

# BUSINESS TIANJIN

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2012  
JUN



## Centred on Excellence

Paul Salnikow  
Chairman & CEO  
The Executive Centre **22**

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Cloud Computing and ERP 44  
Pricing Strategies 50

ISSN 2076-3735





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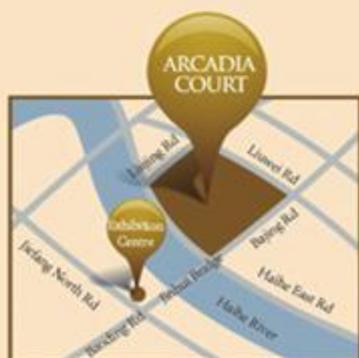


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Business Tianjin / June 2012



## ▲ Centred on Excellence

### Interview with Paul Salnikow, Chairman & CEO, The Executive Centre

The Executive Centre is Asia's only clearly-defined premium serviced office provider with 47 centres in 18 cities. Founded in 1994, it currently manages over 900,000 square feet of office space, and operates in locations through Asia. Business Tianjin had a chance to speak with Mr. Salnikow about the serviced office industry and future goals of The Executive Centre. [See P22](#)



## ◀ Latest Updates on PRC Franchise Rules

Due to the rapid growth of commercial franchising activities in China, and in order to optimise the administration and supervision of development of commercial franchises in China, the Ministry of Commerce (MOFCOM) released the revised Administrative Measures on Filing of Commercial Franchise (Revised Filing Measures) which took effect 1 February 2012, and the revised Administrative Rules on Disclosure of Commercial Franchise Information (Revised Disclosure Rules), effective since 1 April 2012. [See P36](#)



## ◀ Cloud Computing and ERP

For executives involved in selecting, implementing, managing and optimising Enterprise Resource Planning (ERP) systems, the advent of cloud computing may well be one of the more significant and disruptive events that they will see in their careers. [See P44](#)



## ◀ Pricing Strategies

A marketing mix consists of 4Ps: Product, Place, Promotion, and Price. Many would say that price is the least attractive element, and that companies should really focus on generating as high a margin as possible. The argument is that companies should change the product, promotion, and place in some way before resorting to price reductions. However, price is a very versatile element of the mix. [See P50](#)

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# Business Tianjin

JUNE 2012



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## Dear Reader,

Tianjin continues to recently display a robust economy, and is performing better than other areas of China.

In this issue, we explain the reasons why the Chinese economy is slowing down faster than previously thought. However, several experts say Beijing is not left with many options, and we guess Tianjin will implement growth sustaining measures faster than other parts of China. It sounds optimistic, but we believe it is possible, taking in consideration the past 2 to 3 years' reaction of China to the ongoing global economic crisis.

As a re-emphasis, Beijing has lowered its growth target to 7.5% for 2012, a half percent lower than the historical target of 8%. As we know, especially people in China over the long haul, anything below the 8% level is feared in that it could trigger mass unemployment and cause nationwide social unrest in the world's second-largest economy.

Some analysts have been predicting the economy would bottom-out in the second quarter of 2012, before rebounding in the final six months, but data released in mid-May indicates that the slowdown may be more intense and lasting.

Europe is still in the chaos, and Greece is threatened by the prospect of leaving the Euro currency, which is causing economic suffering in China. As we predicted in our Letter From the Editor of January, we are seeing an extended global economic slowdown.

Our cover story this month features the CEO of The Executive Centre. Also suggested is the interview with the China CEO of Mango to discover the reasons behind the fast development of this chain store. I am sure you will find many other articles interesting.

As always, I invite you to send your comments and suggestions, and continue to make this magazine a common area for the exchange of ideas. Don't hesitate to send us your suggestions as we value your feedback and strive to continue to produce a resourceful magazine to help you on your China business journey.

Best regards,

J. Hernan

General Manager

Business Tianjin

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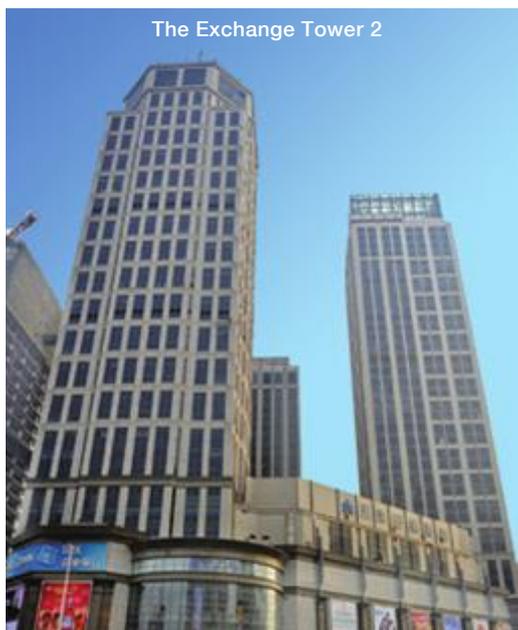
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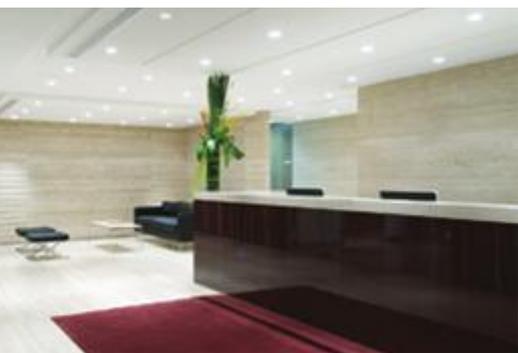
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## TIANJIN NEWS

### Binhai Hi-Tech Industrial Development Zone Becomes National E-Commerce Base

As China's first batch of "National E-commerce Demonstration Bases" evaluations and election outcomes were revealed, Binhai Hi-Tech Industrial Development Zone became the only e-commerce industrial base in Tianjin selected. The Ministry of Commerce will give those newly-elected bases policy support in terms of public information and service platform construction, material infrastructure construction, studies on strategies and basic applications, and improvements for SME financing. Currently, Binhai Hi-Tech Industrial Development Zone E-commerce Industrial Base has attracted a hefty number of large-scale e-commerce enterprises to settle there. In the meantime, some support projects which go hand in hand with the e-commerce industry such as mobile internet, information security, cloud computing, and internet technology are under construction. Additionally, there are dozens of e-commerce industrial chain projects in the negotiation process.

- *Bh.gov.cn, 2 May*

### 9<sup>th</sup> National University Games Held



The first test event of the 9<sup>th</sup> National University Games, Tae Kwon Do, was held at the stadium of Military Transportation University. The organisational work, venues, and facilities were tested during the event and met the requirements. The contest lasted for two days with 243 sportsmen from 19 delegations participating. In total 12 events including, track and field, swimming, basketball, volleyball, football, ping-pong, aerobics, martial arts, orienteering, foot shuttlecock, tae kwon do and bridge, were included in the Games. Test contests for the other events, except for orienteering and bridge, will be held sequentially. Afterwards, the organising committee will make adjustments and confirm all aspects meet the requirements of the official Games.

- *JWB.com, 6 May*

### Tianjin Holds 2012 World Drift Series



The 2012 World Drift Series Tianjin Grand Prix was held at the Tianjin Olympic Centre Stadium on 19 May. Top drifting drivers from the US, Japan, New Zealand, Australia, and Norway, as well as some domestic professional car racers, took part in a fierce competition. The former President of Mexico, who was the first former president to attend the WDS, showed up to watch the event. The track for the event had been designed specifically to showcase the drivers' ridiculous precision, including a multitude of left and right U-turns that they coasted through at 80-100 mph. The World Drift Series had a team drift and traditional tandem drift battle event. The three car team drift portion of the event resulted in Team America taking home first place with New Zealand finishing second and China closing it up in third.

- *Wdschina.com, 19 May*

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## Number of Tianjin Star-Rated Hotels Increases



Among the newly opened star-rated hotels in Tianjin, five-star hotels account for 60%, four-star hotels account for 30%, and hotels with three-stars or below account for 10%. Currently, there are 36 five-star hotels, 44 four-star hotels, and 65 hotels with three-stars or below in Tianjin. There are more than 50 five-star and four-star hotels under construction. On one hand, the market's attractiveness for the hotel industry in Tianjin has increased year over year. On the other hand, the speed of building high-end hotels in Tianjin is too fast. Tianjin's long-term tourism plan shows by 2015 that total tourism revenue will reach CNY 300 billion with the number of tourists reaching 3.7 million. Between 2016 and 2020, the annual growth rate of Tianjin's total tourism revenue will reach 14.6%.

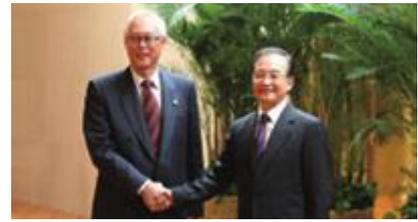
- *Business Tianjin*, 8 May

## TEDA Samsung Factory to Become One of its Largest Overseas Facilities

Tianjin Economic & Technological Development Area (TEDA) has disclosed that the pile foundation engineering of Samsung's factory in the Western Area of TEDA was formally started a few days ago. After completion, this project will become one of the biggest overseas production bases of Samsung. In order to be as competitive as possible, Tianjin Samsung decided to build a comprehensive and modernised factory in the Western Area of TEDA, and to increase investment by USD 150 million. This February, Tianjin Samsung and the Management Committee of TEDA signed a Cooperative Agreement on Investment of Projects Moving into the Western Area. It is reported that, after the completion of Phase I of the project, Tianjin Samsung will move forward to enlarge the scale, introduce new products and new technologies, and strive to make the production capacity, compared with 2012, increase 100% to 200% by the end of the "12th Five Year Plan" period.

- *tjcc.gov.cn*, 9 May

## Wen Meets Former Foreign Leaders in Tianjin



On 9 May, Chinese Premier Wen Jiabao met with several former state leaders attending the InterAction Council annual meeting in Tianjin. Wen met with former Canadian Prime Minister Jean Chretien, former Japanese Prime Minister Fukuda Yasuo, Singaporean Emeritus Senior Minister Goh Chok Tong, former Malaysian Prime Minister Abdullah Haji Ahmad Badawi, former Irish Prime Minister Bertie Ahern, and former German Chancellor Helmut Schmidt, who are in China for the 30th annual meeting of the council. The InterAction Council, an international non-governmental organisation composed of former heads of state and governments, that was established in 1983, conducts international exchanges regarding peace and security, global economic revitalisation, and universal ethical standards.

- *China Daily*, 9 May



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## PT. Astra Agro Lestari Palm Oil Projects Kicked Off at Lingang Economic Area

An Indonesian company, PT. Astra Agro Lestari's palm oil processing projects in Tianjin Lingang Economic Area have kicked off. He Lifeng, Deputy Secretary of the Party Committee of Tianjin Municipality and Secretary of the Party Committee of Binhai New Area, met with Lin Yijian, President of PT. Astra Agro Lestari, and his delegation. Lingang Economic Area, as an integral part of the "Ten Great Development Platforms", has comprehensive advantages and will be built into the biggest comprehensive oil and grease processing base in Northern China. The projects kicked off at Lingang Economic Area include a refining workshop, fractionation workshop, attachment tank area, crude oil tank area, refined oil tank area, and support facilities. After completion, the overall production scale of these projects will be: refining and fractionating palm oil 1000 tonnes respectively per day, producing refined palm oil, 285 thousand tonnes, palm palmitin, 228 thousand tonnes, and palm stearin, 57 thousand tonnes per year.

- Tjoc.gov.cn, 9 May

## Tianjin Investment and Trade Fair Held at Tianjin Meijiang Convention Centre

The 19th Tianjin Investment and Trade Fair, and the 8th PECC International Trade and Investment Expo, was held at Tianjin Meijiang Convention Centre from 11 to 15 May. Organised by Tianjin Municipal Department of Commerce, Tianjin Council for Promotion of International Trade, and Tianjin Business Association, the event had the theme, "Increasing economic and trade cooperation for winning development, and focusing on attracting investment and broadening cooperation." Its goal is to show new achievements, attract financial support, promote trade cooperation, and make people aware of its progress, major projects, famous brands, and popular folk items. The exhibition hall covered a 60,000 sqm area. It had 2,700 booths and seven exhibition areas, while accommodating 2,000 exhibitors and buyers, and welcoming roughly 400,000 visitors.

- Business Tianjin, 15 May

## Sheraton Tianjin Binhai Hotel Receives 2 Awards



The Sheraton Tianjin Binhai Hotel was awarded 2 honours in April: "Best MICE Hotel of The Year" from "2011-2012 Best Hotel of China Awards" by Life Style magazine and "Best Hotel in North China" from "2012 Travel Awards" by TTG China. The Hotel is well received by guests, local government, and business partners. These two milestone awards reinforce its leading position in Tianjin hospitality while offering a range of first-class facilities, exemplary service, comfort, and convenience for business & leisure travelers.

- Business Tianjin, 14 May

**Café Venice (2F)**



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## InterAction Council Annual Meeting Dinner Party at the Astor Hotel



The InterAction Council held its 30th annual meeting dinner party at the Astor Hotel, a luxury collection hotel in Tianjin, on 11 May 2012. Former heads of state and governments from 26 countries attended the dinner party. Mr. Dong Jianhua, Vice Chairman of the Chinese Political Consultative Conference, hosted the party and presented a speech. The Astor Hotel, among the many high-grade hotels in Tianjin, has a long history. It competed with other newly opened hotels to host this event. Mr. Dong Jianhua spoke highly of the Astor Hotel to the executives of the hotel afterwards.

- *Business Tianjin*, 17 May

## FINANCE

### Yuan Appreciation to Slow Despite Hitting Record

The CNY advanced to a record high against the USD for a third consecutive trading day on 2 May, but the currency is expected to rise more slowly over the long haul as economic growth weakens and the trade surplus narrows. The central parity rate of the Chinese Yuan, or Renminbi, strengthened 117 basis points to USD 6.2670 on Wednesday, according to the China Foreign Exchange Trading System. It followed record highs of 6.2829 and 6.2787 the previous two trading days. The movement was mainly caused by recent softening of the USD and Euro with the CINY continuing to climb this year, according to Zhao Qingming, Senior Researcher with China Construction Bank. However, the currency is under less pressure to appreciate than before as China improves its balance of international payments, Zhao said. China has been pressed by its trade partners to revalue the CNY to reduce trade imbalances, but Chinese authorities say the currency is nearing a reasonable and balanced level now.

- *China Daily*, 2 May

### CSRC Considers Expanding QFII Programme

China's securities regulator is studying plans to allow hedge funds and private equity funds to join the nation's Qualified Foreign Institutional Investor program to further open the country's capital market. The China Securities Regulatory Commission is consulting investment bankers regarding the introduction of more types of QFIIs and will set separate criteria after conducting a feasibility study. The initiative came after authorities in early April raised the combined QFII quota by USD 50 billion to USD 80 billion and pledged to further expand the project, which lets overseas financial institutions trade CNY denominated A shares and bonds on the Chinese mainland. "The regulator's attitude is open and is willing to permit more qualified investors as long as they abide by rules and regulations," a Shanghai-based banker close to the CSRC said. Under the QFII programme, overseas institutions have to receive an investment license from the securities regulator and obtain a quota from the foreign exchange regulator before they can invest in A shares.

- *China.org.cn*, 6 May



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## Chinese Banks Get Nod in U.S.

Giant banks owned by the Chinese government are coming to the U.S. The Federal Reserve on 5 May approved plans by three state-backed Chinese banks to expand in the U.S., including the first acquisition of a U.S. retail-banking network by a state-owned Chinese lender. The approval is a landmark step for U.S. banking regulators. Chinese banks long have sought access to the U.S. banking system in order to provide financing to Chinese companies operating overseas and to do business with foreign investors looking for exposure to the Chinese currency, the CNY. "It's a significant milestone for China and the Chinese banks, which will allow them to engage in further business in the U.S. and Europe as well," said Chris Daniel, a banking lawyer at Paul Hastings LLP in Atlanta. The Federal Reserve effectively is giving its seal of approval to China's bank-regulatory system, a big step for U.S. regulators. The decision could open the door to other Chinese takeovers of U.S. banks, although it is unlikely China will make significant inroads into the U.S. banking industry anytime soon.

- *WSJ*, 10 May

## China to Cut Bank Reserves as 'Hard Landing' Fears Continue

The People's Bank of China said it would cut banks' reserve requirements by 0.50 percentage points effective from 18 May. The move was widely expected after China reported growth in industrial production slumped to a three-year low of 9.3% in April. China's economy grew at an annual rate of 8.1% in the first quarter of 2012, its slowest pace in nearly three years. The government is targeting economic growth of just 7.5% for the whole year, down from actual growth of 9.2% last year and 10.4% in 2010. Beijing has already cut bank reserve requirements twice since December as it seeks to boost lending to spur growth, but economists have called for more policy support as economic figures continue to disappoint. After the latest move takes effect, China's reserve requirement for most large banks will fall to 20%. China also said on Friday that the consumer price index, the main gauge of inflation, rose 3.4% year on year in April, compared with 3.6% in March.

- *The Telegraph*, 12 May

## LAW & POLICY

### New Standard for China's Express Delivery Services

A new set of national standards on express delivery services have been put into place. The downside is some customers might not enjoy as much privacy as before. One customer said, "The packages we sent were checked on site. Otherwise, if there's damage to the package, it's difficult to determine who's to blame." The new standards give delivery service workers the obligation to refuse accepting packages that have not been examined. Wang Yongli, Deputy Director of Supervision Office of the State Post Bureau, said, "If delivery companies fail to examine packages, they will face punishments. New standards also lay out specific criteria for timeliness. Any package that takes longer than 24 hours for intra-city delivery, 72 hours for inter-city delivery, or 6-9 days for international delivery, will be considered delayed, giving customers free reign to seek compensation.

- *English.cntv.cn*, 2 May

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## China to Encourage Import Rise

The Chinese government has called for more attention to increasing imports while stabilising exports in order to promote more balanced and sustainable growth in foreign trade. The State Council said in a guideline that China will stabilise its imports of commodities and actively increase the imports of advanced technology and equipment, key components and parts, as well as resources and raw materials. Imports of consumer goods will also be increased “appropriately,” according to the 18-clause guideline. Increased imports and the balanced development of foreign trade will ease domestic pressures for the resources and environmental sectors, accelerate scientific and technological innovation, improve people’s consumption, and reduce trade frictions, said the guideline. According to the guideline, China will encourage imports from the least-developed countries within multi-lateral trade rules with faster tariff cuts, and it will expand imports from developing countries. China will lower import tariffs for some resources and raw materials with provisional tax rates and “appropriately” bring down import tariffs for some goods that are closely linked with people’s daily life, the guideline said.

- *People’s Daily, 1 May*

## China to Start Issuing E-Passports



China’s e-passports will better protect citizens’ personal data and national security, said customs officials on Tuesday. The 48-page travel document, issued starting May 15, is fitted with a chip on the last page. Each page has an anti-forgery label. Only police and customs authorities will be able to access the information on the chip, which includes the holder’s name, photograph, and fingerprints. So far, more than 100 fingerprint recorders have been installed at the exit-entry administrations that process applications across the capital. It will take only one or two extra minutes to finish an application. New applicants will get e-passports after storing thumb fingerprints and signatures, while old passports can still be used, if valid. The cost for the passport application will remain CNY 200 (USD 30).

- *China Daily, 9 May*

## LOGISTICS

### Tianjin Raises Special Fund to Support Development of Aircraft Industry

Tianjin Binhai International Airport will increase the special fund that was set up to support the aircraft industry from CNY 50 million to CNY 100 million. The fund, known as the Special Cultivation Subsidy Fund, is used to attract airlines and logistic companies to develop in Tianjin. Since 2007, Tianjin has provided subsidies of CNY 240 million for 31 airline companies. During this period, passenger volume increased from 3.861 million to 7.554 million. This translates to an average growth rate of 24% per year. The new regulation will play a key role in further improving the passenger and cargo output of Tianjin airport. This summer and autumn, there will be 92 transportation airline routes at Tianjin International Airport and the numbers of navigable cities are expected to reach 75.

- *Business Tianjin, 7 May*

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## China Seeks to Restore Confidence in High-Speed Trains



China will continue with research and development into its next generation high-speed trains despite the industry's tarnished image due to a spate of operation faults last year, according to a plan for the country's rail traffic equipment manufacturing industry. Next generation trains will run at speeds of more than 300 km per hour, according to the plan, which was released by the Ministry of Industry and Information Technology on Monday. The plan underscores the reliability, comfort, and maintainability of passenger rail transportation equipment. It requires thorough research and development of key technologies and systems. The ministry predicted that the industry's annual sales value will exceed CNY 400 billion (USD 63 billion) every year, and investment by backbone enterprises in research and development will exceed 5 percent of their annual sales by 2015.

