggest struggles of artists nowadays is to market their content,

and be able to earn the rightful amount of money they deserve. Even if we set aside the illegal appropriations of their content (downloads), let's imagine how much an artist has to give up to the big sharks like Kugou Music, QQ Music, Spotify or Apple Music to have their songs being streamed by millions of people every day. There are companies, like Tao and Steem, trying to solve this and give more power to artists through the blockchain. Artists can then market themselves to their fans through their own token and give special benefits to the owners of those tokens, for example.

WRAPPING UP

Whether you are a fan of the technology or not, you cannot deny the amazing use cases that might be available to the regular consumer in a near future. The blockchain is here to last, and even if the primary focus is being a financial one, you can be sure that its roots will spread to all the other industries! **B**



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区块链 此技术将影响营销世界的 6 种方式

到目前为止，我确信您已经听说过区块链或者至少比特币（即使它们是不同的技术）。对于对这个主题不太了解的读者，我建议您在搜索这两个技术的基本概念，以便理解一下的文章。

从根本上说，区块链允许在没有“任何人”拥有它的情况下将信息保存在在线公共区块上，如果对您来说没有中间人的生活听起来像是一个梦想，它可能比我们想象的更接近我们。

现在请允许我向您展示这项技术如何影响全球营销环境的六种方式。

数据

现在一切都与数据有关..... 现在几乎不可能（没有特定的软件）上网而不留下痕迹。

展示广告

现在，品牌可以通过社交媒体广告瞄准消费者，这比20年前的电视广告要好得多，但这对每个人来说真的是一种改善吗？品牌是否有权浪费客户时间，很多公司正在使用区块链来允许其浏览器的用户获得奖励来观看广告，并允许广告商向真正有兴趣观看该内容的人提供他们的广告。

4 Hiring Mistakes Startups Should Avoid



By Betsy Taylor

Good employees are the basic strength of any organization, but if we talk about the new business startup, the employees can be the most unpredictable part of the setup. When you're forming your own team in the initial phases, each hire is critical with the ability to vastly influence your business. Everyone knows that the recruitment procedure is very difficult. Whatsoever the criterion is, both well established and startup businesses face the same difficulties in recruiting the finest candidate to join and fortify the company.

If you are a startup initiator, it will be a great challenge recruiting top candidates that will fit in your startup business, keeping in view the vision, goals, and mission of the organization. Any new employee will have some influence on the existing team in your organization, especially when you have a startup business and you only have a fewer number of employees who are

running and handling all the company matters.

A bad hire cannot just effect your organization in finances, but can also affect the team productivity, overall morale of the employees, client relations, the reputation of the company and your product/services. So a lot of points should be kept in mind while hiring someone for your business. Here are a few points which will help you choose and hire the best candidate for your startup business:

1. HIRING IN HASTE

When you need an employee for a post, any company wants to get that vacancy filled as soon as possible to get the work going on in a flow, but hiring just anyone without running the whole recruitment process to find the best fit for the post can create huge problems for the business in future. Every new employee has a vital role in evolving the company's culture and trademark,

4 个招聘公司应该避免的错误

优秀的员工是任何组织的基本力量，但如果我们谈论新的创业公司，员工可能是公司中最不可预测的部分。当您在初始阶段组建自己的团队时，每个雇员都对能够到您的业务产生巨大影响至关重要。每个人都知道招聘程序非常困难。无论采用何种标准，创业企业和招聘企业在招募最优秀的候选人加入和加强公司方面都面临同样的困难。错误包括了：

匆忙招聘

当你需要一名员工担任职位时，任何公司都希望尽快填补空缺，以便在流程中进行工作，但雇用任何人而不运行整个招聘流程以找到最适合职位的人员 将为将来的业务创造巨大的问题。

寻找全能者

从长远来看，您需要专家来加速您的业务增长。此外，当您刚刚建立业务时，您没有足够的资金来聘请专家。雇用最好的员工应该是你的重点和首要任务。



so you should not make hasty decisions just for the sake of releasing your current workload. This should be clear, but you should not be hiring someone in your company because they're your friend. They may be exceptional in their expertise, but it doesn't mean that they will be beneficial or perfect for your business, too.

