

# BUSINESS TIANJIN

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2012  
JUL

## Inside the Financial Mind

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ICBC Strategic Partnership

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Business Tianjin / July 2012



### ▲ Inside the Financial Mind

Standard Bank is Africa's largest bank with a history dating back 150 years. Also proud to be an African bank with a strong presence in 18 African countries, Standard Bank's focus is connecting BRICS countries and facilitating cross border trade and investment banking transactions between them. [See P18](#)



### ◀ Recent Legal Developments in CNY Internationalisation for Cross-border Trade and Investment Transactions

Suffering from the depression of the world economy and the fluctuations of the exchange rates of certain major international currencies, both foreign and domestic investors have been calling for a more globalised Chinese Yuan (CNY), the official currency of China, in international trade and investment transactions. In response to such increasing demand, the Chinese government has been making efforts to realise the internationalisation of CNY through comprehensive and profound reform on a gradual basis. [See P34](#)



### ◀ Search Engine Optimisation

Anyone who makes a living off communication knows the importance of relevancy. If you are not relevant in your messaging and your timing, then you can spend much money on sophisticated advertising not being worth anything. Even average advertising messages can do wonders, if they are delivered at the right time and place. People within communication have the opportunity to increase the level of relevance significantly by using and leveraging the internet. Search has changed the way people use the internet, and has made the likelihood of receiving something relevant much higher. [See P48](#)



### ◀ Creating Your Social Enterprise

Cloud computing is here, it's now, and it's delivering enormous business benefits to many companies across the globe every day. Recent developments in social media and mobile technology are converging with cloud computing to create new opportunities for growth and business transformation. As a result, enterprise adopters of cloud technologies are now moving beyond the sizable speed, cost, and risk reduction benefits. [See P52](#)

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# Business Tianjin

JULY 2012



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## Dear Reader,

Half of the year has already passed. We ended the second semester of 2012 with many uncertainties in the air. China is facing a large amount of internal issues and economically, is slowing down at a fast pace.

Tianjin still shows a dynamic economy, but we have noted recently a demand from investors to make new investments and propose new projects for upcoming years.

Beijing is fighting the slowdown by cutting interest rates. The recent cut is the first since 2008, and the central government is willing to push through more reforms to boost the economy. Inflation only reached 3% in May, but Beijing will probably be forced to take more measures soon to increase internal demand.

Local investment has depended on State Owned Enterprises actions, and their hogging the lion's share of credit from banks has produced a weaker private sector. SME's have suffered much during this period, and these measures will not be enough. We think the restrictions for foreign investment will be lifted soon, or else it could be too late for China to attract new foreign investment, as investors don't want to increase their dependency on a market with an increasing production cost and too much government control.

This month, we offer an interview with the CEO of Standard Bank, the biggest bank in Africa. This bank is a good example of outbound investment itself, as ICBC owns roughly 20%, and is a strategic partner of the group. Outbound investment has been increasing, and some countries have shown their interest in receiving investment from China.

I would also suggest reading our economy article, which speaks of some real examples about what is happening in the real estate sector. Housing prices have reached a point where some buyers now prefer to invest in the foreign real estate sector instead of continuing to invest in the restrictive market of China. This is another sign of problems with the domestic economy, and how difficult it is to predict what will happen in the future. But for sure this is scary.

As usual, I invite you to send me your comments and suggestions.

Best regards,

J. Hernan

Managing Director | Business Tianjin Magazine

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TIANJIN NEWS

Rolls-Royce Motor Cars Sparkled at Tianjin Goldin Metropolitan Polo Club



“Rolls-Royce Polo Lifestyle Experience” was held by Rolls-Royce Motor Cars Tianjin at Tianjin Goldin Metropolitan Polo Club on 9 June. The event was held to show off the Rolls-Royce Ghost, providing a unique opportunity for consumers to enjoy the super luxury car. The theme of the event, “Rolls-Royce Polo Lifestyle Experience”, was intended to deliver a kind of elegant and graceful lifestyle. “Ghost encourages you to regard either car as appropriate for any occasion. We are very honoured to show the Ghost for all the guests. We also welcome all customers who want to experience this outstanding luxury car to get to our showroom for a tasting,” said Kevin Ma, General Manager, Rolls-Royce Motor Cars Tianjin.

- Business Tianjin, 10 June

Regus Offers a Smarter Way to Grow and Do Business in Tianjin



Regus, the world’s leading provider of flexible workspaces, has opened its first business centre in Tianjin. It offers valuable support for businesses looking for new markets, or better ways to work. Tianjin’s economic vitality has created great demand for Regus workspaces, from companies wishing to expand their footprint to Tianjin, to those who want to adopt new, flexible ways of working. Hans Leijten, Regus’s Vice-President, East Asia, comments: “The efficiency and productivity benefits of flexible working are increasingly clear to businesses in China. By opening our first business centre in Tianjin, Regus is helping businesses here feel those benefits for themselves. Our flexible workspaces offer businesses a better way to work in Tianjin, accessing exactly the workspace they need, exactly when they need it.”

- Business Tianjin, 4 June

Tianjin Marriott Road Show



With the theme of “Welcome to Something Wonderful and New”, Tianjin Marriott Road Show was held at Renaissance Tianjin Lakeview Hotel on 20 June. The Road Show raised awareness of the 5 different brands under the Marriott name that have a presence in China, namely JW Marriott Hotels and Resorts, Marriott Hotels and Resorts, Renaissance Hotels and Resorts, Courtyard by Marriott and Marriott Executive Apartments. Senior management representatives from 11 Marriott properties in Beijing and Tianjin presented their hotel merits during the show and offered guests a chance to engage with them face-to-face in this unique networking opportunity.

- Business Tianjin, 21 June

Aston Martin Debuts at Tianjin Port



Ten high-end Aston Martin vehicles arrived for the first time at the Tianjin port from a Singaporean “Musician”. This totals 801 vehicles imported from Europe to date, including 522 Land Rover vehicles, 75 Peugeots, 35 Citroens, 34 BMWs, 24 Jaguars, 10 Aston Martins, and one Rolls-Royce. Aston Martin Lagonda Limited is a British manufacturer of luxury sports cars, based in Gaydon, Warwickshire, England. The company name is derived from the name of one of the company’s founders, Lionel Martin, and from the Aston Clinton Hillclimb near Aston Clinton in Buckinghamshire. It is known that various Aston Martin vehicles play an important role in James Bond films. The prices of Aston Martin paid directly to the manufacturer vary from millions of CNY to tens of millions of CNY.

- China Daily, 5 June

Wellington College in Berkshire Opens Mandarin Centre



On 2 June, China’s UK ambassador- Liu Xiaoming, visited Wellington College International Tianjin’s partner school-Wellington College in Berkshire, to open its Chinese Language Center. The center is the UK’s largest and is dedicated to Chinese culture and Mandarin teaching. The pagoda building provides a striking contrast to the college’s traditional Victorian buildings and according to the ambassador symbolises ‘a bridge of friendship between UK and Chinese young people.’ Dr Anthony Seldon, Headmaster of Wellington UK, David Cook, Headmaster of Wellington College International Tianjin, and Director of Music Stephen Griffiths also attended and Mimi Zhou, Wellington Tianjin’s piano prodigy and the youngest piano soloist ever to play at London’s Royal Albert Hall, performed a traditional Chinese piece.

- Business Tianjin, 11 June

iWatt Settles in Tianjin to Promote IC Design Level of Binhai New Area



iWatt Inc, a world-famous provider for green and energy-saving power management ICs, invested and established iWatt IC Science & Technology (Tianjin) Co., Ltd. in the Tianjin Economic & Technological Development Area recently. Over the next 3 years, iWatt will invest a total amount of CNY 300 million in the development area to comprehensively promote the IC design level of Binhai New Area. iWatt is currently working with global market leaders in mobile phone, laptop, and FPD, in particular. Their global market share of semiconductor chips in fields like power adaptors of smart phones and LED dimmable lighting drivers is ranked number one. It is predicted that the project will achieve CNY 600 million of accumulated sales and develop 60 intellectual properties over the next 3 years.

- tjbhnews.com, 8 June

**庆王府公馆 - 旧英租界中的新概念酒店客房**  
**Qing Wang Fu Club Suites & Serviced Residences**  
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**简介 INTRODUCTION**  
 庆王府公馆为英租界新地标, 位于“庆王府”遗址的“古盘街”, 于1937年建成, 现为五大道内的最高公寓, 并获七项国家级文物保护单位。  
 国际知名管理公司CCA国际运营管理, 提供国际专业和贴心的服务。  
 The Club Suites and Serviced Residences of Qing Wang Fu are located in Shan Yi Lu, the west wing of Qing Wang Fu. Based on the original designs of 1937, seven rows of English Style townhouses have been constructed. The property is now listed under the special protection monuments in Tianjin. The Shan Yi Lu property is operated by the management of CCA International, offering the most professional services at international standards.

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All 131 students from Tianjin TEDA Maple Leaf International School 2012 Graduating Class have been conditionally accepted into international universities, 72% of which are admitted to the top 100 universities and 20% of which are admitted to the top 50 universities. Many universities such as Michigan State University, The Pennsylvania State University, State University of New York at Stony Brook, Polimoda Institute of Fashion Design and Marketing in Italy, The University of Toronto, The University of British Columbia, The University of Alberta, The University of Victoria, Queen's University, McMaster University and The University of Waterloo have all provided offers to our students. 92 students (70%) have been granted scholarship worth 3.02 million RMB.

Why Maple Leaf High School students are popular among international universities:

- Maple Leaf students are proficient in English.
- Maple Leaf students are taught in western teaching styles by (Canada) British Columbia certified teachers.
- High School diplomas and transcripts are trustworthy.
- Maple Leaf students are recognized for their integrated development.

Tianjin TEDA Maple Leaf International School 2012 Graduation Ceremony was a festive and fruitful celebration in Tianjin Maple Leaf Educational Park. The graduates will embark on a new journey from our school which is the end as well as a new beginning for the students.

## Johnson Controls to Build Automotive Battery Manufacturing Facility in Tianjin

Johnson Controls, Inc., the world's leading supplier of automotive batteries, participated in a signing ceremony in Tianjin to announce a planned USD 200 million automotive battery plant, pending final approval. "This plant demonstrates our long-term commitment to the rapidly growing automotive industry in China," said Alex Molinaroli, President, Johnson Controls Power Solutions. "We are forecasting 25 million annual new car sales in China by 2015. This plant is a further indication of the strategic importance of this market for Johnson Controls." Johnson Controls Chairman and Chief Executive Officer, Steve Roell, attended the ceremony along with local government official Deputy Secretary-General of the CPC Tianjin Municipal Committee He Lifeng, and Vice President and General Manager for Johnson Controls Power Solutions Asia, Shu Yang. Construction of the Tianjin plant will begin between 2012 and the first half of 2013 with production expected to start in late 2014. The Tianjin Plant will produce more than 6 million batteries annually at full capacity.

- iStockAnalyst, 6 June

## Sino-Singapore Tianjin Eco-city Cooperates with Singapore School of Public Service to Train Quality Social Workers

Sino-Singapore Tianjin Eco-city management committee has signed a cooperation agreement with Singapore School of Public Service. According to the agreement, both parties will jointly launch the plan of the "community administration and community service training class". The plan is to forge a set of training programmes and courses for Tianjin Eco-city social workers and send them to Singapore for internships. It is the first case of social workers' training based on international cooperation in China. With a duration of three months the training programme will combine traditional classroom teaching with internships in Singapore, make students get to know macroscopic management profiles, basic situations and mode of social administration in Singapore, and acquaint them with the advanced ideas of community administrative service as well as organisation forms and practical operations, so as to improve the students' capabilities of providing services and carrying out community management.

- tjbhnews.com, 11 June

## Club Established in Dongjiang Bay Scenic Area



"Sky•Ocean•Wind", an aquatic sports club, was inaugurated on the beach of Dongjiang Bay in Tianjin. The new club will improve services, enrich aquatic activities in the scenic area, and meet the demands of people who love the sea. The club owns 14 sailing boats, 16 sailboards, and other waterskiing equipment. It has more than 1,200 members, some from other cities and provinces, such as Beijing and Hebei province. A sailing race for people from Beijing and Tianjin has been co-organised by the Dongjiang Bay Scenic Services Company and the "Sky•Ocean•Wind" club to be held in September. A nationwide sailing camp for youngsters is expected to begin during the summer holiday. The Dongjiang Bay scenic area is a popular choice for relaxation, vacation, and recreation, especially for those living in Tianjin and Beijing.

- China Daily, 5 June

## Tianjin's First Fashion Week Kicks off at the St. Regis Tianjin



The Tianjin Fashion Week kicked off with a series of high-impact events and runway shows featuring talented young designers. As the host hotel of The Tianjin Fashion Week, The St. Regis Tianjin has definitively established itself as the dynamic focal point for sophisticated trendsetters in one of China's most modern and cosmopolitan cities. The Tianjin Fashion Week events introduced China and the world to the Autumn and Winter collections of some of the most promising talents from Italy and China. "It has been a thrill working with our partners to roll out the city's inaugural Fashion Week," said Paul Cunningham, General Manager of The St. Regis Tianjin.

- Business Tianjin, 11 June

## Third Wine Exchange Settles in Dongjiang Free Trade Port Zone of Tianjin



The world's third wine exchange settled in Dongjiang Free Trade Port Zone of Tianjin. It's the third wine exchange opened after London International Wine Exchange in England and Bordeaux Wine Exchange in France. Under the previous system in China investment in wine had been a condition of "having a price but no buyers". Now, with Dongjiang's Mingzhuang Wine Exchange, which is cooperating with German Wiesloch Chateau, investing in wine has become easier. Mingzhuang Wine Exchange is where clients can trade in the business of distilled spirits, bulk wine, and regular bottled wine. It also provides services for vintners, distributors, consumers, and investors.

- Business Tianjin, 8 June

## Large Russian and Chinese Aircraft Project Settles in Tianjin



During Russian President Putin's official visit to China, China and Russia signed a series of economic and trade agreements, covering aviation, energy, and other fields. One of the most attractive, related to Tianjin, outlines China and Russia setting up a joint venture to produce a new type of long haul airliner, which could challenge the status of Airbus and Boeing. The corporation will be established in Tianjin by OAK from Russia and COMAC from China. The total investment is estimated to be USD 7 to 12 billion, and will take around seven years to complete. Russian media released that China and Russia were promoting their feeder liner projects and Russia would be the perfect partner for China to speed up its feeder liner development.

- Business Tianjin, 11 June

**Café Venice (2F)**

**Seafood Delights Dinner Buffet RMB 198 net/pp**

Holiday Inn Tianjin Riverside will offer "Seafood Delights". Seafood is in season again such as Oyster, fresh scallops, delicious crab, clam and many other fresh kinds. Our new Master Chef hand-picks the seafood himself to ensure a daily offer of fresh & high quality!

**Lobster**

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For more information, please call: 2627 8888 ext. 2271.  
(HR): Lunch 11:30-14:30, Dinner 17:30-21:30

**GEBA Japanese Restaurant (3F)**

**Miniatur Grouper**

The Miniatur Grouper is a very strikingly beautiful fish. They have a flamboyant red color with white and blue dots. Meanwhile the Miniatur Grouper has many different kinds of cooking methods, such as boiled and baked with salt. It is nutritious and has a superb taste.

**Marine Eel**

Marine Eel is in season again. Our Japanese chef will prepare marine eel delights for you! It is fat and taste delicious. Steamed and roasted are the best ways to prepare. Come to taste and enjoy delicious bites for you and your family!

For more information, please call: 2627 8888 ext. 2288  
(HR): Lunch 11:30-14:30, Dinner 17:30-21:45

**Japanese Cuisine Buffet**

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RMB 268 net/pp included free flow of sake, asahi draft beer and soft drinks!

**Riverside Chinese Restaurant (3F)**

**The King of Sea Cucumber**

The King of Sea Cucumber grows more than five years. It packs more protein than virtually any other food, is low in fat low fat, similar to that of their vegetable namesake. Also it can be cooked in a variety of forms, including sea cucumber stewed in various meat stocks, or coupled with other prized sea critters like abalone as part of a seafood soup.

For more information, please call: 2627 8888 ext. 2211  
(HR): Lunch 11:30-14:00, Dinner 17:00-22:00

**July - Wild Mushroom**

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**FINANCE**

**CNY Trades at Lower JPY-12 Level on 1st Direct Trading Day**



On 1 June, the CNY fetched JPY 12.33 in the Tokyo foreign exchange market at 9 a.m. local time, the first day for direct JPY-CNY trading. Japanese Finance Minister Jun Azumi announced that JPY-CNY direct trading would begin on June 1 at the Tokyo and Shanghai markets. The direct JPY-CNY trading will reduce the transaction cost and exchange risk in bilateral trading and investment, allowing Japanese and Chinese companies involved to benefit from the new system. The trading rate will be determined in different ways on the two sides. In Shanghai, Chinese monetary authorities will release a reference rate every morning. In Tokyo, the exchange rate will be determined by market.

- Xinhua News, 1 June

**China Housing Market Shows Signs of Warming**

Faint signs of warming have emerged in China's property market as the extended fall in prices began to moderate in May, a key survey showed. The data, compiled from a survey of property developers and real-estate agencies, followed a report by another provider on Wednesday that showed transactions were up in some major cities in late May. However, housing prices in 100 major Chinese cities were lower year-over-year for the second straight month in May. On 30 May figures from data provider China Real Estate Information Corporation showed that in terms of floor area, housing sales in the final week of May rose 39.6% from a week earlier to 107,200 square metres in Shenzhen, and 27.1% over the previous week to 185,400 square metres in Shanghai. "Transactions have bottomed out but I don't think that means prices will go back up," said Michael Klibaner, Head of Research for China at Jones Lang LaSalle. "Developers will still have difficulties in regaining pricing power because of the high inventory levels."

- WSJ, 1 June

**China Foreign Trade Growth Rebounds in May**

China's foreign trade growth trumped market forecasts to post double-digit rates in May, boosted by slightly-improved external markets and more working days in the month. China's foreign trade rose 14.1 percent year on year to USD 343.58 billion in May, rebounding from the 2.7 percent growth registered in April, data with the General Administration of Customs (GAC) showed Sunday. The figure replaced the monthly trade record set in November 2011, when foreign trade amounted to USD 334.11 billion, the GAC said. Both imports and exports reached record highs in May, with exports climbing 15.3 percent from a year earlier to USD 181.14 billion, and imports rising 12.7 percent to USD 162.44 billion. In May, the trade surplus hit USD 18.7 billion, slightly higher than the USD 18.42 billion, seen in April. The better than expected data showed China's foreign trade has stepped out of its previous rut, said Huo Jianguo, Director of the Chinese Academy of International Trade and Economic Cooperation under the Ministry of Commerce.

- Global Times, 10 June

**LAW & POLICY**

**China Delays Tough New Capital Rules for Lenders until 2013**

China decided to delay the implementation of new bank capital rules that are tougher than the Basel III requirements to the beginning of 2013. A statement published on the government's official website said the new rules, which align with international standards and are in tandem with China's existing capital regulatory system, will take effect on 1 January 2013. Systemically important banks must have a capital adequacy ratio of 11.5 percent while non-systemically important lenders need to maintain a ratio of 10.5 percent, the statement said. The China Banking Regulatory Commission did not include the definition of systemically important banks. The CBRC said banks will have to scrutinise operational risks in addition to credit risk and market risk under the tougher rules. It lowered the risk weighting for credit to small and micro enterprises, personal loans, as well as debts of public sector entities, while the weighting of interbank liabilities will be increased to an appropriate level, the statement said.

- Shanghai Daily, 7 June

**Insurance for Foreigners to Be Simplified**

Social insurance payments for foreigners in China and Chinese citizens working overseas, will be simplified under international agreements currently being discussed, a senior social security official said. "We've held three rounds of talks with Japan and one round with France, and we have also held initial discussions with Sweden and Belgium," said Xu Yanjun, Deputy Director of the Social Insurance Administration under the Ministry of Human Resources and Social Security. Xu said 11 countries, including Finland, Singapore, Denmark, Spain and Switzerland, have expressed their willingness to negotiate with China since a regulation, which stipulates that all foreigners working in China will be covered by social security, took effect on 15 Oct 2011. China's Social Insurance Law allows foreign workers to enjoy retirement, medical, work-related injury, unemployment, and maternity insurance similar to those for Chinese citizens. The agreement between China and Germany exempts workers from the other country from paying endowment and unemployment insurance. The deal with South Korea exempts workers from paying endowment insurance, Xu said.

- People's Daily, 5 June

**LOGISTICS**

**Scout Takes off, More than 100,000 Seats Sold**

Scout's ticket sales have exceeded the 100,000 mark, one day before the no-frills carrier's inaugural flight to Sydney on 4 June 2012. Singapore's first low-cost, long-haul airline currently flies to four destinations: Sydney, Gold Coast, Tianjin and Bangkok, and its average fare costs 40 percent less than those of full-service airlines. Two more routes will be added by the end of this year. The airline is eyeing destinations in China next. Chief Executive of Scout, Mr. Campbell Wilson said: "Obviously China's a market of great interest because of its growth potential and number of people who are entering the middle class and are looking to travel." When setting up the airline, time was a key challenge for Scout, said Mr. Wilson. Given only 12 months to start the airline, many projects had to commence in the early phases: Seats took a long time to procure, aircraft design took a lot time, along with interior design and fittings.