- Xinhua News, 8 May

## TELECOM

### Google to Complete Purchase of Motorola by June 2012



Motorola Mobility suggested that Google's buying Motorola would hopefully be completed by the end of the first half of the year. Meanwhile, Motorola's financial report showed the company's net revenue of the first quarter came close to USD 3.1 billion, increasing by 2% over the same period last year, while still having a deficit. Shipment of products like mobile phones and tablet computers was 8.9 million units, among which smart phones were 5.1 million. However, by comparison, Apple is predicted to have moved 35 million iPhone units in Q1. Sanjay Jha, CEO of Motorola Mobility, said this year the home broadband department did a great job, achieving outstanding growth compared to that of the same period last year. "We'll go on cooperating closely with Google and complete the whole merger by June," he said.

- Xinhua News, 2 May

### Apple Offers Settlement in Trademark Case



Tech giant Apple has offered compensation to settle a dispute over ownership of the iPad trademark in China, said a lawyer connected with the case. "Right now, there is still a big gap between the two sides on the settlement amount," said Xie Xianghui, a lawyer for Proview Technology (Shenzhen) Co. Xie declined to disclose the amount or when Apple made the offer. "The Guangdong High People's Court is trying to mediate this, and both parties are trying to negotiate and come to a settlement," Xie said. Carolyn Wu, a spokeswoman for Apple in Beijing, declined to comment on Xie's remarks. The possibility that Proview will win the lawsuit is very high, but it may take years to get compensation, said Li Xiaoning, a lawyer specialising in intellectual property rights cases.

- Bloomberg, 8 May



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## GENERAL

### China's Urbanisation Rate to Further Boom

China's urbanisation rate will further climb to near 60 percent by 2020, bringing the country's urban population to around 850 million, according to a report distributed at the Symposium on Demographic Challenges and Social Cohesion. Sponsored by the China Population and Development Research Center, the report noted that China reached a historic point in 2011, as the number of people living in the nation's urban areas passed the number living in its rural ones. Over the next 20 years, China's urbanisation will maintain a fast pace, with around 300 million people moving from rural to urban areas, according to the authors. China's urbanisation will enter a stable stage by the middle of the 21<sup>st</sup> century, with the peak value between 70 to 75 percent, it said. The publication urged efforts to provide migrants, mostly farmer-turned workers without equal access to urban public services, with social security and improved living conditions.

- Xinhua News, 4 May

### China to Boost Construction of Green Buildings

The Chinese government has established a goal of having green buildings account for 30 percent of new construction projects by 2020, according to an official document released Sunday. The document marks the first time China has set a goal for the development of green buildings. The document specifies a goal of bringing China's building energy consumption ratio closer to that of developed countries by 2020. Analysts said the move indicates the "green construction" sector will be an economic breakthrough in terms of spurring growth in the country's energy-saving efforts. It will leverage a green market with trillions of CNY, as developing green buildings will drive the growth of new building materials and related service sectors.

- Xinhua News, 6 May

### Development, Urbanisation Threaten Wetland

Although the Ergun Wetland Protection Zone attracts more than 1 million domestic and foreign tourists every year, local forestry authorities struggle to balance operating costs for the zone, one of the largest in Asia. "Besides the costs for daily protection and maintenance, the budget for infrastructure construction is far above our means," said Zhen Guang, head of the Ergun city forestry bureau in the Inner Mongolia autonomous region. Lack of a national wetland protection law has become the major barrier for wetland preservation across the country, experts said. Experts explained that the cost for 1 square metre of land reclamation from wetlands is less than CNY 300 (USD 47), much less than the price of land available through the market. At the end of March, media reported that nearly 100 villas were built in Hebi National Wetland Park, Central China's Henan province. With money to be made, many wetlands have vanished.

- People's Daily, 14 May

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# Numbers

## 5

Damian Green, Britain's Immigration Minister, said at a briefing, that given the 2012 Olympics, Britain wouldn't limit visas issued in China, and applicants could receive passports within 5 business days.



## 220,000

At the end of 2011, expats employed in China totaled about 220,000, and accounted for 37% of the permanent expat population.



## 8.66

The Chinese workforce works 8.66 hours a day on average according to research.

## 22m

Tianjin's delegation had a turnover of USD 22 million on the first day of the 111th China Import and Export Fair, Session 3.

## 600

Beitang Ancient Town, with a history of 600 years, opened during the May Day holiday.



## 21.2 bln

15 contracts were signed during Heping District's 2012 Investment Negotiation Meeting, and the committed investments totaled CNY 21.2 billion. Some high-end service industry projects like Ritz-Carlton will settle in Heping District, Tianjin.

## 35

A wildlife photographer took pictures in Canada's wilderness areas. A photo recorded a mother polar bear bringing two cubs with her leaving for Hudson Bay 35 miles away for food.



## 53.3%

PMI for China's manufacturing industry in April was 53.3%, increasing by 0.2% over March. After rising successively for 5 months, it is higher than during the same period last year.

## 79,955

Tianjin-Qinhuangdao Transportation Line for Passengers will be opened at the end of 2012. The biggest station along this line, Binhai Railway Station, which has a building area of 79,955 square metres, is under construction.



## 10%

The Ministry of Commerce set a target for China's average annual growth for total volumes of imports and exports of 10% during the Twelfth Five-Year Plan Period.

## 356,955

The supermoon for 2012 appeared at 11:35 on 6 May, Beijing time. The moon came its closest to the Earth for the whole year — 356,955 kilometres.



## 2,685

The liner Diamond Princess arrived at Tianjin port with 2,685 tourists in the early morning of 1 May. The luxury cruise ship had come from Pusan, South Korea and left for Dalian on the night of the same day.



## 64

According to UNESCO, Jewish people read the most books in the world, 64 books per person per year. Shanghai ranks first in China with only 8.





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# June China Economy Report

By Hyuk-tae Kwon



**T**he Chinese economy is slowing down faster than previously thought. However, experts say Beijing is not left with many options.

Beijing continues to maintain a growth target of 7.5 percent for 2012, 0.5 percent lower than the historical target of 8 percent. Anything below the 8 percent level was feared to trigger mass unemployment and cause nationwide social unrest in the world's second-largest economy.

Analysts have been predicting the economy would bottom out in the second quarter of 2012, before rebounding in the final six months, but data released in mid-May indicates that the slowdown may be more intense and lasting according to Channel News Asia.

"It's quite worrisome, and worse than before. It increasingly looks like we're seeing a very broad-based slowdown," said Zhou Hao, an analyst with ANZ Bank in Shanghai.

"We will definitely see more reserve ratio cuts in the coming months, and there may also be more spending."

On Saturday, 12 May, China's central bank stepped in to reduce the amount of cash banks are required to keep in reserve for the third time since last year. The majority of market experts interpreted this move as Beijing sending signals to the market; show its willingness to loosen policy in light of the significant economic activity slowdown.

This move came after Friday, 11 May, showed the output of the country's millions of factories and workshops hit a near three-year low in April, with imports virtually flat, showing a stagnant local economy according to Channel News Asia.

On Tuesday, 15 May, there was news that investment from crisis-battered Europe tumbled nearly 30 percent this year from the same period a year ago, adding to the gloom. From an external market demand perspective, China does not stand a good chance.

## Who can Beijing lend to? Not too many

While another cut in the RRR is expected by market

experts, its effectiveness is uncertain.

"There is not much the government can do," said Andy Xie, an independent economist based in Shanghai.

"Even if they reduce the required reserve ratio again, who are the banks going to lend the money to? Banks use land as collateral, and when the price of land goes down the way it does now, the amount of loans goes down too."

There are two more widespread criticisms: 1) Beijing was too slow in reacting to the cooling  
2) More assertive loosening will fuel higher prices similar to what happened after the 2008 global financial crisis.

"The government will be more cautious than in 2008, because of the problems it created then, especially in the form of inflation," said ANZ's Zhou.

### Inflation slows down for now

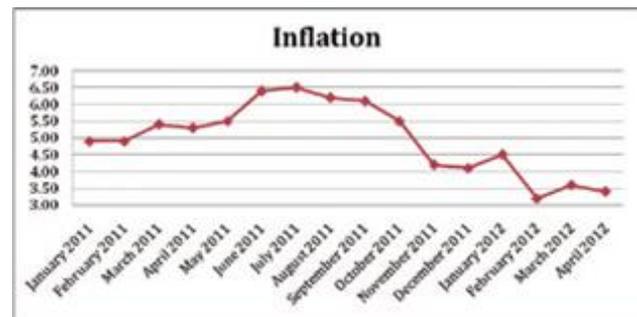
China's inflation rate slowed slightly to 3.4 percent in April, down from 3.6 percent a month earlier. This will give Beijing greater leeway to ease policy to boost the economy, explains AP news.

April's moderation in the consumer price index was aided by an easing in costs for food and housing. Food price inflation slipped to 7 percent from 7.5 percent in March.

Meanwhile, the producer price index of costs for manufacturers fell 0.7 percent. That largely resulted from falling commodity prices, but could ease future price pressures according to AP News.

However, wages and rental prices are rising over the longer term, noted ANZ in a commentary.

"We remain cautious on China's inflation outlook. Price reforms will continue to add pressure to China's structural inflation," it said, adding that "for the foreseeable future we expect to see significant increases in utility prices such as water, electricity, and fuel."



The National Bureau of Statistics announced on 11 May that China's economy grew in the first quarter by its slowest pace since 2009. Also, import and export growth slowed in April, leading to increased pressure on the





government to implement further monetary easing.

Imports in April rose just 0.3 percent (USD 144 billion) compared to a 4.9 percent (USD 163 billion) increase in exports, adding to the fears that the world's second-biggest economy is not doing enough to stimulate domestic demand and counter a slowdown.

**“Beijing’s mind-set is still stuck somewhat in its socialist past”**

Beyond the immediate crisis, China needs bolder and more comprehensive reform of the economy according to Xie. This will require Beijing to grow out of its socialist past and move towards a more market driven economy.

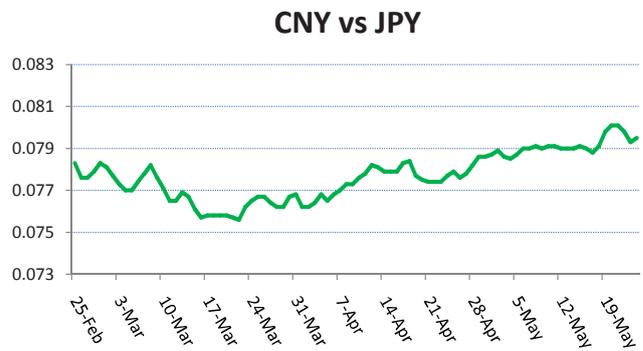
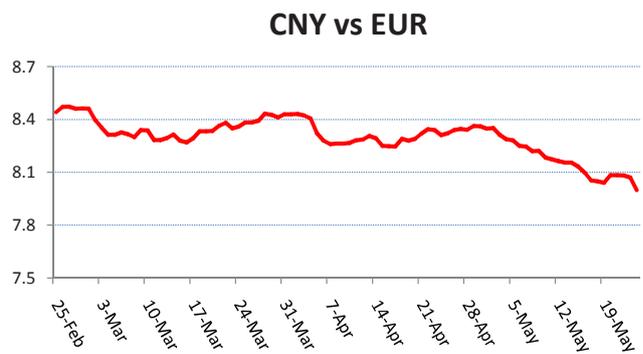
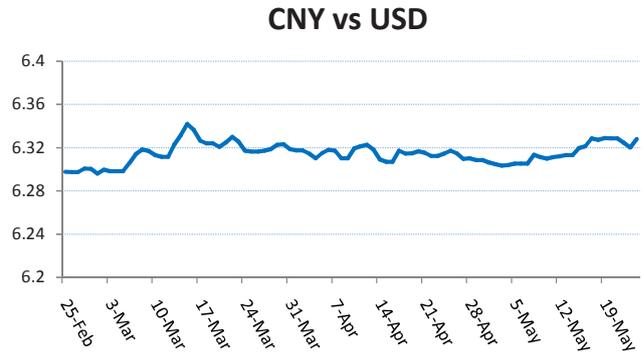
"What China needs are structural reforms. The government needs to improve efficiency by reducing the state sector. The state sector is too big, and it is wasting tremendous amounts of money," he said.

"A lot of the growth right now is just waste. The government needs to have another attitude. It needs to change. Otherwise the problems will just mushroom."

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## Three-month CNY trends



Data source: Oanda.com interbank rate



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# Centred on Excellence

Interview with Paul Salnikow, Chairman & CEO, The Executive Centre



The Executive Centre is Asia's only clearly-defined premium serviced office provider, with 47 centres in 18 cities. Founded in 1994, it currently manages over 900,000 square feet of office space, and operates in locations through Asia. The Executive Centre provides serviced offices, virtual office representation services, meeting and conference facilities, and business concierge services to multinational corporations, small and medium enterprises, and start-ups locally, regionally and internationally. Business Tianjin had a chance to speak with Mr. Salnikow about the serviced office industry and future goals of The Executive Centre.

**Office buildings often become landmarks, even symbols of cities. What design vision or common standards do you have for selecting a new site?**

In accordance with The Executive Centre's motto: "Excellent Locations. Excellent Service. Excellent Value", all of our centres are within each city's hub of business activities, being highly accessible with solid transportation. We look for well-designed, well-managed, and the most sought-after Grade-A office buildings with prestigious business addresses.

**What kind of professional team do you have to accomplish all this?**

I have a professional corporate expansion team to conduct continuous monitoring and evaluation of Asia's top 40 economic centres, using a defined set of experience-based criteria to identify the best locations for our new centres. We hunt across all markets, all the time. The Executive Centre's



reputation for quality and brand leadership is opening opportunities for direct landlord deals with premium developers.

### **Why did you choose a career in this industry, and how did the idea of founding The Executive Centre come into being?**

The business began when I, being a property manager for a Saudi investment group in Hong Kong, was looking at ways to add value to the office element of my client's portfolio. I realised that with a successful serviced office, I could generate not only market rent for the landlord, but a substantial profit as well. Coming from New York and having worked in London and Tokyo, always in property, I had encountered and used the serviced office concept in the past. At that time, serviced offices were rather primitive places, offering basic furnished offices, and not much more. In 1994, recognising a market niche for premium serviced office suites in Hong Kong, I established The Executive Centre with premium fit-outs, ergonomic furniture, state-of-the-art telephony systems, and professional business services support. In 2000, I started focusing on the centre's network expansion with private equity funds. The Executive Centre was one of the very first serviced office companies to operate

in Asia, and quickly established a reputation for having the best locations, best service, and best value.

### **What are your personal plans, as well as your plans for the corporation in the coming five years?**

Despite the current global economic slowdown, I am confident of the growth at The Executive Centre in the coming years, both in terms of capacity and revenue. Our ongoing network expansion shows that there is a rising demand for premium serviced office space and this is, in part, driven by uncertainty.

The Executive Centre is currently growing at the rate of five to eight new centres each year. Turnover and profitability are both increasing by 40 percent annually. The Executive Centre will continue to grow across both existing and new Asian markets, as well as look into establishing a presence in emerging markets, namely Gulf States and Russia.

With our client-focused strategy, strong management team, and highly motivated workforce, The Executive Centre will grow to become the second largest in Asia, and the third largest in the world in five years' time.

### **Virtual offices are a new and interesting concept for many. Did it originate with the Executive Centre?**

### **What kinds of customers demand this service?**

Although The Executive Centre did not originate the virtual office concept, we are among the early pioneers of virtual offices in Asia.

A virtual office is an ideal option for businesses of all sizes from individual entrepreneurs and home businesses, to small-to-medium sized enterprises, and multinational corporations who seek to run their operation or test a new market without setting up a physical presence.

As part of our comprehensive range of virtual office services, The Executive Centre provides clients with a prestigious business address, in a premier Grade-A building, in a central business district location, that is ideal for their business identity. Our virtual office business address is fully supported by a variety of services including mail forwarding, dedicated telephone answering and other professional services according to their requirements.

### **How much would it cost to set up and maintain a virtual office?**

The cost of setting up a virtual office with a business address is minimal. Depending on the centre location and the scope of services provided, normally the cost is roughly CNY 500 to CNY 2,000.



**Although you are a top operator in this field, you still have competitors. How do these other companies compete, and who is your biggest competitor?**

The Executive Centre is Asia's only clearly-defined premium serviced office provider, and is the only serviced office business focused on the pan-Asian market. Other serviced offices providers who compete with us in Asia actually operate globally, but with less market penetration in Asia than The Executive Centre. They focus on providing top-grade serviced offices with good service in good locations, but The Executive Centre is committed to providing premium serviced offices

with excellent service in excellent locations. Our clients are Asian businesses or Asian decision makers, and we fully understand their needs.

**What do you think of "serviced offices are one of the best performing growth sectors in commercial property"?**

The serviced office industry is a rapidly growing segment within commercial office space, growing at an annual rate of 73 percent globally. A multitude of businesses and industries have started to realise the advantages of deploying flexible workplace solutions. The attraction

of serviced offices not only lies in their flexibility of lease terms, but also the value-for-money services that assist start-ups in speeding up their establishment and capitalising on more business opportunities. Time, money, and effort are the three key components in driving business.

**How do you regard the advantages that serviced offices have on the changeable market?**

At a time of ongoing global economic uncertainty, companies are finding it hard to forecast their expansion pace over twelve months, let alone three to five years. Serviced offices offer greater flexibility than traditional offices, providing companies with a platform to adapt quickly and decisively to rapidly changing market conditions, resulting in better planning, and therefore better business. When companies intend to move their offices into a new city or country, it normally takes around 4-5 months to deal with furnishing, designs and decoration, and so on. Serviced offices however, take merely 1 week to be ready for business, making it much more cost effective.

**Can you evaluate the acceptance level of customers from mainland China for serviced offices?**

I think China is becoming more aware of the benefits a serviced office can bring. The China serviced office market has been on a steadily upward trend since 2005. Shanghai is currently ranked 11<sup>th</sup> worldwide in the provision of serviced offices and Beijing 26<sup>th</sup>. Serviced offices in Grade-A and premium buildings in central business district locations are reaching an average monthly rate of CNY 6,500 and up, per workstation. We believe in the bright future of China's serviced office market, The Executive Centre will continue to grow across existing markets, as well as expand into second-tier cities such as Hangzhou and Shenyang, which are moving into more service-based economies.

## **Is your family living with you in Hong Kong? How do you enjoy life there?**

I have been based in Hong Kong for over 22 years and have seen the transformation of the city from a British colony to a confident leading Asian city. It has been a fascinating two-decade transformation, which of course has been driven by China's economic and social evolution.

## **Could you tell our readers one thing that has been the biggest influence on your growth (that brings you to where you are today)?**

My father taught me that when I do something, I should always seek to do it the best that I can. Also, that I should always understand that "my best today" can be even better tomorrow with focus and effort. We apply this lesson at The Executive Centre every day. We are Asia's premium serviced office provider, the best, but we understand that to retain that position of trust with our clients, we must do an even better job with them today, than we did yesterday. Be happy with your achievements, for they are stepping stones to further achievement.

## **The Executive Centre is expanding constantly. What would you say about the great achievements you've made for your organisation?**

The Executive Centre is growing at an annual average rate of 30 percent. We are accomplishing this by meeting strong client demand for our centres and services. Early on, I understood that a great company cannot be defined as being one leader and many followers, but rather, a great company is defined by being a great team. The concept of teamwork is one of the core driving principles at The Executive Centre, we all interact, work together, and rely on each other's performance. I have a responsibility to each and every one of my team-mates to do my best for them, and they for me, and all of us for each other. It works very well. In fact, we believe in this concept so strongly that words such as "employee" or "staff" are never used at The Executive Centre. We have team-mates, partners, and members.

## **Is there anything else you want to add or any closing thoughts?**

Our first priority is always to understand and meet our clients' needs. Our client-focused strategy will continue to cement our position of leadership and keep us in the vanguard as Asia's premier serviced office provider.

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# WHEN FASHION MEETS BUSINESS

*Interview with David Sancho  
CEO of Mango China*

*By Silvina Pardo*



**D**avid Sancho, a Spaniard, graduated from Ramon Llull University (ESADE), majoring in Business Law. He joined the Mango team in 2004 as an international lawyer. In 2005, he was appointed Director of Legal Management. One year later, he was named Director of Real Estate

**The brand, which began its international expansion in 1992, currently has more than 2,400 stores in 106 countries and continues to be Spain's most internationalised fashion brand.**

Management, where his tasks included responsibility for all Mango company store premises, in addition to searching for new locations and markets in which to expand the brand. Currently his title is CEO of Mango China.