Adding to it, the already existing relation will become a hurdle in working together later on. It will either damage your business, or the friendship, in later stages. It's easy and comfortable to hire someone who is just like you in terms of work and innovation, but if you will hire someone who is different and have different thinking path, that person will have to offer a lot to your business. It is important to hire those talents who will drive forward your business.

2. LOOKING FOR ALL-ROUNDERS

It is great to have someone in your company who can multitask and wear several hats if and when needed, but hiring them just because you think that they can be all-rounder is a big mistake. It will result in ending up with someone who may be average or good

at doing a lot of tasks, but will not be perfect and amazing in any specific thing. And in the long run, you need specialists for the accelerated growth of your business. Plus when you are just establishing a business, you do not have a lot of funds to hire the specialists and experts. Hiring the best employee should be your focus and first priority, but you should have awesome negotiation skills. Keep in your mind to recruit the best for your business, yet someone whom your business can afford.

3. MAKING EXPERIENCE THE MOST IMPORTANT METRIC

Proper knowledge along with the experience of the relevant field is the most important thing to look for in any employee you are hiring. The employees with relevant knowledge to the post have more to offer and can assist as counsellors to the new staff. Unfortunately, not all experience is equal. Some experience is not related to the prerequisite of the vacancy you are hiring for. Sometimes it is just meaningless to have someone with five years of experience in from just switching the jobs from here and there, and having no knowledge for

the position they will be hired. Don't just hire a candidate for his/her experience only, you should look in depth whether that experience will be of any benefit to your boniness or not. Equal and even more weightage should be given to knowledge and intelligence.

4. HIRING THE CHARISMATIC

Some contenders are more pleasant than others. And you can actually feel that they are the most charming person you have ever come across. Even after the interview, you keep on thinking about how they made all the people present there to laugh. Well, unfortunately, it doesn't mean that they will be perfect for the job you are offering. A candidate needs professional skills more than the charming personality at the work place. So resist that enticement to hire someone because you just like their charm and you feel that it will be fun to have them around in the office. Focus on details, not quick and clever responses. **E**

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Spring Reception and 10 Years Anniversary Night

The German Chamber of Commerce North China - Tianjin Office has just turned 10 years old! To celebrate our first decade in Tianjin and to get the first scent of the coming spring, we cordially invite you to a special **Spring Reception and 10 Years Anniversary Night** on Friday, **February 22nd, 2019** at the **Ritz-Carlton Hotel Tianjin**.

This event will be our first and major high-level get-together of 2019. In addition to our Advisory Council Tianjin, the members of the **Board of Directors North China** will be present to celebrate with us and share



memories of the German Chamber in Tianjin over the past 10 years.

Another highlight of the event will be the performance by the children from **Sun Village Orphanage Tianjin**, a non-government charity organization, raising the prisoners' minor children with special education, psychological counseling, rights and interests,



protection and vocational training service over the past 15 years. The German Chamber will make a donation to the organization to support the children.

Come and join us for a wonderful evening along with buffet dinner, free flow of drinks, entertainment, and networking opportunities. We are looking forward to seeing you there and to continuing to support you and your business in 2019!



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Tel: +86 22 5830 7608
Email: tianjin@european-chamber.com.cn
Website: www.european-chamber.com.cn

European Chamber Welcome Back Mixer and 2019 New Year Kickoff

中国欧盟商会新年聚会



Time: Thursday, 21st Feb, 2019
Venue: Ciao Pizza, No. 2 Chongqing Road, Heping District, Tianjin

A New Year Mixer and Celebration seems like just what you need for now. The European Chamber Key leaders of Tianjin, including the Chair and board members, will attend the celebration to welcome new Chamber members, new representatives of existing members and new partners! The mixer and celebration is open to all chamber members and friends.

We extended invitations to National Think Tank and secret guests will join and share the insights on *How Tianjin Seize Economic Opportunities*

in the Context of XiongAn Overall Planning.

Additionally, we are delighted to announce that plenty of guests from an International Expats Community, named InterNations, will join the mixer as well.

What's going on in the Tianjin city and European Chamber? Who's new in this community? Meet people and make connections. New friends, fancy restaurant, free flow Italian red/white wine and exquisite Italian food are those of the reasons why you should show up!