- AsiaOne News, 3 June

**Korean Air Resumes Services to Irkutsk**

Korean Air will resume its services to Irkutsk from 1 June until 30 September. Irkutsk, one of the biggest cities in Siberia, is known for its architecture, and being a gateway to an area famed for its natural beauty. The Incheon-Irkutsk flight will operate two times a week, utilising a B737 aircraft equipped with a 'Boeing Sky Interior' which includes full AVOD service. Operating every Monday and Friday, flight KE983 departs Seoul/Incheon at 8:35 p.m. and arrives in Irkutsk at 1:00 a.m. the next day. The return flight KE984 departs Irkutsk at 3:15 p.m. and returns to Seoul/Incheon at 6:55 a.m. the same morning. Geographically located on the border of Russia and Mongolia, the popular tourist destination Irkutsk is a city that sets the starting point of Lake Baikal ('Blue Eye of Siberia'), the oldest and deepest freshwater lake in the world. The lake can be enjoyed year-round as the waters remain cool even in the middle of the summer. Visitors come from all over for tourist attractions, nature trails, and lake-side activities.

- Skynews.co.kr, 17 June

**TELECOM**

**New iPad to Debut on China's Mainland**

Apple Inc has received a telecommunications license to release the new iPad in the domestic market and will probably launch both the Wi-Fi and 3G versions on the Chinese mainland, according to the approval document. The new iPad has been approved by the Telecommunications Equipment and Certification Center. The iPad will support 3G WCDMA technology, which is adopted by China Unicom, according to the website of the center, an organisation under the Ministry of Industry and Information Technology. At the end of March, Apple received a China Compulsory Certification for the iPad from regulators, which is necessary for all electronic devices before their debut in the domestic market. The mainland has become Apple's No. 2 regional market globally, behind the US.

- Eastday, 1 June

**China Urges EU to Refrain from Protectionism Against Telecom Firms**

Chinese Commerce Minister Chen Deming urged the European Union (EU) to refrain from taking protectionist measures against

Chinese telecom firms to avoid damaging the current "win-win situation." "China hopes that the EU can stick to the consensus that no more protectionist measures should be rolled out, (as) agreed during the Group of 20 (G20) Summit," Chen said at a press conference after meeting with EU Trade Commissioner Karel De Gucht. Chen's remarks came as the EU is reportedly considering action against China's top telecoms gear makers Huawei and ZTE. "The two sides must exercise restraint in trade remedy measures through thorough exchanges and consultations. Otherwise, both sides are sure to be hurt," he said. The minister also called upon the EU to create an open, equitable and fair environment for Chinese enterprises investing in Europe, adding that China is willing to join hands with the EU to launch negotiations on the China-Europe Investment Treaty to provide better and more equitable legal and institutional guarantees for investors from both sides.

- Global Times, 1 June

**GENERAL**

**China Vows to Make Greater Environmental Protection Efforts**

China will make more efforts to cut oxynitride emissions and improve the quality of surface water, an official with the Ministry of Environmental Protection (MEP) said at a Tuesday press conference. "China will make new policies and carry out projects to solve environmental problems, such as heavy metal pollution and the growing discharge of pollutants in rural areas," Wu Xiaoqing, Vice Minister of Environmental Protection, said on Tuesday. He said China will draft a law concerning environmental protection taxes as a form of economic encouragement for polluting companies, adding that the Ministry of Finance, the MPE, and the State Administration of Taxation are working together on the draft. "China will apply the environmental protection tax to companies that are in need of pollution control," Wu said, adding that enterprises will have to bear costs that directly correspond to how much they pollute. A report on China's environment for 2011 was also issued Tuesday. The report said a total of 24.04 million tonnes of oxynitride were emitted in China last year, up 5.73 percent year on year.

- Xinhua News, 5 June

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**BUSINESS TIANJIN**

## 15

The world's fattest cat appeared in an animal shelter in the US recently. The cat weighs about 15 kilograms, equal to that of a 4-year-old child. A diet has been designed for it by the shelter.



## 1,318

Tianjin plans to enhance its inner-city railway network. The rail mileage will be increased up to 1,318 kilometres within the next 5 years.

## 300 bln

Tianjin Harbour Economic Area has become a hotspot favoured by investors from home and abroad after 8 years' of development. So far, it has attracted more than a CNY 300 billion inflow of investments.



## 980m

During the 8-day 2012 China Tianjin International Auto Industry Fair, more than 23,000 people visited the exhibition every day. 6,800 cars were sold with a sales amount of CNY 980 million.



## 597

The main structure of 117 Building, the tallest skyscraper in Tianjin, will move above ground by the end of July, hopefully on the 30th. 117 Building is designed to have 117 floors, with a height of 597 metres.

## 21,196.18

Mr. Tong Mingkang, Vice Minister of State Cultural Relics Bureau, declared during an event on 5 June, that the total length of the Great Wall of all the past dynasties is 21,196.18 kilometres.



## 167

167 cultural businesses have incorporated in Sino-Singapore Tianjin Eco-City. It's predicted that the added value of the cultural and creative industries will surpass CNY 2.5 billion by the end of the 12<sup>th</sup> 5-Year Plan Period.



## 1,650

The first high-end ice rink will open at TEDA in Tianjin. The Austrian company AST will undertake the project, and the project area will cover 1,650 square metres.



## 9

Tianjin Metro Line 9 will start test operations beginning in September. Then, people will be able to travel all the way from Tianjin Station to Donghai Road in Binhai New Area. The fare will be CNY 9.

## 150m

The new factory of Tianjin's Samsung Electronic Company, Ltd. began construction in Binhai New Area and investment in the project has been increased by CNY 150 million. The project is estimated to be the largest outbound manufacturing base of Korea's Samsung Group.

## 181

Qilihai Wetland, the core of Tianjin Ancient Seacoast and Swamp Reserve in China, has become heaven for rare birds as the environment improves. According to statistics, 181 bird species are found in Qilihai Wetland.



### Mr. Franz Richter Appointed General Manager of The Ritz-Carlton, Tianjin

The Ritz-Carlton Hotel Company LLC, has announced the appointment of Mr. Franz Richter as General Manager of The Ritz-Carlton, Tianjin, which is set to open in 2013 as the city's newest landmark.

Franz has enjoyed 30 successful years in the hospitality industry throughout Asia. He started his career with The Ritz-Carlton Hotel Company in December 2008 as the General Manager of The Ritz-Carlton, Seoul. Under his leadership, The Ritz-Carlton, Seoul, took the care and comfort of its guests to new levels, and was recognised with the "Best Improved Guest Engagement Result", in 2011 by The Ritz-Carlton Hotel Company LLC.

Prior to joining The Ritz-Carlton Hotel Company, Mr. Richter held senior positions with Hyatt, Shangri-La, and InterContinental Hotels Group. He has served in Hong Kong, Bali, Jakarta, Surabaya, Dubai, Fukuoka, and New Delhi.

Franz is a graduate of Stadhagen Hotel University. He started his hotel career as a trained chef, and his leadership has seen him appointed General Manager early in his career.

Speaking about his new appointment as General Manager of The Ritz-Carlton, Tianjin, Mr. Richter said, "The new Ritz-Carlton project in Tianjin is an opportunity to create a landmark property in the city, and raise the bar for exceptional luxury experiences in China. I believe innovation combined with a dedicated workforce of engaged ladies and gentlemen will help to create memorable experiences that will drive our market share in the city."



### Mr. Nick Du Appointed Executive Sous Chef of Hyatt Regency Jing Jin City Resort and Spa

With over 27 years' culinary working experience, Mr. Nick Du He has since worked at many famous hotels and restaurants in Tianjin, Beijing, Japan and US. He began his professional career at Tianjin First Hotel, and then worked at Hyatt Regency Tianjin and Grand Hyatt Beijing. Prior to his appointment at Hyatt Regency Jing Jin City Resort and Spa, Mr. Nick Du was hired as a

chef de cuisine at New York Restaurant, Miami Restaurant, MR. Chow Restaurant and Treasure Restaurant.

With a third-level Chinese chef certificate and being first-grade dim sum chef, Mr. Nick Du is expert in northern dim sum items, innovative Chinese cuisine and Shandong, Sichuan and Suzhou cuisine, as well as local food from the north of China. During his culinary career Mr. Nick Du has been invited to attend the Food Festival and Culinary Exhibition at Hyatt Regency Macau, Grand Hyatt Fukuoka, Grand Hyatt Seoul, Grand Hyatt Santiago, the Global Hyatt Headquarters and the Culinary Institute of America.



### Ms. Celin Chen Named Director of Sales of Holiday Inn Tianjin Aqua City

Celin Chen has been named Director of Sales of Holiday Inn Tianjin Aqua City. A graduate of Blue Mountain International Hotels Management School, she has worked for Raffles for 3 years before rejoining IHG. Ms. Chen started her career in 2002 with Shangri-La Hotels. Working her way through the ranks since joining IHG as a brand management trainee at Crowne Plaza Park View,

Wuzhou Beijing, she decided to return to IHG due to her passion for its culture.

In 2006, she joined sales and developed a rich experience with international chain hotels, such as Shangri-La Hotels Group, Intercontinental Hotels Group, and Raffles Hotels & Resorts.



### Renaissance Tianjin TEDA Convention Centre Hotel Announces New Appointment

Mr. Eric Yuan has been appointed as Director of Marketing of Renaissance Tianjin TEDA Convention Centre Hotel.

Mr. Eric has valuable experience in sales and marketing. He used to work as Director of Sales in IHG, Carlson Hotels and Renaissance Tianjin Lakeview Hotel. Before joining us, he worked at Holiday Inn Tianjin Aqua City as Director of Marketing.



### Ms. Portia Liu Appointed Director of Sales & Marketing of Renaissance Tianjin Downtown Hotel

Ms. Liu started her hospitality career in 2002 and has more than 10 years experience with Marriott Group for Renaissance, Courtyard, and Marriott brand hotels. In her new role, she will be responsible for the development and execution of hotel sales and marketing activities, and leading the entire sales team.

# July China Economy Report

By Hyuk-tae Kwon



## China's second-quarter economic growth could fall below 7 percent

China's economy is slowing down at an alarming pace. China's industrial output growth, which usually outpaces GDP growth by 3-5 percent, rose 9.6 percent in May from a year earlier, slightly increasing from a three-year low of 9.3 percent in April.

Zheng Xinli, a former Deputy Director of the Chinese communist party's policy research office, is one of the most bearish economists on China's economic outlook. "GDP growth in the second quarter could fall below 7 percent if there is no significant improvements in economic data for June," the overseas edition of the People's Daily quoted Mr. Zheng, now Deputy Head of the China Center for International Economic Exchanges (CCIEE), a top government think-tank, as saying.

While the market anxiously waits for Beijing to publish second-half economic indicators in mid-July, analysts forecast in a Reuters benchmark poll in May that China would deliver its weakest quarter of growth, in three years,

in the second quarter at 7.9 percent. This would also mark the sixth straight quarter of slower growth. They forecasted full year growth is 8.2 percent.

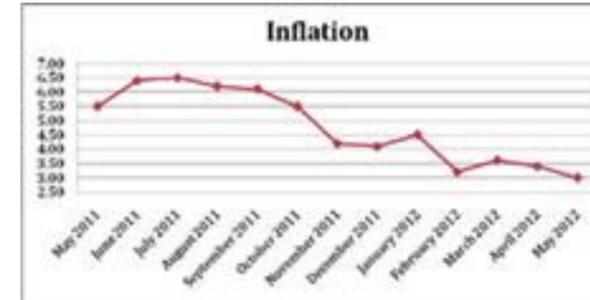
Beijing has been stepping up policy steps to combat the slowdown, cutting interest rates by 25 basis points in early June for the first time since the depths of the 2008-2009 global crisis and fast tracking infrastructure and industrial investment projects, according to Reuters. China has also cut bank reserve requirements three times since December as policymakers hope to boost lending to help growth according to AFP.

Cutting interest rates and bank reserve requirements are seen as a policy signal by Beijing of easing monetary policy to stimulate the economy. As mentioned in the June China Economy Report, this is not an effective tool to boost the economy and may undesirably boost inflation.

Inflation, industrial output, and retail sales all showed slowed economic growth in May, but exports and imports were much better than forecasted as stronger U.S. demand helped offset weakness in Europe stemming from the region's debt crisis, according to Reuters.

## Chinese inflation also slows, stimulus "very likely"

China's inflation eased to 3.0 percent in May as other data released on 9 June indicated a slowdown in the world's second largest economy, giving Beijing more room to ease monetary policy to stimulate growth according to AFP.



It's good news that inflation is below the four percent target set for this year and should provide more breathing room for Beijing to stimulate the economy. "Inflation is easing as expected, or easing even faster than expected, which is mainly due to economic weakening not only in China, but also around the world," said UBS economist Wang Tao.

## China's labour shortage problem is getting worse

Despite that global demand for Chinese manufactured

goods is falling, finding workers in southern China is harder than last year, according to an annual survey conducted by the Chinese Manufacturers' Association of Hong Kong.

This is surprising, given there are fewer orders to be filled. In the first three months of the year, 86 percent of respondents saw orders fall or stay flat, compared with 72 percent last year. After all, the struggling economies of the US and Western Europe are the biggest importers of Chinese products.

At the same time, over 90 percent are struggling to hire enough workers. On average, they are 14 percent short of the number of staff they need, compared with 11 percent last year.

One reason is the Guangdong government's December decision to suspend a planned increase in the minimum wage. At the time, that decision was cheered by factory owners who were already struggling to cope with a 21.2 percent rise in minimum wage imposed in 2010. The flip side is that even fewer migrant workers now feel it's worth their while to work in the province, where the cost of living is among the highest in the country.

"My friends have built cinemas and bowling alleys in their factories to try and retain staff. They have raffles to lure back workers after the Chinese New Year holiday. But it's been useless. The migrant workers still don't want to stay," Irons Sze, President of the CMA, and whose family owns





a fibre manufacturing business told Financial Times.

The only way out seems to be a move up the value chain. Having your own brands would bring better profit margins and better growth prospects, especially if they appeal to mainland Chinese consumers. More than half of the survey's respondents are moving in that direction.

Sze warns that the bureaucracy and taxes involved are together more complicated than a traditional contract manufacturer is used to. "That is why original equipment manufacturers have started switching to [manufacturing for other brands] in recent years. It's not because they particularly want their own brands. It's just that they don't have a choice," he said.

### Chinese real estate market in chaos

The below story, by Financial Times, captures Chinese home-buyer sentiment these days.

Feng Mingshun emerges from the condo showroom, blinking in the midday sunshine. He's just signed over a 50% down payment on his first home, a \$250,000 apartment in a half-finished tower in a distant Beijing suburb. To do so, he had to pool savings of his parents and his in-laws, who plan to live with Feng and his wife. Still, the 31-year-old is playing it cool. "I feel some relief. We've been looking for a long time," he says. "For us, this is a good time (to buy)."

Chinese property developers have been gripped by government policies aimed at slowing down widespread real-estate speculation. After peaking in early 2011, prices of residential property in cities across China have dropped, leaving developers troubled by unsold inventory and piles

of debt. Shares in overextended builders listed in Hong Kong slumped last year on fears of a cash crunch.

Now, some developers see green shoots. Alarmed by slowing economic growth, Beijing has begun to ease up on credit restrictions and fast track public spending. "Market sentiment is very positive," says Simon Fung, Chief Financial Officer of Greentown China Holdings, a luxury developer. He says sales data showed an uptick in May as buyers sensed that prices have bottomed out.

Greentown isn't alone. Moody's said in May that 11 of the 29 Chinese developers that it rates face liquidity pressures. In total, the 29 rated developers owe USD 25 billion in debt that matures in 2012, of which USD 5 billion is held offshore. Credit costs have risen sharply. Developers rated below investment grade are paying yields of over 12% on offshore bonds, according to Moody's.

While developers argue that they're building to meet real demand, property remains a favoured depository of wealth in China, as in much of Asia. Poorly performing stock markets, limits on overseas investments, and bank deposit rates that lag inflation, have all reinforced this bias towards speculation in real estate. This in turn drives up prices to levels that squeeze out would-be owner-occupiers.

China's wealthy upper class, flush with cash, isn't happy with sitting on money in the meantime. Its hunger for property is now sending buyers overseas. Wealthy Chinese home buyers are now regularly shopping for properties in places like New York City, Los Angeles, and San Francisco in the U.S., and in Vancouver and Toronto in Canada.

Amela Liebman, Chief Executive of The Corcoran Group, a residential real estate brokerage company, told Financial



Times, there has been a "huge" influx of wealthy mainland Chinese shopping for high-end properties in New York since the start of the year.

"It's extraordinary," she says. "Five years ago, we never talked about Chinese buyers. We started noticing them 18 months ago, but they have only become much more prevalent in the past year."

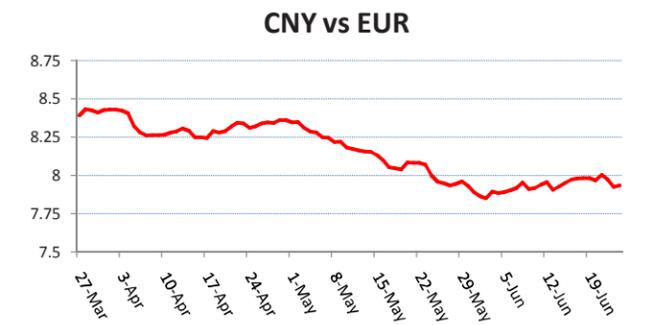
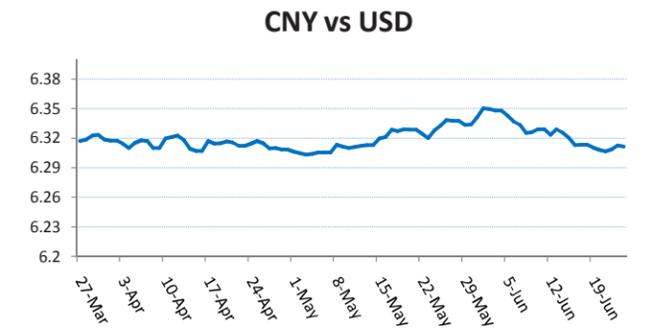
The National Association of Realtors says that from March 2010 to March 2011, the Chinese became the second largest foreign source of home buyers in the U.S. after Canadians, making some \$7.4 billion worth of private home purchases, or 25 percent more than the previous year.

Reasons for purchases, explained by Financial Times, vary say those who have dealt with overseas Chinese buyers. Some are buying because they want to emigrate or they have children who will go to school in the US. Others buy because the numbers add up; despite its recent dip, the CNY is still up more than 4 percent against the US dollar since the start of 2010, while US house prices are still in recovery mode and appear cheap compared with Australia or Canada.

"When you look at how cheap US real estate is now compared with China, it makes a lot of sense to buy there, especially since you have more rights when you own a property in America," said a wealthy Chinese investor who has bought several properties in the US, but asked not to be named so as not to draw attention to the fact of shifting assets abroad. **E**

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## Three-month CNY trends



Data source: Oanda.com interbank rate

## INSIDE THE FINANCIAL MIND

Interview with Craig Bond, Chief Executive, Standard Bank China and ICBC Strategic Partnership

Standard Bank is Africa's largest bank with a history dating back 150 years. Also proud to be an African bank with a strong presence in 18 African countries, Standard Bank's focus is connecting BRICS countries and facilitating cross border trade and investment banking transactions between them.

At the centre of the bank's China operations and its strategic partnership with the world's largest bank, ICBC, is Chief Executive, Craig Bond. Craig's resume is an impressive read. Born in Johannesburg in 1978, he obtained a Bachelor of Commerce, Bachelor of Law, and Higher Diploma in Tax Law degree. He later attended Harvard Business School to complete the Senior Executive Programme. His career history includes a number of important positions within the banking sector and elsewhere. Some of his previous posts include Managing Director of American Express Cards, Travel and Foreign Exchange Services; Managing Director of Tourvest, Africa's largest tourism company; Chairman of Mastercard (Asia, Middle East, and Africa Region), and Chief Executive of Standard Bank Africa. In his current role, Craig runs Standard Bank's operations in China.

#### Where is Standard Bank operating at the moment?

We are an emerging markets focused retail and investment banking group. We have universal banks in 18 African countries, significant operations in Asia, and a presence in key capital markets like London, New York, Dubai, and Hong Kong where capital and liquidity for emerging markets are sourced. We are absolutely focused on the BRICS and select emerging markets, and so you won't see us pitching for business in the developed markets of Europe, the US., or Japan.

#### Where does Standard Bank fit into the Chinese financial sector?

Our role in China is a fairly unique one. We help private Chinese companies and State Owned Enterprises (SOE's), to source, invest in, and fund large assets and projects in foreign markets. Our clients ask us, "are there good value assets to

acquire or projects to pursue in Africa, Russia or Brazil?" Then we investigate and package opportunities, develop solutions, broker deals, and raise the capital required. Standard Bank is thus a partner, rather than a competitor to Chinese banks, as we assist their large Chinese clients to 'go out' and invest abroad. ICBC (Industrial and Commercial Bank of China) is our main strategic partner and our group's biggest shareholder with a 20.1% stake.

#### What are your main responsibilities?

My day job is running Standard Bank's operations in China. This includes our investment banking advisory business in Beijing, and our commodities trading business in Shanghai. I also work very closely with ICBC, but in truth my primary role is to ensure our Beijing, Shanghai, and Hong Kong teams are connected to our teams in Africa, London, Dubai, and New

York to source and close unique cross-border opportunities with Chinese investors and contractors.

#### What kind of investments is Standard Bank involved in?

Standard Bank specialises in three major sectors: Mining and Minerals, Oil and Gas, and Power and Infrastructure. Most of our customers are Chinese state owned enterprises looking to invest in other BRIC nations (Brazil, Russia, India, and China). We also do many deals across Africa. In fact, we just facilitated the largest mining deal in Africa for 2011-2012. We acted as advisor in the acquisition by Jinchuan Group of Metorex, a large African copper mining company. The deal was worth ZAR 9.1 billion. Our role is to source opportunities, help Chinese clients understand local markets and risks, raise capital, develop risk mitigation strategies, and then hopefully close the deals.