MANGO is the second-largest exporter of women's fashion in Spain, and it has become a manufacturing powerhouse and international brand. Its idea is based on an alliance between a quality product, based on the latest fashion trends, and an affordable price. This brand image is reinforced by its company-owned stores, which represent the calling card for the brand, and create a dynamic atmosphere to match the personality of its customers.

The brand, which began its international expansion in 1992, currently has more than 2,400 stores in 106 countries and continues to be Spain's most internationalised fashion brand.

One of the key concepts to Mango's success is its focus on dressing the urban, young professional with affordable runway fashion, ranging from sporty-casual to chic business attire, and even evening wear.

#### **Future Plans:**

MANGO's expansion continues with the recent opening of numerous stores in its current market of choice in Asia: Mainland China.

**Could you give an introduction about the story of Mango in China?**

Mango first appeared in China in 2002 and currently has 200 retail outlets in the 80 most important cities, in commercial terms, and is planning to consolidate its presence in each of them during 2012.

#### **How does Mango operate in China?**

Mango has two operational centres, the original one in Barcelona, Spain and last year Mango opened the second one in Shanghai. The Shanghai centre is a corporate office with a local team. They are representatives of the most important departments. The focus of this centre is business in China.

#### **Why do you think China is a great market for Mango to expand into?**

The Asian market is currently made up of two elements; the "designer" luxury brands, and less expensive low quality articles. The idea is to place Mango in an intermediate zone with medium to high quality garments, a zone that is developing on a large scale, with foreign brands as well as local ones trying to get into the competitive market.

#### **Where does Mango produce their garments? Are they all made in China?**

Mango has several points of production



in Asia. Different items have different production requirements. This determines whether they are made in China, Morocco, or Vietnam.

**Are collections created specifically for China or are they exactly the same as in Europe? Does the brand adapt to Chinese tastes?**

Our collections are global, that means you can get the same designs in a store in Europe as you can in Tianjin. We only have six items designed specifically for China.

**How is expansion of Mango planned in China? How do you choose among Chinese cities where a new store is to be established?**

About expanding in China, we had two different plans. One was to establish Mango in first-tier cities such as Shanghai, Beijing, Guangzhou, and Shenzhen, then encourage our clients to travel to meet us. The second plan was to spread in first-tier and second-tier cities, and bring the garments to our clients. Finally, we have decided to go with the second plan, and in the last year we have successfully increased from 100 to 200 stores in 80 cities in China.

**Let's talk about the local stores in**

**Tianjin. How many stores do you have at the moment in Tianjin? Are Mango stores in Tianjin franchised operations?**

At the moment we have six stores in Tianjin. The first one was a franchise which has been operating successfully for several years. The rest are all company-owned stores which were opened this year in the most important commercial centres of the city, including the latest one we have just opened in Joy City shopping mall.

**How do you choose the best place for your store?**

We have completed several studies that take into account location, development, and competition.

**Do you have any "HE" stores in Tianjin? Any plans for the future?**

We still don't have any HE stores, the men's apparel line, but our intention is to open the first HE store in China between the end of this year and the beginning of 2013.

**How do you promote your brand in China?**

Mango, historically, has excelled with fabulous publicity campaigns, always in collaboration with famous celebrities and top models such as

Penelope Cruz, Claudia Schiffer, Naomi Campbell, Christy Turlington, Scarlett Johanson, Isabella Fontana, and, currently, Kate Moss.

Mango always has an investment plan, for advertising in local media, to cover major cities. We usually invest in the main fashion magazines, as well as online sources, and digital TV. For social networks, we have our own accounts on Weibo and Tudou. Also, during the last autumn/winter season, we launched an ambitious global campaign with Kate Moss, which was directed by Terry Richardson.

Furthermore, for a couple of seasons, we have been presenting the new Mango collections at important fashion shows in Shanghai and Beijing.

**How big is the Chinese market in global terms?**

In 2011, the Chinese market reached 4% of the total turnover forecast for the MANGO Chain (retail price excluding VAT), and expects to reach 5% of the total turnover forecast for the group in 2012.

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# SIMPLY THE WEST

Interview with Brian Povenelli, Global Brand Leader, Westin Hotels & Resorts

By Chris Wilson

**B**rian Povenelli's CV makes for impressive reading. Having won numerous accolades during his time at sports giant Reebok, including Footwear News Marketer of the Year, and being honoured by Time magazine for one of the Best Ten Ads of 2001, his Starwood career began in 2006 when hired to lead global brand marketing for Sheraton. Consequently managing the marketing strategy behind the Sheraton brand's historic USD 6 billion revitalisation and repositioning, he is currently Global Brand Leader for Westin Hotels & Resorts, where he is responsible for the overall vision and strategic direction of Starwood Hotels & Resorts' wellness brand, as well as the overall brand management, compliance, integrity, and positioning of the Westin brand. Given this vast experience, *Business Tianjin* was delighted to hear his thoughts.

## How do you see the brand expanding over the next few years?

Aggressively. There are currently 15 Westin Hotels in China, and 9 more under development. In Asia, we have 30 hotels with another 15 under development. Expect this list to grow.

## How does your vision and culture relate to your brand positioning?

Our vision is based around the idea that guests leave the hotel feeling better than when they arrived, and we do this by creating a hotel 'for a better you'. This is achieved in various ways, such as helping guests sleep well through the Westin Heavenly Bed, eat well through our 'Super Foods Program', and move well through our



'New Balance Program' which makes it easier for guests to work out. We also have our heavenly spas. These unique core programs separate us from the competition.

## Which of these programs has been best received?

It has to be the Heavenly Bed. Westin was the first hotel to ensure the bed

was the centre of the hotel experience. This bed delivers on its promise of a heavenly sleep. Demonstrated by the fact that we have privately sold over 100,000 of these beds to customers to use in their homes, Westin is consequently regarded as having produced one of the greatest innovations in the industry within the last decade.

and Genius Bars have created an excellent retail environment. We can learn from this kind of thing.

### **In what other ways are you different from your competitors?**

We are a much more modern and forward looking brand. This is what appeals to people. The core programmes previously mentioned are important, but equally important is our intuitive service. We predict and anticipate the demands and needs of customers

### **In parts of the world, Westin is a franchise. How do you ensure your high standards are universally maintained?**

In Asia, we have no franchises, but we have some in North America. For these, we have strict criteria and a very rigorous selection policy. All hotels are also subjected to an annual audit, and through the audit and criteria, we are able to maintain a consistent experience.

### **How have Westin Hotels & Resorts stayed strong for so many years? What are the key priorities for the brand going forward?**

We have stayed strong by continuing to be innovative. Starting with the Heavenly Bed, we really have been the brand that has redefined certain categories. We have done this again with the Westin work out and 'New Balance Program'. This programme, also known as 'gear lending', offers customers the opportunity to borrow gym equipment such as tennis shoes during their stay with us, rather than having to pack their own. We noticed that for many customers it was inconvenient to pack such things, and this extra service will make their lives simpler. Prior to Westin's focus on the gym experience, many of our competitors believed it was sufficient to simply put a few pieces of gym equipment in a room. Once again, we have raised the bar. We were also

the first brand to have a healthy meal option. It is this constant innovation that has kept us at the cutting edge of the industry, and more innovation is on its way. For example, we are currently looking to redefine the way people work. With the evolution of technology, the traditional business centre (such as renting a meeting room for a day) is not as relevant as it once was, so we are looking to create more flexible meeting spaces (available say by the hour) which again will improve our customer's lives. In terms of future priorities, we want to grow in a smart way, by which I mean being smart about where we open hotels and at what pace we do it. We also want to be in markets where we can clearly add something different. Our strategy was about penetrating the major cities first, and now that we are doing that, we are moving on to second tier cities and also starting to add resorts to our portfolio.

### **How do you market your Westin Hotels & Resorts? Who do you market it to?**

Business's and business people are the core customers for Westin and this is why, as a major economical centre, having a hotel in Tianjin made so much sense. Westin is a five-star luxury hotel, so naturally, we target upper class clients as well as the expanding middle class. We market our hotel through the programmes discussed, and by providing customers with luxurious experiences. Westin's core values, such as offering a heavenly sleep, the 'Westin Workout', and the 'Super Food Program' are universally present in our hotels, but we also make the hotels as locally relevant as possible and cater to the unique demands of every market and culture to enhance the overall experience.

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### **Where do you look for inspiration as a Global Brand Leader?**

Everywhere! Starwood is the leader in the hospitality industry, so I look to other industries for inspiration. What are the Airlines doing? What are car companies doing? Basically, I look at hospitality or any industry that provides a service. A specific example could be Apple stores, whose service



# Breeders Delight

Brian McCawley, President China, Big Dutchman

by Mark Gao



Shiny feed silos in the Chinese countryside bearing the Big Dutchman logo are an obvious source of pride for the China head of Big Dutchman, a manufacturer and installer of farm feeding and housing systems. China is “going fairly well, the five year forecast looks good,” says Brian McCawley, head of operations in China for Big Dutchman.

McCawley shows photos of a farm completely fitted with Big Dutchman systems in Pinggu, a rural hinterland of Beijing. However, while photos lining the corridors to McCawley’s office show the neat brown bricks of the company’s German headquarters, it’s clear that the company’s focus is turning increasingly to sales opportunities in China, formerly only a centre for sourcing for the company. Privately held Big Dutchman

has seen demand for its products in China rise as demand for meat and eggs rises, and farms consolidate for greater efficiencies. McCawley has also seen the company benefit from demands for improved food safety and traceability.

Thriving sales means Big Dutchman’s Tianjin facilities will be consolidated into one large space by the summer of 2014. “We need more space to house an expanding sales and service crew. It’s conditional on getting a large block of land,” he explains. Sales in China outpaced growth in global revenues of 30% in 2011, a figure helped by demand in the EU for egg-laying farm refits.

McCawley is from Florida, and while not from a farming background, he’s seen the evolution of farming in the US. He’s also seen how Floridians get their vegetables and meat trucked in from

Alabama and Carolina, “because no farming is tolerated” in the sunny state, a favourite retirement destination. In somewhat the same way China’s pig population has seen a subtle shift away from urban centres and northwards towards land and feed sources, there’s also been a big rise in numbers around Urumqi, capital of Xinjiang province, one of China’s grain belts.

### Transition from exports to domestic sales

Big Dutchman set up a wholly foreign owned enterprise (WFOE) in Tianjin over a decade ago, “because everyone needed to be in China”. The company bought an existing facility in the city’s Beichen district, and has expanded there ever since. However, the factory was

originally geared for exports to Europe, but China's pig and chicken populations have since soared, pushing McCawley to focus on domestic sales.

Big Dutchman exports from China slipped 25% in 2011 and McCawley expects a stronger CNY to further dampen exports in 2012. "It used to be 10 to 1 [exports to local sales] but now it's 8 to 1." McCawley watches which local meat companies are expanding their production, "because the animals will follow".

In China, Big Dutchman emphasises the pig business, supplying feeding and stable management systems to local hog farmers. He explains how a stable temperature and environment is vital to the economics of modern animal barns: "cold animals eat a lot more feed". According to the UN-affiliated Food & Agricultural Organisation (FAO) almost half the world's pork output comes from China, which has nearly 700 million pigs (compared to 450 million in 2002) and will be responsible for all of 2011's increase in global supply. Pork accounts for about 75% of meat demand in China.

McCawley also foresees a big expansion in laying hen numbers: the 2,000-per-farm average will rise to 40,000 eventually. Poultry output in China has climbed nearly 40% over the last decade, and the trend will continue: the figure is expected to exceed 15.6 million tonnes in 2019. Similarly, of the 5 billion egg-laying hens in the world, 1.2 billion are in China, compared to about 300 million in the USA and 140 million in India. Much of the increase in meat output is due to bigger farms and processing plants, which keeps poultry prices low for consumers, but often confines chickens to deplorable conditions in breeding and slaughtering plants.

### Food safety concerns first

McCawley believes the first priority for China is to ensure the country's food supply chain is safe, before animal welfare conditions will be dealt with. However, he argues, modern farms and animal welfare are not mutually exclusive. Controlled environments mean animals often have better living conditions than many humans in China.

McCawley also noted that China's concern with food safety ensures the firm's business will continue to grow here. While EU regulations ban cages for eggs and doubled the space per laying hen, in China, farms tend to be smaller, often back-yard affairs. Currently, average per-hen space in egg-producing farms varies from 750 square centimetres per hen in Europe versus 400 square centimeters in China.

China is in the middle of a shift away from the back yard farming culture. "Pure agricultural] people will become more prevalent in China's farming sector," says McCawley, who adds, "farms will consolidate further". While Big Dutchman has so far only one state-owned customer, McCawley points to "a lot of money coming in, especially from Hong Kong," to mainland China's agricultural businesses.

Much of the cash has gone to breeding more pigs in ever more sophisticated farms. China has seen growth in numbers of imported fast growing breeds like the Landrace, the Yorkshire, and the reddish-skinned Duroc. The three breeds account for the bulk of the



# Feature Story

billion pigs killed globally every year. Pig breeders in China have increasingly ditched indigenous breeds for the Landrace and Duroc to fatten pigs to maximum weight in the shortest time: 113 kilos in 160 “days to market”, translates as to how long it takes to feed a pig to the stage where it’s butchered. Many Chinese pig fatteners currently take, on average, 200 days to ready their pigs for slaughter.

Consolidation of the agricultural sector will make the role of knowledge and technical experts like Big Dutchman “more necessary” because of the superior service the company offers. China will remain preoccupied with food safety and “question what goes into” the country’s pigs and other food.

Aside from watching private investment in the agricultural sector, Big Dutchman closely watches Chinese government economic blueprints and spending plans which guide investment in certain segments of the agricultural market. For instance, the government’s five-year plan will ensure egg production grows. In China, subsidies to farmers have guided investment in particular areas. Subsidies have helped consistently lift grain yields, for instance, and have helped the rise of a wave of new ‘integrator’ pork processors like Zhongpin and Shineway which also produce their own pigs to ensure quality of supply.

## Better service

Big Dutchman’s staff of 250 is mostly engaged in sales as manufacturing is outsourced. Installation and service staff numbers are growing every day. “A lot of farmers in China know they need to get to the next level, but don’t know how.” Big Dutchman staff provides a “consultative sales role”. A design fee is added into the cost, but is only a minor element of the overall cost.

There’s room for Multi National Corporations for the next decade, “and after that it’s hard to say.” Locals, like Beijing-based Kingpen, are growing in scale and quality. They also have crucial distribution networks. Big Dutchman’s international competitors in China include US-based GSI, which supplies



Chinese pig farms. “There are a few big guys who come and go, it’s very spread out... We are all good friends; we meet at trade shows like the annual Nanjing show in May.”

Big Dutchman’s high standards of service means it will continue to have a role in China. Service is key; it takes a lot of maintenance. “Ventilation systems, for instance are key in a big facility.” The company’s customers get spare parts in 24 hours from Tianjin. Likewise, there’s a telephone help line.

Nearly a decade finding quality local suppliers and tweaking standards has ensured McCawley’s Tianjin operations can guarantee international-standard products for Chinese farmers. “The

idea of globalised production is that standards are the same across all facilities. Steel and plastic must meet the firm’s global standards.”

Finding reliable local suppliers is a painstaking process. “Some [of our products] are more difficult to produce because of the tight tolerance on the welding...if you do production it has to be available for export...thus it takes longer to find local suppliers.”

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# Trade Secret Protection in China



Simon Bai  
Winners Law Firm



**N**owadays, one of the major concerns for international businesses operating in China has been the protection of IP and in particular trade secrets. This essay looks at some of the characteristics of Chinese law in this regard and offers some suggestions on how to ensure that trade secrets are well protected in China.

### Chinese Law on Trade Secrets

#### 1. Anti-Unfair Competition Law (“AUCL”)

In China, the legal framework for the protection of trade secrets is set forth in section 10, Chapter II, of the Anti-Unfair Competition Law (AUCL) published in September 1993. AUCL has been further updated by other regulations, such as the Several Regulations on the Prohibition of Acts of Unfair Competition Involving the Passing-off of a Name, Packaging or Trade Dress Peculiar to Well-known Merchandise, effective 1995, and the Several Regulations

on the Prohibition of Acts of Infringement of Trade Secrets, effective 23 November 1995.

Section 10 of the AUCL defines trade secret as “technical information and operational information which is not known to the public, capable of bringing economic benefits to the rights owner, has practical utility, and which the rights owner has undertaken measures to maintain its confidentiality.” Section 10 of the AUCL further prescribes trade secret misappropriation as:

- acquiring a trade secret of another by theft, inducement, duress, or other illegal means;
- disclosing, using, or allowing others to use a trade secret of another acquired by the above illegal means;
- disclosing, using, or allowing others to use a trade secret in breach of an agreement or a confidentiality obligation imposed by the rights owner.

It is clear from the above provision that the third party can be deemed to have infringed on a trade secret if the third party has full awareness that the trade secret it obtains, uses, or discloses has been subject to the foregoing illegal acts.

## 2. Interpretation on Trade Secrets by the SPC

In January 2007, the Supreme People's Court ("SPC") issued an Interpretation on Some Issues Concerning the Application of Law in the Trial of Civil Cases Involving Unfair Competition ("SPC Interpretation") to clarify issues, among others, relating to unfair competition claims. The SPC Interpretation sheds light on the term, "information which is not known to the public", as provided under AUCL and explains that such information shall refer to information that is unknown and difficult to obtain by a relevant person in a relevant field.

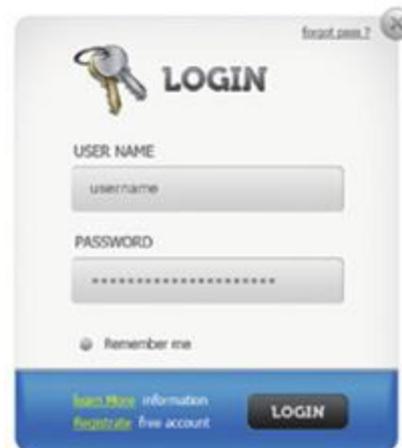
The SPC Interpretation expressly excludes the following information as being "unknown to the public":

- i. information that is common sense or industry practice as known by a relevant person in a relevant technical or economic field;
- ii. information that only involves the simple combination of dimensions, structures, materials and components of products, and can be directly obtained by observing the products by the public after the products enter the market;
- iii. information that has been publicly disclosed in a publication or other form of mass media;
- iv. information that has been publicised by open conferences or exhibits;
- v. information that can be obtained through other public channels; and
- vi. information that can be easily obtained for free.

**Section 10 of the AUCL defines trade secret as "technical information and operational information which is not known to the public, capable of bringing economic benefits to the rights owner, has practical utility, and which the rights owner has undertaken measures to maintain its confidentiality."**

According to the SPC Interpretation, any information which has actual or potential commercial value and can bring competitive advantages to the owner shall be regarded as having "economic benefits and practical utility." The SPC Interpretation provides guidance as to what may constitute sufficient confidentiality measures. The following is a non-exhaustive list:

- a) limiting access of the classified information and disclosing it only on a need-to-know basis;
- b) locking the physical container holding classified information;
- c) labeling the container of the classified information as confidential;
- d) adopting passwords or codes for the classified information;



- e) executing a confidentiality agreement;
- f) limiting visitor access to the classified machinery, factory, workshop or any other place, or imposing confidentiality obligations on visitors;
- g) adopting other reasonable measures to ensure the confidentiality of the information.

## Enforcement of Trade Secret Rights

There are two options available for an owner of trade secret rights to enforce its rights in the event of suspected trade secrets infringement, which are administrative or judicial actions.

For administrative enforcement, the office of the Administration for Industry and Commerce (AIC) is the authority in charge of IP protection enforcement. Generally speaking, AIC is the government agency responsible for business registration, licensing, consumer protection, anti-unfair competition enforcement, and market regulation etc. AIC above the county level will, upon the owners' report and after an investigation and determination of the misappropriating acts, order the infringing party to cease its infringing acts. AIC can order the return of the stolen materials and information, order the destruction of any goods made with the trade

secrets, confiscate the infringers' illegal income, revoke the infringers' operating business license, and in some circumstances impose a fine of CNY 10,000 to CNY 200,000. If the infringer does not comply with the cessation order, a fine of more than twice and less than three times the amount of the value of goods sold can be imposed. All decisions of AIC may be appealed to the Courts. AICs do not have the authority to award damages.