Dinner will be a standing style light buffet with a special discounted price

Upcoming Events:

February

Business Intelligence & Insight
Talk with the World Intelligence Congress Organizing Committee - Get Closer and Involved in WIC in Tianjin

Social & Networking
Meeting with the Expats Who Works in China over 10 Years

Training
* Leadership Training - What are CEOs thinking?

RMB100 for members and friends. There will be also lucky draw during the event.

Remember to bring your business card for networking and lucky draw.

Agenda:

18:30-19:00 Registration
19:00-20:30 Keynote speech, dinner and networking
20:30-20:45 Lucky draw

Remarks:

Aside from the buffet, a la cart will enjoy a 10% discount.

DINING

TEDA & TANGGU

Brazilian

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

Chinese

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

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

Yue Chinese Restaurant
A: 2F, Sheraton Tianjin
 Binhai Hotel
 No. 50, 2nd Avenue, TEDA
T: +86 22 6528 8888
 ext. 6220/6222
 采悦轩中餐厅
 开发区第二大街 50 号
 天津滨海喜来登酒店 2 层

Japanese

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

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

Italian

Bene Italian Kitchen
A: 2F, Sheraton Tianjin Binhai Hotel
 No. 50, 2nd Avenue, TEDA
T: +86 22 6528 8888 ext. 6230/6232
 班妮意大利餐厅
 开发区第二大街 50 号
 天津滨海喜来登酒店 2 层

Western

Bella Vita Italian Restaurant
A: Florentia Village Outlet Mall,
 North Qianjin Road, Wuqing
 District, Tianjin
T: +86 22 5969 8238
 美好生活意大利餐厅
 武清区前进道北侧
 佛罗伦萨小镇 Food-5

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

Feast All Day Dining Restaurant
A: 1F, Sheraton Tianjin Binhai Hotel
 No. 50, 2nd Avenue, TEDA
T: +86 22 6528 8888 ext. 6210
 盛宴全日西餐厅
 开发区第二大街 50 号
 天津滨海喜来登酒店 1 层

LE CROBAG - Teda Store
 Le Crobag 德国面包房 (泰达店)
T: +86 22 5990 1619

BARS

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

Education

TEDA International School
A: No. 72, 3rd Avenue, TEDA
T: +86 22 6622 6158
 泰达国际学校
 开发区第三大街 72 号
W: TedaIs.org
Tianjin TEDA Maple Leaf International School
A: No. 71, 3rd Avenue, TEDA
T: +86 22 6200 1920
 天津泰达枫叶国际学校开发区第三大街 71 号

SERVICES

Hotels

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

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A: No. 50, 2nd Avenue, TEDA
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A: No. 347 Xusheng Road,
 Binhai Central Business District
O: Monday: 14:00-18:00
 Tue-Sun: 10:00-18:00
 天津滨海新区文化中心图书馆
 滨海新区中心商务区旭升路 347 号



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Train	Tianjin	Beijing	Train	Beijing	Tianjin
C2002	06:18	06:53	C2001	06:01	06:36
C2108	22:52	23:27	C2107	23:05	23:40

TG ~ BJS (¥66 - ¥93)			BJS ~ TG (¥75 - ¥239)		
Train	Tanggu	Beijing	Train	Beijing	Tanggu
C2584	09:04	09:58	C2281	07:23	08:20
C2594	20:26	21:21	C2593	20:26	21:31

Wuqing ~ BJS (¥39 - ¥66)			BJS ~ Wuqing (¥39 - ¥66)		
Train	Wuqing	Beijing	Train	Beijing	Wuqing
C2202	06:54	07:19	C2203	07:31	07:55
C2246	21:27	21:52	C2245	20:56	21:20

TIANJIN SUBWAY MAP





Chinese Cloisonné Beautiful Ancient Enamelware

By Rose Salas

Cloisonné or Jingtai Blue is traditional enamelware that is characterized by splendour and brilliance. Cloisonné is an art technique used to decorate metal objects or ceramics, such as flecks of gold or powdered mineral in enamel, which are thought to have originated in the western countries. The Chinese craftsmen leaned this art, and as a result, beautiful and adorable bronzes and porcelains have been made and are still a main artwork up until today.