Photo by Meng Yu



**China now has a much greater amount of capital. How does Standard Bank help it utilise this new financial capability?**

We do many things in this regard. We serve as advisors to Chinese SOE's, multinational corporations, African governments, and Central Banks in order to make deals happen. We take Chinese investors to Africa and BRIC countries to show them the kind of assets that are available. These include mining and energy assets and large infrastructure projects, for example. We help them to understand the processes and risks involved with operating in these markets, and help them structure and manage the risks of large financial transactions. In one such deal we worked with the Botswana Power Company, ICBC, the World Bank, and contractor CNEEC (Chinese National Electrical Engineering Company) to finance and build a new power station in Botswana. It's not only about resources and infrastructure, we are also very involved in agricultural finance. Ghana is the world's largest producer of coco beans. Every year the farmers of this massive crop need to be funded, and so for the past few years we, have worked with a syndicate of Chinese and International banks to fund this annual crop.

This is a unique and exciting time for Chinese investors. We hope to encourage the use of China's large foreign capital reserves to find good investment opportunities that will help other nations develop their infrastructure and their economies. In Africa, the first wave of investment was infrastructure: roads, rail, bridges, dams, and airports; the next wave looks to be renewable energy, and hopefully the third wave will be manufacturing. This is not one-way traffic. China needs Africa for its resources and new consumer markets, whilst Africa needs China for its capital, infrastructure, and engineering skills. I see continued potential for the development of a win-win relationship going forward.

**With increasing globalisation, how important is the Bank's image as a South African brand? Does this give the company any advantages in emerging markets?**

That's an interesting question. We don't consider ourselves to be a South African bank; we are really a pan-African Bank. It is great that our brand is regarded as being 'the most trusted' and that it is gaining stature in Africa, China, and abroad. We are very proud of the reputation we have developed. Our history and legacy is a very important part of our culture.

There are many unique things about South Africa. As a result of years of isolation during the Apartheid era, a very innovative and self sufficient national culture developed. Apart from the world's first heart transplant, the world's first coal to oil technology, and many other innovations, a very sophisticated financial sector developed including our capital and equity markets and banking systems and technology. I think another very positive benefit of being a South African bank is that we are very multicultural. Due to our difficult history, we are used to encountering racial and cultural challenges, seeking strength out of diversity, overcoming racial and cultural barriers, and this helps us to integrate and operate successfully in difficult foreign markets.

**Many people around the world have blamed investment banks for the global financial crisis. What are your views on that?**

This is a complex topic. I personally believe that the economic cycle has much to do with our current difficulties in the world economy. Prior to the financial crisis, we had been through 15 years of boom around the world, and at some point the world economies had to cool down, deleverage, and rebalance. The sub-prime mortgage situation in the U.S, and the way investment banks and hedge funds packaged and sold those assets, undoubtedly had a role to play in the eventual meltdown. The financial products got far too complicated. However, I still believe much of what happened was simply a highly leveraged world needing to rebalance itself to regain equilibrium. It's a difficult time to be a banker because it is so easy to blame bankers for the financial crisis, and in many instances we're an easy scapegoat for politicians who are keen to avoid blame.

In reality, good banks will always survive and play a positive and important role in facilitating improvements in economies and people's quality of life. Correctly managed, banks have a very positive role to play in society and facilitating economic growth. People need to have faith because the current situation will eventually give greater balance to the global economy. The rebalancing is taking time but I believe that the world's troubled economies will indeed bounce back, even though it will take longer than most people had hoped or expected.

**Do you think there needs to be more regulating of financial sectors to prevent this kind of crisis in the future?**

The short answer is yes. There needs to be more of the right kind of regulation, more transparency, and more scrutiny of the complicated financial systems and product we see today. Every week, there are stories of money being lost by

rogue traders or poor risk management systems. Personally, I believe regulations should be aimed at making banks go back to basics, helping provide finance and safe investment products to individuals, companies, and governments. We ought to be working to provide the capital and liquidity required to help companies and economies grow, create jobs, and stimulate jobs and innovation.

**What were your bank's aims at the 2012 China Global Outbound Investment Summit?**

In terms of the summit, we wanted to get the message out that there are many fantastic investment opportunities in some parts of the world that people wouldn't usually consider. We want to tell Chinese investors that there are great opportunities in many African countries. There are many African countries which have increasingly stable democratic societies, good institutions, solid economic foundations, a willing and able

low cost work force, and in many instances resource rich geographies. Investing in these opportunities has the potential for excellent returns.

**In reality, good banks will always survive and play a positive and important role in facilitating improvements in economies and people's quality of life.**

**What does Africa's economic future look like?**

Africa's population is growing fast with a very young urbanising population. Coupled with the growing affluence and sophistication of Africans, I have no doubt that Africa will become an increasingly important consumer market. I often

liken Africa to China 30 years ago, where infrastructure was poor, education was lacking, and resources were not very abundant. One major difference is that Africa has huge untapped natural resources to fund the required infrastructure refresh required. Africa also has a young population which is great for labour markets and economic growth. The weather and rainfall over much of Africa is very good for agricultural production, urbanisation is rapid, and the continent already has some of the world's fastest growing economies. It's very hard not to be optimistic long-term, but there are likely to be some challenges and bumps in the road. Good investment opportunities are abundant in Africa, but investors will need to do their homework, understand their risks, and seek good advisors before taking the plunge. **B**

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## A World of Difference: Why are some countries growing rapidly while others' stagnate?

*Interview with Dr. Frank McIntyre,  
Assistant Professor of Economics at  
Rutgers Business School.*

*Photo by Peter Zhang  
Text by Josh Cooper*

The global economic crises of recent years has, more than ever before, exposed the stark contrasts between dynamic emerging markets and those economies that are stuck in the grips of recession, financial turmoil, and economic stagnation. On one hand, China, India, Malaysia, and Singapore, as well as many countries in the Middle East and South America continue booming, despite decreased demand from the ruined west. Conversely, while Europe and the U.S. are struggling to stimulate sustained growth, Japan remains stuck in a prolonged economic stagnation that began in the early 1990's, and there are still parts of the world yet to experience a rapid economic

modernisation. Why is it that some countries are experiencing robust economic growth, while others are lingering in stagnation and endless cycles of boom and bust? Business Tianjin talked to Dr. Frank McIntyre, Assistant Professor of Economics at Rutgers Business School, and a specialist in developing nations and global economics, to find some answers to this economic paradox.

### **What has been the key focus of your research throughout your career?**

The area that I have worked most heavily on is financial markets and looking at people filing for personal bankruptcy. I have done a fair bit of research on questions like why bankruptcy rates vary amongst different places, and

looked at how institutions and the laws governing bankruptcy affect how many people file. We look, for example, at how financial incentives amongst different lawyers affects corporate decisions, like what kind of bankruptcy people are filing, and the rates of success in these proceedings.

### **What do you think will be the effects of the current global economic situation?**

Well certainly, China has been growing at a phenomenal rate. There are various concerns now about inflation and how the slowdown in the financial sector in Europe will affect China, certainly in terms of raw exports. A recession or a slowdown in Europe is probably not going to be

a huge problem for China, but if the financial and banking sectors hit a rough patch it will probably be hard for them.

### **Why are some countries growing quickly and not others? What are the most important factors?**

Well firstly, we should recognise that countries' not growing is really the norm. We've had thousands of years, and hundreds of countries that have not grown. When a person has a certain amount of capital, that individual becomes less effective as they get more capital. For instance, he or she can only use one plough or one computer. So the question is; 'how can you get that person to use more resources and more capital?' If you don't, then you are just going to slow down and not keep growing. The two key answers are education, so that this person can learn to use more things and technological innovation, so that machinery is easier to use and you can use more of it. For both of these to happen, you need to have money upfront. There are many situations where countries don't have this money, and they end up in a poverty trap. The way we

usually get this money is through the financial markets, and it depends on how well they are working. You need to have good financial markets, and to do that you need to have a society, a culture, and a government that enables people to lend money and pay it back. In Greece right now, they [the financial institutions] are worried that the country is not going to pay money back. One thing we have been reminded of in the last few years is that financial markets are vulnerable. If you don't have sound financial markets then it's very difficult to get your country to grow.

### **Some economists say that in 2015 China will be the biggest economy in the world. Do you think we will continue to grow at 7-8% per year and achieve this target?**

I don't know. I could guess, but we will have to wait to find out. If it's not 2015 or 2016, it will continue to grow and if you keep growing 6, 7, or 8% and the United States grows at 2 or 3% then the math is in your favour. Sooner or later, it will become the largest economy because there are so many people producing. China

has a huge return of capital spread across all these people, and if it brings people into the education system it will be a success.

### **China is investing heavily in the quantity and quality of education but competition remains intense and the selection of talented students is still limited. Do you think China will eventually slow down because of the competition it has with the West in this regard?**

Something I see in the United States is how many students from mainland China get into degree programmes in the U.S. If they go over to learn in the United States, then take those things back to their country, you will get innovation and knowledge. If you do that for a generation, then you have a generation of people with training in the right places.

### **How is foreign aid currently helping countries in their development?**

It seems like it should do more than it does. Over the last 30 or 40 years, over USD 1 trillion in foreign aid has been spent across the globe. So,





there are many examples of countries receiving foreign aid, yet there is very little evidence that the foreign aid has consistently helped much at all. For every example where aid is seen to have benefited, there is an example where aid has made things worse. It is often like trying to fill a bucket with water when the bucket has a hole in it. When we think about how to structure these programmes, we need to figure out a way to fill the hole. I think the World Bank is aware of these problems, and is trying to be more effective with the kind of foreign aid that they give out, but the history of foreign aid is abysmal. On the other hand, the history with trade has been quite good. As countries trade they learn things from each other and gain new technology and investment. We need to see these sorts of things happening in Africa.

**Analysts are suggesting that between now and 2050 Africa will have significant population increases (up to 4 billion) and will become more important in the global economy. What are your opinions?**

Africa has some unique challenges because of their governments, but they also don't have great water transportation. The cheapest way to transport goods is to sail across water rather than by train or other

methods. Many African countries don't have access to good waterways. This is something that could be fixed in the long run. I don't know whether or not Africa will boom but with all the jobs being created in East Asia and increasing wages in these countries, there will be incentives for producers to move over to Africa. In terms of population increases, Africa will either grow in population or grow economically. When a country grows economically and people get richer the population growth really slows down. So if Africa grows economically, I would expect that they won't have 4 billion people by 2050.

**With the current economic troubles in Europe, what are the major concerns for Chinese companies in terms of future trade with the 27 member states of the EU?**

Their main concerns are not so much the direct effects on exports as much as the financial markets. If the EU comes apart and it creates another worldwide financial crisis, then I can't think of a worse example than the effects it would have on the financial markets this time. Financial markets could completely shutdown, with no one lending or borrowing to the extent that the companies relying on this money will struggle. Having said that, I don't think China relies very

much on foreign investment. China is more of a lender than a borrower and if there is a financial meltdown, it's better to be a lender than a borrower. So if that happens, China may be better insulated and it could be a position that they could take advantage of.

**In the West, should policymakers act to correct the system and thus stimulate growth?**

You don't need someone to decide to do this for it to happen. If you are not making enough money, and you are spending even more than that, gravity will take care of the problems. I don't know if you need to think about it as some agent trying to rework things, there is a sort of equilibrium. Greece has spent 50 of the last 100 years in default of one debt or another. The surprise was that they were allowed into the European Union, not that this problem has occurred. The United States and the rest of the world are heading for a debt crisis of some sort.

**If you had USD 1 million, which currency would you buy?**

(Laughs) I think I'll pass on that! **E**

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# Summer Davos 2012

— A look ahead to the biggest issues at Tianjin's biggest economic event

By Josh Cooper

In just over two months time, the most prominent gathering of economic and business minds takes place right here in Tianjin. The event, which runs between 11-13 September, is the annual summer conference held by the WEF (World Economic Forum). It is known by many as 'Summer Davos'. Some of the world's most prominent economists, investors, business people, and social commentators will arrive in Tianjin to discuss a range of issues and hopefully shed some light on important socio-economic issues around the world. The Summer Davos is one of the most exciting and intriguing occasions for those in the business world. Over three days, the conference will deal with a broad range of issues. Here is a look ahead to some of the prominent topics at this year's event.

## The Global Economic Situation

At present, there are large imbalances and contrasts between the economic circumstances of different nations. Currently, there is turbulence in global financial markets, as well as uncertainty for certain currencies, and a general lack of investor confidence. Perhaps the crucial questions for the global economy will be: How can the U.S and Japan stimulate growth? What should the Euro zone do to stabilise its currency? How can China, India, and other emerging markets prevent a further slowdown?

## Challenges of Globalisation, Urbanisation, Population Growth, and Structural Change

The ever-expanding network of interrelated

global markets presents challenges for policymakers. Trade imbalances and protectionist policies continue to hinder free market trading. Participants at the forum will be keen to give their thoughts on how the world can promote fairness, competitiveness, and supportive relationships between advanced economies and those still on the path of development. Rapid urbanisation and the need for infrastructural change will be major subjects within discussions about the future of developing societies. With the global population set to rise rapidly over the next 20-30 years, strategies for managing mass demographic movements will also be key to these debates.

## CHINA (and the rise of Asia)

Nowadays, it is almost impossible to have an economic discussion without the mention of China. The rise of China, as a major player in the global economy, provides an endless source for speculation and discussion. Members of the WEF will likely dedicate a great deal of time to consider China's economic and socio-cultural future. This will likely include themes such as: the impact of Chinese growth on global markets, Chinese financial reforms, the future of Chinese society, and implications of the country's cultural renaissance. The rise of other Asian economies will also be a central focus of the conference. The ways in which these new capital and consumer markets will change the face of global capitalism remains a hot topic in economic discourse.

## Innovation in Science and Technology

Contributors will share their vision

on how to utilise new technology and advances in science. Important debates will revolve around how to mobilise human capital and how to encourage investment in technological innovation. Other big themes include space technology, methods to leverage advances in medicine, communication technology and data management.

## The Future of Consumption: Energy, Food, and Resources

The need for renewable energy has never been greater. Now more than ever, the world needs to consider how it can utilise sustainable and efficient sources of power. The distribution and consumption of natural resources is always an important talking point, as is the future of rural economies and global food supplies. Key discussions will be held on the ways in which businesses and governments can encourage better use of clean fuels and create thriving agricultural sectors.

## Corporate Issues

The event will not only discuss macro-economic questions, it is also very much concerned with corporate culture and business related issues. A vast range of topics will be examined including: developing creativity, 'intrapreneurship', business ethics, enhancing corporate citizenship, and the importance of networks. **B**

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# Tianjin International School

## Becomes Even More International

By Chris Wilson

The life story of incoming Tianjin International School (TIS) Head Principal, Raul Harri, is as impressive as his qualifications and credentials. Born in Papua New Guinea to Finnish parents, he moved to Australia when he was twelve, graduated from an international high school in India, returned to Australia to attend university, and has spent the last thirteen years living in various places throughout China. Therefore, difficult to imagine how TIS could possibly have found a more international candidate for the position, Harri's intriguing and multi-cultural upbringing is supported by sound qualifications, and over two decades experience in the education industry. With his appointment also enhancing TIS's reputation of being able to attract outstanding candidates to the school, Business Tianjin was delighted to meet the latest administrator and hear his thoughts.

**You have lived in many countries. Which one did you like the most?** That's difficult because I am what some people call a 'third culture kid'. This is where, firstly, you have the passport country. In my

case, I have two (Australia and Finland). Secondly, you have the country you currently live in. The third culture is a blend of these two. Also, different countries have had different meanings, and represented different phases of my life. If you really pushed me on it, I'd say Papua New Guinea, as I had an ideal childhood there, and the nature and beaches were amazing. But, all the countries I have been to have been amazing, and I wouldn't have spent so much time in China if it didn't have such a special place in my heart.

**You moved around a lot throughout your life. Are there**

**any disadvantages of such a lifestyle?**

One disadvantage can be a loss of patriotism. I admire, and sometimes envy, my American and Chinese friends who truly love, and have a special bond with their country. However, I personally believe the advantages of my lifestyle far outweigh the disadvantages.

**What attracted you to TIS?**

The biggest attraction is that TIS is truly looking to be international. One reason I have been hired, is to use my international background to make TIS into a place where everybody feels welcome regardless of culture, belief systems, etc.



We have the potential to achieve wonderful things here, and I also want the expat community to feel welcome at TIS, not just to study but to do other things.

**What are your aims for TIS and how do you aim to achieve them?**

One of my aims is to use my experience as a drama director and English teacher to continue to build on TIS's reputation for fine arts. In many ways, fine arts are an international language, and I want to celebrate them. Another aim is academic excellence. Of course this isn't revolutionary; we are after all a school so academic excellence has always been a priority at TIS.

However, there's always room for improving the curriculum. Yes, we want to prepare students for university, regardless of where they choose to go, and we'll certainly do this, but we also need to do more than simply prepare students for college. I believe an excellent education prepares students for what they do after college, for life. International school students are the cream of the crop. They are from educated families, and have advantages most other kids do not. They are going to be leaders in industry, and I feel we have a unique opportunity to give them a well rounded education, and help them experience and prepare for life. In order to achieve this, I want

to foster a climate of creativity and innovation, together with academic excellence. I want TIS to be a school which enables students to reach their potential, and the best way to do this is to have teachers who have a passion for teaching, life, and truth.

**Are there any unique difficulties that come with teaching or working at an international school?**

There can be cultural boundaries to overcome. Those who are from a mono-cultural background, and who are teaching internationally for the first time can often be tempted to compare things such as the food, the rules, and the curriculum to those back home and think the grass is





greener there. This is human nature. So, our challenge is to try and lower these cultural walls so that, rather than seeing the negative aspects of the culture they are in, they can see and enjoy the good aspects.

### You yourself studied at an International School. Is this an advantage as a Headmaster?

It means I can empathise with the struggles and joys of being an expat. I know it can be hard for kids who are away from their passport country, and when I was younger, I truly valued the teachers who cared for me, took an interest in me, and who understood what I was going through. They made a big difference. Hopefully, as Principal of TIS, I can help promote a culture of empathy where kids know they have people who understand what they are going through, and are willing to journey with them through the challenges of life.

### What are the biggest advantages of studying at an international school?

International school students learn to see life and the world from

unique perspectives. They make friends from all over the world, and therefore learn empathy for different views and cultures. It broadens their horizons and opens doors to the world. I have three children who have been educated by this system, and my eldest has just graduated. I see them entering the world with the confidence to face new and unexpected things, and this is something that is hard to achieve without such an experience. Nowadays, we live in a world where borders and walls are less important than they once were, and international school prepares students for this global world.

### Why should expat students enroll in TIS rather than other international schools in Tianjin?

Tianjin has a growing expat population and is big enough for many international schools to coexist. I look forward to collaborating with other international schools in Tianjin. I do believe that TIS has a unique program and culture to offer, and I invite parents to come and see why.

### TIS have recently moved. What are your thoughts on the new facilities?

I was amazed. They are purpose built, international standard facilities. They are an excellent asset for the school, and in addition to benefiting our students, teachers, and staff, I also hope they can be of service to the Tianjin community.

### Any closing thoughts?

I believe that parents are responsible, and also ultimately accountable, for how they educate their children. The best kind of school is a partnership between parents, teachers, and the administration. When this partnership is healthy, then students are in the best possible place to benefit from school. I encourage perspective parents to come to the school, see the facilities, and have a chat. I look forward to moving to Tianjin and working at TIS. 

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### About TIS:

Tianjin International School moved to brand new facilities in Hexi District in January 2012. The new campus is 2.5 times the size of the old campus and features 75 classrooms, 5 science laboratories, 2 libraries, a full performing arts center, auditorium, gymnasium, separate playgrounds for the kindergarten and elementary students, and much more! The facility is purposefully designed to serve international students to help them reach their full potential.

# JOB POSTINGS

INTERNATIONAL ORGANISATIONS BASED IN TIANJIN HAVE THE FOLLOWING AVAILABLE POSITIONS

## Finance Manager

财务经理 Code: FM120701

### JOB DESCRIPTION:

- Revise and book expense reports in daily accounting;
- Prepare monthly and yearly Financial Reports and book closings;
- Prepare PI and cash flow analysis monthly;
- Interact with tax bureau regarding Fa Piao purchases, tax declarations, etc;
- Coordinate with auditors regarding annual audit;

### WHO WE ARE LOOKING FOR:

- Bachelor's degree, Major in Finance;
- At least 8-10 years of experience in financial control;
- A fine eye for details;
- Good spoken and written English;

## Marketing Manager

市场经理 Code: MM120702

### JOB DESCRIPTION:

- Develop strategy for growth and expansion of current business;
- Maintain and develop relationships with key customers;
- Coordinate and execute planned events;
- Check sales proposal, presentation and contracts, negotiate and close contract with clients;

### WHO WE ARE LOOKING FOR:

- Bachelor's degree or above in Marketing or Business Administration;
- 10 years of marketing/sales experience;
- Team-leading experience;
- Proficiency in written and spoken English;

## Western Kitchen Chef

西餐厨师长 Code: WKC120703

### JOB DESCRIPTION:

- Manage kitchen of restaurant & arrange work schedule of kitchen workers;
- Formulate restaurant menu, ensure quality of every dish;
- Rotate food to ensure freshness and quality while maintaining food cost;
- Develop new dishes highlighting traditional flavours of restaurant's 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;

## KA Manager

大客户经理 Code: KAM120704

### JOB DESCRIPTION:

- Propose KA sales strategy to achieve national KA sales development objectives;
- Plan national KA system and set-up/manage future KA sales team;
- Handle annual contract negotiation;
- Be responsible for annual, quarterly, and monthly KA sales targets;

### WHO WE ARE LOOKING FOR:

- Bachelor's degree or above;
- 5 years of sales/marketing experience with a multi-national company in key accounts;
- Over 3 years experience leading a team;
- Excellent written and spoken English;



# Tianjin Track Races for Replacement Investor

Local conglomerate seeks to replace Dubai investor, builder

By Mark Gao

A huge equestrian-themed development in Tianjin's outskirts is racing to find investors after a Dubai-based real estate developer withdrew earlier this year. Zhang Yu Hai, Chairman of Hua Zhi Jie Horse Industry Investment Co, part of the Tianjin State Farms Group, told Business Tianjin that while his Tianjin Horse City project lost the Meydan (Dubai) group as principle investor, he hopes a Malaysian design firm, the TAK Group, will bring new investors to the project, which is estimated to be valued at USD 2bln. Among the new investors lined up, is renowned Irish-based Coolmore group, one of the world's leading race horse breeding and training centres.