The other option for a trade secret owner is judicial action. The infringed party can institute proceedings in the courts to seek compensation for damages under Section 20 of AUCL. In cases where damages cannot be reliably calculated, the amount of profits obtained by the infringing party can be used as the basis for the compensation claim. In addition, expenses and fees arising from investigating and obtaining evidence of the infringement can be included in the claim for damages. Injunctive relief is also available, subject to the satisfaction by the court, that such measures are warranted under the circumstances.

Unlike the laws of the US where the procedure of discovery will enable parties to have access to all relevant evidence, China does not have such proceedings. According to the SPC Interpretation, the plaintiff carries the burden of proof in a trade secret misappropriation action, which in many cases is not always easy for the plaintiff to establish a good case. Specifically, the plaintiff must present admissible evidence in a Chinese court that the trade secret:

- is not publicly known;
- has economic benefits and practical utility;
- was protected by adequate confidentiality measures;
- has been misappropriated.



## Preventative Measures to Safeguard Trade Secrets



It goes without saying that it is of critical importance for international businesses operating in China to take careful steps to protect themselves from any harmful disclosure of confidential trade secrets. The following suggestions could be of assistance for such businesses:

- Designate specific personnel to be responsible for formulating and overseeing internal IP protection programs and policy including trade secrets which need to be evaluated and updated regularly;
- Regularly review and update the scope of trade secrets and who has or should have access to such trade secrets;
- Implementing proper security measures and restricting access to computers, equipment, documents, and implementing

password protection for electronic information and locks for physical information ;

- Clear contractual obligations such as a non-disclosure clause in an employment contract to protect the trade secrets of the company. For certain management level employees, a non-competition clause with reasonable reimbursement may be included in the employment contract;
- All sensitive information should be labeled confidential and physical copies of the information should be shredded after use;
- Conduct exit interviews with all employees "in-the-know" when they resign or otherwise leave the company, bringing to their attention the non-disclosure obligation;

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# Latest Updates on PRC Franchise Rules



Manuel Torres



Julian Yu

by Manuel Torres  
(Partner) and  
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### General Introduction on Recent Developments of Franchise Rules in PRC

In 2007, the State Council of the People's Republic of China (PRC) published the Regulation on the Administration of Commercial Franchises (Franchise Regulation" as the basic rules regulating the franchising business in PRC. Subsequently, more detailed rules about filing of franchising activities and information disclosure were released, including the Administrative Measures on Filing of Commercial Franchise (2007 version) and Administrative Rules on Disclosure of Commercial Franchise Information (2007 version).

By the end of 2010, there had been more than 4,500 franchisors in China which makes China rank first in the world in

terms of total quantity of franchise systems<sup>1</sup>. Due to the rapid growth of commercial franchising activities in China, and in order to optimise the administration and supervision of development of commercial franchises in China, the Ministry of Commerce (MOFCOM) released the revised Administrative Measures on Filing of Commercial Franchise (Revised Filing Measures) which took effect 1 February 2012, and the revised Administrative Rules on Disclosure of Commercial Franchise Information (Revised Disclosure Rules), effective since 1 April 2012.

Though these two regulations do not make fundamental changes to the current commercial franchise regime in China, they provide detailed and updated requirements

<sup>1</sup> According to the Guiding Opinions of the Ministry of Commerce on Further Promoting the Healthy Development of Franchising during the 12th Five-Year Plan

on filing of franchising activities and information disclosure by franchisors, which are consistent with the principles established by the Guiding Opinions of the Ministry of Commerce on Further Promoting the Healthy Development of Franchising during the 12th Five-Year Plan (Guiding Opinions) released in January 2012.

In addition, we could also see the endeavor made by the Chinese government on creating a friendlier environment for the franchising industry, especially for foreign invested franchisors when updating the Guideline Catalogue of Industries for Foreign Investment ( Amended Catalogue) effective since 30 January 2012. This Amended Catalogue moves commercial franchising activities from the restricted category to the permitted category.

## 1. Major changes of the Revised Filing Measures

According to Franchise Regulations, any franchisor needs to file before the competent MOFCOM within 15 days after signing its first franchise agreement. Regarding the requirements on such filing, the Revised Filing Measures replace the old measures issued by MOFCOM in 2007, and the main changes are:

### - Provisions on delegation of authority of MOFCOM

MOFCOM once released a circular in April 2009 on the delegation of authority to MOFCOM at the provincial level to accept filing applications for cross-province franchising made by domestic franchisors or foreign invested franchisors. On the other hand, MOFCOM at the state level is in charge of accepting a filing made by overseas franchisors.

The Revised Filing Measures once again confirm such delegation of authority, and also prohibit the further delegation of authority from the provincial MOFCOM to any local institution or individual, which clearly forbids

some local practices of delegation to an unqualified entity or person.

Nevertheless, according to the Revised Filing Measures, MOFCOM at the state level can also accept the application of filing made by domestic or FIE franchisors in case the competent provincial MOFCOM fails to duly perform its duty.

### - Filing documents for FIE franchisor

Prior to the publishing of the Revised Filing Measures, it is unclear whether the business scope of an existing FIE was required to be expanded to include franchising activities before the filing.

To avoid the inconsistency between different practices of local authorities, the Revised Filing Measures clearly state that if an FIE intends to make the franchise filing, its business scope should include “carrying out business activities by way of franchising”. As a consequence, in order to obtain such business scope, an existing FIE has to meet the requirement of “two directly-operated stores for more than one year”. Therefore, a newly established FIE shall first directly operate two stores for more than one year. Afterwards it shall expand its business scope to include franchising and then make the filing. For detailed requirements of “two directly-operated stores for more than one year” please refer to Section 4 below.

In this regard, in case the foreign investor intends to start a commercial franchising programme through its Chinese subsidiary instead of the parent company abroad, the longer time framework as required shall be considered.

## 2. Major changes of the Revised Disclosure Rules

According to the Franchise Regulation, the franchisor shall disclose the required information to the franchisee at least 30 days before signing a franchise agreement. In





this regard, the main changes introduced by the Revised Disclosure Rules compared with the old rules issued by MOFCOM in 2007 include:

### Disclosure obligation exemption

The franchisor is exempted from the disclosure obligation when renewing the franchise agreement without change of the original terms and conditions.

#### - Confidentiality

Franchisees are obliged to keep the franchisors' business secrets confidential no matter whether it is in the process of negotiation of the franchise agreement or after the termination of the franchise agreement, even though there is no Non-Disclosure Agreement signed between the parties. The franchisee shall be responsible for the damage arising from the disclosure or improper use of the business secrets of the franchisor.

#### - Some adjusted requirements to the information to be disclosed

- In case of bankruptcy or application of bankruptcy of the franchisor or its affiliates within the past two years (reduced from five years as previously provided), the



relevant information shall be disclosed;

- Any liquidation or arbitration involving the franchisor in relation to the franchise during the previous five years shall be disclosed. In the past, such obligation only covers the liquidation or arbitration with a claimed value equivalent to or higher than CNY 500,000;

### 3. Pending Issues of “two-store, one year” requirement

Based on the Franchise Regulation, a franchisor who intends to carry out franchising activities shall already have at least two directly-operated stores, which have been in operation for more than a year. However, there is no further interpretation to the definition of “directly-operated stores”. Currently, there are several uncertainties related to the requirements of directly-operated stores, such as, whether the stores operated by the affiliates of the franchisor could be qualified as directly-operated stores or not.

According to the MOFCOM website, directly-operated stores of affiliates of the franchisor could also be deemed as the directly-operated stores of the franchisor, provided that, the business scope of such stores shall be identical with the business to be operated by the franchisor under the same brand and system. The term “affiliates” here





refers to the definition specified in Article 3 of the Revised Disclosure rules, which includes the parent company or individual shareholder of the franchisor, subsidiaries, of which the franchisor directly or indirectly owns all or most of the equity, and companies, of which all or most of the equity is directly or indirectly owned by a same party that directly or indirectly owns all or most of the equity of the franchisor. In such circumstance, the problem encountered by newly established FIE franchisors as above analysed in Section 2, will no longer exist. However, as such interpretation is not in the form of laws or regulations, it is not accepted by all the local MOFCOMs yet.

Further, in relation to the form of directly-operated stores, it is still not clear whether the forms are limited to the subsidiary or branch of the franchisor. For instance, whether the stores in the form of a joint operation with commercial malls could be deemed as directly-operated stores? According to the practices of some local MOFCOMs, it will be accepted as long as the business license of the counter or the store can be provided.

#### 4. Conclusion

China is making continuous efforts to update and optimise its legal framework regulating commercial franchising

activities. Although, with the latest revision on relevant regulations, there are still some uncertainties such as the different explanations of the “two-store, one year” requirements, etc. Therefore, it is expected that further clarifications and/or provisions will be provided in future regulations or rules to address these unclear issues. We would like to suggest that foreign investors who are carrying out or intend to carry out franchising business in China keep an eye on the on-going evolution of PRC laws and regulations on commercial franchising and the practices of local authorities as well.

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



# WHERE'S MY TALENT



As businesses across the globe evaluate and continue to assess their Human Resources requirements, they are being confronted by a daunting array of challenges. On one hand, in the aftermath of historical highs in unemployment, there is supposed to be an abundance of talent, yet attracting the best people is more difficult than ever. Additionally, those current employees who are dissatisfied in their roles will be looking to jump ship at the first available opportunity.

A proliferation of new social networking and database technologies is transforming the way people look for work. As importantly, technology has changed the way companies and recruiters must now engage in seeking out and recruiting passive candidates. A new generation of independent, transient, and globalised workers in the burgeoning knowledge economy is creating new rules around hiring and engagement.

Then, as McKinsey warned us at the Turn of the Century, there's been an ugly demographic shift, and the traditional supply/demand equation has been irreversibly turned upside down. After all this, there is unprecedented pressure on HR to lift its game, and become more aligned to the key strategic drivers of business performance. Measurement of HR performance is shifting and becoming more demanding, requiring practitioners to demonstrate their contribution to high-level corporate goals, not just operational output.

These forces are converging, at an alarming velocity, at a stage when many corporate executives who look at HR, think its job should be relatively straightforward: “With so much talent in the market, why is it so hard to attract, develop, and retain the right people?” These are the key imperatives facing the HR profession worldwide. This is not simply a short-term cycle, but part of a longer-term trend that is shaping the fundamental way that people think about work and interact with employers, families, and communities.

### Globalisation is Unstoppable

The march of globalisation has spread across a range of markets as diverse as motor vehicles, natural resources, energy, and food. Labour is the latest ‘market’ to be engulfed by the tide of globalisation, as human talent becomes truly fluid and exchangeable, an asset which flows across international borders.

The concept of globalisation often attracts bad press. The image of hooded protesters hurling objects through the plate glass of McDonald’s or Starbucks at a G20 summit is the ugly face of the trend. Globalisation, as a phenomenon, has been advancing at a hectic pace in recent decades, fueled by greater international mobility, prosperity in the developed world, and a communications revolution that has transformed the exchange of information and ideas.

Across virtually every sector of the economy, we are now intertwined with the global community through trade in goods and services, a complex web of banking and financial flows, and a growing exchange of intellectual and scientific information. There is no question that the world today is more like the global village that was first seen in the 1970s.

This has profoundly transformed the way that goods and services are transacted between parties in different locations. In the 1700s, the ‘producer’ made horseshoes, and the ‘consumer’ lived no further than a horse could walk. In 2010, the producer is a knowledge worker and so is the consumer.

In labour markets, distance is no longer the obstacle it used to be, even in the pre-digital era. In many industries, a trained professional in, for example, Guangzhou, can easily supplant a similar professional in New York or Dubai. In certain industries where skills are highly transferrable, there is little to stop workers from being recruited for assignments in any location around the world. In our knowledge economy, the tight geographical binds between producer and consumer are gone, permanently.

It is worth remembering that while the language of globalisation is relatively new, the concept itself has been around for centuries. The search for better food, shelter, pastures, and territory has occupied the minds of our ancestors from the Sumerians, to Marco Polo, to the Inuit.

### HR 1.0 is dead; 2.0 is critical; What does 3.0 look like?

One of the most important chapters in the evolution of HR concerns the way it is being driven to move closer to the centre of organisational strategy. This, of course, is a double-edged sword; it’s great news for those ready and bad news for those who are not.

We have seen HR undergo an evolution from the model that prevailed in the post-WWII era, what I call HR 1.0, through to HR 2.0, which has dominated until recent times. HR 1.0 was a model forged in the late 1940s that had its genesis in the massive influx of former military personnel from the Second World War. These were very talented and experienced people. These people, these HR ancestors, were focused on transactional excellence in areas such as employment law compliance, payroll processing, and recordkeeping.

HR 2.0, as I call it, emerged sometime in the late 1970s and carried on for almost three decades. HR professionals were required to move beyond transactional tasks into



areas such as employee relations, performance appraisals, training, and recruiting. It represented a move upwards along the value chain, an encouraging sign that HR would move closer to the corporate 'centre.'

These were halcyon days for some of the most competent people in the HR field. These leaders paved the way for untold numbers of HR people to shape how their own organisations delivered HR. In far too many organisations, the people involved weren't the right fit for the new era of heightened corporate focus and accountability. There was an emerging interest in the use of Information Technology and how it could liberate HR from routine processes, freeing up professionals to concentrate on higher-value tasks. In short, the target had moved.

Now we are getting a glimpse of HR 3.0, and the next wave of activity that promises to give HR a 'seat at the table', if we've earned it. Frankly, it hasn't followed the trajectory that some had anticipated. The fear that IT would swallow a critical mass of HR tasks has not proven correct. In the era of the knowledge economy, the application of human judgment and reason still prevails over the finest technology. It remains clear, however, there is a big part that HR plays at the forefront of integrating its systems with IT.

## Talent is where it is

The way that we view the world of work is evolving. Actually, it's becoming more simple: if the work is located away from the talent, do we move the work or do we move the talent? It all depends, of course, on the nature of the work. If mining engineers are needed in the Pilbara region of Australia, we certainly can't move the work. However, we can move engineers from Canada or Russia to Pilbara. On the other hand, if we need software engineers, they can be located in Atlanta, Adelaide, or Amsterdam.

This is truly revolutionising the way that we locate and deploy talent. There are still clearly many jobs that require a specific locality. There are an increasing array of jobs, and elements of jobs, that can be tasked to individuals in any part of the globe. E-health, as an example, means that diagnostic tools can be accessed by patients and health professionals remotely. In construction and manufacturing, standardised CAD techniques mean the design elements can be outsourced to wherever they can be performed competitively.

In the growing knowledge economy, there is virtually no limit to the breadth and scale of functions that are open to globalisation. This 'workforce virtualisation' is something quite

new, wholly enabled by accelerating technology, but only delivering results to those select firms that understand this sea change. It opens up a new set of challenges around the recruiting and retention wars that are unfolding in this era.

Companies realise the potential of tapping into a vast global labour pool, especially at times of a talent shortage. They are heading in this direction and will need their HR partners to show them the way. HR will be expected to become proficient with a range of technologies and platforms that support an ever-broadening set of functions. They will also need knowledge of labour markets, cultural differences and similarities, key recruiting methods, and labour laws in a variety of different jurisdictions, requiring a level of expertise that many HR departments have never before been called on to provide.

All this presents a unique challenge for the HR profession. In a relatively short space of time, it has moved from a comfortable position in which the boundaries of its work were defined by distance, to one where the talent pool is literally global and may be sourced from anywhere. **B**

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## About Kelly Services

Kelly Services, Inc. (NASDAQ: KELYA, KELYB) is a leader in providing workforce solutions. Kelly\* offers a comprehensive array of outsourcing and consulting services as well as world-class staffing on a temporary, temporary-to-hire and direct-hire basis. Serving clients around the globe, Kelly provides employment to more than 550,000 employees annually. Revenue in 2011 was \$5.6 billion.

Established in China since 2002, Kelly's 8 Offices in Greater China provides specialist Professional and Technical recruitment, and Recruitment Process Outsourcing.

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*—This article comes from Kelly Services China.*

# JOB POSTINGS

## INTERNATIONAL ORGANISATIONS BASED IN TIANJIN HAVE THE FOLLOWING AVAILABLE POSITIONS

在津跨国公司  
招聘以下高级人员

### Social Media Coordinator

社交媒体协调员 [Code: SMC120502](#)

#### JOB DESCRIPTION:

- Responsible for daily posts/tweets on social media outlets;
- Track social media influence measurements;
- Partner with other departments to ensure proper online message;
- Prepare reports on social media usage statistics,
- Search engine optimisation/search engine marketing (SEO/SEM) integration

#### WHO WE ARE LOOKING FOR:

- Bachelor degree;
- Excellent English & Chinese communication skills;
- HTML or similar computer knowledge;
- Prior experience in advertising, public relations or online marketing (including demonstrable social networking experience);

**Abstract:** Online, Analysis, English, Chinese

### Senior Sales Representative

高级销售代表 [Code: SSR120503](#)

#### JOB DESCRIPTION:

- Sell company's products and service;
- Prepare proposals, presentation and sales contracts, negotiate and conclude the contracts with clients;
- Fulfill revenue targets;
- Submit sales and marketing reports periodically to Sales Manager;

#### WHO WE ARE LOOKING FOR:

- Bachelor degree or above. Major in marketing or related;
- At least 3 years of sales experience in an international company;
- Sales channel management experience is a must;
- Proficiency in written and spoken English;

**Abstract:** Sales, Service, Customers

### Senior Editorial Assistant

高级助理编辑 [Code: SEA120506](#)

#### JOB DESCRIPTION:

- Conduct research, fact checking, or copy editing;
- Communicate and coordinate with interviewers and or interviewees;
- Translate and interpret on site;
- Provide administrative support to editors;
- Maintain production schedules;

#### WHO WE ARE LOOKING FOR:

- Bachelor's degree in Journalism, English or related field;
- Work experience in editing, journalism or editorial research;
- Ability to express ideas clearly and logically;
- Knowledge of computer software used to combine online text with graphics, audio, video, and animation;

**Abstract:** Translation, Journalism, English

### Western Kitchen Chef

西餐厨师长 [Code: WKC120512](#)

#### JOB DESCRIPTION:

- Manage kitchen of restaurant & arrange work schedule of kitchen workers;
- Formulate restaurant menu, ensure quality of every dish;
- Ensure rotation of food to ensure freshness and quality and maintain food costs
- Develop new dishes while maintaining traditional flavors of restaurant cuisine;

#### WHO WE ARE LOOKING FOR:

- Western restaurant experience and related certificates
- Fluent in written and spoken English;
- Have passion and drive for achieving targets;
- General computer skills including: Word, Excel and PowerPoint;

**Abstract:** Chef, West Restaurant, Management

Social Media Coordinator  
社交媒体协调员

Senior Editorial Assistant  
高级助理编辑

Senior Sales Representative  
高级销售代表

Western Kitchen Chef  
西餐厨师长



# Cloud Computing and ERP



For executives involved in selecting, implementing, managing and optimising Enterprise Resource Planning (ERP) systems, the advent of cloud computing may well be one of the more significant and disruptive events that they will see in their careers. As awareness and usage of cloud and software-as-a-service (SaaS) offerings continue to grow, ERP decision makers are increasingly being asked to assess and communicate the implications and impacts. However, the radical changes promised by cloud computing combined with the emerging nature of many cloud services are making this a difficult task.

In Accenture's view, the benefits offered by cloud computing will ultimately result in widespread adoption. The question is not "if", it's "when", "by how much", and "how fast". Yet, this expectation raises further questions. What will moving to the cloud mean for the existing massive investments already sunk into traditional core ERP systems? What are the risks? Also, what is the longer-term future of cloud's role in ERP?

## Growing momentum

Leading companies of all sizes and in every sector are already well-aware of the benefits that cloud-based services can deliver to organisations, particularly in terms of cost, speed, and flexibility. The momentum is also building rapidly on the supply side, with virtually all major software companies now taking dollars from on-premise revenues and directing further investment toward the development of SaaS products or variants.



As a result, we believe that the next two to five years will be a pivotal period for the build-out and maturing of the cloud market, and for the emergence of "enterprise-grade" cloud services. In light of this, it is vital that

every company, large and small, develops an understanding of cloud computing, and a strategy for how to leverage cloud services to meet their changing business requirements, both today and into the future.

## The secret to cloud-based ERP

Cloud computing is a growing reality thanks to the pervasiveness of the Internet and Internet technologies, combined with advances in hardware virtualisation, and modern, more flexible, software architectures. The additional benefit of multi-tenancy (or sharing) brings tremendous cost savings to software vendors through the enhancement and support of one version of code. In addition, a key catalyst has been the various introductions of cloud services by companies such as Google, Amazon, NetSuite, Salesforce, and Workday, as well as traditional mega software companies like Microsoft, Oracle, and SAP.