Because of this delicate craftsmanship, this “Jingtai blue” earned praises globally. According to antique experts, the best Cloisonné were made during the Ming era and were the best pieces ever made. With strikingly bright colours and translucent depth, it becomes incomparable when it comes to artworks done on metal objects. Today, modern Cloisonné is more colourful because of the new technology that allows choosing and incorporating a broad

中国景泰蓝： 美丽而古老的搪瓷

景泰蓝是传统的搪瓷，其特点是充满辉煌和光彩。景泰蓝用于装饰金属物体或陶瓷。中国工匠倾向于这种艺术，因此，美丽的青铜器和瓷器能被制作出来，直到今天仍然是主要的艺术品。

是什么让景泰蓝成为中国文化的骄傲？

谈到传统手工艺品，无可否认，其他国家对中国艺术品感到震惊。就像被认为是唐代遗物的铜镜一样，现在被保存在日本的博物馆里。景泰蓝采用雕刻设计的彩色釉面装饰，大多景泰蓝的图案都是古代文物的样态，如水壶，花盆，熏香，三脚架或花园凳子以及家中其他必需的日常生活用品。

今天，景泰蓝杰作仍然反映出中国特色。由于其永恒的品质向世界展示了我们的祖先所开创的美丽和雄伟之风至今仍然存在于其遗产中。



range of colours and not just the typical blue that had been used in the Ming era. What's more interesting, it has like 3D effects, which are really eye-catching.

WHAT MAKES CLOISSONNÉ A PRIDE OF CHINESE CULTURE?

When it comes to traditional handicrafts, there's no denying that other nations get inspired and are awestruck with Chinese artworks. Just like, for example, the bronze mirror which was believed to be a relic from Tang Dynasty, which is now kept in Japan's museum. It was decorated with coloured glazes in a sculpted design. Most of the patterns that have been used to make Cloisonné are shapes of ancient relics such as kettles, pots, incense, burners, tripods or garden stools, and other necessary daily life pieces at home.

During an international fair held in Washington sometime in 1904, Chinese Cloisonné won the first prize. Even in 1913, when another fair was held in Panama, people couldn't agree more that these delicately handicrafts were second to none. In the APEC Summit in 2014, President Xi Jinping gave Cloisonné as a gift to other countries' leaders. Today, we still boast of these magnificent pieces. Tourists around the world come to Beijing Enamel Factory to see the rich designs and wealthy displays of Cloisonné treasures.

IS IT WORTH EVERY EFFORT?

A craftsman would need months (at an average) to finish a piece of Cloisonné work. Why? It is because it requires a series of complicated process in making this work of art. The five major processes include: modelling, pattern-outlining, glazing, polishing and gliding.



Depending on how big the product mould is, long hours of complex and intricate work are involved. An ordinary skill is not sufficient enough to create an elaborate piece. The craftsman needs to have the skill of a coppersmith and the artistic technique of a painter to accomplish this. As a result, the tradition of Chinese Cloisonné has survived for more than 700 years. So yes, it is worth every effort!

Collectors around the world have been looking for high quality of antique Chinese Cloisonné. Of course, these pieces have great historical and artistic value, so they are very rare and highly expensive. Compared to the modern pieces, these antiques are heavier and looking on how it's made, shows primitive technology, but comes with smooth surface in a delicate enamel glaze design. The colours are more of blue theme and the styling is very imaginative.

Today, Cloisonné masterpieces are still reflecting Chinese characteristics. This work of art is being fortified due to its timeless quality to show the world that the beauty and grandeur that had been started by our ancestors were still living to its legacy up to now. This beautiful ancient enamelware has truly become a global recognition of our unrivalled talents and love for art. **E**

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China's Great Wall of Debt

Shadow Banks, Ghost Cities, Massive Loans, and the End of the Chinese Miracle

By Dinny McMahon, 2018



Shadow Banks, Ghost Cities,
Massive Loans, and the End
of the Chinese Miracle

DINNY McMAHON

中国巨债长城 影子银行、无人城市、巨额 贷款和中国奇迹的终结

这是对现代中国经济的深入研究。麦克马洪是一名记者而非经济学家，他深入研究了为什么预计2000年衰落的失败系统仍然存在。他通过一个非常引人入胜的故事讲述了这一点，他强调了中国所有看不见的真理。