The Meydan Horse City, also known as Tianjin Horse City, and most recently called the Tianjin Equine Culture City (TECC), project was front-page news in the world business press when it was announced in 2010. The project includes 4,000 horse stalls, 150 trainers' offices, five training tracks, two international standard race tracks, and an international equestrian college.

Most recently, UK and Irish media reports during the Irish Agricultural Minister's visit to Tianjin suggested the project was already underway. However, the site in the industrial hinterlands of Tianjin remains a large leveled field adjacent to several industrial projects under construction. Aside from landscapers planting trees along the boundary next to a public road, no construction has begun. In the

original plan, announced in 2010, most of the construction was to have been already been completed by a joint Chinese-Dubai venture.

Surprisingly, the site shows little evidence of the signage or slogans with which Chinese officials like to announce new major projects. Factories, filling stations, and a tame river are the main landmarks marking the local area. Guards at the gate of the new Lian Run Meat Co factory, directly opposite the site, said they were unaware of when construction would begin.

The equine project is nothing, if not ambitious, for Ninghe County, hitherto a rural township of Tianjin city. When first announced in 2010 by Meydan City Corporation, this 5,000 mu (approximately 3.33 million square metres) site was set to eventually host training and racing facilities for 8,000 equestrian professionals and breed 1,000 high quality studhorses.

In addition to an equestrian college, feedstuff plant, breeding base, horse hospital, and quarantine centre, Tianjin Horse City also promised to include "five-star to seven-star" luxury hotels, as well as offices and apartments. All of this was planned to be in a comparative backwater belt of Tianjin. Horse City also promised to "hold international and domestic professional horse races, promote and impart equine culture and knowledge to youths, provide tourism services for the public, and protect the wellbeing and interests of equines."



1. (left to right foreground) Mr. Eddie Irwin, Finance Director of Coolmore Stud; Mr. Bai Zhisheng, Chairman of the Tianjin State Farm Agribusiness Group and Mr. Teo Ah Khing, Managing Director of The TAK Group. Second Row: Ireland's Minister for Agriculture, Food and the Marine, Simon Coveney TD and Vice Mayor of Tianjin, Mr. Li Wen Xi.

2. Workers planting trees on the site of the proposed Equine City

3. A Chinese rider practises showjumping on an imported Dutch horse at an equestrian club near Beijing airport

4. A ground-turning ceremony for the project, in March was not attended by any representative from Dubai construction group Meydan



The company Zhang heads, Hua Zhi Jie Horse Industry Investment Co Ltd, is a joint venture between International Equine Group and Tianjin Farm Group. The joint venture was set to develop the Tianjin Horse City project.

Speaking exclusively to Business Tianjin, Zhang says he is very keen to have Ireland's Coolmore involved because of its international

reputation and success. Mr. Zhang's understanding is that both Coolmore and TAK will invest in the project, with his group investing 30%. Additionally, he's surprised international media reports haven't included this fact. Press reports on the Irish Agricultural delegation's visit to China suggested a Coolmore-led horse breeding programme will involve importing over 100 Irish

mares in the next three years, as well as the acquisition of stallions over the same period. The 'Irish Examiner' newspaper reported that, "the Tianjin Horse City will require between 600 and 800 racehorses in 2013, and Irish breeders are hoping for some of that market. ... Irish expertise will be used to build up TECC to rival established centres such as Kentucky, or Deauville in France."

"This may eventually happen," explains Zhang, "but, I also expect there will be Irish investment." As Zhang understood it, the Ireland-based Coolmore would sell horses to them while the business delegation was here, "but the Farm Group contacted TAK first, and TAK looked for other investors ... they brought several European companies' representatives to Tianjin, but no one contacted us at



Masterplan: the proposed Tianjin Equine City

the Tianjin Farm Group after that. So actually, we are also thinking that we could talk to foreign investors directly about the cooperation and the amount of the investment.”

Construction has yet to commence on anything at the site, and it appears unlikely that 600 racehorses will arrive in 2013. TAK is in charge of the design of this project as they have extensive experience in designing projects such as the Horse City. As for a construction contractor, Zhang says his firm will put the project out to tender. “However, all this depends on the partner who holds more shares in this project.”

Zhang, who currently farms 2,000 donkeys at a large feed lot adjacent to the Horse City site, says the project has all the required certification from the Tianjin government to start construction, “but since TAK never brought any investor as promised, construction funds are not in place yet and we are not sure when we should start construction.”

The commercial viability of the project may also be in question. Horse industry figures in China, spoken to for this article, point out that there’s no racing industry in China because the government

continues to ban gambling. Hence, there’s no revenue model to support a racing industry. Beijing-based David Snodgrass, General Manager for East Asia operations at Alltech, which sponsored the World Equestrian Games 2011, and sells equestrian feed products in China, says horse racing is not profitable in China and won’t be without parimutuel betting being allowed. “That will have to be a political decision if and when it happens,” says Snodgrass.

Having observed racing in various parts of China with local governments putting up prize money, Snodgrass believes development of China’s equestrian scene won’t mirror anything seen in Western countries. “China does things top down, has to be government supported, and there has to be capital with that government support.” Given a culture of equestrian sport doesn’t exist, “successful projects are large-scale, but more like a Disney production, getting Chinese used to being around horses and with aspirations to build on that.”

Snodgrass thinks the Tianjin project is one of several being planned in China, “there are a lot of competing forces, a lot building up infrastructure for racing,” but what

China needs is not one project, rather several coordinated, projects across the country. However, without legalisation of gambling, horse racing is not sustainable in China. “Someday it will open up, but there’s no timeline. No one really knows when.”

Snodgrass puts the construction of existing racetracks, most noticeably in Wuhan, down to a “risk-reward concept,” on the Chinese side. “There’s an idea it [horse racing with gambling] will open up. People have built massive tracks. There are many already. They’re gearing up so that when it does open up, they’re not left in the dust. There are people importing horses, but it’s definitely not profitable. If they win those, they’ll make money. It won’t be a big industry until that key is turned on wagering.”

Corporate sponsorship of racing will remain a less lucrative norm in China’s limited racing scene in the absence of on-site gambling. Sponsorships, CNY 10,000 would be a large purse, for existing races are being put up by local government or corporations. Likewise, barrel racing, a US equestrian discipline introduced to China, has seen prize money of CNY 20,000 to CNY 30,000 per event.

Contacted for comment on the Tianjin project, editors at Horsemanship Magazine, which claims to be the only official print media authorised by the CEA (Chinese Equestrian Association), were unable to comment on the Tianjin project.

Meanwhile, writing on the project, Racing Correspondent at the South China Morning Post, Alan Aitken, points out how public racing at the Beijing Jockey Club was forced to close in 2005 because of the ban on gambling. Set up by Hong Kong businessman Cheng Yun-pung for a

reported USD 100 million, the track is currently idle, and much of the facility mothballed, though horse-breeding continues at the stables.

Aitken argues that any Tianjin project will have to figure out how to be commercially viable. “Racing anywhere, with the possible exception of Dubai, needs a commercial basis to exist, and without betting, that simply can’t happen. Until China approves gambling on horse racing on the mainland, which is not on any radar yet, there is no commercial imperative to make these things happen the right way, and there must be doubts about the backers of some of these projects even being capable of that.”

Aitken points out how, “the real estate development side of things looked like a real possibility,” when the Tianjin equine mega-project was first announced. Real estate has been integral to the horseracing scene in Dubai, whose emir, Sheikh Mohammed, “even sent a couple of stallions to China to stand during 2012, though not anything he might miss.”

Government credit tightening, since 2011, has ensured the cooling of China’s real estate market. Aitken points out how in the original plan, “all sorts of facilities were already supposed to be opened in Tianjin by 2012, and we can’t find anything further on them since

the announcements two years ago. It doesn’t take two years to build anything in this part of the world, where Rome would have been done and dusted by lunchtime, let alone in a day.”

Noticeably, Tianjin already has a large, underused equestrian facility. Patrick Lau, Senior Manager at the Tianjin Goldin Metropolitan Polo Club says, “extremely wealthy” locals’ desire for luxury lifestyles, including polo and equestrian

activities, makes the club a viable proposition, even though we talked in the club’s eerily empty five-star hotel. This enormous luxury club has 200 horses, but after two years, only 200 of 2,000 membership spots have been taken. **B**

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# Recent Legal Developments in CNY Internationalization for Cross-border Trade and Investment Transactions



Manuel Torres



Jessica Cao

by Manuel Torres (Partner) and Jessica Cao (Associate) of Garrigues Shanghai



Suffering from the depression of the world economy and the fluctuations of the exchange rates of certain major international currencies, both foreign and domestic investors have been calling for a more globalised Chinese Yuan (CNY), the official currency of China, in international trade and investment transactions. In response to such increasing demand, the Chinese government has been making efforts to realise the internationalisation of

CNY through comprehensive and profound reform on a gradual basis, which consists of, including without limitation, reforms in cross-border trade settlement, foreign direct investment, and outbound direct investment. In this article, we would like to present readers with a quick look at recent Chinese legal developments in such CNY denominated cross-border trade and investment transactions.

## 1. CNY Settlement in Cross-border Trade

On 8 April, 2009, the Chinese government opened the gate to CNY settlement in cross-border trade, allowing a small number of selected enterprises in Shanghai and four cities in Guangdong Province (Guangzhou, Shenzhen, Zhuhai and Dongguan) (Onshore Pilot Areas) to trade with offshore enterprises in Hong Kong, Macau, and member states of the Association of Southeast Asian Nations (ASEAN) (Offshore Pilot Areas) in CNY instead of foreign currencies. On 1 July, 2009, a detailed regulation, Measures for the Administration of Pilot RMB Settlement in Cross-border Trade, was jointly issued by People's Bank of China (PBOC), Ministry of Finance (MOF), Ministry of Commerce (MOFCOM), General Administration of Customs (GAC), State Administration of Taxation (SAT), and the China Banking Regulatory Commission (CBRC). On 3 July, 2009, PBOC further issued Detailed Rules for the Implementation of the Measures for Administration of Pilot RMB Settlement in Cross-border Trade. Until then, the basic legal framework for CNY settlement in cross-border trade had been established by the aforesaid measures.

After the issuance of the 2009 Measures, CNY settlement in cross-border trade has been developing continuously, and in order to promote such transactions, certain restrictions have been relaxed by the Chinese government:

### • Expansion of Onshore and Offshore Pilot Areas

The Onshore and Offshore Pilot Areas where CNY settlement in cross-border trade could be conducted were expanded twice.

The first expansion took place on 17 June, 2010 according to Circular on Relevant Issues Concerning the Expansion of Pilot RMB Settlement in Cross-border Trade, under which, Offshore Pilot Areas were expanded worldwide, and Onshore Pilot Areas included all the cities in Guangdong Province and an additional 18 provinces, including Tianjin.

The second expansion occurred on 1 August, 2011 according to Circular on Expanding the Regions Supporting RMB Settlement in Cross-border Trade, under which, Onshore Pilot Areas were expanded nationwide.

### • Expansions of Scope of Pilot Enterprises

**the Chinese government has been making efforts to realise the internationalisation of CNY through comprehensive and profound reform on a gradual basis**

According to the 2009 Measures, only onshore enterprises recommended by the provincial level People's Government, within Onshore Pilot Areas, may conduct CNY settlement in cross-border trade transactions.

Upon the First Expansion, all onshore enterprises within Onshore Pilot Areas, with import and export qualifications, have been allowed to conduct CNY settlement for import trading. In addition, such enterprises have also been allowed to conduct CNY settlement in cross-border service transactions, and other transactions, under current account items.

However, for CNY settlement in export trade, the mechanism for selection of Pilot Enterprises, for such participation, was maintained until 3 February, 2012. According to Circular on Relevant Issues Concerning the Administration on the Enterprises with RMB Settlement in Export Trade, all onshore enterprises, with import and export qualifications, would be allowed to conduct CNY settlement for export trades. Nevertheless, the six authorities

required provincial level People's Governments to submit their respective list of enterprises which shall be monitored for CNY settlement in export trade, considering noncompliance of such enterprises during the last two years in terms of customs, finance, and taxes. After joint examinations by the six authorities, all onshore enterprises nationwide, with import and export qualifications, could conduct CNY settlement in export trade.

As per the news published on the official website of PBOC on 12 June, 2012, a list with 9502 enterprises under the monitoring for CNY settlement in export trading has been issued. Therefore, the limitation on Pilot Enterprises participating in CNY settlement in export trade has been removed.

With all the above developments, currently, all onshore enterprises nationwide, with import and export qualifications, could conduct CNY settlement in cross-border trade and service transactions or other transactions under the current account items, with offshore enterprises worldwide.

## 2. Inbound Foreign Direct Investment in Offshore CNY

Inbound foreign direct investment in offshore CNY refers to direct investment made in China by offshore investors with legally obtained offshore CNY denominated funds.



Compared with CNY settlement in cross-border trade, FDI in offshore CNY is relatively new, which is officially established by Circular on Relevant Issues on Regulating the Operational Procedures of Cross-border RMB Capital Account Item Business issued by State Administration of Foreign Exchange on 7 April, 2011, Circular on Issues Concerning the Cross-border Direct Investment in RMB issued by MOFCOM on 12 October, 2011, and Measures on Administration of RMB Settlement in Foreign Direct Investment, issued by PBOC on 13 October, 2011.

The main features of FDI in offshore CNY as set forth by the aforementioned regulations include without limitation, the following:

#### • Legitimate Sources of Offshore CNY

The offshore CNY used in FDI shall be legitimate, which includes:

- CNY income obtained by offshore investors through CNY settlement of cross-border trade;
- CNY profits and CNY funds from share transfer, capital reduction, liquidation, and advance recovery of investments which are legally obtained by offshore investors from China and remitted out of China; and
- CNY funds legally obtained by offshore investors outside China, including but not limited to, the issuance

of offshore CNY denominated bonds or stocks.

#### • Scope of Using Offshore CNY

FDI in offshore CNY shall not be made directly or indirectly in the investment of negotiable securities and financial derivatives with limited exceptions, nor be used for making entrusted loans, within China.

In addition, FDI in offshore CNY shall also comply with Chinese laws and regulations on FDI, e.g. Catalogue of Industries for Guiding Foreign Investment, issued by MOFCOM and National Development and Reform Commission, relevant national security regulations, and anti-monopoly regulations.

#### • Examination and Approval by MOFCOM or its Competent Counterpart

- Apart from the application documents required for FDI in foreign exchange, offshore investors shall submit to MOFCOM or its competent counterpart the following documents, i.e. supporting documents certifying the source of CNY funds, an explanation of the use of CNY funds, and a completed standard governmental form on cross-border direct investment in CNY.

- If the FDI in offshore CNY falls under any of the circumstances below, the provincial level counterpart

of MOFCOM shall submit a review request to MOFCOM. Only after such review is satisfactory to MOFCOM, the local counterpart of MOFCOM may issue an approval letter and certificate of approval for such FDI in CNY:

- ▶ Investment of CNY funds of CNY 300 million or more;
- ▶ Investment in industries such as finance guarantees, finance leasing, microfinance, or auctions, etc.;
- ▶ Investment in foreign-funded investment companies, foreign invested venture capital enterprises, or foreign invested equity investment enterprises; or
- ▶ Investment in industries under the macroeconomic control of the state, e.g. cement, iron and steel, electrolytic aluminum, and shipbuilding, etc.

### 3. Go Abroad Strategy: Outbound Direct Investment in Onshore CNY

Outbound direct investment (ODI) refers to the establishment of a new offshore non-financial enterprise, or obtaining ownership, control, or business management rights, of an existing offshore non-financial enterprise through new establishment or merger and acquisition by enterprises legally established in China.

On 6 January, 2011, PBOC issued the Measures on the Administration for Pilot RMB Settlement in Outbound Direct Investment, allowing onshore non-financial enterprises to make ODI in onshore CNY. The onshore investor shall obtain approval from the authorities of ODI, and when going through approval formalities, the anticipated amount of ODI in onshore CNY shall be specified.



The main features of ODI in onshore CNY as set forth by the aforementioned measures include without limitation the following:

#### • Outward Remittance of CNY Funds for ODI

For remittance of upfront fees for ODI, or ODI without remitting upfront fees, the onshore investor shall apply for an upfront fee remittance or ODI registration. Upon completion of such procedure, the onshore investor may go to the bank to conduct the remittance of CNY funds for ODI or remittance of upfront fees in CNY. In principle, the accumulative upfront fees remitted by an Onshore Investor shall not exceed 15% of the total Chinese investment. If the upfront fees exceed the threshold of 15%, the onshore investor shall explain the situation and submit relevant supporting documents to the local counterpart of SAFE.

#### • Inward Remittance of CNY Funds for ODI

The onshore investor may have its profits gained through ODI returned to China in CNY. The bank may, after verifying the supporting documents such as the resolution on profit disposal issued by the board of directors of the offshore company, etc., enter such return of ODI profits in CNY into the account of the onshore investor.

The onshore investor may also, for the CNY income derived from capital reduction, liquidation, etc. of its offshore company, go to the bank for a receipt of such income in CNY with relevant approval documents issued by authorities.

The issuances of the aforementioned regulations by the Chinese government in recent years represent significant steps in the process of CNY internationalisation, and have offered both onshore enterprises and offshore investors an import currency alternative for cross-border trade settlement, inbound, and outbound investment. It is recommended for those enterprises and investors who are interested in CNY denominated transactions to pay close attention to the further development of the Chinese legal framework of CNY internationalisation and the implementation thereof. **E**

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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.



# Resort Development in Mountain Attraction Areas and at World Heritage Sites in China

By Annie Wang, Head of CBRE Hotels, China



Recent research conducted by CBRE Hotels has noted that the World Heritage Committee has now included 41 China based properties on the World Heritage List, 13 of which are mountain associated destinations. Further investigations have found that great potential exists for development of mountain resorts, with opportunities currently being sought both by developers and hotel operators.

“Traditionally, people visit mountain attractions, mainly to enjoy the scenery, but more and more, they are looking for better quality hotels,

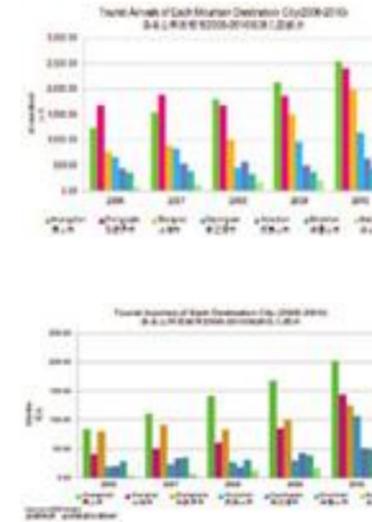
adventure, and new experiences. However, compared to urban hotels, insufficient hotel supply and generally low service and product quality at mountain destinations has restrained some of the demand from mountain lovers and other potential guests,” Mr. Keith Humphreys, Executive Director of CBRE Hotels said.

### Mountain Attractions – Tourist Arrivals

CBRE Hotels recently undertook in-depth research of seven well-known mountain destinations in China: (i) Mount Huangshan, (ii) Wulingyuan Scenic and Historic Interest Area, (iii) Mount Changbaishan, (iv) Mount

Sanqing, (v) Mount Qingcheng, (vi) Mount Wuyi and (vii) Mount Emei Scenic Area.

Tourist arrivals in the cities where the above mountains are located have increased rapidly from 2006 to 2010. Those cities with the most attractive natural resources and more sophisticated tourism products, the prefecture-level cities : Huangshan, Zhangjiajie, and Shangrao (where Mount Sanqing is located), have enjoyed the most tourist arrivals in absolute numbers, whereas the number of arrivals in Mount Changbaishan increased the fastest at a rate of 26% annually.



Huangshan is the leader in terms of tourism revenue generation over the past four years, as both arrivals and tourism income reached a new peak in 2010. The income from tourism in Shangrao also increased rapidly and outranked Zhangjiajie in 2010, while the income of Wuyishan also increased sharply in 2010, an annual increase of 54%. Interestingly, tourist

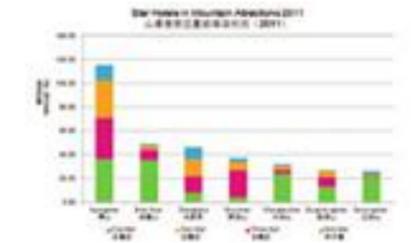
income of Wuyishan is greater than the figure for Dujiangyan although its arrivals are lower, most likely due to stronger spending power in Wuyishan.

Mountain destinations are highly influenced by their natural environment, scenery, climate, and so on, but also national and global social and external economic factors. For instance, many of the buildings and heritage properties in Mount Qingcheng and Dujiangyan were damaged by the 5.12 scale earthquake in 2008. Additionally, countrywide travel restrictions applied during the Beijing Olympic Games and the more recent global financial crisis have all restrained travel demand to mountain areas.

### Mountain Attractions – Star Ratings

Most existing mountain resorts are of a relatively small scale, and are located in the related town or city centre, or near the main attractions themselves. Usually, the local government or an investor takes over major responsibilities in developing and managing the resorts. However, more and more international hotel

companies are showing interest in operating resorts in such mountain regions. The chart below shows the current star-rated hotel market in the previously mentioned mountain areas:



Annie Wang, Associate Director, CBRE Hotels said “the performance of mountain resorts is affected by several main factors. New high end, international brands will drive the ADR’s to higher levels. For example, the opening of Howard Johnson at Mount Qingcheng and The Pullman in Zhangjiajie have already driven ADR’s higher than those of resorts in other mountain destinations. On the other hand, special characteristics of a resort, such as hot springs or forest reserves, can help the resorts



differentiate themselves from other locations, a notable example being Hongzhushan Hotel at Mount Emei.”