When companies are assessing cloud-based (or SaaS) ERP solutions, we believe they should

first seek to understand which components of the technology stack have multi-tenancy. Then, determine the adequate number of tenants and objectively consider why it will not work. Also, keep in mind that with more components shared and as each additional tenant comes onboard, the SaaS provider's cost per tenant drops. The result is lower price and/or increased product innovation, as well as opportunities for customer-to-customer collaboration within the cloud community.

### Why Cloud for ERP?

There are many potential benefits from moving to a cloud-based ERP solution. In summary, these include:

- Faster implementation: easier to use and deploy
- Greater flexibility: system configuration, pricing is more flexible
- Lower total cost of ownership (especially start-up cost): savings can be 30% to 50% of TCO compared to on-premise ERP
- Less dependency on IT staff and/or on-premise hardware 26%

### Is cloud-based ERP really ready for my business?

The answer to this question depends on your specific business requirements and typically involves some level of fit/gap analysis. However, as a general guide, the size of your company's revenue, the geographical spread of its operations, and the industry sector(s) in which it is active is a good starting point. To establish whether cloud-based ERP is a good fit for your business, apply a three-way decision matrix reflecting these three factors.

In terms of size, companies or subsidiaries with annual revenue below USD 750 million have been

the earliest and fastest adopters of cloud-based ERP, putting them in the "first mover" grouping. This is mainly because business requirements are simpler and there is increased cost pressure to keep IT spending in line with revenue. In addition, small and mid-sized enterprises (SMEs) have limited scope for economies of scale which, compared to their larger counterparts, has historically made it more difficult to adopt outsourcing/ offshoring and hardware virtualisation.

**However, the radical changes promised by cloud computing combined with the emerging nature of many cloud services are making this a difficult task.**



### Can I customise a cloud based ERP solution to my business?

For corporate decision-makers evaluating cloud-based ERP, one of the most common causes for concern is whether SaaS ERP solutions are customisable to their needs. There is a perception that, by their nature, multi-tenant SaaS solutions tend to drive organisations towards a more inflexible and standardised model with relatively little potential for tailoring to the unique needs of the organisation.

As a result, executives are concerned that the costs of customisation will outweigh the potential benefits of cloud. They may also worry about how that customisation could impact future maintenance and upgrades.

### Different vendors — different approaches

These concerns regarding customisation raise several issues relating both to SaaS ERP solutions on the market and also to organisations' own criteria for selecting them. In terms of the solutions themselves, it is important to appreciate that different vendors have taken different approaches to the degree and method of customisation that customers can apply to their solutions.

For example, NetSuite and Salesforce expose their application development platform (via their platform as a service, or PaaS), and, therefore, have a higher degree of customisability than some other SaaS solutions. In addition, they are making their offerings highly configurable by storing the configuration settings in the customer's metadata without needing to expose the core code. The resulting degree of customisation becomes virtually limitless. In contrast, some other vendors do not expose their platform and tend to follow a more standardised model, making changes centrally that may benefit their community of customers.

### A tool for standardisation?

Deciding between configurable versus standardised solutions will depend on the organisation's specific objectives. For example, the CFO may be looking to use cloud services as a way to remove inconsistencies and duplication across the enterprise or supplier ecosystem, tackle fragmentation in systems and processes, and drive



greater standardisation. In this case, a solution that combines the application and platform in a highly efficient but less customisable way may be ideal. However, a business with very specific needs that

require customised systems may opt for a more configurable solution. In general, SaaS ERP solutions are more end-user configurable and, with that, comes responsibility. As a result, governance is important.

Either way, there are trade-offs to be identified and critical, yet challenging, decisions to be made. **B**

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## About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 246,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$25.5 billion for the fiscal year ended Aug. 31, 2011.

Accenture has conducted business in Greater China for more than 20 years. Today, it has more than 7,100 people working in Greater China, throughout offices in Beijing, Shanghai, Dalian, Chengdu, Guangzhou, Hong Kong and Taipei. With a proven track record, Accenture is focused on leveraging local best practices and successes, and is dedicated to delivering premium client value and results. Accenture helps clients define strategy, streamline business processes, integrate systems, promote innovation and enhance overall competitive advantage to ultimately attain high performance.

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# Tianjin Market Snapshot Summary



## The National Conference and Exhibition Centre will start construction in May 2012

Billed as one of the largest convention and exhibition centres in the world, the Tianjin National Conference and Exhibition project covers a site area of about 2.8 sq km. The exhibition area will reach 1 million sqm with the first phase reaching a total of 600,000 sqm likely to be completed in 2014. The rest of the exhibition hall will be completed in 2020. The project's total investment is about CNY 15 billion.

## 5 Courtyards Retail Property Market Launch

Situated in Tai'an Avenue close to the Astor Hotel is the new mixed use development known as 5 Courtyards. Comprising a mix of high-end apartments, offices, retail and hotel, the entire development is close to 510,000 sm. Some of the retail street shops have recently opened including Starbucks and Rolex, in addition to the latest Friendship Department Store that carries both international and local brands.

## Construction of Subway Lines 5 and 6 to start this year



As part of enhancing the metro network and accessibility, the government has announced that Lines 5 and 6 will link up the various districts such as Beichen, Hebei, Dongli, Hedong, Hongqiao, Nankai, Hexi and Xiqing. Upon completion in the next couple of years, commuters will be able to gain access to the railway stations in the north and west, the zoo and the Civic and Cultural centre in Hexi District.

## Tianjin commercial residential turnover in the first quarter fell to its lowest level in nearly four years

During the first quarter of 2012, Tianjin's commercial residential transacted sets and transacted areas

fell to 12,274 units and 1.26 million square meters, q-o-q, decreasing by 22.11% and 24.24%, respectively. This corresponds to a y-o-y decrease of 50.09% and 50.87%. These figures indicate that in the first quarter of 2012, Tianjin commercial residential turnover fell to its lowest level in nearly four years after two consecutive quarters of being down.

## The main structural body of the Tianjin Airport Terminal T2 started construction; scheduled to open in 2014

The T2 terminal has entered the main structural construction stage now, and is expected to be put into use in 2014. By then, Tianjin airport terminal will have a total area of 360,000 sqm, and the annual passenger transport capacity will reach 25 million passengers.

## Jin Yuan Bao Binhai International Shopping Centre will open in June 2012



Located within the busy thoroughfare of TEDA, the shopping centre will have a gross floor area spanning approximately 40,000 sqm. A number of international brands have been attracted to it, and it is notable that for over 70% of the brands (both local and foreign), it would be their first foray into TEDA. The shopping centre will be in trial operation at the end of June. **E**



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# HOW GLOBAL IS THE BUSINESS OF RETAIL 2012?

*Shanghai, Beijing and Hong Kong Land in Top 20 Global Target List for International Retailers, 10 Chinese cities climb up the Asian city rankings*

CBRE



Shanghai, Beijing, Hong Kong, Singapore and Tokyo are among the top 20 cities where international retailers have the largest presence, according to the 2012 edition of 'How Global is the Business of Retail?' by leading global property adviser CBRE.

CBRE's annual survey, now in its fifth year, mapped the global footprint of 326 of the world's top retailers across more than 200 cities to identify trends in global retail expansion at national and local levels. The report found that retailers expanded into a wide range of markets in 2011, with 74% of the countries in the survey seeing at least one new leading international retailer entering the market last year. The overall global footprint of retailers

grew 2.1%, similar to the previous year, demonstrating that retailers continue to grow their cross-border businesses in spite of a competitive consumer environment.

On a global basis, London reclaimed the number one position as the most targeted market for international retailers. The city attracts more than half (55.6%) of all international retail brands surveyed, after sharing the top spot with Dubai last year. While Dubai (53.8%) still holds considerable global pulling power, it dropped into second place due to a handful of retailers exiting the market. New York (43.9%) remains in the third position. The United Kingdom also retains a number one position as the world's most popular national market for

international retailers with 56.7% of retailers in the survey present there.

Hong Kong continues to be number one among Asian cities, and ranked sixth globally with 40.5% of retailers having a presence. Singapore (38.9%) occupies the tenth position, followed by Shanghai (ranked #11), Beijing (ranked #13), and Tokyo (ranked #19). The remainder of the top 20 comprises a mix of traditional and emerging markets, providing an indication of how global the international retail business really is.

"The results show very healthy levels of activity in key Asian markets as brands continue to look for new growth opportunities. The continuing rise in consumer purchasing power, and an ever increasing level of fashion

sophistication, has attracted the leading global brands to continue investing in new market entry. After opening their first store in a market, many retailers have quickly expanded their footprint, with brands often now represented at 6 or 7 free standing store locations in major cities such as Tokyo, Seoul, Hong Kong, Beijing, Shanghai, and Singapore,” stated Sebastian Skiff, Executive Director of CBRE Retail Asia. “We are seeing a continued flow of new brands approaching us for help in targeting Asian markets, and we see strong demand for 2013 from US, European, and Australian brands.”

Locally, Chinese cities remained consistent, with Hangzhou again securing a spot in the top 50 (27.9%) and Shenzhen in the top 60 (26.2%). Nanjing, Chengdu, Guangzhou, Shenyang, Tianjin, Dalian, and Suzhou were all featured in the top 100, claiming seven of the last 30 places. Tianjin saw the most movement in the rankings, up six places from the previous year, while the others fluctuated only slightly.

In shopping centre development activity, Tianjin topped the chart with 2.5 million square metres currently under construction, followed by Shenyang and Chengdu. It is evident that Chinese cities will continue to dominate over the next few years with eight out of the top 10 most-active

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**The results show very healthy levels of activity in key Asian markets as brands continue to look for new growth opportunities.**

global retail development markets present in China. Outside China, the most active global development markets are Abu Dhabi, Hanoi, Kuala Lumpur (Klang Valley), and New Delhi.

Joel Stephen, CBRE Director of Retailer Representation, China, commented, “One of the barriers to

entry in the Chinese market is an under-supply of good quality real estate in prime areas within key cities. The opening of major malls in these cities in prime locations typically lead to an influx of new to market entrants in Shanghai and Beijing, or new to city entrants in the next tranche of cities. We are also seeing a batch of at least 10 Chinese cities climbing up the Asian city rankings as consumer spending power continues to increase rapidly and more high quality developments open.”

Mr. Stephen concluded, “China is here for the long term. It is hard to see how a global retailer could consider themselves truly global without a Chinese strategy. Whilst entry into the Chinese market may be a key component of a retailer’s future global success, targeting the Chinese consumer abroad is also a fundamental component of a retailer’s current success.” **B**

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# PRICING STRATEGIES

By Heidi Skovhus



A marketing mix consists of 4Ps: Product, Place, Promotion, and Price. Many would say that price is the least attractive element, and that companies should really focus on generating as high a margin as possible. The argument is that companies should change the product, promotion, and place in some way before resorting to price reductions. However, price is a very versatile element of the mix.

In general, pricing strategies encompass three main ways to improve profits. Firstly, the company can cut costs. Secondly, the company can sell more. Thirdly, the company can increase profit with a more suitable, and thereby better, pricing strategy. Since many companies have worked intensely on reducing costs and more sales are hard to find, many are left with the option of revising the pricing strategy in order to stay viable.

## Pricing strategies

Some of the more common pricing strategies will be described in this section.

**Cost-plus pricing:** This is the simplest pricing method. The company simply calculates the cost of producing the product and then adds on a percentage (profit) to that price to give the selling price. This method has two flaws: it takes no account of demand and there is no way of determining if potential customers will purchase the product at the calculated price.

**Premium pricing:** This approach is used where a substantial competitive

advantage exists and the market is safe in the knowledge that they can charge a relatively higher price often when the brand is unique in some way.

**Penetration Pricing:** The price is set artificially low in order to gain market share. Once this is achieved, the price is increased. Often, it happens when companies need to gain a larger number of customers to make it worth their while. For example, this is the strategy

used by many new telecommunication companies, where critical mass is important.

**Economy pricing:** This is a no frills low price. The costs are kept to a minimum. Supermarkets often have some economy brands and budget airlines are famous for keeping their overheads as low as possible in order to offer a low price.



**Price Skimming:** This is when a company charges a higher price without it being justified. This will often attract new competitors and then the price will eventually fall due to higher supply.

These last four strategies can be illustrated like this:

		Quality	
		Low	High
Price	Low	Economy	Penetration
	High	Skimming	Premium

**Market-oriented pricing:** Setting a price based upon analysis and research compiled from the target market.

**Optional Product Pricing:** Companies will attempt to increase the amount customers spend once they start to buy. Optional “extras” increase the overall price. Airlines are a good example again, since some budget airlines charge extra for meals, window seats, blankets etc.

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**The argument is that companies should change the product, promotion, and place in some way before resorting to price reductions.**

**Captive product pricing:** When products have complements then companies sometimes charge a premium price since the consumer

has no choice. The most popular example of this is razor manufactures. They will charge a low price for the razor handle but a premium for the razor blades that fit the handle.

**Geographical pricing:** When price varies in different countries. For example, in China, the import tax makes some of the imported brands more expensive to buy compared to other countries without such an import tax.

**The Internet is changing the pricing game**

The above mentioned strategies have been employed by companies for many years and are still employed. In all of the strategies described, every customer is getting the same deal. This is changing now. The concept of dynamic pricing is possible, which is changing the pricing game for both offline and online companies.



**Dynamic pricing:** A flexible pricing mechanism made possible by advances in information technology, and employed mostly by Internet based companies. By responding to market fluctuations and large amounts of data gathered from customers, dynamic prices allow online companies to adjust the prices of identical goods to correspond to a customer's willingness to buy.

It is no longer enough for a store to compare the prices with a nearby physical store. There is also a spectrum of digital rivals operating on the web and through mobile devices. The idea of a perfect price within a category, one that makes sense on the shelf, no matter which customer is looking at it and where the store may be located, is fading. In its place is an understanding that in order to price effectively, companies will have

to move to a dynamic approach based on each product's economic value and each customer's buying needs.

This will bring companies to a tricky intersection where personalised pricing and transparency collide. Each company needs to find ways to address this. One way could be to create different tiers for customers.

### Factors affecting how prices are perceived

Some factors influence how a consumer perceives a given price and how price sensitive they are likely to be. Some of the more common ones are the following:

**Reference price effect:** Price sensitivity increases the higher the product's price relative to perceived alternatives. What are perceived as

alternatives varies from consumer to consumer.

**Difficult comparison effect:** Buyers are less sensitive to the price of a known product when comparing to potential alternatives is difficult.

**Switching cost effect:** The higher the product specific investment a buyer must make to switch suppliers, the less price sensitive that buyer is when choosing between alternatives.

**Price-Quality effect:** Buyers are less sensitive to price the more that higher prices signal higher quality.

**Expenditure effect:** Buyers are more price sensitive when the expense accounts for a large percentage of a buyers' available income or budget.

### Pricing in China

When it comes to China and prices, the first thing that comes to mind is inflation. The inflation rate last reported in China was 3.6 % for March 2012. China and other emerging economies have been seeing significant inflation as robust growth and rising costs for raw materials have pushed up prices. In China, where millions struggle to make ends meet and where food makes up a large chunk of household spending, inflation is a particularly sensitive topic. Inflation is affecting the pricing strategies of companies operating in China. The basic problem is that rising input cost, such as skyrocketing wheat prices and increasing wages, are somewhat skewing the bargain basement economics that have made China the most robust economy in the world. Beijing has pushed back with retail-price controls, putting retail brands in a tough position. Carrefour is just one of the global brands in China facing this dilemma. Carrefour has begun winding down its franchises in China. Best Buy announced it will close all nine of its stores in China. Meanwhile Tesco, the world's third





largest retailer after Wal-Mart and Carrefour, is counting on significant sales increases in China. KFC in China is looking at this in a positive light as well, counting on the fact that rising wages will be a net positive for pocketbook power that Chinese consumers can use at KFC outlets.

Another component that is affecting pricing strategies in China is privacy rights. Protecting privacy rights in China is difficult. Microsoft represents a good example of a company in China for which privacy rights have had an impact on pricing. Microsoft employs flexible prices in China and has decided to adjust its prices in helping improving their anti-piracy efforts along with trying to make their product more

affordable for more users. Millions of Microsoft users in China have had issues, with many people having their computers hacked, screens blacking out, and major piracy problems which have led to major problems between Microsoft and its users in China. Microsoft is trying to satisfy Chinese consumers by lowering its price.

Finally, culture plays a role in price setting in China, as well as anywhere else in the world. China is one of the four BRIC (Brazil, Russia, India and China) countries in global regions where price is the most important feature for shoppers. Research shows, that 63% of China's shoppers rank price as the number 1 factor in deciding whether

or not to buy a product. China traditionally pays low wages which is a very important cultural trend that companies operating in China need to understand and take into consideration.

The price element of a marketing mix is often more difficult to get right than many anticipate. Of the 4 Ps in the marketing mix, price is the one which creates sales revenue, all others are costs. The price of an item is clearly an important determinant of the value of sales made, and so this should not be neglected. **E**

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## IPR Strategy for Clean Tech SMEs: A Case Study



Philippe Healey,  
Project Manager,  
China IPR SME  
Helpdesk



**W**ith a large potential cleantech market, and government support for the development and adoption of new clean technologies, China is quickly becoming a leader in cleantech. This presents great opportunities for European cleantech SMEs. However, cleantech businesses that choose to start working with China need to understand that while good execution, effective management, and access to financing is critical to maintaining a competitive advantage, protecting good technology is also equally critical. Although technology transfer can be structured in a way that minimises IP risk, additional preparation and measures directed towards the IP environment in China need to be considered by cleantech businesses. As the market becomes increasingly competitive, strategically managing, protecting, and leveraging IP becomes even more essential. Understanding how IP fits into the overall strategy of your business in China can lead to more opportunities and conserve competitiveness. This case study showcases the IP experiences of one small European company entering China.

### Case study: Perpetual Motion intelligent drives

**Background:** Investors of Perpetual Motion, a small German company specialising in the manufacture of intelligent drives that reduce energy usage of industrial machinery by more than 80%, are pushing to have the company enter the Chinese market. Perpetual Motion owns several patents covering drive designs in China, but most of the precise engineering processes needed to manufacture the

drives at a commercially acceptable cost are in the form of know-how. In addition, Perpetual Motion uses special software to control and improve the efficiency of these drives.

Looking to quickly obtain cash flow to cover upcoming financing needs, Perpetual Motion chooses to explore licensing the technology to industrial machinery manufacturers in China. After meeting with several manufacturers, Guangdong Green Machinery Co., Ltd. (GGM)

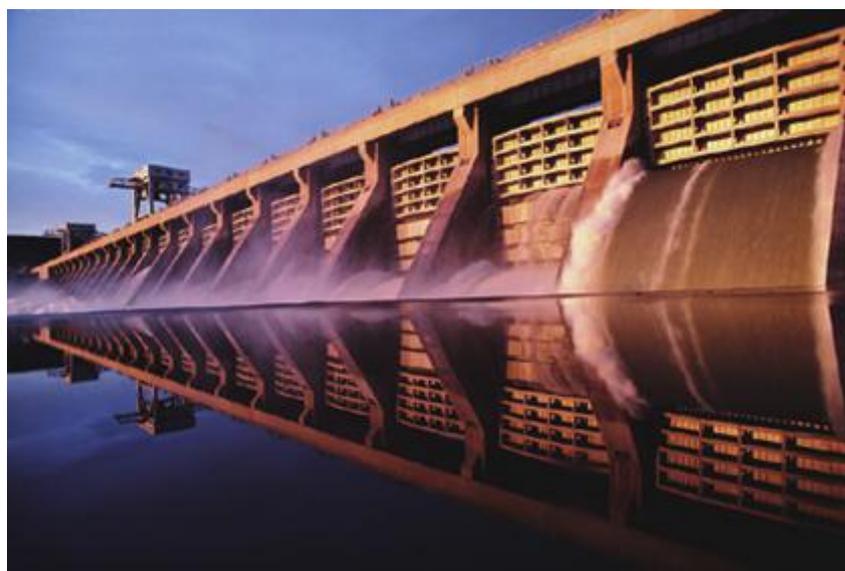
expresses interest in obtaining an exclusive license. Perpetual Motion agrees and the parties sign a Non-Disclosure Agreement (NDA). As part of the arrangement, Perpetual Motion proposes to grant an exclusive license to GGM for Perpetual Motion's patents and know-how in China. During negotiations, GGM conducts due diligence on Perpetual Motion's patents. However, negotiations stall when the parties cannot agree on royalties.