今天，如果你想看到最重要的东西，你可以去中国。更大并不意味着更好。在中国等受腐败影响的国家经济体中，项目越大，资源的错误使用就越多。因此，如果您正在寻找滥用和腐败的故事，麦克马洪的中国债务长城就是适合您的书。

作者解释了为什么偏远的工业城市为一个没有人想建造的工厂创造土地，采访铁岭一个美丽但空旷的新城镇的建筑师，报道郑州如何以数十亿美元的补贴和税收优惠为代价填补其鬼城，麦克马洪解释了中国泡沫经济，讲述了中国背后的奇异但真实的现实。

Call this an in-depth look into the modern Chinese economy. McMahon, a journalist and not an economist, takes a deep look into why a failing system, predicted to fall in 2000, is still standing. He does this through a very captivating and engaging means of story after story, in which he highlights all of the unseen truths of China.

Today, if you want to see the biggest of anything, you can go to China. Even regional China. However, bigger does not mean better. In a state-dominated economy subjected to corruption, such as China, it's often the case that the bigger the project, the greater the wrong use of resources. So if you are looking for stories of misuse, abuse, and

corruption, Dinny McMahon's *China's Great Wall of Debt* is the book for you.

The subtitle, *Shadow Banks, Ghost Cities, Massive Loans, and the End of the Chinese Miracle*, says it all. McMahon, a former *Wall Street Journal* and *Dow Jones* journalist based in China for over a decade, explored all of China collecting anecdotes for this magnificently entertaining take on China's ever-expanding financial bubble. Eschewing examples from China's well-travelled and well-reported international cities, McMahon focuses instead on the less glamorous locales of what might, with some allowance for cliché, be called "the real China".

Whether it's explaining why the remote industrial city of Shiyan leveled

a mountain to create land for factories that no one wanted to build, documenting the petty depredations of the local salt monopoly in Jinzhou, interviewing the architect of a beautiful, but empty new town in Tieling, or reporting how Zhengzhou actually managed to fill its ghost city at the cost of billions of dollars in subsidies and tax incentives, McMahon brings China's bubble economy to life with stories of the strange, but revealing reality behind the scenes of "the real China".

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CLIMATE CHANGES

pose a threat to increase in beer prices



气候变化对啤酒价 格上涨构成威胁

啤酒饮用者可能会在未来几天为同等数量的啤酒支付更多费用。最近的一项研究表明，到本世纪下半叶，发芽大麦的产量可能会急剧下降，从而导致大麦成本飙升，这是制备酒精饮料的重要成分。

预计在种植谷物的地区，干旱和热浪会变得更加强烈和频繁。气候变化不仅仅会影响到第三世界国家，而且它会在未来几年为啤酒消费者带来麻烦，因为它会降低大麦的产量。根据每个地区的情况，预计全球大麦的平均产量将下降3%至17%。这将暂时每两到三年发生一次。

现在成本最高的国家，例如澳大利亚和日本，并不是真正意义上的未来价值最大化的国家。一个国家的啤酒成本的变化确定了购物者的能力。在英国，啤酒消费可能会下降0.37亿至13.3亿升，而成本则可能高达两倍。美国可能会减少10.8亿至34.8亿升。

By Lana Mann

Beer drinkers might be paying more for the same quantity of beer in the coming days. A recent study suggests that the yield of malted barley might drastically reduce towards the second half of the century, hence causing a spike in the cost of barley, a vital ingredient in the preparation of the alcoholic drink.

It is expected that droughts and heat waves would become more intense and more frequent in regions that grow the grain. Climate change is not just going to affect the third-world countries alone, but it will brew trouble for beer consumers in years ahead, as it reduces the yield of barley. The average global yield of barley is expected to drop between 3% and 17%, depending on the condition of each region. This

would tentatively occur once in every two or three years.

Leading beer-consuming nations, like Ireland, could anticipate a double or even a triple in beer prices, and farmers from other nations might be forced to export barley to countries that would struggle to grow the grain under hotter and drier conditions. Less barley would mean higher prices for these nations.

According to a research conducted by a team of researchers from the U.S, U.K, and China, the price of beer is "not the most concerning impact of climate change." Heat events and extensive droughts are projected to occur every three years under high-warming climate scenarios. These scenarios vary with regions, and with Earth's shifting

climate, the effects vary as much as the scenarios.