### Opportunities

“As hotel supply in many first, or even second tier cities, in China, is close to saturation, more investors are seeking niche markets such as mountain destinations for development. Such resorts will usually enjoy a lower cost of land and construction, compared with urban hotels. The low seasons of urban hotels are usually considered as the peak season for resorts; for instance, an increasing number of Chinese travellers like to go to mountain resorts for skiing in the winter, especially during the Chinese New Year period,” continued Ms. Wang.

Keith Humphreys agreed, adding, “Demand for exploring spectacular scenery and experiencing diverse cultures within one’s home country has increased dramatically. Chinese travellers have shown strong interest in experiencing quality local attractions, international standard accommodation, and service without having to fly a number of hours to get to their destination.”

Large scale, better quality development in mountain resorts not only reflects increased demand from the market, but also shows the increasing confidence of international hotel management companies. The move towards hotels being operated by international hotel brands is expected to continue. From an investor’s point of view, co-operation with international brands can both ‘value add’ and induce demand.

### The changes of lifestyle, from sightseeing to leisure experiences

Nowadays, experiencing a destination lifestyle has been emphasised as being more important than sightseeing. For example, an international tourism resort which is currently under construction in Changbaishan reserve area will offer a world class ski resort, including pedestrian villages, internationally branded hotels, visitor centres, theatres, shopping streets, recreation centres, spas, villas, and leisure facilities.

“Seasonality is one of the major concerns for mountain resort developments. It is important to provide a variety of on-mountain activities and facilities for today’s discerning mountain travellers. Activities such as rafting, climbing, Bungee jumping, fishing, golfing, and bike riding in summer and hot springs, skiing, or snowboarding in winter will not only become the unique selling points of a mountain resort, but also will increase the profit margins in low seasons.” added Ms. Wang.

Generally, comprehensive, integrated tourism facilities, standardised, quality management, comfortable accommodation, a natural scenic environment, and application of environmentally friendly practices are factors which will all, going forward, reinforce a mountain resort’s performance.

### Types of Development

Keith Humphreys also revealed that some resort developers have been prepared for the risk of being the first hotel to open at a location, such as

Banyan Tree Resort in the old town of Lijiang, InterContinental Resort Jiuzhai Paradise in Jiuzhaigou, Howard Johnson Hotel in Dujiangyan, near Mount Qingcheng, or Anantara Xishuangbanna Resort & Spa in Yunnan Province. Such ‘first movers’, are likely to enjoy larger market shares and higher profitability; the so called ‘first mover advantage’. He added that, “of course, some projects have higher risks in terms of uncertainty of market trends, limited local market evidence or knowledge, government regulations, and so on, but generally the pioneers tend to do well.”

Accommodation product mix is considered important as it helps to determine the best fit of the product, and its supporting land uses to the natural landscape, and to further meet the varying needs of target markets. The real estate component, if any, may include strata titled hotels, timeshares, and other vacation ownership options (second homes). This model has been recognised and applied by many real estate developers in order to secure early return on capital. For example, a project developed by Greentown Properties, located in the Qiandao Lake area contains a 250-room Sheraton Qiandao Lake Resort, and two blocks of ‘hotel-apartments’.

Keith added, “Mixed-use leisure developments in mountain areas have the potential to generate high profits within short investment return periods. However, the requirements for distinctive locations, good brands, quality products, and personalised services are much higher than with other hotel types.” He continued, “in some cases, where the land cost has



been relatively low, it can take about 2 to 2.5 years to achieve the investment return for some well known, internationally branded properties who have developed, or manage mixed use hotel/residential projects.”

### Challenges and Suggestions

Our research shows that, for mountain destinations, international

tourist arrivals and expenditure are only a small proportion compared with the numbers of Chinese domestic travellers. In the increasingly competitive international tourism market, raising regional or even global awareness of an attraction is critical at the initial stage of mountain resort development as it will take a long period to establish the destination and expand market share. World renowned international mountain destinations, such as the Swiss Alps Jungfrau-Aletsch, Yellowstone National Park in the USA, the Canadian Rocky Mountain Parks, the Great Blue Mountain Area in Australia, or even domestic locations which are already well known by international tourists, such as Sanya in Hainan, the Old Town of Lijiang, Dali in Yunnan, or the

world famous Guilin Scenery, can be considered as some of the competitive travel options to China mountain destinations.

Resort development in mountain areas, and tourism development of World Heritage Sites in China is still in its preliminary stages. In order to blend with the local social and economic environment, and to determine whether the proposed mountain resort has the potential to be economically viable, a market study and financial feasibility analysis is required to indicate the potential return on investment associated with the proposed resort(s). **E**

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# Legal Updates on the Real Estate Markets



Simon Bai  
Winners Law Firm



Prior to 2010, the real estate market in China had experienced incredible, red-hot growth. Wary of worsening inflation and with few other investments options, Chinese had been pouring their money into housing over the last decade. The Chinese government, concerned by the steep run-up in prices and residents' frustration with the hefty cost of housing, started to take actions in 2010 to rein in speculation. Market correction programs with various tightening policies have been gathering pace ever since.

This essay reviews the government's efforts to cool down the residential housing market over the past two years and discusses the outlook for the future.

## Restrictive Measures on the Buyers

The government has, since April 2010, implemented a series of measures to cool down the overheated residential property market and curb speculation. Some of the key measures are designed to restrict purchases.

According to the *Circular on Firmly Restraining Housing Prices from Too Rapid Rising in Certain Cities* ("Circular 10 2010") issued by the State Council on 17 April, 2010, a differentiated housing credit system was adopted under which the down payment by any family, including the borrower, spouse, and under-aged children, who purchases a residential property that has a floor space of more than 90 square metres with a loan,

shall be no less than 30% of the total price; while the down payment by any family who purchases a second residential property shall be no less than 50% of the total property price. In the meantime, mortgage rates that apply for a second residential property shall be 1.1 times that of the first property, i.e. the base rate of the bank.

On 29 September, 2010 the People's Bank of China and the China Banking Regulatory Commission issued the *Circular on Issues Concerning Improving Differentiated Housing Loan Policies* ("Circular by PBC") which further tightened mortgage policies across the board for all banks by requiring that down payments for the first residential property shall be more than 30% of the purchase price, regardless of the size of the property. In particular, the Circular by PBC forbids any bank loans to be granted to any non-local buyers who fail to produce local tax returns for more than one year or payment of local social security dues for more than

one year. Circular by PBC expressly provides that no mortgage loans shall be made available for any purchase of a third residential property.

**The Chinese government, concerned by the steep run-up in prices and residents' frustration with the hefty cost of housing, started to take actions in 2010 to rein in speculation.**

The State Council again on 26 January, 2011 issued the *Circular on Issues Regarding the Further Regulation and Control of the Real Estate Market* ("Circular No.1 2011") which further restricts buying qualifications by requiring that the down payment by

any family who purchases a second residential property financed by bank loan shall be no less than 60% of the total property price, which is a 10% increase from that of the requirement under Circular 10 2010. Circular 1 2011 further provides that any local family who has proof of local tax returns for more than one year or payment of local social security dues for more than one year, and who already owns one property can only purchase one more property. Moreover, any local family who already owns two properties, or any non-local family who owns one property and cannot supply proof of local tax returns for more than one year or payment of local social security dues for more than one year, are prohibited from purchasing additional properties.

## Restrictive Measures on Real Estate Developers

On 7 January, 2010, the State Council published the *"Circular on Promoting*



*Stable and Healthy Development of the Real Estate Market*, which indicates the government's determination to crack down on price gouging, land and property hoarding, spreading misleading market information, and disrupting market order.

Moreover, The PRC Ministry of Land and Resources (the "MLR") has recently released the revised Rules on the Disposal of Idle Land which will come into force on 1 July 2012 (the "2012 Amendments"). Under the 2012 Amendments, "idle land" is defined as a plot of state-owned land designated for development purposes, the land user of which has failed to commence the construction project within 1 year after the commencement date of construction as set out in the compensable land use contract, or the date of allotment decision, or within 1 year after the date of land delivery if the commencement date is not specified by such documents or cannot be ascertained) There are two circumstances under which land plots will be deemed idle, being the circumstances where construction has been suspended for 1 year with less than 1/3 of the proposed area constructed, or less than 1/4 of the proposed total capital invested. In the event that a land plot is found to be idle due to reasons other than "reasons



attributable to government" or force majeure, the developers may face an "idle surcharge" of "20% of the land grant premium or land allocation cost" if the land has remained idle for more than a year but less than 2 years. Further, the government has the right to recover the land without compensation if the land has remained idle for more than 2 years.

### Residential Real Estate Tax Pilot Scheme

In January 2011, the municipalities of Shanghai and Chongqing rolled out pilot schemes for imposing real estate taxes on residential properties owned by individuals. Although currently limited to Shanghai and Chongqing, it is expected that the programme will be expanded to other cities which will have their own discretion to draft local rules.

### Measures Restricting Foreign Investors

On 4 November, 2010, the Ministry of Housing and Urban-Rural Development issued Circular 186, which underscored the rules first introduced by *Opinions Governing the Market Access and Administration of Foreign Investment in Chinese Real Estate Market*, issued in July 2006 which includes (i) each foreign individual may only purchase one residential property for self-use, and (ii) each foreign branch office or representative office may only purchase non-residential property in the city where it is registered for its own office use.

It is noteworthy that the newly amended *Catalogue for the Guidance of Foreign Investment in Industry* issued by Ministry of Commerce and coming into force in early 2012 prohibits foreign

investment in the construction and operation of villas.

### Outlook for the Real Estate Market Regulation

Despite all these stringent measures aimed at deflating the bubbles in the real estate market, home prices in China have not exactly taken a nosedive. However, they have steadily declined in small increments over the last two years. There are good reasons to believe that the market is simply correcting itself following excessive speculation, and the real estate market will not crash as witnessed in 2007 in the US. The current round of correction in the property sector is driven by government policy rather than due to developers' deteriorating balance sheets, widespread default by home owners, or lack of interested buyers. Thus, it won't lead to systemic risk and a massive panic induced sell-off.

Looking ahead to the rest of 2012 and 2013, the future for the real-estate market will be largely determined by policy changes, macroeconomic factors, monetary policy, and exchange-rate policy.

Although, there is no indication as to when China will eventually ease property restrictions, there is an aura of hope that the market will soon turnaround, particularly if property restrictions are eased further in light of the recent reduction of reserve interest rate. **B**

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## Software Copyright Registration in China: Know Before you Go



Philippe Healey,  
Project Manager,  
China IPR SME  
Helpdesk



*In Europe, registering software as a copyright is a relatively uncommon practice, with only few EU member states providing copyright registration. Instead, evidence to prove authorship is usually sufficient to enforce IPR ownership. This is not, however, the case in China, where copyright registration is highly recommended. This article discusses the importance of registering software as a copyright in China, and describes the registration process in China.*



### Why register software in China?

China has a software copyright registration system, which is not mandatory in order to enjoy legal protection of rights, but is very useful in proving ownership if you ever need to enforce your IP. This is because in most cases, enforcement occurs at least 1-2 years after a software programme is finished, and consequently it can be difficult for the plaintiff to collect evidence of authorship at that time. Additionally, in practice, such evidence is almost always challenged by the defendant, especially the date of establishment and ownership of the programme. In China, authorities, including the Chinese People's Courts, have shown a strong tendency

to rely on formally registered documentary evidence. Therefore, software registration effectively and substantially reduces the burden of ensuring proof of ownership when enforcing IP.

In short, one copyright registration certificate can replace a large amount of weaker ownership evidence during litigation in China. Not registering your software may save you money today, however you risk incurring significantly greater costs in future.

### Where and how to register?

The Copyright Protection Centre of China is the official body responsible for software registration in China.

The following is required for software registration:

- 1) Bibliographical details of the owner, including name and address.
- 2) Copy of proof of identification of owner, for example business registration certificate of a company.
- 3) Details of the software programme including:
  - Date of establishment.
  - Operating environment, including details of hardware requirements and operating system.
  - Programming language used.
  - IF the software is not developed by the owner: how the rights to the software are derived, for example by assignment or inheritance, and related documentary proof.
  - Substance of the software, which can be submitted in either the form of ordinary deposition or exceptional deposition, as described below.



### Ordinary deposition

First and last 30 pages of:

- 1) Source code.
- 2) Specification/operation manual or entire documents if these have less than 60 pages each.

### Exceptional deposition (any one of the below)

- a) First and last 30 pages of source code with confidential portions concealed, but the total concealed portions not exceeding 50% of the submitted source code.

- b) First 10 pages of source code, plus any consecutive 50 pages of any other portion of the source code.
- c) First and last 30 pages of target code, plus any consecutive 50 pages of any other portion of the source code.

The above rules a) to c) are also applicable to the submitted specification/operation manual and it should be noted that each page of the source code must have at least 50 lines.

### Who can register copyright in China?

Any business or individual can apply to register copyright, but applicants without a registered business in China will need to provide a copy of their business license (both in their original language and translated into Chinese) authorised by the Embassy of the P.R.C in their home country. In place of the business license, an individual is required to submit a copy of their passport and its Chinese translation. Copyright holders may apply directly for copyright registration, or entrust an agent to apply on their behalf. Where an agent is used, the agent must additionally submit his or her identification documents and a Power of Attorney from the copyright holder. It is recommended that EU-based applicants consult a Chinese legal firm to ensure translations of their documents are accurate.

### Time

Applications for copyright registration are processed within 30 days after the CPCC accepts the application, or if supplemental materials are required, within 30 days of receipt

of the supplemental materials. However, registration may be delayed if registration fees are not paid within 10 days of receipt of the notice for payment.



### How much does it cost?

The costs to register software as a copyright in China are in the region of CNY 2,200 to 3,200 (about EUR 240 to 345), including official fees, depending on the number of documents involved. Exceptional deposition will cost an additional CNY 320 (about EUR 35) for each item.

### Handy Tips

It is always desirable to disclose the source code of your software as little as possible. The following should be considered in order to achieve this purpose:

- Exceptional deposition should be considered and used if possible; confidential areas of the source code programme can be redacted.
- The first 10 pages, preferably the first 30 pages of the source code, should contain as little important information as possible.
- Apply for 'sealing' of the source code programme, documentation, or samples. Only the right holder and judicial departments are then permitted to open the sealed material.

Furthermore, to ensure efficient proof of ownership and infringement by a third party, it is desirable to insert some specific identification, for example name, trademark, or even slogan of the owner into the source code. It is preferred for such specific identification to appear in the first 10 to 30 pages of the source code, and should be unique to each software programme, for example the name of the software, the relevant version, and the programmer(s) involved. China Copyright Law clearly provides that where there is no evidence to the contrary, the citizen, legal entity, or organisation whose name is shown on a work shall be deemed the author of the work. **E**

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### Take-Away Message

Copyright registration of your software offers an easy way to prove your IP ownership in case there are any problems of IP infringement. If you do not register your software through the Chinese copyright registration system, it may be very difficult to prove ownership when enforcing your IP.



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.

# Search Engine Optimisation

By Heidi Skovhus



Anyone who makes a living off communication knows the importance of relevancy. If you are not relevant in your messaging and your timing, then you can waste lots of money on sophisticated advertising that is not worth anything. Even average advertising messages can do wonders, if they are delivered at the right time and place. People within communication have the opportunity to increase the level of relevance significantly by using and leveraging the internet. Search has changed the way people use the internet, and has made the likelihood of receiving something relevant much higher.

## Search Engine Marketing

Search Engine Marketing (SEM) is a form of internet marketing that involves the promotion of websites by

increasing their visibility on search engine result pages, e.g. Google, Yahoo, or Bing. This is done through optimisation and through advertising. SEM consists of two completely



SEM = sponsored listings (pay per click model)

SEO = organic or natural listings

different techniques: Search Engine Optimisation (SEO), which adjusts and rewrites website content to achieve a higher ranking in search engine results pages, and Pay-Per-Click (PPC), focusing on only paid components. They are completely different types of marketing. Let's look at the differences.

The purpose of SEO is to appear as near to the top as possible in search results for keywords. The purpose of PPC is to instantly attract qualified prospects to your website and convert them. The end result of SEO is free traffic for which the quality depends on your keywords and ranking. The end result of PPC is paid for traffic for which you control the quality and the number of visitors that result.

## Search Engine Optimisation - The Definition

So what is SEO? Search engine optimisation describes a diverse set of activities that you can perform to increase the amount of targeted traffic

that comes to your website from search engines. It is the process of improving the visibility of a website in a search engine's 'natural' or 'un-paid' search results. In general, the earlier

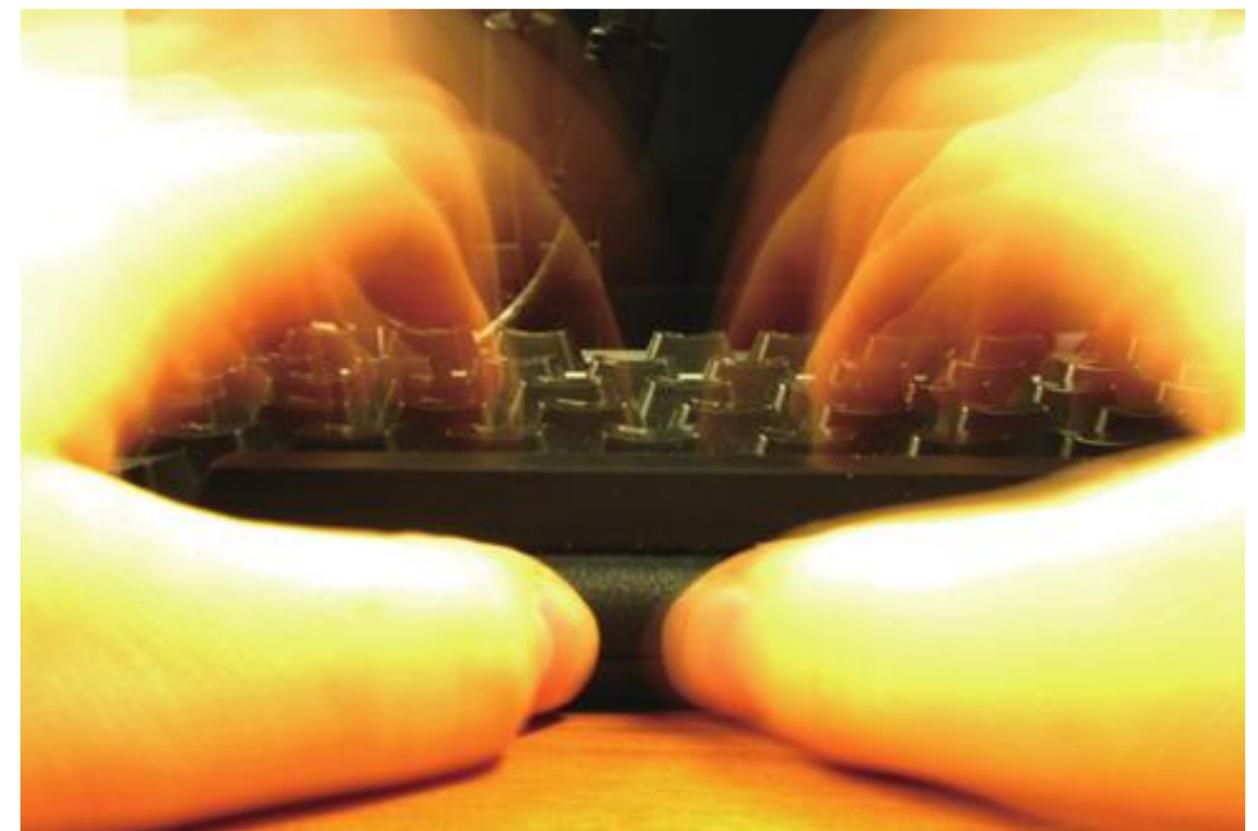
**People within communication have the opportunity to increase the level of relevance significantly by using and leveraging the internet.**

and more frequently a site appears in the search results list, the more visitors it will receive from the search engine's users (those sites that appear on page 1 of Google's organic search receive 36% of the clicks). SEO is not advertising nor public relations, its main goal is to gain targeted visitors.

## Search Engines in China

Before going into more detail about how to work with SEO, it is important to note that the search engine market in China is quite different from the rest of the world. In the rest of the world, Google is the dominate player, and therefore, is already mentioned several times in this article. However, the situation is different in China. Here is a list of the most popular search engines in China:

Baidu is by far the leading Chinese search engine for websites, audio files, and images. Baidu was established in 2000. Google China is number two in the market and was founded in 2005. It is remarkable that Google China has so far failed to take over the Chinese search engine market, and Baidu may be the only company in the world that is still beating Google in their niche. There is very limited information available in English about how to do search engine optimisation on Baidu, which is a great challenge for SEO professionals



operating in China. Sogou is the third largest search engine in China, which can search text, images, music, and maps. It was launched in 2004. Sogou means 'Search dog' in Chinese.

SEO rules for the Chinese internet market are a bit different than that of any other country due to various social, political, and technological reasons. For example, Baidu is extremely sensitive to some information, so it totally avoids mentioning adult content, pornography, or forbidden Chinese government keywords. Having any of those will not only affect the page the content is on, but also the entire website. When targeting China, it's important to have Chinese text, since not many Chinese people search in English. These are just some of the more straightforward and non-technical differences to consider.