**Actions taken:** Undeterred, Perpetual Motion then decides to seek a Chinese partner to sell its products in China. They find Mr. Liang, who owns Zhejiang Components Co., Ltd. (ZCC), a small components manufacturing company. Mr. Liang used to be

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### Understanding how IP fits into the overall strategy of your business in China can lead to more opportunities and conserve competitiveness.

an engineer and has an overseas education, and ZCC owns some patents for certain manufacturing processes. Perpetual Motion and ZCC enter into a Non-Disclosure Agreement (NDA) and a manufacturing services agreement. Mr. Liang agrees to manufacture the intelligent drives to customer specifications. Perpetual Motion decides to keep design-to-fit work in Germany, and Mr. Liang agrees to set up a secure area in his factory. As part of the arrangement, Perpetual Motion sets up secure



file servers from which Mr. Liang can access sensitive documents related to the precise engineering processes needed to manufacture the intelligent drives. Perpetual Motion also seconds several technical managers to the factory to train authorised employees on the manufacturing processes. Each of the employees also signs a confidentiality agreement and an agreement not to compete. Employees are provided with know-how training only on specific processes they will work on.

Later, after six successful months, Mr. Liang informs Perpetual Motion that GGM is offering similar lower priced intelligent drives but which do not achieve the same energy savings as Perpetual Motion's intelligent drives. After further investigation, Perpetual Motion suspects GGM is infringing its drive design patents. Although Perpetual Motion has the resources to engage in litigation, Perpetual Motion decides not to sue GGM and risk having its patents invalidated. Perpetual Motion instead uses the resources which would have been used in the litigation to reinvest in research and development. Six months later,





Perpetual Motion develops a new manufacturing process that further reduces the cost of manufacturing the intelligent drives and new software which further improves the efficiency of the intelligent drives.

**Lessons learnt:**

- √ Develop an IP strategy for the medium to long-term, and determine how IP will fit into the overall business strategy in China.
- √ Obtain registered IP rights (patents, copyrights, trademarks, etc.) in China prior to transfer.
- √ It can be difficult to secure a license and royalties from a potential licensee unless it can be

clearly demonstrated that non-patented know-how is essential to making the product commercially viable.

- √ Compartmentalise or ‘black box’ the technology and establish control points to ensure that no single party can practice the complete technology and keep critical, core technology, or components separate.
- √ The decision to sue and enforce IP, involves considering the strength of the patents, the resources necessary to pursue litigation through to its conclusion, and the ability to defend likely invalidation actions against the patents, as well as

protecting the core aspects of the business' competitive advantage.

- √ Use non-disclosure agreements (NDAs) with third parties, affiliates, and employees.
- √ Document and use specific policies and procedures when disclosing sensitive proprietary information.
- √ Look for good partners that do not have direct conflicting interests and who are likely to respect IP. **B**

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The China IPR SME Helpdesk is a European Commission funded project that provides free, practical, business advice relating to China IPR to European SMEs. To learn about any aspect of intellectual property rights in China, visit our online portal at [www.china-iprhelpdesk.eu](http://www.china-iprhelpdesk.eu). For free expert advice on China IPR for your business, e-mail your questions to: [question@china-iprhelpdesk.eu](mailto:question@china-iprhelpdesk.eu). You will receive a reply from one of the Helpdesk experts within seven working days. The China IPR SME Helpdesk is jointly implemented by DEVELOPMENT Solutions and the European Union Chamber of Commerce in China.

## 2012 Tianjin Davos Deployment Meeting Held by Preparatory & Coordination Committee

On 19 April, a deployment meeting of the Preparatory & Coordination Committee of 2012 Tianjin Summer Davos Forum was held, and attended by 116 government departments including the General Office of Tianjin Municipal Party Committee, General Office of Tianjin Municipal People's Government, Tianjin Davos Preparatory Office, district/county governments, commissions and bureaus, and universities, social organisations, and enterprises as well.

Tianjin Davos Preparatory Office briefly presented the important status and role of the World Economic Forum in global economic development and highlighted Tianjin's projects introduced since the Summer Davos Forums held in Tianjin in 2008 and 2010, respectively.

At the meeting, it was pointed out that the 2012 Forum had a good foundation and many tasks were ready 2-4 months earlier than

those for the last forum. By taking advantage of this precious time, every task should be completed to high standards. Key tasks such as serving economic and trade talks, promoting investment, and upgrading Tianjin's international image should be effectively carried out.

Source: Enorth.com.cn

## Inter-Ministerial Coordination Group Paid Visit to Tianjin for Preparation

On 20 April, the Inter-Ministerial Coordination Group (IMCG), comprising Department of Foreign Affairs of the National Development and Reform Commission, Department of International Organisations and Conferences of Ministry of Foreign Affairs, Guard Bureau of Ministry of Public Security and Bureau One of the State Council Information Office, paid a visit to Tianjin for

preparation of the Annual Meeting of the New Champions 2012. Vice Mayor Ren Xuefeng met the group and accompanied the group throughout the visit.

The IMCG surveyed the arrangement of Meijiang Convention & Exhibition Center in detail and spoke with individuals from the Preparatory Office and venue managers. Tianjin

Davos Preparatory Office reported the progress made since December 2011, and the key task arrangement of the following phase. The IMCG applauded the work Tianjin has done preparing the 2012 Summer Davos Forum, and expressed their continued support for Tianjin to host a forum with its own features and influences.

Source: Enorth.com.cn

## New Appointments



### The Sheraton Tianjin Binhai Hotel Appoints Yuki Dong as Director of Sales and Marketing

The Sheraton Tianjin Binhai Hotel is pleased to announce the promotion for Yuki Dong to Director of Sales and Marketing. Yuki was Director of Sales and had been in an acting role for the past 6 months. During this period Yuki championed the team and delivered excellent results for the hotel. Yuki has led the team with passion and enthusiasm and this is a well-deserved promotion.

### Commerzbank Appoints Philippe Sage as General Manager of Its Tianjin Branch

Commerzbank, Germany's leading bank for private and corporate customers, appointed Philippe Sage as General Manager for its Tianjin Branch. From the start of July 2012, Mr. Sage will begin his duties, subject to approval by the China Banking Regulatory Commission (CBRC). He succeeds Martin Miller, who is returning to Germany after almost eight years in China as Chief Representative in Beijing and General Manager of Tianjin Branch to prepare for a management role at Commerzbank's Head Office in Frankfurt.

Commenting on the succession, Michael Kotzbauer, Regional Board Member for Asia, said: "I would first like to thank Martin Miller for his hard work and dedication over the past eight years. Under his leadership, our new Tianjin Branch has become an important pillar within our Chinese operations. Philippe Sage will now continue on this path, drawing on his international corporate banking experience and expertise to drive forward the success of our business in China. I look forward to working together with him."

Philippe Sage, aged 39, joined Commerzbank in 2011 from Natixis, the corporate and investment bank of Banques Populaires Caisses d'Epargne (BPCE). Here, Sage, who is originally from France, had been responsible for heading its units in Frankfurt and Shanghai. Since January 2011, he has been a Senior Relationship Manager of Commerzbank's Paris branch.



# Chamber Report



**European Chamber**  
中国欧盟商会

## Past Events

25 April 2012

### **The First Tianjin Human Resources Supply Chain Management Forum vs The Excellent Suppliers Exhibition Conference**

Co-organised with the Tianjin HR Club, this forum and exhibition attracted more than 40 preferred and recommended suppliers from HR recruitment, labour dispatch, management consulting, management software, conference services, travel agencies, commercial insurance, medical, expatriate services etc. and over 200 HR leaders from well-known foreign enterprises. The main purpose of the conference is to facilitate the mutual communication for member companies of Tianjin HR Club and European Union Chamber of Commerce, to learn the managerial expertise from HR suppliers, to discover and select the excellent HR suppliers, and to help member companies save costs, improve efficiency and reduce risks.



17 May 2012

### **Negotiation Process and Handling of Disputed Accounts**

Competition intensifies, profits of enterprises are further diluted, and accounts receivable increases rapidly. Many enterprises in China are debt-distressed. Therefore, it is significant to learn how to prevent and reduce the risk of bad debts, ensure the recovery of accounts receivable, being dominant during debt collection process, and improve the management level of the enterprise. More than 30 Finance and purchasing leaders participated in the above workshop on the afternoon of 17 May. Mr. Bobby Rozario, Managing Director of Alpha & Leader Law Firm, shared his insights on the issues of “credit evaluation and credit granting policies, effective debt collection techniques, and maintaining dominance during the negotiation process.”



### **Upcoming events:**

**2 June 2012**

**EU Family Day**

**Weekend Brunch in Drei Kronen 1308 Brauhaus, follow by Haihe Cruise**

**7 June 2012**

**GM Briefing: European Business in China Confidence Survey 2012**

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

Tel: +86 22 2374 1122 Fax: +86 22 2374 1122 Email: [tianjin@eucc.com.cn](mailto:tianjin@eucc.com.cn) Website: [www.eurochamber.com.cn](http://www.eurochamber.com.cn)

**AmCham China, Tianjin has held a number of great events recently. If you happened to miss out on any of these, please be sure to join us next time!**

Saturday, 21 April:

### **Tianjin Historic Walking Tour and Lunch at Qing Wang Fu**

AmCham China Tianjin's Vice-Chairman, Douglas Red led a walking tour of Tianjin's British Concession. A lunch break was taken at Qing Wang Fu, the well restored home of one of the most prominent Chinese families to live in the area.



Thursday, 26 April at Hotel Nikko Tianjin:

### **Introduction to The Leader As Coach™**

Martin Klopper and John Lim of Leadership Development International (LDi) led a workshop to introduce innovative staff coaching techniques to nearly thirty participants from various management and supervisory positions.

Friday, 27 April at The Astor Hotel:  
**Women's Professional Committee (WPC) Executive Lunch**

In honour of the WPC's first networking event, The Astor Hotel hosted a luncheon for female professionals offering drinks, a spectacular meal, and a prize drawing. This was a unique opportunity for Tianjin's female professionals to meet, develop ties, and share ideas.

Sunday, 13 May at The World Golf Club and The Renaissance Tianjin Lakeview Hotel:

### **AmCham China, and BT Eagle Group Sponser Tianjin's Eleventh Annual Charity Golf Tournament**

Sixty-two golfers came out to join in our annual charity golf tournament and awards dinner. The event raised funds for the Jian Hua Foundation. We would like to sincerely thank all of those who came out to golf, join in the dinner, and contribute to such a wonderful cause!

### **Upcoming events:**

AmCham China, Tianjin Annual U.S. Independence Day Celebration

**Date:** Sunday, 1 July

**Venue:** The St. Regis Tianjin

**Member adults** (includes member company employees and their families): CNY 200 each

**Non Member adults:** CNY 350 each

**Children between 4 - 12:** CNY 100 each

**Children under 4:** Free

Please note: Tickets should be ordered and paid in advance. No tickets will be sold at the door.

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

## **Past Event:**

### **Upcoming Events**

#### **Seminar: Energy Management System (Introduction and Its Setup)**

Tuesday, 5 June 2012

12.30 - 18:00

Language: English/Chinese

Venue: TEDA Eco Center

#### **Udo Lindenberg Video Konzert (MTV Unplugged - from the Hotel Atlantic Hamburg)**

Thursday, 7 June 2012

18:30 - 21:00

Venue: to be confirmed

#### **Tax Workshop: Can't wire your cash out? 对外付汇难?**

Tax implication under current PRC overseas payment policies -

An insight from tax experts

资深税务专家为您支招, 详析非贸易项下对外付汇税务问题

Wednesday, 27 June 2012

15:00 - 17:00

Language: English/Chinese

Venue: German Chamber Tianjin Office

#### **German Chamber monthly Stammtisch**

Wednesday, 27 June 2012

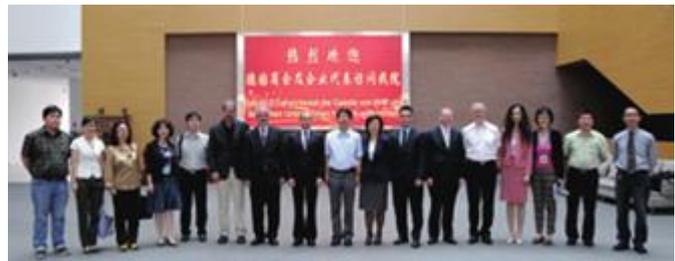
19:00 - 22:00

Language: German/English

Venue: Drei Kronen 1308 Brauhaus



**Deutsche Handelskammer**  
**German Chamber of Commerce**  
**in China • North China**



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

# Chamber Report

## BenCham Annual Gala 2012



**June 12th 08:00 - 10:00: Cyber Crime - Protecting Against A Growing Threat**

**June 12th 18:30 - 21:00: How to settle a food and Beverage Company in China?**

**June 30th 10:00 - 17:00: Photo hunt: picture yourself**

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

## Past Events



### Seminars: Direct and Indirect Selling by FIE's in the Chinese Market 9 May

#### *Renaissance Beijing Capital Hotel*

China has been the “World Factory” for the past two decades, but now this populous country is getting a new image as a “Crazy Consumer” in spite of the worldwide economic slowdown.

Aware of the increasing consumption power of the Chinese market and increasing production costs in China, foreign investors are no longer focused on manufacturing products in China, but seek opportunities to sell products to the large Chinese consumer market. However, certain restrictions apply for foreign invested companies when selling their products. The seminar addressed legal and practical issues when selling in the Chinese market through different sales channels.

- Exclusive distribution/agency/wholesale/retail
- Direct selling (the incorporation and approval requirements for FIE's and the prohibition of multi-layer marketing)
- Online selling through registered websites (legal requirements: is a value added telecommunication license required?)
- Franchising
- Confidentiality of business secrets of foreign invested commercial enterprises (alternative confidentiality measures?)
- Non-compete clauses (do they work in practice?)

In addition, the seminar provided the audience with a point of view from a Shanghai Chinese entrepreneur with respect to setting up and operating a franchise organisation in the Chinese market.

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

## Grand Opening of Aeon Mall Tianjin Zhongbei



Aeon Mall Tianjin Zhongbei opened on 28 April, providing customers a fantastic new place to go shopping, relax, and have fun.

Aeon Mall Tianjin Zhongbei, invested by Japan's largest retailer, Aeon Retail Co., is located in Zhongbei Industrial Park, Xiqing District. The Aeon Mall Tianjin Zhongbei project has a total floor area of approximately 130,000 square metres with a wide range of

stores, including an Aeon supermarket, a Zhongying cinema, a SuNing appliance store, an Acasia Deli Food restaurant, food court, groomer, video game city, nearly 100 clothing stores selling well-known brands, and specialty stores selling household goods.

Aeon Mall has 3,700 free parking spaces available for shoppers. Along the No. 2 Metro Line, with 6 free shuttle bus routes, Aeon Mall's presence extends

10 kilometres into the neighbourhood, which makes it very convenient for customers to travel there.

The opening of Aeon Mall fills the gap of a missing shopping complex in Zhongbeizhen, and enhances service facilities in the area. Meanwhile, 2,000 new jobs have been made available to local citizens, further promoting the regional economic development of Zhongbeizhen.

### Key Info

**Address:** No. 1, Fusheng Road, Zhongbei Industrial Park, Xiqing District (Near Caozhuang Flower Market)

**Opening hour:** 10:00-22:00  
( Ground floor: 08:30-22:00)

**Tel:** +86 22 8719 5500



## Paulaner Tianjin Opening

Located in Tianjin's Italian Style Town, Paulaner Tianjin grandly opened on 12 May. It is the only Paulaner store authorised by their headquarters in Munich, Germany. Along with municipal leaders of Tianjin, Dr Hardy Boeckle, Consul-General of the German Embassy in China, Mr. Schenk Jurgen, CEO of Paulaner Beer Corporation, and Ms. Zhang Baolian, Executive Director of Paulaner Tianjin Catering Management Co., Ltd all attended the opening ceremony.

Here, you can enjoy authentic German cuisine with great service. Also, Paulaner series beers, which are imported from Munich, are available. Frankfurters, Munich sausages, smoked pork chops, fried minced pork, and must-haves for Germans missing that flavour from home are present and are made with imported German seasonings.

The Paulaner Tianjin was decorated by a famous German designer. The whole style is designed to replicate

a century-old German shop, with wood as the overall structure. The reserved and elegant style of both the signboard and external decoration shows authentic German charm.

### Key Info

**Address:** No.429-431, Shengli Lu, Hebei District 河北区胜利路429-431号

**Tel:** +86 22 2446 8192

### Opening Hours:

Sun-Thu 10:30-24:00

Fri, Sat & Holidays: 10:30-02:00



## JUNE 2012 TIANJIN & BEIJING EVENTS

**01**  
FRI  
星期五

### Charity Dinner and Silent Auction

慈善晚会和无声拍卖会  
 地点 Ashanti on 2nd Avenue 第二大道阿仙蒂餐厅  
 时间 18:00-20:00  
 费用 ¥ 350  
 电话 +86 186 2245 3267

### Russia Circus - A Clown Carnival

俄罗斯马戏世界 —— 小丑嘉年华  
 地点 Jin Wan Grand Theatre 津湾大剧院  
 时间 19:30  
 费用 ¥ 150 / 180 / 280 / 380



**10**  
SUN  
星期日

### German Food BBQ

德国户外美食节  
 地点 Terrace Café Backyard Garden, Shereaton Tianjin  
 地点 天津喜来登酒店燕园咖啡厅后花园  
 时间 ¥ 18:00-21:30  
 258 net person+ 15% service charge  
 Additional discount or meal voucher for group reservation  
 Free service charge on the 1st day  
 10-18 June



Editor's pick

**04**  
MON  
星期一

### Top Wine China 中国北京国际葡萄酒博览会

地点 China National Convention Center, No.7 Tianchen East Road, Chaoyang District, Beijing  
 国家会议中心(朝阳区北辰东路7号)  
 时间 10:00-18:00  
 网站 www.topwinechina.com  
 4-6 June



### Beijing Essen Welding & Cutting Fair

北京埃森焊接与切割展览会  
 地点 China International Exhibition Center, 6 East Beisanhuan Road, Chaoyang District  
 中国国际展览中心(朝阳区北三环东路6号)  
 电话 +86 10 6397 J262304  
 4-7 June

**12**  
TUE  
星期二

### China International Machine Tool & Tools Exhibition

中国国际机床工具展  
 地点 New China International Exhibition Center, Tianzhu Airport Industrial Zone, Shunyi District, Beijing  
 中国国际展览馆新馆(顺义区天竺空港城商务区)  
 时间 09:00-16:00  
 电话 +86 10 5933 9062  
 12-16 June

**14**  
THU  
星期四

### 2012 China Global Outbound Investment Summit

第二届中国海外投资并购全球峰会  
 地点 Kerry Hotel, Beijing  
 北京嘉里大酒店  
 电话 +86 10 8599 7383  
 邮箱 info@china-enterprise-forum.com  
 14-15 June

Editor's pick

**06**  
WED  
星期三

### China International Private Equity Forum

中国企业国际融资洽谈会  
 地点 Tianjin Meijiang Convention Centre  
 天津梅江会展中心  
 电话 +86 22 8838 3311  
 6-12 June



### China International Coffee Industry Exhibition

国际咖啡博览会  
 地点 China World Trade Center, No.1 JianGuoMenWai Avenue, Beijing  
 国贸中心(建国门外大街1号)  
 电话 +86 10 6505 0546  
 +86 10 6505 0617  
 14-16 June



## Special Days:

- 1 June Children's Day
- 5 June Máng Zhǒng (Grain in Ear)
- 17 June Father's Day
- 21 June Xià Zhì(Summer Solstice)
- 23 June The Dragon Boat Festival

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

**15**  
FRI  
星期五

### Beijing International Tourism Expo

北京国际旅游博览会  
 Ⓧ China National Convention Center,  
 No.7 Tianchen East Road,  
 Chaoyang District, Beijing  
 国家会议中心(朝阳区天辰东路7号)

🌐 [www.bitechina.com.cn/en/](http://www.bitechina.com.cn/en/)  
 15-17 June

### Binhai New Area International Jewellery Fair

滨海新区国际珠宝首饰展览会  
 Ⓧ Binhai International Convention and Exhibition Center  
 滨海国际会展中心  
 ☎ +86 22 6530 2888  
 15-19 June

### Melody of Fingertips - Piano Recital Concert

指尖旋律——钢琴独奏音乐会  
 Ⓧ Western Shore Art Gallery 西岸艺术馆  
 ⌚ 20:00  
 ¥ 100  
 ☎ +86 22 2326 3505

**18**  
MON  
星期一

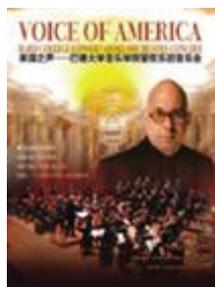
### The 1st China(Tianjin) International Stone Blocks, Products & Equipment Exposition