REGIONAL SCENARIOS

Under the hottest climate, China will suffer the most shortages (of barley) in the century. Ireland, the U.S, Germany, and Russia would also be greatly affected. Prices in Ireland could spike from a \$2.5 for a pint of alcohol to \$5.0, depicting a double in the price. Consumers in the UK would be compelled to reduce their utilization by 25% out of the most pessimistic scenario environmental change situation, and in the US, 14% less jugs would be opened.

Utilization in China - the world's greatest brew drinking country - would fall by 9%. Poland, then, would confront



the greatest check-ups on pints in the most noticeably awful environmental change conditions, with costs expanding by 500%.

Amid the most serious atmosphere occasions, the outcomes show that worldwide brew utilization would decrease by 16%, or 29 billion litres - generally equivalent to the aggregate yearly lager utilization in the US - and that lager costs would all things considered twofold. Indeed, even in less serious outrageous occasions, lager utilization drops by 4% and costs ascend by 15%.

In the UK, lager utilization could fall by between 0.37 billion and 1.33 billion litres, while the cost could as much as twofold. Utilization in the US could diminish by between 1.08 billion and 3.48 billion litres.

A few nations with less aggregate lager utilization confront colossal decreases in their brew utilization: the volume of lager devoured in Argentina falls by 0.53 billion litres, equal to a 32% decrease, amid more serious



atmosphere occasions. Indeed, even at all extreme atmosphere occasions, add up to brew utilization in Argentina and Canada diminishes by 0.27 billion litres (16%) and 0.22 billion litres (11%) individually.

Nations where lager is right now most costly, for instance Australia and Japan, are not really where future value stuns will be the best. Changes in the cost of lager in a nation identifies with shoppers' capacity and readiness to pay more for brew as opposed to expend less, to such an extent that the biggest cost increments are moved in generally well-off and truly lager adoring nations.

While most of the world's grain is utilized to nourish domesticated animals, the scientists trust lager will be more influenced, as governments are probably going to organize keeping creatures bolstered when grain is hard to come by.

Prof Dabo Guan at the University of East Anglia, one of the scientists who led the research, stated, between the expanded surges, cataclysmic events and nourishment deficiencies, a substantial number of individuals could confront because of environmental change, costly lager may appear "insignificant."

In any case, a lack of beer could lastingly affect the personal satisfaction of many. There is, Guan stated, "something basic in the culturally diverse valuation for lager."

"There is little uncertainty that, for many individuals, around the globe, the atmosphere effects of brew

will compound an already painful situation."

The examination did not consider environmental change's effects on other staple elements of brew, for example, bounces.

Buyers in created nations, who need to keep away from deficiencies, would be savvy to help approaches lessening emanations of gases researchers fault for warming the planet, Guan said.

A year ago U.S. President Donald Trump reported his goal to haul the United States out of the 2015 Paris settlement on atmosphere, questioning the degree to which human action is warming the planet.

Numerous organizations understand the dangers of atmosphere on grain, 17% of which is utilized to make lager. Numerous nations keep crisis stores of staple yields, for example, corn, rice and wheat to fight off value spikes and deficiencies. Be that as it may, most don't do as such for grain, making it powerless against atmosphere.

Anheuser-Busch, the universe's greatest brewer, said for the current year it would cut its ozone harming substance outflows by a quarter by 2025.

Jess Newman, the head of U.S. agronomy for Anheuser-Busch, said the organization was trying different things with creating dry season safe grain and working with ranchers to decrease their requirement for water by, for instance, urging them to put water system sprinklers closer to the ground.

"It's unquestionably an incremental procedure, yet we have numerous assortments in the pipeline," Newman said, when asked how shut the organization was to rearing a dry spell safe grain in the United States. For quite a while, Anheuser-Busch has utilized a winter grain in Idaho that gets dampness from liquefying snow, cutting the requirement for water system. **B**

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of the

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Friday, February 22, 2019 / Tianjin

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In addition to the Advisory Council Tianjin, the members of the
Board of Directors North China will be present.

Another highlight of the event will be the performance by the children from Sun Village Orphanage Tianjin, a non-government charity organization raising the prisoners' minor children with special education, psychological counseling, rights and interests' protection and vocational training service over the past 15 years. The German Chamber will make a donation to the organization to support the children.

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