### How to Optimise a Website's Search Engine Results

Keywords are the most important beginning for SEO. It is important to know which keywords are important to optimise for. If you are a retailer of kitchen machines, it is important to know what consumers type into Google, Baidu etc. while searching for kitchen machines. There are many

tools available on Google that are useful for this. Try, for example, the keyword tool in Google Adwords. When top keywords are found, they analyse the results that search engines are returning when you type



in these keywords. Try to understand this. Analyse how many times a particular keyword appears in the title, the description, the URL, and in the page content as such. Limit your list of keywords to 15 or so. The more specific and focused the keywords are, the more likely the search engines will be able to properly classify your page for searches. If you put the time and effort into choosing the right keywords, you will be rewarded with a higher rank, as well as more click-throughs because your keywords will be more relevant, and more conversions, because you are attracting more qualified leads.

The page title is one of the most important elements in SEO. First of all, ensure that the title of your page is no more than 60 characters, since that is all that will be read by Google. When analysing the keywords is done, then understand how the content can be structured in the title, description, URL, and home page, in that order. It is always relative, so do not forget to ensure that you are higher in the search results than your competitors, but of course without stuffing all the keywords in such a way that the content does not make any sense.

Multiple URLs can be a solution. Instead of stuffing all the keywords into a homepage, optimising all the URLs in the site for different keywords can be a solution. It is important to achieve a good balance between content and form, and remember not to let extra content kill the design of the site. If the URL address contains the keyword, then Google gives it more weight.

Page rank is another important area in SEO. Page rank is a simple formula to check relevancy and quality of a site. It is nothing but a vote that shows how other sites look upon your site. If site A points a link to site B, then that is a vote for site B. The more links you have the better. So, you have to lobby and work hard on getting more people to link to your website. There are four main types of links: inbound links, outbound links, reciprocal links and one-way links. Inbound links are links that originate from an external website. Outbound links are links from your pages pointing to a page on an external domain. Reciprocal links are when both your page and a page on another site links to each other (the worst kind of link, since search engines might suspect that a phone call took place and so it is rated lower). One-way links are when either site A links to site B, or site B links to site A, but does not receive a reciprocal link from the page it is linking to.

Copywriting in general is very important when conducting SEO. Here are a few points: Text must be actual text to be readable by the search engine, so remove or reduce the use of flash (at least when strictly considering SEO optimisation). Reduce the use of dynamically built pages (filled in via a database). Keyword rich copy is good for both search engines and customers to help reinforce what was searched for. Each page should have its own set of unique keywords to increase your odds of being seen. Also, keep in mind that search engines will only go down so far on a page to find

information thinking that the most important information should be at the top. Typically, a search engine will only go down about 80% of the page.

Furthermore, please note that the age of each HTML page is also taken into account, so keep your information fresh. How quickly your page loads is also considered when ranking.

To sum up, as an Internet marketing strategy, SEO considers how search

engines work, what people search for, the actual search terms or keywords typed into search engines, and which search engines are preferred by their targeted audience. Optimising a website may involve editing its content, HTML, and associated coding to both increase its relevance for specific keywords, and to remove barriers to the indexing activities of search engines. Promoting a site to increase the number of links is another SEO tactic.

SEO is becoming increasingly important, and for many companies, mandatory. However, SEO is in most companies not a stand-alone marketing tactic that can do everything. It has to be supported by other marketing tactics, very often both online and offline. **B**

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# Creating Your Social Enterprise



Cloud computing is here, it's now, and it's delivering enormous business benefits to many companies across the globe every day. Recent developments in social media and mobile technology are converging with cloud computing to create new opportunities for growth and business transformation. As a result, enterprise adopters of cloud technologies are now moving beyond the sizable speed, cost, and risk reduction benefits.

In a world where customers and employees have become social and mobile, leading companies are taking ever bolder steps. They are rethinking customer intimacy and employee collaboration to define their path to a truly "social enterprise", one that redefines interactions and relationships not just in the Business-to-Consumer (B2C) space, but also in the Business-to-Business (B2B) domain.

Against this background, organisations are investing in cloud computing to deliver measurable business benefits. To become cloud enabled, more and more businesses across all sectors are choosing to team with salesforce.com and consulting firms such as Accenture. Salesforce.com offers a suite of platform and application services, delivered on its real-time, multi-tenant architecture. Companies are using these capabilities to transform how they collaborate and communicate, both internally and externally, in an ever more social, mobile, connected, and cloud-enabled world.

Accenture brings the vision, skills and know-how to plan and navigate this transformation, including industry leading change management skills, deep industry knowledge, and practical technology implementation experience from one of the world's largest and

successful salesforce.com practices. Accenture also helps companies extract real business value from social media, something that many have struggled with to date.

## Toward the social enterprise

Salesforce.com and Accenture recognise organisations that are taking advantage of the convergence of social, mobile, and cloud technologies to help develop the "social enterprise." These organisations are fundamentally changing how they collaborate internally and interact with customers. To revolutionise customer relationships and drive growth using salesforce.com, organisations can take three key steps to become a social enterprise:

### 1. Develop a customer social profile

The explosive growth in social networks provides organisations

with an amazing opportunity to gain new insights into their customers. Many organisations already track basic contact information on customers and prospects. But now, they can really understand who their customers are and what they like. By creating a customer social profile that incorporates additional information extracted from applications like LinkedIn, Facebook and Twitter, a more complete picture of customers can be developed and a better prediction can be created of what they want and expect. This leads directly to competitive advantage in the marketplace.

Three of the crucial levers that companies can pull to win market share are product innovation, distribution, and customer intimacy. In the past, competing on customer intimacy has been costly and difficult, with few big winners. The social communication revolution has changed this. Customers no longer go to corporate websites or dial call-centers: they speak to each other. So businesses are racing to join and re-engage their customers in these conversations. Social enterprises will win by redefining their customer interactions, creating social and mobile experiences that transform brand engagement.

### 2. Create employee social networks

Today's organisations are looking to improve the way their people work together and collaborate, creating a more rewarding workplace, while empowering employees to provide a higher quality and more

responsive service to customers. Social enterprises do this by using trusted, secure social networking technologies to connect employees directly to each other and to the best experts and information across their business, anywhere in the world.



### 3. Build customer and product social networks

To help reap the fullest possible benefits from the first two steps, social enterprises reshape not only the way they interact internally and externally, but also the products and services they offer. The result is a business whose interactions and products are tuned in to its employees and customers. This social enterprise vision is compelling. It delivers on the bottom line, powered by salesforce.com and its continuous innovation, which helps drive and optimise all the components into a cohesive and transformational business capability.

## Leveraging social media with Accenture

Accenture helps organisations harness the full power of the social enterprise. The key is getting social media working in your business, by applying insights. Leveraging key learnings from early adopters, Accenture has identified five principles that drive social media success:

**1. Pick a strategy before it picks you**—develop a robust social media strategy that aligns to the overall business strategy and is supported by appropriate metrics.

**2. You're not on stage anymore; Welcome into the crowd**—transform marketing and sales, building collaborative customer-company and company-company relationships.

**3. It's not just a new channel; it is a catalyst of big change**—use social media to service and respond to customers in previously undreamt-number of ways.

**4. The time for experimenting is up; mobilise the masses**—capitalise on social media's pervasive impact on functions beyond the front office, including R&D, HR and IT.

**5. New rules for tools**—create an integrated social media technology platform that enables you to identify and aggregate in one place all interactions with customers as well as the online chatter of those customers about the company.

A cloud-enabled business reaps immediate and permanent business

benefits ranging from lower costs to higher speed, agility, and scalability, all enabled by flexible access to applications and processing power on a pay-per-use basis. Together, these advantages add up to quicker and more cost-effective ways to meet emerging business requirements, such as ever increasing workforce mobility and smarter, speedier decision-making. They also enable the business to reach its full potential for growth, including faster, cheaper, and lower-risk expansion into new geographies, product areas and supply chain relationships.

The vision for the social enterprise is one of the key hallmarks of a cloud-enabled business, one that is better connected to customers and citizens, better at attracting and retaining employees. How do you make the vision real?

Like any journey, this one begins with the creation of a blueprint showing the destination. It then focuses on effective orchestration and governance across cloud services, both to unleash the speed and flexibility that the social enterprise creates, and simultaneously to enforce

controls and manage risk. It's equally important to factor in the "people change" effort, which is typically more demanding than the technology issues.

### Designing a strategic blueprint and roadmap

With salesforce.com, businesses embark on the journey to become social enterprises. To complete the transformation successfully, leadership needs a clear vision, grounded in business strategy, of what the social enterprise will look like, the goals it will achieve, and how it will deliver against them.

For decades, Accenture has been helping organisations in all industries plan and execute technology strategies that support their strategic business objectives. Early adopters of the cloud have gained significant and sustainable competitive advantage, and Accenture has a proven approach for helping organisations use salesforce.com to its fullest.

While all companies should be thinking about their longer-term transformation into a social

enterprise, many will need to focus on tactical implementations as they start their journey. Some organisations have implemented salesforce.com to solve specific needs, while many others have adopted it as their core strategic platform. Both approaches are valid for different companies at different stages of the journey. In each case, the key is to understand clearly how salesforce.com solutions will fit into the business and drive its efficiency and growth.

A social enterprise strategy needs to clearly establish the key elements of the business case for migrating to a social enterprise. These include the value of improved operational processes and collaboration; the value of growth, including new services and geographic expansion; the impacts on the organisation's operating model; and the roadmap for implementation.

The process starts with assisting the client in crystallising its own unique strategy and vision, enabling the creation of a blueprint for the new target operating model and IT architecture. This in turn is used to develop a clear and executable implementation



roadmap. Accenture and salesforce.com help to kick-start the journey by working with the client's leadership to pinpoint their unique vision for the social enterprise, and then refine the vision through a series of interviews and workshops. The resulting user stories and solutions are quickly prototyped to show the company what the power

of the social enterprise model can deliver. This feeds into the roadmap from its current state to the social enterprise it aspires to become.

In helping the client develop the right cloud strategy and roadmap, Accenture follows a proven approach that mirrors the action plan recommended in its Social

Media Management Handbook: Get going: Listen - Engage - Optimise. These three steps align closely with the social enterprise vision, and support the journey to a cloud-enabled business. **E**

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### Delight Your Customers and Employees in a Whole New Way



### 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.

For more information about Accenture, please visit its corporate homepage [www.accenture.com](http://www.accenture.com) and its Greater China homepage [www.accenture.cn](http://www.accenture.cn).

# Social Media Penetrating Chinese Workplace But Causing Productivity Loss



Social media is gaining a firm foothold in China's workplaces, with more than three-quarters of employees approving of the personal use of social media while at work, but with others seeing it as disruptive to workplace harmony, according to the latest survey results from global workforce solutions leader, Kelly Services®.

More than a quarter (29 percent) say that mixing personal and professional connections through social media can cause problems in the workplace, and 18 percent say social media has a negative impact on workplace productivity.

"For many workers, social media

has become almost an entitlement. It's something that is a fundamental part of their communications armoury, and they're using it to make career decisions and to search for jobs," said Mark Hall, General Manager, Professional & Technical Operations, Kelly Services China. "Alongside the positives, there is nervousness about the pitfalls if the personal and professional worlds of social media are allowed to intermingle."

The findings are part of the latest survey results from the Kelly Global Workforce Index (KGWI), an annual survey conducted by Kelly Services. Nearly 170,000 people in 30 countries participated in the survey, including almost 5,000 in China.

### Results of the survey in China also show:

- Among the main workforce generations, 83 percent of Gen Y (aged 19-30) believe it is acceptable to use social media for personal use while at work, compared with 78 percent of Gen X (aged 31-48) and 64 percent of Baby Boomers (aged 49-66).
- More than half (58 percent) feel it is acceptable to share opinions about work with friends and colleagues on social media.
- Almost a quarter (22 percent) have been told to stop using social media at work.
- 38 percent of respondents are more inclined to search for jobs via

social media rather than through traditional methods such as newspapers, online job boards, and recruitment firms.

"The reality is that the spread of social

media in the workplace is occurring faster than any rules designed to manage it," Mark said. "While many employees are quick to see the benefits, employers and managers are still grappling with a host of complex

issues relating to privacy, monitoring, and access to sensitive business information." **B**

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**KELLY**

### 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.

Our strengths encompass mid-senior level recruitment across the following industries and practices: Industrial & Manufacturing, Banking & Finance, Consumer, Information Technology, Human Resources and Accounting. Visit us [kellyservices.cn](http://kellyservices.cn)

—This article comes from Kelly Services China.

## Past Events

### 2012 EU Family Day

On 2 June, 2012, more than 50 members came together with their family and friends to enjoy a relaxing and pleasant afternoon organised by the European Chamber Tianjin Chapter for this year's EU Family Day. Besides the delicious food and fresh German beer at the outdoor garden of Drei Kronen 1308 Brauhaus, participants also enjoyed an amazing boat tour along Haihe river while seeing the scenic beauty of both the remains of old Tianjin, as well as its new and modern skyline!



**European Chamber**  
中国欧盟商会

Room 15A17, Suite 17, Magnetic Plaza, Binshui Xi Dao, Nankai District, Tianjin 300381.  
Tel: +86 22 2374 1122 Fax: +86 22 2374 1122 Email: [tianjin@euccc.com.cn](mailto:tianjin@euccc.com.cn) Website: [www.eurochamber.com.cn](http://www.eurochamber.com.cn)

## Past Events

### Luncheon with Delegates from the US Embassy: Beijing

5 June – The Astor Hotel

On 5 June, a special luncheon, with delegates from the U.S. Embassy in Beijing, was held for AmCham China, Tianjin, members over a 4-course lunch at The Astor Hotel in Tianjin.

Delegates included Robert Wang, Deputy Chief of Mission, and Gregory S. D'Elia, Provincial Outreach Coordinator of the US Embassy. Robert Wang shared his view on recent China US relations and many other topics that members are very interested in.



## Upcoming Events:

### AmCham China Tianjin's Annual US Independence Day Celebration

4:30 - 8:30 PM, Sunday, 1 July,  
- 18th floor courtyard of The St. Regis Tianjin

Gather your family, friends, and colleagues and join AmCham China Tianjin for our yearly Fourth of July celebration! This holiday means plenty of food, fun, and entertainment for one and all!

### AmCham China, Monthly Tianjin Executive Breakfast Briefing

7:15 - 9:00 AM, Thursday, 19 July  
- The Westin Tianjin

This event is a great opportunity to meet the members of our Executive Committee and be involved in the Tianjin professional community. The goal of this executive breakfast is to increase networking opportunities and information sharing with executives of various companies, all the while enjoying a delicious breakfast at a great price!

### AmCham China, Monthly Tianjin Women's Professional Committee (WPC) Executive Lunch

12:00-2:00 PM, Thursday, 26 July  
- Qing Wang Fu

The WPC aims to reach out to working and non-working women in Tianjin to make Tianjin a better place to work and live. Through such regular get-togethers, we hope to strengthen the business and friendship ties amongst ladies.

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)

## Event review:



### Seminar - Energy Management Systems (EnMs) and Green Building Solutions 能源管理系统及建筑节能解决方案

Tuesday, 5 June, 2012

In TEDA Eco Center, at the first Low-Carbon Economy Promotion Agency, working in the area of environmental protection and energy conservation in China, over 20 participants spent valuable time with Mr. Wenxuan Dou from TÜV SÜD concerning setting up EnMs and Mr. Zhidan Wang from Honeywell in the field of BEMs.

Intensive competition in the global market and the risk of climate change has led to greater challenges for local enterprises, including the rising costs of energy, materials, production, and operation as well the need to practice corporate social responsibility. Identifying ways to improve energy efficiency, establish comprehensive energy management systems, and enhance corporate competitiveness and influence is critical for Chinese enterprises.

Owners and tenants of non-domestic buildings are under mounting pressure to cut their energy usage and carbon emissions. They are faced with the prospect of higher utility prices and ever more stringent regulations, not to mention public and stakeholder demands that they show high standards of corporate social responsibility. The first priority for hard-pressed energy and facilities managers is nothing else than developing their building energy management system. The principal role of a BEM is to regulate and monitor heating, ventilation, and air conditioning, and often lighting too. A BEM can efficiently control as much as 84% of a building's energy usage. By applying a range of control and monitoring routines, both simple and sophisticated, it is capable of operating building services in strict accordance with demand, thereby avoiding unnecessary use of energy.



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

# Chamber Report



Every spring, BenCham brings people together for an entertaining night of fine food and swinging music. This year, the gala took place on 26 May, at the Marriot Northeast in Beijing.

Everyone went home a winner from our lucky draw, and our affiliated charities were pleased with the evening, raising both money and awareness for their organisations. We want to thank "The Phenomenon" Boogie Boy, the band, and N8N for creating a fantastic atmosphere and bringing everybody to the dance floor.

We also want to give a big thank you to the guests and sponsors for making this great party happen!



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 Email: [cpeere@bencham.org](mailto:cpeere@bencham.org) - Website: [www.bencham.org](http://www.bencham.org)

## SingCham Tianjin Chapter Professional Ladies' Networking Lunch

SingCham Tianjin Chapter held the first Professional Ladies' Networking Lunch at the well-known Qing Wang Fu on 8 June 2012. It was a good platform for ladies to get to know one another both in both business and social circles.

Nearly 20 professional ladies from government agencies and industries as varied as consulting, hotels, legal firms, design, and real estate chatted whilst soaking in the sun and enjoying the specially prepared food.

We warmly welcome you to join us!



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# China Capital, Global Growth



China Global Outbound Investment Summit 2012 was held on 15 June at Kerry Hotel in Beijing. Approximately 400 distinguished guests from government and academia, top 100 China SOEs (State Owned Enterprise), private companies, financial institutions, and investment funds, as well as international investment banks, law firms, accounting firms, and other service providers, joined the summit.

Mr. Li Tong, Secretary General of China Enterprise Forum, welcomed the attendees with an opening speech. The theme of the summit was, "China Capital, Global Growth", in light of the world's economy transitioning from the old model

of, "China Manufacturing, US and European Consumption", to the new model of, "China Investment, Global Consumption". In 2011, China global outbound investment and M&A's grew to USD 43 billion, a 12% growth year over year, encompassing energy, mining, agriculture, infrastructure, financial services, auto, luxury brands, high-end manufacturing, pharmaceuticals, medical, health care, real estate, and high-end travel properties in 28 fields and 52 countries. At the same time, the assets under management of China Investment Corp (CIC) reached USD 400 billion, and China's national foreign-exchange reserve grew to USD 3.1 trillion, making China the world No. 1 in foreign reserves.

The discussed topics of the summit were "The Globalisation of Chinese Enterprises", "New Banking Policies for Outbound Investment and M&A", "New Opportunities in Global Energy and Mining", "New Thinking on Chinese Company Going Global", and "How to Build a Global Brand".

An award ceremony was held during the dinner where a series of awards were issued, Standard Bank receiving the award of "Best Investment Bank", Merchant Bank getting "Best Offshore Bank", King & Wood PRC Lawyers winning "Best Law Firm", Ernst & Young (China) won "Best Accounting Firm", Hill+Knowlton Strategies received "Best Public Communication Firm", and Towers Watson was named "Best Human Resource Company".



1. Panel Discussion 2. Summit Attendees 3. Best Investment Bank - Standard Bank  
 4. Best Public Communication Firm - Hill+Knowlton Strategies 5. Best Law Firm - King & Wood PRC Lawyers  
 6. Best Human Resource Company - Towers Watson 7. Best Accounting Firm - Ernst & Young (China)

Photo by Meng Yu

## Renaissance Hotel's "Get Out & Discover" Global Campaign

On June 7, 2012, Renaissance Hotels officially asked their hotel guests to "get out" of their hotel rooms...and discover. For one incredible day, 152 Renaissance properties in 34 destinations around the world encouraged more than 30,000 of their hotel guests to leave their rooms to get out and discover unforgettable moments at the hotel through unexpected onsite activities and fascinating local experiences. The global "Get Out & Discover" initiative was created to bring to life the brand's core mission, as seen in the first-ever global advertising campaign, "Live Life to Discover."

In Tianjin, Renaissance hotel guests experienced local "Get Out & Discover" activities that vibrantly reflected the abundant and rich culture Tianjin has to offer. In Renaissance Sanya Resort and Spa, however, the spirit of the tropics was all over the hotel as a live performance was held with cool cocktails served as a treat for hotel guests.



Renaissance Tianjin Downtown Hotel



Renaissance Tianjin Lakeview Hotel



Renaissance Tianjin TEDA Convention Centre Hotel



Renaissance Sanya Resort & Spa

## Tianjin Kerry Centre "Tianjin Arcadia Court" Exhibition Centre Opens to Public



On 28 May, Tianjin Kerry Centre "Tianjin Arcadia Court" Exhibition Centre Opening Ceremony was officially held at its exhibition centre located at the junction of Jiefang Bei Lu and Baoding Dao, Heping District. Mr. Liu Dongshui, Vice Director of Tianjin Commission of Commerce, Mr. Khoon-tsen Kuok, General Manager of Tianjin Kerry Real Estate Development Co., Ltd., distinguished guests and Tianjin's mainstream Media attended the ceremony.

Tianjin Arcadia Court covers an area of around 180,000 square meters. It comprises of three 200 meter high-rise buildings facing the Haihe River, and contains approximately 1,126 well appointed units. Surrounded by various living facilities as well as an excellent transportation network, Tianjin Arcadia Court is designed to meet the ever growing demands and requirements of modern, urban family life.



Book Review

## FAT CHINA – How Expanding Waistlines are Changing A Nation

Reviewed by Keith Crane

While much has been written about China's economic development and opening up over the past 30 plus years, little has been written about one of the alarming side effects. It's one that's a must-read for employers, not just in Tianjin, but across the country, if they're concerned about their own bottom lines. It's the weight of their Chinese employees that should bother them.

Long-term British researchers, Paul French and Matthew Crabbe, don't mince words in their analysis of a startling, growing number of overweight and obese people along the eastern seaboard. As incomes have risen, tastes for western diets have grown, and so have people's waistlines.