Ⓧ 首届中国(天津)国际建筑石材产品及设备博览会  
 Tianjin Meijiang Convention Centre  
 天津梅江会展中心  
 ☎ +86 22 8838 3311  
 18-21 June

**19**  
TUE  
星期二

### Voice of America - Bard College Conservatory Orchestra Concert

美国之声  
 ——巴德大学音乐学院管弦乐团音乐会  
 Ⓧ Tianjin Grand Theatre (Music Hall)  
 天津大剧院音乐厅  
 ⌚ 19:30  
 ¥ 30 / 50 / 80 / 120 / 180 / 280



Editor's pick

**20**  
WED  
星期三

### China International Automotive Electronics & Testing Technology Show

中国国际汽车电子与测试技术展  
 Ⓧ China International Exhibition Center,  
 6 East Beisanhuan Road,Chaoyang District  
 中国国际展览中心(朝阳区北三环东路6号)  
 ☎ +86 10 6439 0338  
 20-22 June

### Auto Maintech 2012

中国国际汽车维修技术及设备、汽车零配件、汽车用品展览会  
 Ⓧ China International Exhibition Center,  
 6 East Beisanhuan Road,Chaoyang District  
 中国国际展览中心(朝阳区北三环东路6号)  
 ☎ +86 10 8460 0348  
 20-22 June

**25**  
MON  
星期一

### Aeromart Tianjin

国际航天航空展洽会  
 Binhai International Convention and  
 Exhibition Center  
 ☎ 滨海国际会展中心  
 +33 1 4186 4186  
 25-29 June

Editor's pick



**29**  
FRI  
星期五

### Taiwan Trade Fair 台湾名品展

Ⓧ Tianjin Meijiang Convention Centre  
 天津梅江会展中心  
 ☎ +86 22 8838 3311  
 29 June - 9 July

Editor's pick



Good

# 新工作怎么样

## How is your new job

zhí yè Occupation



1 gōngchéngshī Engineer  
工程师



2 chífú Chef  
厨师



3 dǎoyóu Tour Guide  
导游



4 jǐngchá Police Officer  
警察

háng yè Industry

bǎo xiǎn 保险 <i>Insurance</i>	lǚ yóu 旅游 <i>Tourism</i>	fáng dì chǎn 房地产 <i>Real Estate</i>	jīn róng 金融 <i>Finance</i>	yī yào 医药 <i>Pharmaceutical</i>	cān yǐn 餐饮 <i>Catering</i>	shí pǐn 食品 <i>Food</i>	mào yì 贸易 <i>Trade</i>
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nǐ zài nǎ gōng zuò  
你在哪工作?  
*Where do you work?*

wǒ zài yī jiā bǎo xiǎn gōng sī gōng zuò  
我在一家保险公司工作。  
*I work in an insurance company.*

nǐ shì zuò shén me de  
你是做什么的?  
*What do you do?*

wǒ shì chú shī  
我是厨师。  
*I am a chef.*

kě kǒu kě lè gōng sī shì zuò shén me de  
可口可乐公司是做什么的?  
*What does Coca-Cola do?*

tā men shì zuò ruǎn yǐn liào de  
他们是做软饮料的。  
*They produce soft drinks.*

lǎo chén shì yí gè chú shī  
1) 老陈是一个厨师  
*Lao Chen is a chef.*

xiǎo wáng zài yī jiā bǎo xiǎn gōng sī shàng bān  
2) 小王在一家保险公司上班  
*Xiao Wang works in an insurance company.*

lǐ xiǎo jiě bú shì dǎo yóu  
3) 李小姐不是导游  
*Miss Li is not a tour guide.*

zhāng xiān shēng de gōng sī shì zuò fáng dì chǎn de  
4) 张先生的公司是做房地产的  
*Mr Zhang's company is engaged in Real Estate.*

jiè shào xīn tóng shì  
介绍新同事  
Introduce new colleague

lǎo wáng wǒ gěi nǐ jiè shào yí gè xīn tóng shì  
老王，我给你介绍一个新同事。

zhè shì xiǎo zhōu  
这是小周。

xiǎo zhōu nǐ hǎo hěn gāo xìng rèn shi nǐ  
小周，你好，很高兴认识你。

nǐ shì zuò shén me de  
你是做什么的?

wǒ shì kuài jì shī nǐ ne  
我是会计师，你呢?

wǒ shì diàn nǎo gōng chéng shī nǐ shì dì yī  
我是电脑工程师，你是第一

tiān shàng bān ba lái wǒ bǎ qí tā tóng shì  
天上班吧。来，我把其他同事

jiè shào gěi nǐ  
介绍给你。

Lao Wang, I'd like you to meet Xiao  
Zhou, our new colleague.

Hello, Xiao Zhou, nice to meet you.  
What do you do?

I am an accountant and you?

I am a computer engineer. Is it your first  
day? Let me introduce other colleagues to  
you.



# happiness

## gōng zuò zhuàng tài 工 作 状 态 Working Atmosphere

• xiǎo liú shì yī jiā diàn nǎo gōng sī de gōng chéng shī tā gōng zuò hěn máng měi gè yuè dōu  
小刘是一家电脑公司的工程师，他工作很忙，每个月都  
yào chū chāi yǒu shí hòu zhōu mò yě yào jiā bān gōng zuò shí jiān hěn cháng méi yǒu shí jiān hé  
出差有时候周末也要加班，工作时间很长，没有时间和家  
jiā rén zài yì qǐ yīn wèi gōng zuò yā lì tài dà le tā jué de hěn lèi  
家人在一起，因为工作压力太大了，他觉得很累。

- nǐ gōng zuò máng ma jīng cháng jiā bān ma  
你工作忙吗？经常加班吗？
- nǐ jué de lèi ma gōng zuò yā lì dà ma  
你觉得累吗？工作压力大吗？
- nǐ xǐ huān xiàn zài de gōng zuò ma nǐ jué de zhè gè gōng zuò yǒu yì sī ma  
你喜欢现在的工作吗？你觉得这个工作有意思吗？

• Xiao Liu is an engineer of a computer company.  
He is very busy with work. Every month he  
travels a lot and works during the weekend. He  
works long hours. And he has no time to spend  
with his family. He feels tired from all the  
pressure from work.

- Are you busy with work? Do you often work  
overtime?
- Do you feel tired? Do you feel pressure from  
work?
- Do you like your job? Do you feel it is  
interesting?

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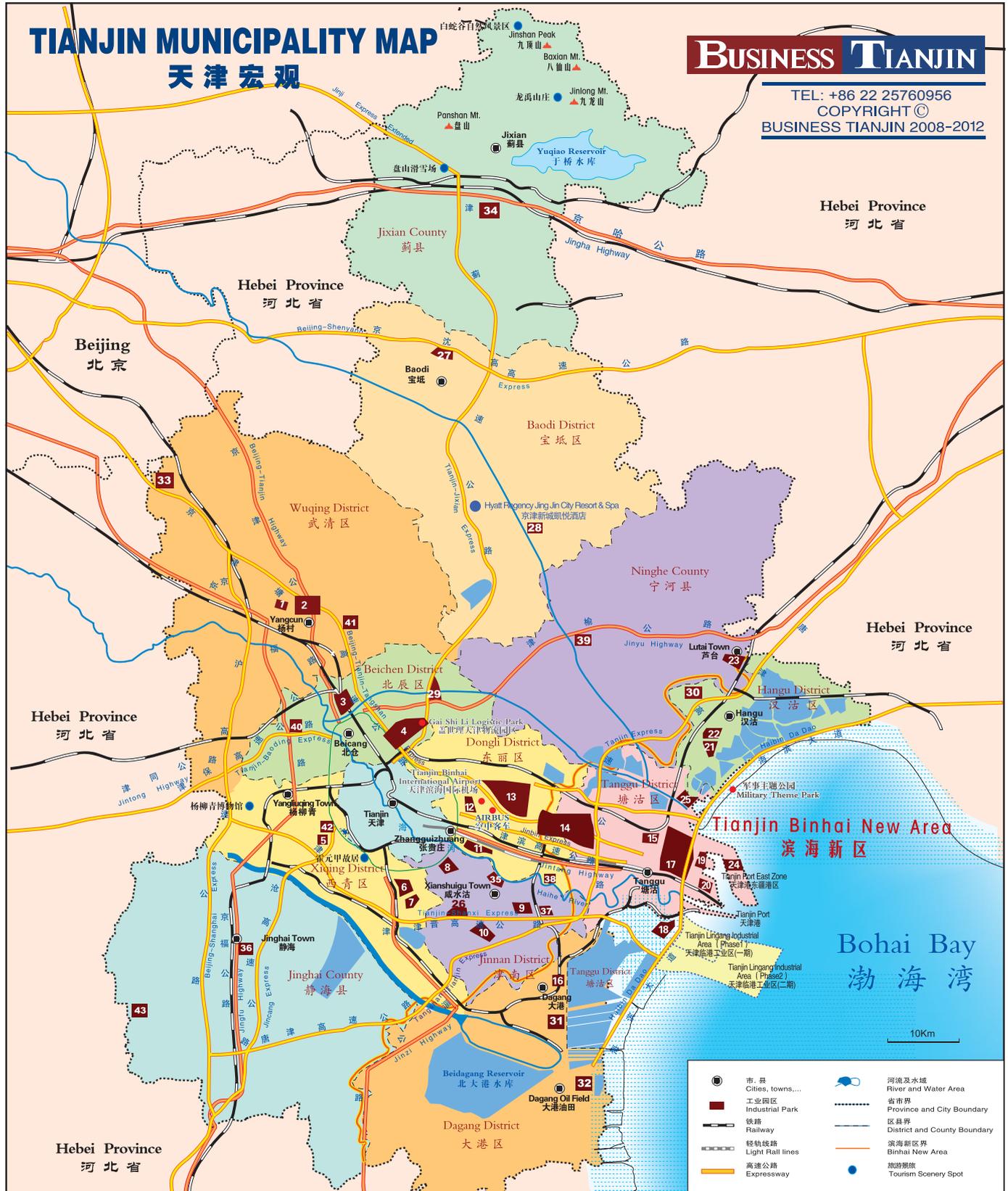
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# Tianjin Industrial Parks & Economic Development Areas



**List of Tianjin Industrial Parks & Economic Development Areas**

- |  |   |  |  |
|--|---|--|--|
| 1 TEDA Yat-Sen Scientific-Industrial Park<br>TEDA逸仙科学工业园                                   | 10 TEDA (Jinnan) Microelectronic Industrial Park<br>TEDA微电子(津南)工业区  | 19 Tianjin Port Container Logistics Center<br>天津港集装箱物流中心 | 28 Tianjin Baodi Jiuyuan Industrial Park 天津宝坻九园工业园区                    |
| 2 Wuqing Development Area<br>武清开发区   | 11 Dongli Economic Development Area<br>东丽经济开发区                      | 20 Tianjin Port Free Trade Zone<br>天津保税区                 | 29 Tianjin Beichen Economic Development Area<br>天津北辰经济开发区              |
| 3 Beichen Hi-Tech Industrial Park (North)<br>北辰科技园(北区)                                     | 12 Tianjin Airport International Logistics Zone<br>天津空港国际物流区        | 21 TEDA Chemical Industrial Park<br>TEDA化学工业区            | 30 Tianjin Chadian Industrial Park 天津茶淀工业园区                            |
| 4 Beichen Hi-Tech Industrial Park (South)<br>北辰科技园(南区)                                     | 13 Tianjin Airport Industrial Park<br>天津空港物流加工区                     | 22 Hangu Chemical Industrial Park<br>汉沽工业园区              | 31 Tianjin Dagang Economic Development Area 天津大港开发区                    |
| 5 Tianjin Hi-Tech Industrial Park<br>Huayuan Industrial Development Area<br>天津新技术产业园区华苑产业区 | 14 TEDA West<br>天津经济技术开发区(西区)                                       | 23 Ninghe Economic Development Area<br>宁河经济开发区           | 32 Tianjin Dagang Petrochemical Industrial Area (Phase1)<br>天津大港石化产业园区 |
| 6 Xiqing Development Area<br>西青开发区   | 15 Dagang Development Area<br>大港开发区                                 | 24 Dongjiang Duty-Free Port Area<br>天津东疆保税港区             | 33 Tianjin Wuqing Dawanggu Economic Development Area<br>天津武清区大王古经济开发区  |
| 7 TEDA (Xiqing) Microelectronic Industrial Park<br>TEDA微电子(西青)工业区                          | 16 Tanggu National Marine Hi-Tech Development Area<br>塘沽国家海洋新技术开发区  | 25 Sino-Singapore Eco-City<br>中新生态城                      | 34 Tianjin Ji County Economic Development Area 天津蓟县开发区                 |
| 8 Jinnan Economic Development Area (West)<br>天津市津南经济开发区(西区)                                | 17 Tianjin Economic-Technological Develop. Area (TEDA)<br>天津经济技术开发区 | 26 Tianjin Balitai Industrial Park<br>天津八里台工业园区          | 35 Tianjin Jinnan Xinda Industrial Park 天津津南鑫达工业园区                     |
| 9 Jinnan Economic Development Area (East)<br>天津市津南经济开发区(东区)                                | 18 Tianjin Port Bulk Cargo Logistics Center<br>天津港散货物流中心            | 27 Tianjin Baodi Economic Development Area<br>天津宝坻经济开发区  | 36 Tianjin Jinghai Xinda Industrial Park 天津津南鑫达工业园区                    |
|  |   |  | 37 Tianjin Jinhai Economic Development Area 天津静海经济开发区                  |
|  |   |  | 38 Tianjin Junliangcheng Industrial Park 天津军粮城工业园区                     |
|  |   |  | 39 Tianjin Panzhuang Industrial Park 天津潘庄工业园区                          |
|  |   |  | 40 Tianjin Shuangkou Industrial Park 天津双口工业园区                          |
|  |   |  | 41 Tianjin Wuqing Fuyuan Economic Development Area<br>天津武清福源经济开发区      |
|  |   |  | 42 Tianjin Zhongbei Industrial Park 天津中北工业园区                           |
|  |   |  | 43 Tianjin Ziya Industrial Park 天津子牙工业园区                               |

# Selected INTERNATIONAL FLIGHTS

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

## From Tianjin

DEST	DEP	ARR	Flight No	Days
Seoul*	11:10	14:00	KE806	1234567
	15:20	18:05	KE864	

The summer extra flights KE863/KE864 are operated between May 28 - Oct 27, 2012.

## From Beijing

DEST	DEP	ARR	Flight No	Days
Seoul*	11:50	15:10	KE2852	1234567
	13:20	16:20	KE856	1,3,5,7
	21:15	00:10+1	KE854	1234567

## From Seoul

DEST	DEP	ARR	Flight No	Days
Los Angeles	11:10	08:50	KE001	1234567
	15:15	10:25	KE017	1234567
	20:00	14:45	KE011	1234567
	21:35	16:35	KE061	1,3,5..
Las Vegas	20:50	16:00	KE005	1,3,5..
San Francisco	17:05	11:20	KE023	1234567
Seattle	18:15	12:05	KE019	.234.67
Dallas	11:00	09:30	KE031	.234.67
Chicago	11:40	10:25	KE037	1234567
Atlanta	10:30	11:00	KE035	1234567
Washington , D.C.	18:00	18:40	KE033	.2,4,6.
New York	10:30	11:10	KE093	1234567
	10:20	11:35	KE081	1234567
Honolulu	19:30	20:40	KE085	1234567
	19:00	08:20	KE051	1234567
Vancouver	21:00	10:05	KE053	1234567
	18:50	12:35	KE071	1234567
Toronto	10:00	10:15	KE073	.23,567
Sao Paulo	21:35	10:45	KE061	1,3,5..

## To Tianjin

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

## To Beijing

ORIGIN	DEP	ARR	Flight No	Days
Seoul*	9:30	10:30	KE2851	1234567
	11:05	12:10	KE855	1,3,5,7
	19:00	20:05	KE853	1234567

## To Seoul

ORIGIN	DEP	ARR	Flight No	Days
Los Angeles	11:05	19:25+1	KE002	1234567
	12:45	17:50+1	KE018	1234567
	23:30	04:20+2	KE012	1234567
	23:50	04:50+2	KE062	.2,4,6.
Las Vegas	23:00	04:15+2	KE006	1,3,5..
San Francisco	13:20	17:50+1	KE024	1234567
Seattle	14:05	17:35+1	KE020	.234.67
Dallas	12:10	16:30+1	KE032	.234.67
Chicago	12:45	16:25+1	KE038	1234567
Atlanta	00:30	04:05+1	KE034	..3,5,7
Washington , D.C.	13:15	16:55+1	KE036	1234567
	13:35	16:55+1	KE094	1234567
New York	00:50	04:00+1	KE086	1234567
	14:00	17:20+1	KE082	1234567
Honolulu	10:15	15:40+1	KE052	1234567
	12:10	17:30+1	KE054	1234567
Vancouver	14:35	17:50+1	KE072	123,56.
Toronto	12:15	14:45+1	KE074	.23,567
Sao Paulo	12:45	04:50+2	KE062	.2,4,6.



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

## Introducing our new flight schedule to Nairobi Kenya



Korean Air will launch 3 non-stop flight services per week from Incheon, Korea to Nairobi, Kenya on June 21. Korean Air will become the first air carrier in Northeast Asia to extend flight services to Nairobi. Fly to Nairobi with Korean Air and enjoy the grand African savanna, the safari tour, and the indigenous people full of primitive energy.

## Introducing our new flight schedule to Gatwick London

In addition to the daily flights to Heathrow, London, Korean Air proudly introduces its new flight service to Gatwick, London from Seoul 3 times per week starting on April 28, 2012. With our convenient schedule of 10 flights per week to London, paired with unparalleled in-flight service, traveling will become even more comfortable.



## Changes to Korean Air Baggage Regulations

In regard to free baggage allowance and baggage fee, Korean Air currently applies the Weight System which regulates the total weight of baggage and the Piece System which regulates the number of pieces differently for each route. However, Korean Air will only apply the Piece System for all routes starting on May 31, 2012 (based on date of issuance).

Changes to Korean Air baggage regulations are as follows:

### Free Baggage Allowance (Domestic and Intl routes, excluding the Americas)

Class	Current (Weightsystem- regulates the total weight of baggage)	Revised
First	40kg	(Piece system- regulates the number of pieces)
Prestige	30kg	3 Piece (32kg each)
Economy	20kg	2 Piece (32kg each)

For more information, please refer to [www.koreanair.com](http://www.koreanair.com) baggage information.

### From Beijing

DEST	DEP	ARR	Flight No	Days
Istanbul	23:55	05:25	TK21	1234567



\* Flights from Beijing to Istanbul, from Istanbul to Beijing provided by Turkish Airlines. Schedules are subject to government approval and may be changed without prior notice.