It's a complicated picture, and the authors are careful (as much, maybe for fear of litigation) to not just blame fast food giants such as Mc Donald's and KFC. Although, they do tell an interesting sub-story about how both have tried to win the stomachs and minds of the Chinese.

In detail, it's how urbanisation has grown, rural farming has slumped,

wet markets in cities have been replaced by supermarkets, and major food giants have managed to change a nation of tea drinkers into coffee drinkers, and create a huge dairy industry in a previously lactose intolerant population. The one-child policy brings its own issues with doting, increasingly wealthy parents and grandparents, allowing that one offspring to eat and drink to their fill.

I remain at odds with them over Shenzhen, a city a I lived in for three years, which had more wet markets built into its infrastructure than where I live now in Beijing. However, the overall picture, and its consequences, they paint are at times horrifying.

Take the levels of obesity among schoolchildren, which is already leading to surgery, with liposuction becoming increasingly common.

French and Crabbe look at what this growing crisis means for the country and its healthcare system, as obesity leads to increasing levels of associated disorders: heart problems, diabetes, hypertension, and strokes; a real wake up call to act.

The authors offer no real solution, but



Language: English  
Paperback: 250 pages  
Price: £16.99 + Shipping

hope a better educated middle class may wake up to the crisis, and change its lifestyle before it's too late.

Interestingly, while reading the book at work, my Chinese colleagues looked at me accusingly, and even asked "Why? Surely people in Europe and the US are fatter?" "Yes," I replied, "but this book says you're getting fatter at twice the rate we did."

That's the lesson to learn.

FAT CHINA is published by Anthem Press.

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

You don't get in life what you want; you get in life what you are.

----- Les Brown

Love takes off masks that we fear we cannot live without and know we cannot live within.

----- James Baldwin

Sports do not build character. They reveal it.

----- John Wooden

What we call the secret of happiness is no more a secret than our willingness to choose life.

----- Leo Buscaglia

## JULY 2012 TIANJIN & BEIJING EVENTS

### Special Days:

1 July Anniversary Day of Hong Kong's Reversion  
7 July Xiǎo Shǔ (Slight Heat)  
11 July World Population Day  
22 July Dà Shǔ (Great Heat)

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

**01**  
**SUN**  
星期日

**AmCham China Tianjin's Annual US Independence Day Celebration**  
 ⬆️ Courtyard at the 18F of the St. Regis Tianjin  
 天津瑞吉金融街酒店18层空中花园  
 ⌚ 16:30-20:30  
 ¥ Member adults: CNY 200  
 Non Member adults: CNY 350  
 Children between 4-12: CNY 100  
 Children under 4: Free  
 ✉️ [amandahe@amchamchina.org](mailto:amandahe@amchamchina.org)

**06**  
**FRI**  
星期五

**BBC National Orchestra of Wales Concert**  
 BBC威尔士国家交响乐团音乐会  
 ⬆️ Tianjin Grand Theatre  
 天津大剧院  
 ⌚ 19:30  
 ¥ 180 / 280 / 480  
 680 / 880 / 1080

*Editor's pick*



**03**  
**TUE**  
星期二

**Beijing International Packaging Fair**  
 北京国际包装博览会  
 ⬆️ 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)  
 ⌚ 09:30-16:30  
 3-6 July

*Editor's pick*



**07**  
**SAT**  
星期六

**String Quartet Concert**  
 心灵随想——弦乐四重奏音乐会  
 ⬆️ Western Shore Art Gallery  
 西岸艺术馆  
 ⌚ 20:00  
 ¥ 100  
 ☎️ +86 22 2326 3505

**11**  
**WED**  
星期三

**Construmat China**  
 中国国际精品建筑装饰博览会  
 ⬆️ 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)  
 ☎️ +43 93 2332 000  
 11-13 July

**05**  
**THU**  
星期四

**Sino-US Women's Volleyball Competition**  
 2012“渤海银行杯”  
 中美超级女排对抗赛  
 ⬆️ Tianjin People's Stadium  
 天津人民体育馆  
 ⌚ 15:30, 19:30  
 ¥ 50 / 80  
 5-7 July

*Editor's pick*



**Taiwan Trade Fair 台湾名品展**  
 ⬆️ Tianjin Meijiang Convention Centre 天津梅江会展中心  
 ☎️ +86 22 8838 3311  
 5-8 July



**12**  
**THU**  
星期四

**Concert by Chinese Guqin Masters**  
 琴汇——中国古琴大师雅集  
 ⬆️ Tianjin Grand Theatre  
 天津大剧院  
 ⌚ 19:30  
 ¥ 50 / 80 / 120 / 180 / 280 / 380

*Editor's pick*



**TICC Coffee Mornings! 咖啡时光**  
 ⬆️ Costa Coffee, Magnetic Plaza (opposite McDonalds)  
 南开区时代奥城 Costa Coffee  
 ⌚ 10:00  
 ✉️ [ticc\\_09@hotmail.com](mailto:ticc_09@hotmail.com)

**12**  
**THU**  
星期四

**China (Beijing) International Exhibition on Furniture Home Fashion & Decoration**  
 中国(北京)国际时尚家居装饰展览会  
 ⬆️ 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)  
 12-14 July



**13**  
**FRI**  
星期五

**Beijing International Jewellery Fair**  
 国际珠宝展  
 ⬆️ China World Trade Center,  
 No.1 JianGuoMenWai Avenue, Beijing  
 国贸中心(建国门外大街1号)  
 ⌚ 09:30-17:00  
 13-16 July



**14**  
**SAT**  
星期四

**Ukraine Children Ballet Drama - Cinderella**  
 浪漫童话盛典  
 乌克兰少儿芭蕾舞团芭蕾舞剧《灰姑娘》  
 ⬆️ Beijing Poly Theatre 保利剧院  
 ¥ 50-500  
 ☎️ 400-610-3721

**16**  
**MON**  
星期一

**Shoes From Italy**  
 ⬆️ Grand Millenium Hotel 北京千禧大酒店  
 ⌚ 10:00-18:00  
 16-17 July



**19**  
**THU**  
星期四

**AmCham China, Tianjin Monthly Executive Breakfast Briefing**  
 ⬆️ The Westin Tianjin Hotel  
 天津威斯汀酒店  
 ⌚ 07:15-09:00  
 ¥ Cardholding members: CNY 60  
 Employee of member companies: CNY 100  
 Non-members: CNY 150  
 ✉️ [amandahe@amchamchina.org](mailto:amandahe@amchamchina.org)

**25**  
**WED**  
星期三

**The International Symposium on Society, Technology, Education and Politics**  
 社会、科技、教育、政治国际研讨会  
 ⬆️ The Presidential Beijing,  
 No.9 Fuchengmenwai Road, Xicheng District  
 北京国宾酒店(西城区阜城门外大街9号)  
 ✉️ [www.isstep.org](http://www.isstep.org)  
 ✉️ [info.isstep@isstep.org](mailto:info.isstep@isstep.org)  
 25-28 July

*Editor's pick*

**26**  
**THU**  
星期四

**AmCham China, Tianjin Monthly Women's Professional Committee Executive Lunch**  
 ⬆️ Qing Wang Fu 庆王府  
 ⌚ 12:00-14:00  
 ✉️ [amandahe@amchamchina.org](mailto:amandahe@amchamchina.org)

**International Mobile Phone Industry Exhibition & Forum**  
 国际手机产业展览会暨首届中国数字信息应用大会  
 ⬆️ Binhai International Convention & Exhibition Centre  
 滨海国际会展中心  
 26-27 July

**27**  
**FRI**  
星期五

**The Butterfly Lovers: Sheng Zhongguo and Seta Hiroko Concert**  
 梁祝——盛中国瀨田裕子  
 钢琴小提琴名曲音乐会  
 ⬆️ Tianjin Grand Theatre  
 天津大剧院  
 ⌚ 19:30  
 ¥ 50 / 80 / 120 / 180  
 280 / 380

*Editor's pick*



**First Winoly Cup - Manchester City VS. Arsenal**  
 首届圣殿杯英超足球挑战赛(曼城VS阿森纳)  
 ⬆️ The National Stadium  
 国家体育场(鸟巢)  
 ⌚ 20:00  
 ¥ 380-2012



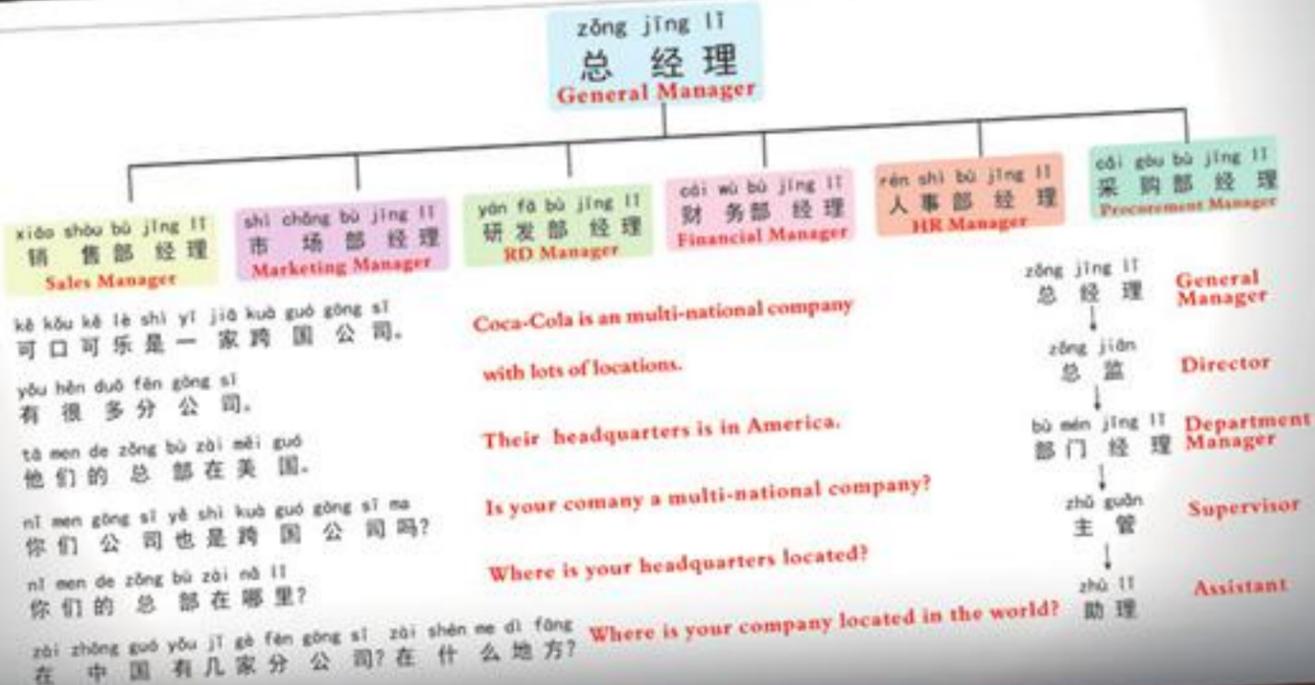
# 我找市场部陈经理

May I speak with Mr. Chen of Marketing Department?



## gōng sī zǔ zhī jié gòu 公司组织结构 Company Organization Structure

NO.01



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kè hù bài fǎng  
客户拜访 Client Visit

nín hǎo qǐng wèn nín zhǎo shuí  
— 您好! 请问, 您找谁?  
— Hello, Can I help you?

wǒ zhǎo wáng zǒng  
— 我找王总。  
— May I speak with Mr. Wang?

nín shì nǎ ge gōng sī de  
— 您是哪个公司的?  
— May I ask who you are?

wǒ shì dà huá gōng sī de lǐ wén zhōng  
— 我是大华公司的李文忠。  
— I am Li Wen Zhong from Da Hua Company.

qǐng děng yí xià  
— 请稍等一下。  
— Please wait a moment.

wáng zǒng chī fàn qù le hái méi huí lái  
— 王总吃饭去了, 还没回来。  
— Mr. Wang went to have lunch and hasn't come

tā zhī dào nín yào lái ma  
他知不知道您要来吗?  
back yet. Did you make an appointment with him?

tā zhī dào wǒ lái yǐ qián gěi tā dǎ guò  
— 他知道我以前给他打过  
— Yes, I called him before I came here. We have a

diàn huà de wǒ men yí diǎn bàn kāi huì  
电话的, 我们一点半开会。  
meeting at 1.30pm.

ò nà nín děng yí xià ba tā hěn kuài jiù huí  
— 哦, 那您等一下吧, 他很快就会  
— Oh, please wait a moment. He will come

huí lái.  
回来。  
back soon.

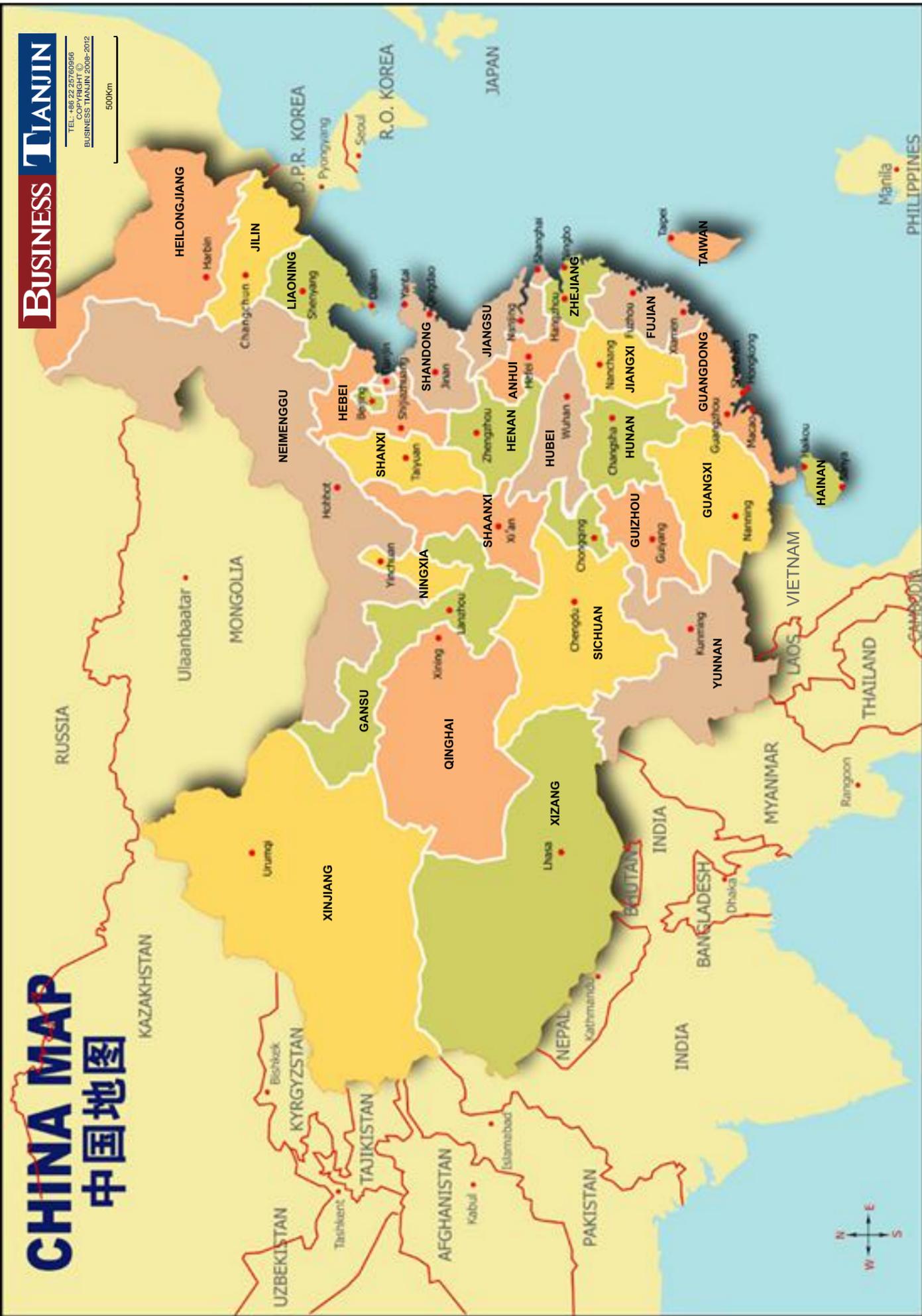
hǎo de  
— 好的。  
— Okay.



zǎo shàng hǎo dà huá gōng sī  
— 早上好, 大华公司。  
zǎo shàng hǎo wǒ zhǎo chén jīng lǐ  
— 早上好, 我找陈经理。  
qǐng wèn nín shì nǎ wèi  
— 请问, 您是哪位?  
wǒ shì tài píng yáng bǎo xiǎn gōng sī de  
— 我是太平洋保险公司的  
wáng yù huá  
王玉华。  
qǐng shào děng  
— 请稍等。  
diàn huà jiāo liú  
电话交流

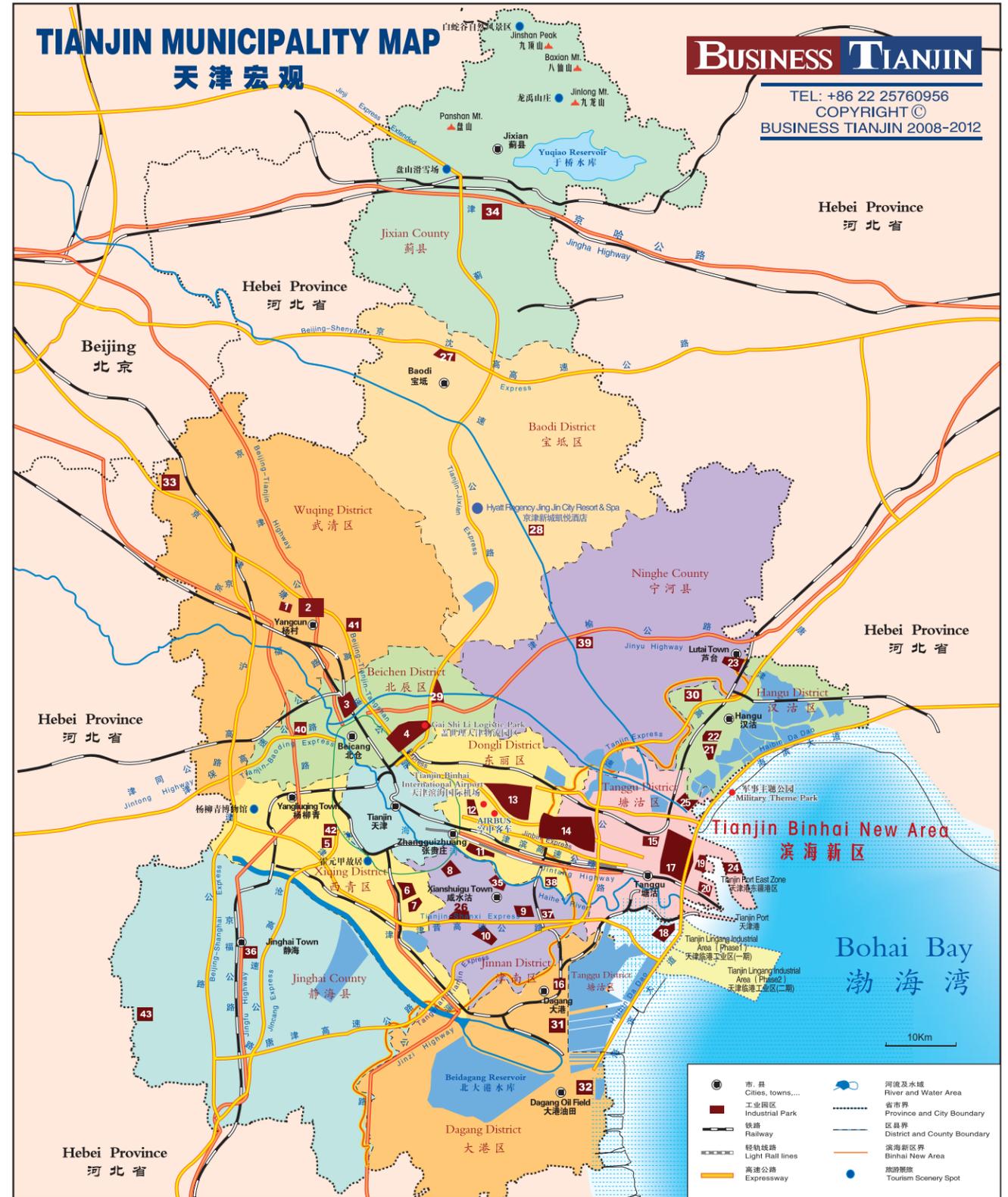
Good morning, Da Hua Company.  
Good morning, May I speak with Mr. Chen?  
May I know your name please?  
This is Wang Yu Hua from Pacific Insurance Company.  
Hold on, please.  
**Telephone Conversation**

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**Tianjin Industrial Parks & Economic Development Areas**

**TIANJIN MUNICIPALITY MAP**  
**天津宏观**



**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>天津港保税区                | 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>天津高新技术产业园区华苑产业区 | 14 TEDA West<br>天津经济技术开发区(西区)                                       | 23 Ninghe Economic Development Area<br>宁河经济开发区           | 32 Tianjin Dagang Petrochemical Industrial Area 天津大港石化产业园区           |
| 6 Xiqing Development Area<br>西青开发区  | 15 Dagang Development Area<br>塘沽开发区                                 | 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>塘沽国家海洋高新技术开发区 | 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 Jinghai Economic Development Area 天津静海经济开发区               |
| 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 Jinnan Economic Development Area 天津津南经济开发区                |
|   |   |  | 37 Tianjin Junliangcheng Industrial Park 天津军粮城工业园区                   |
|   |   |  | 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@business-tianjin.com  
(1=Mon, 2=Tue, 3=Wed, 4=Thu, 5=Fri, 6=Sat, 7=Sun)

## From Tianjin

DEST	DEP	ARR	Flight No	Days
Seoul*	11:20	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
	18:00	18:40	KE033	2,4,6.
Washington, D.C.	10:30	11:10	KE093	1234567
New York	10:20	11:35	KE081	1234567
	19:30	20:40	KE085	1234567
Honolulu	19:00	08:20	KE051	1234567
	21:00	10:05	KE053	1234567
Vancouver	18:50	12:35	KE071	1234567
Toronto	10:00	10:15	KE073	23.567
Sao Paulo	21:35	10:45	KE061	1,3,5..