### To Beijing

ORIGIN	DEP	ARR	Flight No	Days
Istanbul	00:35	14:00	TK20	1234567

### TIANJIN-BEIJING AIRPORT Shuttle Bus

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#### Tianjin - Beijing Airport Terminals 2/3

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

#### Beijing Airport Terminals 2/3 - Tianjin

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

### TEDA-BEIJING AIRPORT Shuttle Bus

¥90 one way

#### TEDA - Beijing Airport Terminals 2/3

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

#### Beijing Airport Terminals 2/3 - TEDA

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

### BULLET (C) TRAIN

#### TJ ~ BJS (¥55 - ¥66)

Train	Tianjin	Beijing
C2002	06:25	06:55
C2094	22:45	23:15

#### BJS ~ TJ (¥55 - ¥66)

Train	Beijing	Tianjin
C2001	06:35	07:05
C2093	23:00	23:30

#### TG ~ BJS (¥66 - ¥80)

Train	Tanggu	Beijing
C2274	12:40	13:10
C2280	20:25	20:55

#### BJS ~ TG (¥66 - ¥80)

Train	Beijing	Tanggu
C2273	10:45	11:15
C2279	18:50	19:20

#### Wuqing ~ BJS (¥39 - ¥46)

Train	Wuqing	Beijing
C2202	06:53	07:18
C2232	20:43	21:08

#### BJS ~ Wuqing (¥39 - ¥46)

Train	Beijing	Wuqing
C2201	06:45	07:07
C2231	21:15	21:37

### Beijing-Shanghai High-Speed Railway

Origin	Departure Time	Destination	Duration	Price		
				First Class	Second Class	Sleeper
Tianjin	09:17	Shanghai Hongqiao	07:59	600	370	1065
				D325	08:05	375
	08:44	Shanghai Hongqiao	06:58	855	370	799
				D365	06:58	
	10:09	Shanghai Hongqiao	04:59	870	510	
				G33	04:59	
	07:05	Shanghai Hongqiao	05:07	855	515	
				G41	05:07	
	12:45	Shanghai Hongqiao	04:48	855	510	
				G129	04:48	
	15:12	Shanghai Hongqiao	04:54	870	510	
				G145	04:54	
	12:11	Shanghai Hongqiao	05:14	870	515	
				G211	05:14	
14:26	Shanghai Hongqiao	05:02	515			
			G21	05:02		

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Chinese

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中国站  
河东区新开路66号天津天诚丽笙世嘉酒店2层

Fortune Restaurant

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

Fountain Lounge

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



Qing Wang Fu

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

Riverside Chinese Restaurant

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

Shui An

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

Tao Li Chinese Restaurant

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**T:** +86 22 8319 8888 ext. 3561  
桃李中餐厅  
和平区南京路189号  
天津日航酒店6层

Yan Ting Chinese Restaurant

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Zhang Zizhong Lu, Heping District  
**T:** +86 22 5830 9999  
宴庭中餐厅  
和平区张自忠路158号瑞吉金融街酒店2楼

Japanese

Benkay Japanese Dining

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

Kasumi

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

Kushi Grill

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

Seitaro

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

SôU

**A:** 49F, Tianjin Centre Hotel, No.219  
Nanjing Road, Heping District  
**T:** +86 22 2321 5888 ext.5106  
思创  
南京路219号天津中心酒店 49楼

Thai

YY Beer House

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

Western



Aulare

**A:** Magnetic Plaza, Building A4  
2-16, Binshui Xi Dao  
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**T:** +86 187 2229 0691  
**E:** tianjin@aulare.com  
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福楼  
河北区意大利风情区光复道37号

1863 the Dining Room

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

Café@66

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

Café Majestic

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

Café Venice

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

Glass House

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

Pan Shan Grill & Wine

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



Promenade Restaurant

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



Riviera Restaurant

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

Spectrum All-Day Dining

**A:** 7F, Hotel Nikko Tianjin  
No. 189, Nanjing Lu, Heping District  
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**T:** +86 22 6539 9899  
Opening hours: 09:00-20:00

GuangMing Wine Shop:

**A:** No.1 Guangming Flat,  
Xiaguang Rd., Nankai District,  
Tianjin  
天津市南开区霞光道光明公寓1号  
**T:** +86 22 2391 5118  
Opening hours: 09:00-20:00

BinXi Wine Shop:

**A:** No.187 Binshui West Rd.,  
Nankai District, Tianjin  
天津市南开区宾水西道187号  
**T:** +86 22 2337 2116  
Opening hours: 09:00-22:00

RongYe Wine Shop:

**A:** No. 175 Rongye Avenue  
Heping District, Tianjin  
天津市和平区荣业大街175乙  
**T:** +86 22 2723 1139  
Opening hours: 09:00-20:00

4006-199-159  
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**DINING**

**Bars**

**China Bleu**

**A:** 50F, Tianjin Centre Hotel, No. 219 Nanjing Lu, Heping District  
**T:** +86 22 2321 5888  
 中国蓝酒吧  
 南京路219号天津中心酒店50层

**JV'S Bar**

**A:** 1F, Main Building, Sheraton Hotel Tianjin  
 Zi Jin Shan Lu, Hexi District  
**T:** +86 22 2731 3388 ext. 1846  
 JV'S 酒吧  
 河西区紫金山路天津喜来登大酒店主楼1层

**O'Hara's**

**A:** 1F, The Astor Hotel Tianjin  
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 Heping District  
**T:** +86 22 2331 1688 ext. 8919  
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**T:** +86 22 5830 9958  
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 和平区张自忠路158号天津瑞吉金融街酒店一层

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 Heping District  
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**F:** +86 22 2318 5001  
**E:** tianjin@lehmanbrown.com  
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 Beijing  
**T:** +86 10 8532 1720  
**F:** +86 10 85322746  
**E:** beijing@lehmanbrown.com  
 北京朝阳区东直门外大街23号,  
 东外外交办公大楼602

**Shanghai Office:**

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 Jing An District  
**T:** +86 21 6249 0055  
**F:** +86 21 6288 1636  
**E:** shanghai@lehmanbrown.com  
 上海市静安区乌鲁木齐北路480号1501&1504

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**International Schools**



**International School of Tianjin**

**A:** Weishan Lu, Jinnan District  
**T:** +86 22 2859 2001  
 国际学校天津分校  
 津南区津南微山路



**Tianjin International School**

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



**GEMS World Academy  
 Tianjin Eco City, China**

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



**Wellington College  
 International Tianjin**

**A:** No. 1, Yide Dao, Hongqiao District  
**T:** +86 22 8758 7199 ext. 8001  
**Mobile:** +86 187 2248 7836  
**E:** admissions@wellington-tianjin.cn  
**W:** wellington-tianjin.cn  
 天津惠灵顿国际学校  
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★★★★★ Hotels



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 Economic Area Tianjin  
**T:** +86 22 5867 8888  
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 天津市空港经济区中心大道55号



**Holiday Inn Tianjin Riverside**

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



**Hotel Nikko Tianjin**

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

**SERVICES**

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

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



**Radisson Blu Plaza Hotel Tianjin**

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

**Tianjin Centre Hotel**

**A:** No. 219, Nanjing Lu, Heping District  
**T:** +86 22 2321 5888  
 天津中心酒店  
 和平区南京路219号



**Renaissance Tianjin Lakeview Hotel**

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



**Sheraton Tianjin Hotel**

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**The St. Regis Tianjin**

**A:** No. 158, Zhangzizhong Road Heping district  
**T:** +86 22 5830 9999  
 天津瑞吉金融街酒店  
 和平区张自忠路158号



**The Astor Hotel Tianjin**

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

**Apartment**

**Astor Apartment**

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

**Sheraton Apartment**

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



**Somerset International Building Tianjin**

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

**Somerset Olympic Tower Tianjin**

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

**Somerset Youyi Tianjin**

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



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

**A:** No. 16, Binshui Dao, Hexi District  
**T:** +86 22 5822 3322  
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 河西区滨水道16号



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**W:** qingwangfu.com  
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 和平区重庆道55号

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**Real Estate**



**CBRE Tianjin**

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

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 和平区大沽北路2号天津环球金融中心津塔写字楼41层

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Tianjin's travel agency specialising in tourism for foreigners  
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**E:** [info@thestarstravel.com](mailto:info@thestarstravel.com)

**Spas**

**Green Bamboo Well Being Resort**

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**T:** +86 22 8378 8397 (English)  
 +86 136 0205 9458 (Attn: Elsa)  
 青竹堂足疗养生馆  
 时代奥城商业广场17座6层17号

**Hospitals**



**Tianjin International SOS Clinic**

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

**HEALTH**



United Family Healthcare  
和睦家医疗

**Tianjin United Family Hospital**

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Tianjiang Dao, Hexi District  
**T:** +86 22 5856 8500 (Reception)  
24 Hour Emergency:  
+86 22 5856 8555  
**W:** ufh.com.cn  
天津和睦家医院  
河西区潭江道天潢园22号

**Gyms**

**Powerhouse Gym**

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

**Swimming Pools**

**GLO Fitness & Health Club**

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

**Sheraton Hotel Tianjin**

**Swimming Pool**  
**A:** 1F, Sheraton Hotel Tianjin  
Zijin Shan Lu, Hexi District  
**T:** +86 22 2731 3388  
喜来登酒店游泳池  
河西区紫金山路天津喜来登大酒店1层

**Swimming Pool at Radisson  
Plaza Hotel Tianjin**

**A:** 4F, Radisson Plaza Hotel Tianjin  
No. 66, Xinkai Lu, Hedong District  
**T:** +86 22 2457 8888  
天诚丽笙世嘉酒店游泳池  
河东区新开路天诚丽笙世嘉酒店4层

**Indoor Swimming Pool**

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

**TEDA & TANGGU**

**Brazilian**

**Salsa Churrasco**

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

**DINING**

**Chinese**

**Wan Li Chinese Restaurant**

**A:** 2F, Renaissance Tianjin TEDA  
Hotel & Convention Centre  
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**T:** +86 22 6621 8888 ext. 6750  
万丽轩中餐厅  
开发区第二大街29号天津万丽泰达  
酒店及会议中心2层

**Yue Chinese Restaurant**

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



**Japanese**

**Sake n Sushi Bar**

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

**Italian**



**Bene Italian Kitchen**

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

**Western**

**Brasserie Restaurant**

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



**Feast All Day Dining  
Restaurant**

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No. 50, 2nd Avenue, TEDA  
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**T:** +86 22 6622 6158  
泰达国际学校  
开发区第三大街72号



**Tianjin TEDA Maple Leaf  
International School**

**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

**Hotels**

**Holiday Inn Binhai Tianjin**

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



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**HOTEL**



**Sheraton Tianjin Binhai Hotel**

**A:** No. 50, 2nd Avenue, TEDA  
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天津滨海喜来登酒店  
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<http://sheraton.com/tianjinbinhai>

**Spas**

**Touch Spa**

**A:** 2F, Renaissance Tianjin TEDA  
Hotel & Convention Centre  
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**T:** +86 22 6570 9504  
开发区第二大街29号天津万丽泰达  
酒店及会议中心

**Yue Spa**

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

**Hospitals**



**Tianjin TEDA International SOS  
Clinic**

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

**Gyms**

**Champs Elysees**

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

**Holiday Inn Binhai Hotel  
Fitness Centre**

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

# How the West was Lost

By Keith Crane

It may be four years since the global economic crisis began, but the repercussions are still being felt. The UK has double-dipped into recession, while unemployment rates in southern EU states hover around 25%. The US government, in an election year, will continue to argue over its growing deficit, as its jobless rate falls only marginally.

Here in China, Premier Wen Jiabao's outgoing government has announced a slower, but still strong given the circumstances, growth rate of 7.5% in the next five-year plan. Western commentators though, predict an even harder landing, and a property bubble ripe to explode.

There's a very good case for asking, "Who can we believe now?", considering Western governments got us into this mess in the first case. However, what is the answer?

Dambisa Moyo, a former World Bank consultant offers her views at the end of her analysis of what went wrong in "How the West was Lost". It details and crunches the numbers in what she describes as "50 years of economic folly", and the "stark choices" that remain.

She gives a compelling account of how, after the Second World War, the rich

US, and victorious but bankrupt UK, progressed on a presumption, simple at the time that, "things can only get better", and that property prices would only ever go up. So began two property-owning democracies.

That is, until unscrupulous market traders, freed to trade in whatever pieces of paper they could, peddled unrepayable debts, after lenders had sold homes to low income families. When they could no longer pay up after losing their jobs, the whole house of cards came crashing down.

In the meantime, these same people with their "ever-increasing property values", spent like crazy with credit cards, and, yes, bought all of the products the US and UK no longer needed to make because they're much cheaper to make in China.

The finger is pointed at the same governments for allowing this all to happen through deregulating financial markets...letting them do what they want.

Moyo also goes into complex detail, on how the figures stacked up for governments to disregard the benefits of maintaining the manufacturing industry, charting the global economic shift east, except for perhaps Germany,



Language: English  
 Hardcover: 240 pages  
 Price: \$25.00 + Shipping

which does still make something China wants. Her potential solutions, with a precursor "Is it too late?", range from relatively acceptable to financial Armageddon.

This is what in the end, makes the book such an important read. I'll leave you to find out what they are, and what you would consider the consequences for China and the rest of the world.

You may also think twice about taking on any more debt.

*How the West was Lost* by Dambisa Moyo is published by Penguin Books.

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

## QUOTATIONS OF THE MONTH

Good judgment comes from experience and experience comes from bad judgment.

----- Fred Brooks

I'm extraordinarily patient provided I get my own way in the end.

----- Margaret Thatcher

What lies behind us and lies before us are small matters compared to what lies within us.

----- Ralph Waldo Emerson

A person without a sense of humor is like a wagon without springs. It's jolted by every pebble on the road.

----- Henry Ward Beecher



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## Wellington College at the Royal Albert Hall Wellington Community Concert

**D**espite having only been open since August 2011, Wellington College in Tianjin made a significant contribution to the Wellington Community Concert, commemorating 150 years of Wellington College, at the Royal Albert Hall in London on Monday, 30th April. The Royal Albert Hall is one of the premier concert venues in the world, holding over 5,000 seats, and is one of London's many iconic landmarks. It was originally opened by Queen Victoria in 1871, a few years after she had opened Wellington College, and is named after her beloved consort Prince Albert.

In this historic site, with a sell-out crowd, the concert was nothing short of brilliant, a visual and musical treat for everybody lucky enough to be present. For the Wellington students, led by College Music Director, Steve Griffiths, they not only sang in the combined choir numbers, but presented their own individual brand of Chinese entertainment in the form of a colourful and dramatic Dragon Dance choreographed by Ms Georgina Chakos, the College Drama teacher, complimented by two outstanding solo performances by four-year-old pianist, Mimi Zou, and seasoned guzheng player, Year 11 student, Keiko Hayashi. All three elements of Wellington Tianjin's contribution were rapturously applauded

and acclaimed. It is no exaggeration to say that Mimi, already a celebrity in London, due to a series of interviews with leading English newspapers, brought the house down.

The Royal Albert Hall concert was timed to coincide with the second Wellington exchange programme where students from Tianjin went to the College in the UK for a two-week period, living with host parents and attending all relevant classes and activities. These exchanges have become a regular feature of the Wellington timetable and there was also a first student to board, again for a fortnight, at Eagle House, the College's preparatory school, also located in Crowthorne.

Wellington College is also building up a deserved reputation in the Arts, the success of the Royal Albert Hall concert coming on the back of the acclaimed production of *Joseph and the Amazing Technicolour Dreamcoat*, performed in the College's Seldon Theatre in March.



# Cabernet Sauvignon

I hope all of you had a few bottles of good Riesling as you celebrated Mother's day in May. For the month of June, I would like

to introduce Cabernet Sauvignon to you. Without hesitation, I put Cabernet Sauvignon at the top of the list of red-wine grapes of the world. As many might vouch, Cabernet Sauvignon maintains a recognisable style and character,

even when away from its classic home region, Bordeaux, where it is the primary grape of most of the top vineyards in the Medoc and Graves districts. For example, a well-

made "Cabernet" from Australia, California, Chile, and Eastern Europe will have basic family resemblances despite overtones produced by differences in soil, climate, and vinification.

The flavour, structure, complexity, and longevity of wines made from Cabernet Sauvignon grapes are what make it so popular. The three



Joey Wu, Hotel Manager at The St. Regis Tianjin

keys to its recognition are its deep colour, its characteristic aroma of fresh blackcurrants or cedar, and its particular concentrated fruity flavour combined with tannin and acidity; with the word tobacco often used to describe older vintages. The acids and tannins found in a Cabernet Sauvignon help form the basis for its structure and longevity. In Bordeaux, Cabernet Sauvignon is most often blended with one or more types of red-wine grapes. In California, wines are more often made with 100% Cabernet Sauvignon grapes.

As you celebrate Father's day this month, do not buy your father or husband another razor or a reflexology mat. Instead, open a good vintage Chateau Mouton-Rothschild 2001. If finances allow, try, for grape character, Chateaux Cos d'Estouneul 2004 of Saint-Estephe, France, or the Stag's Leap Cask 23 Estate Cabernet 2006 from Napa Valley, California. These and more are available at the Decanter in The St. Regis Tianjin. **B**

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### About Joey Wu:

Joey Wu is the Hotel Manager of The St. Regis Tianjin and is an avid wine lover. As Hotel Manager, Joey is directly responsible for the hotel's daily management, including budgeting and financial management, planning, organizing and directing all hotel services, including front office, food & beverage and housekeeping. With more than 17 years of experience in the hospitality industry, he has gained valuable experience in various aspects of food and beverage, including wine, and hopes to increase the knowledge of wines in Tianjin city. Joey Wu is a contributing columnist about wine notes & recommendations for Business Tianjin readers.





## THE FALLACY OF THE ENGLISH GENTLEMAN

*By Christopher Ribeiro*

The typical English gentleman is one of merit; well versed, poised, and cordial; he comes from a distinguished pedigree and conducts himself thusly in every situation. For centuries, The Gentlemen has washed upon the shores of China and graced this crude, developing country with his social aptitudes and dignified manner. This is all hogwash of course, but it seems to be a belief held (falsely) by many Chinese and (arrogantly) by many Westerners.

When I say, “English Gentlemen” it’s a blanket term for all wai guo ren, not exclusively the British. Needless to say, there is a misguided and often exceedingly unwarranted belief that Westerners have a superior upbringing and therefore are more courteous and polite than the Chinese. This notion is particularly astonishing if you observe the strong social order in China compared with what some consider a rapidly deteriorating value system in the West. If you peel back the more superficial layers and look past the seemingly genteel appearance of some Westerners and likewise past some of the more inelegant habits of the Chinese, you may come to a surprisingly different conclusion.

My epiphany came during a brief stay at Tianjin General Hospital last summer. I was dealt the misfortune of acquiring an intestinal infection which led to me losing 25 pounds in six weeks. I was teeming with anxiety when told that I would undergo surgery and be hospitalised for four

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weeks. A frightening enough proposition if I was on my home soil, but the horror stories about Chinese hospitals only added to my angst.

Fortuitously, my stay lasted only four nights. I was in a shared room with nine beds occupied by older gentlemen in much worse condition than myself. I was not pleased with the prospect of sharing a confined space with nine men with vastly different living habits than myself, and admittedly I was

quickly vexed with my roommates. Their smoking, guttural sound effects, spitting, and incessant loud talking at off hours, all combined into a volatile mixture of air and noise pollution. What happened next was straight out of a bad Hollywood movie. Over the course of the next few days, I was so completely overwhelmed by the show of kindness from everyone that entered the room, my opinion was permanently altered.

The prominent theme was the endless stream of visitors coming to see me and my aforementioned roommates. My fiancée or a member of her family was at my bedside nearly every waking moment, and often through the night. In fact, my fiancée’s unwavering dedication caused her to catch a fever herself. She checked in for an IV treatment and was back at my side within several hours. During the few moments when someone was not able to stay with me, the folks visiting their respective loved ones’ were as equally concerned with my well-being as my own family would have been if they were present. An endless stream of food,

# Last Words

clean clothes, books, and other daily use articles flooded into our ward. This behaviour is common in any hospital of course, but the scale of it in this instance was dizzying.

For those that have lived in China for any considerable length of time, it quickly becomes apparent that the Chinese have distinctly different methods of interacting with people that are inside their circle of family members and close friends versus how they engage with strangers.

A commonly cited example would be their proclivity for jumping a queue (if there is a queue at all, that is). They tend to show little to no concern for people they have fleeting interactions with in daily life. Conversely however, they are among the most charitable and benevolent people I have encountered when dealing with loved ones. It has been asserted that historically scarce resources due to poverty and overpopulation are the culprits for the former method of behaviour, but what is the reasoning for the latter?

Also, if this is true, then why was I the beneficiary of such altruism during my hospital stay? I'll revisit that question in just a moment.

For centuries, the fabric of Chinese social code was firmly held together by Confucian belief. However, the many purges of Confucianism throughout the years leads me to wonder if these values have managed to trickle into modern Chinese society or if there is something else at work. Perhaps parenting style is an influence. While nurturing seems to be intrinsic to Chinese women I have seen many Western women look inept when handling an infant. A single disgruntled sound coming from a Chinese infant will send every mama, gugu, and laolao in the general vicinity leaping into action, instantly surrounding the child in an

unbridled shower of attention. This carries on, although to a somewhat lesser extent, through a child's years as a toddler and through their school age years. No doubt these early experiences lay the groundwork for creating a society full of likewise caring individuals and tightly knit families. Upon reflection, my feeling about my experience at the hospital is that I was seen as some kind of giant, foreign baby. In spite of the fact that I was not part of the "inner circle", I believe any sign of discomfort would have garnered a similar response as a helpless infant.



What is seen by many as diminishing Western values, particularly in regards to the decaying family structure, has been pointed to as a contributing factor to the decline in traditional beliefs and social conduct. I may get roasted by my fellow compatriots for implying that the Chinese are more polite and nurturing than Westerners, but I'm probably not alone in this line of thought. In a recent article on NPR.org, "Please Read This Story, Thank You", the author, Linton Weeks, laments America's shift towards casual

and hollow interactions, and cites research by Rasmussen Reports which reveals 76 percent of people surveyed believe Americans are becoming ruder and less civil.

More than a few foreigners living in China delight in complaining about the country and the Chinese themselves. However, I suggest they take pause to consider who might be keen to help them in a time of need while their close friends and family are thousands of miles away. The same person that jumped them in the queue may later be the one to offer a helping hand. **B**

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