\* 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.

## 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
	13:15	16:55+1	KE036	1234567
Washington, D.C.	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.

## 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

¥83 one way

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

04:00-18:00, runs every hour. Tian Huan Distance Bus Passenger Station The junction of Hongqi Lu and Anshan Xi Dao. Tel: +86 2305 0530

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

07:00, 08:00, 09:00, 10:00 then every 30 minutes until 23:00. Exit on the 1st floor at Gate 15 / Terminal 2 and Gate 1 / Terminal 3. Tel: +86 10 6455 8718

### TEDA-BEIJING AIRPORT Shuttle Bus

¥90 one way

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

06:45, 08:45, 14:45, 17:15. 1st Avenue, TEDA. Tel: +86 22 6620 5188

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

10:30, 13:00, 18:30, 20:30. Exit on the 1st floor at Gate 15 / Terminal 2 and Gate 1 / 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
Tianjin South Station	08:44	Shanghai Hongqiao	06:58	855	370	799
Tianjin West Station	10:09	Shanghai Hongqiao	04:59	870	510	
G41	07:05	Shanghai Hongqiao	05:07	855	515	
G129	12:45	Shanghai Hongqiao	04:48	855	510	
G145	15:12	Shanghai Hongqiao	04:54	870	510	
G211	12:11	Shanghai Hongqiao	05:14	870	515	
G21	14:26	Shanghai Hongqiao	05:02	515		

## 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 baggage information.

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**TIANJIN**

**Chinese**

**China Station**

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**T:** +86 22 2457 8888  
中国站  
河东区新开路66号天津天诚丽笙世嘉酒店2层

**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号天津新城凯悦酒店



**Qing Wang Fu**

**A:** No. 55, Chongqing Road Heping District  
**T:** +86 22 8713 5555  
+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**

**A:** 6F, Hotel Nikko Tianjin No. 189, Nanjing Lu, Heping District  
**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**  
**A:** 2F, The St. Regis Tianjin, No. 158 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 5921 1234  
碧泉茶园  
宝坻区周良庄珠江大道8号天津新城凯悦酒店

**Seitaro**

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河西区紫金山路喜来登大酒店

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**YY Beer House**

(Behind International Building)  
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和平区澳门路3号(国际大厦后侧)

**Western**



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**T:** +86 187 2229 0691  
**E:** tianjin@aulare.com  
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**T:** +86 22 8713 5555  
**E:** info@qingwangfu.com  
**W:** qingwangfu.com  
庭悦咖啡  
和平区重庆道55号庆王府院内



**Brasserie Flo Tianjin**

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**T:** +86 22 2662 6688  
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号天津新城凯悦酒店

**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**

**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  
**T:** +86 22 8319 8888 ext. 3570  
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天津市开发区第二大街二号楼东方名居底商8号  
Tel:022-65399899  
Hours:9:00-20:00

**Bin Xi Wine Shop**  
No.187 Binshui West Rd., Nankai District, Tianjin  
天津市南开区滨水西道187号  
Tel:022-23372116  
Hours:10:00-22:00

**Rong Ye Wine Shop**  
No.175 Rongye Avenue, Heping District, Tianjin  
天津市和平区荣业大街175乙  
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**DINING**

**Bars**

**China Bleu**

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**T:** +86 22 2321 5888  
中国蓝酒吧  
南京路219号天津唐拉雅秀酒店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 No. 33, Tai'er Zhuang Lu Heping District  
**T:** +86 22 2331 1688 ext. 8919  
海维尔  
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



**The St. Regis Bar**

**A:** 1F, The St. Regis Tianjin. No. 158 Zhang Zizhong Road, Heping District  
**T:** +86 22 5830 9958  
瑞吉酒吧  
和平区张自忠路158号天津瑞吉金融街酒店一层

**Accounting**



**Tianjin Office:**

**A:** Unit 2901 - 104 The Exchange Tower 2 No.189, Nanjing Lu Heping District  
**T:** +86 22 2318 5056  
**F:** +86 22 2318 5001  
**E:** tianjin@lehmanbrown.com  
天津市和平区南京路189号津汇广场 2座29层2901 - 104室

**Beijing Office:**

**A:** 6/F, Dongwai Diplomatic Building No. 23, Dongzhimenwai Dajie 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:**

**A:** Room 1501 & 1504, WanTai International Building, No.480, North Urumqi Lu 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

**Education**

**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  
河西区洒水道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  
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**Hotels & Apartments**

★★★★★ Hotels



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**A:** No.55 Zhongxin Avenue Airport 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

**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 5921 8888  
天津天诚丽笙世嘉酒店  
河东区新开路66号

**Tangla Hotel Tianjin**

**A:** No. 219, Nanjing Lu, Heping District  
**T:** +86 22 2321 5888  
天津唐拉雅秀酒店  
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  
河西区滨水道16号



**Sheraton Tianjin Hotel**

**A:** Zi Jin Shan Lu, Hexi District  
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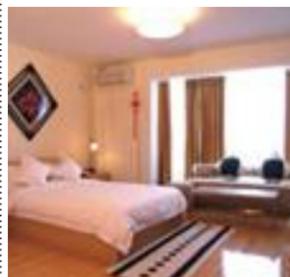
**The St. Regis Tianjin**  
**A:** No. 158, Zhangzizhong Road Heping district  
**T:** +86 22 5830 9999  
 天津瑞吉金融街酒店  
 和平区张自忠路158号



**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**  
 SERVICE RESIDENCE  
 威盛服务公寓

**Somerset International Building Tianjin**  
**A:** No. 75, Nanjing Lu Heping District  
**T:** +86 22 2330 6666  
 天津威盛国际大厦服务公寓  
 和平区南京路75号

**Somerset Olympic Tower Tianjin**  
**A:** No. 126, Chengdu Dao Heping District  
**T:** +86 22 2335 5888  
 天津威盛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  
 天津威盛友谊服务公寓  
 河西区友谊路35号

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**The Lakeview, Tianjin-Marriott Executive Apartments**  
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**T:** +86 22 5822 3322  
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 河西区宾水道16号

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**E:** info@qingwangfu.com  
**W:** qingwangfu.com  
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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  
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**T:** 400 120 1205  
**W:** www.regus.cn  
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**E:** [info@thestarstravel.com](mailto:info@thestarstravel.com)

**Spas**

**Green Bamboo Well Being Resort**  
**A:** 6-17, bldg. 17, Magnetic Capital Binshui Xi Dao, Nankai District  
**T:** +86 22 8378 8397 (English)  
 +86 136 0205 9458 (Attn: Elsa)  
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 时代奥城商业广场17座6层17号

**Hospitals**



**Tianjin International SOS Clinic**  
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**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**



**Tianjin United Family Hospital**  
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**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

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**GLO Fitness & Health Club Swimming Pool**  
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**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**  
**A:** 4F, Health Club, Holiday Inn 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 No. 29, 2nd Avenue, TEDA  
**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**  
**A:** 1F, Sheraton Tianjin Binhai Hotel No. 50, 2nd Avenue, TEDA  
**T:** +86 6528 8888 ext. 6210  
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 开发区第二大街50号  
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**T:** +86 22 2532 2078  
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**Education**



**TEDA International School**  
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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



**RENAISSANCE TIANJIN TEDA CONVENTION CENTRE HOTEL**  
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**T:** +86 22 6621 8888  
 天津万丽泰达酒店及会议中心  
 开发区第二大街29号

**HOTEL**



**Sheraton Tianjin Binhai Hotel**  
**A:** No. 50, 2nd Avenue, TEDA  
**T:** +86 22 6528 8888  
**F:** +86 22 6528 8899  
 天津滨海喜来登酒店  
 开发区第二大街50号  
<http://sheraton.com/tianjinbinhai>

**Spas**

**Touch Spa**  
**A:** 2F, Renaissance Tianjin TEDA Hotel & Convention Centre No. 29, 2nd Avenue, TEDA  
**T:** +86 22 6570 9504  
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# Must See Medal Events of the London 2012 Olympic Games

Olympic Games 27 July - 12 August

Full schedule	July						August											
	Wed 25	Thu 26	Fri 27	Sat 28	Sun 29	Mon 30	Tue 31	Wed 1	Thu 2	Fri 3	Sat 4	Sun 5	Mon 6	Tue 7	Wed 8	Thu 9	Fri 10	Sat 11
Opening and Closing Ceremonies	★ Opening Ceremony						Closing Ceremony ★											
<b>Archery</b>	28 Jul Men's Team						2 Aug Women's Individual											
	29 Jul Women's Team						3 Aug Men's Individual											
<b>Athletics</b>	9 Aug Men's 800m / Men's Triple Jump / Men's 200m / Men's Decathlon / Women's Javelin Throw						11 Aug Men's 50km Walk / Women's 20km Walk / Men's 5000m / Women's 800m / Women's 4x400m Relay / Men's Javelin Throw / Men's 4x100m Relay / Women's High Jump											
	7 Aug Men's 1500m / Men's Discus Throw / Men's High Jump / Women's 100m Hurdles						12 Aug Men's Marathon											
	5 Aug Women's Marathon / Women's Triple Jump / Women's 400m / Men's 3,000m Steeplechase / Men's Hammer Throw / Men's 100m						10 Aug Women's 5000m / Women's 4x100m Relay / Women's Hammer Throw / Women's 1500m / Men's 4x400m Relay / Men's Pole Vault											
	3 Aug Men's Shot Put / Women's 10,000m						8 Aug Women's 400m Hurdles / Women's 200m / Men's 110m Hurdles / Women's Long Jump											
	4 Aug Men's 20km Walk / Women's Discus Throw / Women's Heptathlon / Men's Long Jump / Men's 10,000m / Women's 100m						6 Aug Women's Shot Put / Men's 400m Hurdles / Women's 3,000m Steeplechase / Men's 400m / Women's Pole Vault											
<b>Badminton</b>	4 Aug Women's Doubles / Women's Singles						3 Aug Mixed Doubles											
	5 Aug Men's Singles / Men's Doubles																	
<b>Basketball</b>							11 Aug Women's Basketball											
							12 Aug Men's Basketball											
<b>Beach Volleyball</b>							8 Aug Women's Beach Volleyball											
							9 Aug Men's Beach Volleyball											
<b>Boxing</b>	12 Aug Men's Fly (52kg) / Men's Light (60kg) / Men's Welter (69kg) / Men's Light Heavy (81kg) / Men's Super Heavy (+91kg)						9 Aug Women's Fly (51kg) / Women's Light (60kg) / Women's Middle (75kg)											
	11 Aug Men's Light Fly (49kg) / Men's Bantam (56kg) / Men's Light Welter (64kg) / Men's Middle (75kg) / Men's Heavy (91kg)																	
<b>Canoe Slalom</b>	1 Aug Men's Kayak						31 Jul Men's Canoe Single											
	2 Aug Men's Canoe Double / Women's Kayak																	
<b>Canoe Sprint</b>	8 Aug Men's Kayak Single 1000m / Men's Canoe Single 1000m / Men's Kayak Double 1000m / Women's Kayak Four 500m						9 Aug Men's Canoe Double 1000m / Men's Kayak Four 1000m / Women's Kayak Single 500m / Women's Kayak Double 500m											
	11 Aug Men's Kayak Single 200m / Men's Canoe Single 200m / Women's Kayak Single 200m / Men's Kayak Double 200m																	

Full schedule	July						August											
	Wed 25	Thu 26	Fri 27	Sat 28	Sun 29	Mon 30	Tue 31	Wed 1	Thu 2	Fri 3	Sat 4	Sun 5	Mon 6	Tue 7	Wed 8	Thu 9	Fri 10	Sat 11
<b>Cycling - BMX</b>							10 Aug Women's BMX / Men's BMX											
<b>Cycling - Mountain Bike</b>							11 Aug Women's Mountain Bike											
							12 Aug Men's Mountain Bike											
<b>Cycling - Road</b>	28 Jul Men's Road Race						29 Jul Women's Road Race											
							1 Aug Women's Individual Time Trial / Men's Individual Time Trial											
<b>Cycling - Track</b>	2 Aug Women's Team Sprint / Men's Team Sprint						4 Aug Women's Team Pursuit											
							3 Aug Men's Team Pursuit / Women's Keirin											
							5 Aug Men's Omnium											
							6 Aug Men's Sprint											
							7 Aug Women's Omnium / Men's Keirin / Women's Sprint											
<b>Diving</b>	30 Jul Men's Synchronised 10m Platform						1 Aug Men's Synchronised 3m Springboard											
	29 Jul Women's Synchronised 3m Springboard						31 Jul Women's Synchronised 10m Platform											
							7 Aug Men's 3m Springboard											
							5 Aug Women's 3m Springboard											
							9 Aug Women's 10m Platform											
<b>Equestrian</b>	31 Jul Team Eventing / Individual Eventing						7 Aug Team Dressage											
							6 Aug Team Jumping											
							8 Aug Individual Jumping											
<b>Fencing</b>	30 Jul Women's Individual Epee						1 Aug Men's Individual Epee / Women's Individual Sabre											
	28 Jul Women's Individual Foil						3 Aug Men's Team Sabre											
	29 Jul Men's Individual Sabre						2 Aug Women's Team Foil											
							31 Jul Men's Individual Foil											
							4 Aug Women's Team Epee											
							5 Aug Men's Team Foil											
<b>Football</b>							10 Aug Men's Football											
							9 Aug Women's Football											
							11 Aug Men's Football											
<b>Gymnastics - Artistic</b>	1 Aug Men's Individual All-Around						2 Aug Women's Individual All-Around											
	30 Jul Men's Team						31 Jul Women's Team											
							5 Aug Men's Floor Exercise / Women's Vault / Men's Pommel Horse											
							6 Aug Men's Rings / Women's Uneven Bars / Men's Vault											
							7 Aug Men's Parallel Bars / Women's Beam / Men's Horizontal Bar / Women's Floor Exercise											
<b>Gymnastics - Rhythmic</b>							12 Aug Group All-Around											
							11 Aug Individual All-Around											



# Keep it Simple, Stupid

By Christopher Ribeiro



Recently, I had dinner at Pizza Bianca with my fiancé and two colleagues. One word sums up the experience: “Outstanding.” After dining there, it got me thinking, “Why can’t there be more places like this in Tianjin?” Now, this isn’t a restaurant review per se, (although I’m sure Pizza Bianca will be happy to receive the free press), but more of a commentary about what’s right with this particular venue versus what has gone wrong with other Western restaurants in Tianjin.

What separates an excellent restaurant from a mediocre one? Décor, service, and having a deep wine list all play critical roles; however, I’m not exactly going out on a limb by saying that the food is the most important element. It seems elementary, but serving consistently high-quality food is more elusive than it seems. After all, if it were so simple, why do so many restaurants serve mediocre or blatantly bad food? A restaurant having good food boils down to three points: always using fresh, high quality ingredients, simplicity, and consistency. Bianca meets all three requisites.

In regards to the first point, “fresh, high quality ingredients”, Bianca was a success. For starters we ordered the bruschetta and the arugula salad; our main courses were the t-bone, a rib eye with gorgonzola butter (incredible), an artichoke and onion pizza, and the lasagna. The tomatoes were ripe, the greens crisp, the onions perfectly caramelised, and the steaks were lightly seasoned and cooked to a true medium-rare. Finally, we ordered two servings of tiramisu for dessert. It was decadent, a heap of freshly whipped cream piled high over espresso soaked biscotti. Next time, my fiancé and I won’t share. She’ll have to order her own.

Moving on to point two, “simplicity”; the menu was one page and every item on that page was inviting. I don’t recommend you go to Bianca ravenously hungry, because you will inevitably order far more than you could possibly finish.

The third point, “consistency,” was quickly verified just three days later. I returned again and there was no variation from before. The most successful restaurants in the world

thrive on consistency alone. Look at McDonald’s for example: a Big Mac in Seoul is the same as a Big Mac in Atlanta. The food isn’t great, but at least you know what you’re getting. Bianca is no different, albeit with much better food.

Now that I’ve sufficiently raved about Bianca, let’s explore what has gone awry with other Western restaurants in Tianjin. Before we do, I think it’s important to understand the character of the city. Anyone that has traveled a fair amount probably wouldn’t rank Tianjin among other ‘world-class’ cities. Let’s call a spade a spade and appreciate Tianjin for what it is: a city on the rise, developing at breakneck speed, and constantly living in the shadow of its’ more metropolitan cousin to the north. However, Tianjin boasts a population of over twelve million people. A city this large, with such a diverse international community, ought to have a decent selection of restaurants if it’s going to be regarded as a modern and eclectic place to live or visit. Many restaurateurs have tried to achieve sustained success in the Tianjin market and almost an equal number have failed. Why?

Without naming names, I can say I’ve seen an unsettling trend with some of the better restaurants in the city. Most start with a specific vision which is usually chef-centric and focuses on a particular regional cuisine. What tends to happen, however, is that after a few months they begin to stray from this vision.

The first sign of trouble is when there is a noticeable, or sometimes very subtle, change to the ingredients. Usually, this is a cost reducing method, but often, its complacency. I remember when the owners of the steakhouse I managed in LA wanted to switch from fresh lobster bisque to a frozen one, the proverbial canary in a coal mine if I ever saw one. Once this problem starts, it will always continue to get worse before it gets better. Next, we were freezing our fish, serving a lower grade of steaks, and so on. If serving food made with the best ingredients is what underpins the success of an establishment, deviating from that concept will be the root cause of their eventual failure.

The next problem is when a restaurant overcomplicates things. “Keep it simple, stupid” is an adage to live by in the food service industry. Occasionally, restaurants make this mistake before they serve their first customer, offering foods of varying styles and cuisines. If I walk into an Italian restaurant with fajitas on the menu, my hopes won’t be high that the gnocchi is any good. Even worse is when a restaurant begins by offering a simple (focused) menu, then expands it in hopes of reaching a wider audience. There is an analogous phrase from the television industry which is fitting here, known as “jumping the shark”. If a restaurant tries to do something that is out of character, chances are they are heading rapidly towards the end.

**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.**

The last problem, which in a place like China can be unavoidable at times, is consistency. I’ve seen a few examples where a new restaurant opens in Tianjin to excellent reviews, and within six months is suffering from what we’ll just call “Italian Fajita Syndrome”. Often, the reason is because the chef that the restaurant concept was built around has left and the owners scramble to try to maintain their identity or carve out a new one. When this happens, the food quality suffers, and customers don’t know what to expect from one visit to the next. (As a side note, I’m sure it’s not easy to lure a chef worth his or her salt to Tianjin) Consistency can also suffer if ingredients can’t be sourced easily, which again, could be a potential problem for restaurants serving Western fare in China.



Ultimately, great restaurants know their identity. They typically do one thing, and do it really well. I’ll take my “one trick pony” style restaurant over Cheesecake Factory with its forty-page menu any day. So to Pizza Bianca and any other restaurant that comes to Tianjin, please take my advice and “Keep it simple, stupid.” The customers will keep coming back if you do. **B**

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# Châteauneuf-du-Pape

Trust you all have enjoyed some beautiful Chateau Mouton Rothschild and Chateau Cos d'Estournel over the month of June.

For July, as the summer months come into full swing and the temperature rises, I would like to introduce you to one of my favorite wine locales in the world, Châteauneuf-du-Pape.

Situated in the region of Provence, known worldwide for its breathtaking landscapes, aromatic herbs, and illustrious residents that include the Avignon Popes and Vincent Van Gogh to name a few, the small city of Châteauneuf-du-Pape is found.

First arriving in this small village in the spring of 2003 in an attempt to explore the diversity of the area, several friends accompanied me on this trip. Thirteen different

varietals were found in this 32 square metre enclave deep in the South of France paired with a myriad of scents, tastes, and the regions distinctive long bouquets, as we went on an array of tastings.

Grenache is the most widely used varietal in the region, followed by Syrah, and Mourvedre with a jam-like, spicy, and structured note respectively. Three types of soil can be found there with the most popular being that of rounds rocks or pebbles that capture the heat during the day and release it at night, thus allowing the fruit to ripe; in addition, the Mistral



Oscar Martinez, Director of Food & Beverage of The St. Regis Tianjin

(a strong, cold, and dry wind coming from the North/Northwest of France) intensifies the dry climate.

The results are, for the reds, a very earthy and gamy wine with hints of leather and a distinct spiciness that evolves as the wine ages. The white wines range from lean to oily, mineral to rich. Whilst the reds are meant to be kept in a cellar over time, two years at a minimum, the whites can be drunk young, although a seven year aging process will flourish very citric, exotic aromas.

For those looking to explore, these amazing wines can be tasted at Yan Ting paired with our Peking Duck, steamed Grouper, or seafood and tofu casserole. For a French experience, head over to Riviera for some torchon foie gras or duck leg confit; and to those of you looking for a leisurely meal, try the mushroom tossed pasta at Promenade. **B**

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**About Oscar Martinez:**

Oscar Martinez is the Director of Food & Beverage of The St. Regis Tianjin and a wine Aficionado. He is responsible for the entire operation of 3 restaurants, bars, banquet and in-room dining. Originally from Mexico, Oscar has experience in 3 continents in award-winning restaurants and hotels. He has spent the last 7 years in China at The St. Regis Beijing, The St. Regis Lhasa Resort and The St. Regis Shenzhen before coming to Tianjin. Oscar Martinez is a contributing columnist about wine notes & recommendations for Business Tianjin readers.



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