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Business Tianjin / August 2013

† Good Living at the Westin

tops most people's list. As one of the leading venues which represent the Starwood brand in the city, the Westin Tianjin is the perfect place to stay the night or to simply just visit in RUGHUWRHRWKHGVWIRRGGULQV DQIDFLOLWLHV7KHHVWLQVHFHWODSSRLQVHGJHSDQ PDQJHU0U8JH/HH.DGVSRNHWRRMHGLWRULDOWHDPDERWKRZKLVKRWHOPDLQVLDLQVWV hard earned position as the best hotel in town. [See P16](#)

% Turkish Airlines: Flying on the Wings of Excellence

Flying to over 234 destinations in 103 different FRWULHV 7XNLVK \$UOLGV GHVWLQVLRQV WZRUNLV RRIWKHODUJHVWLQVWKZRUOG HDGTUWHUHGDSWJUNUSRUWLQWDEW 7XNLVK \$UOLGV KDV EHHQ RRIWKHPRVW decorated and highest achieving airlines in recent years. [See P20](#)

% Product Placement: The Future of Advertisement

strengthen their brands and to build brand recognition. Large corporations spend millions of dollars a year to help finance big budget movies and other forms of entertainment. The new Superman movie, "Man of Steel", set a record this summer when it was reported that LWRRNLQ6PLOOLRQLD GLIHUHQ partners. [See P36](#)

% Leadership Agility: Thriving in Changing, Global Times

The world is constantly changing. To lead means that you need to be constantly adjusting and upgrading your leadership 'software'. Previously the rate of change was slower, occurred with differing intensities and with varying degrees of transparency in a much more divided, sometimes information starved and pre-internet closed borders world. [See P48](#)

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PUBLISHING DATE

August 2013

Business Tianjin is FREE

ONLY for Members

TEL: +86 22 2576 0956

ISSN 2076-3735

Dear Readers,

It has been a busy period for Chinese policymakers and business leaders.

Public debt levels are becoming a hot talking point. The current borrowing rates will result in cautious monetary and fiscal strategy for the remainder of the year.

This will add further pressure to businesses if the rates of inflation or the property market show signs of running too high and accordingly, the central bank raises the base rate. All of this amongst a backdrop of weaker growth would undoubtedly put more strain on the overall economic situation.

It has also been a time of significant socio-political changes in China. July saw some encouraging developments as the US and China held their most recent Strategic and Economic Dialogue (SED). Most analysts are saying that this meeting has consolidated a productive bilateral agenda between the world's two largest economic nations. There has also been the historic ruling of compensation for Tang Hui, whose campaign for justice and legal change has shifted the country's legal discourse towards a new direction. And of course, there is the ongoing case of US whistleblower Edward Snowden. The former military contractor has sparked one of the biggest worldwide diplomatic news stories of recent times.

We are in the middle of the summer, and the summertime experience. No place is better to dine, relax and experience elite, luxury hospitality than a five star hotel. This month's Cover Story brings you to an insightful conversation with the Westin Tianjin's energetic and incredibly passionate GM, Mr. Ugur Lee Kanbur. He emphasises the hotel's service philosophy which centres on the concept of wellness. During the exclusive visit and our ensuing dialogue we enticed to experience the wonderful service which makes the Westin Tianjin the best in the city.

We follow China's rapidly expanding transportation network in our Dialogue and Feature Story. We are very privileged to have been given the opportunity to speak to Mr. Veysel Tas, Turkish Airlines' General Manager in Beijing. This dynamic and highly capable leader is truly one of the 'high fliers' in the thriving airline's global management team. Having won the prestigious title of 'Best European Airline' three years in a row since 2010, Mr. Tas tells us how he and his team are implementing the company's new marketing and operations strategy as it rapidly expands within both the Chinese and global markets.

This month's Feature Story looks specifically at the future development of Tianjin's metropolitan transportation systems. Any city seeking to become a world class urban centre needs to have world class transportation networks. We assess the future enhancements that will upgrade the city's air, rail, road and maritime connections to the rest of China, Asia and the world.

As per usual, our readers can expect to find the most useful and well researched information in our monthly columns. We hope you will read our articles on Investment, HR, Marketing, Management and various other aspects of corporate operations. I am sure that you will gain some very useful knowledge that can be utilised by both you and your company.

For more information, please don't hesitate to go to our website

www.businesstianjin.com.

Best regards,

J. Hernan

Managing Director | Business Tianjin Magazine

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TIANJIN NEWS

Tianjin Port speeds up construction of eco-friendly port
Business Tianjin, 1 July

As the World No 4 port in terms of throughput, Tianjin Port has been dedicating itself to the building of an energy-efficient, environment-friendly port and following the intensive, intelligent, green and low-carbon development path while upholding the concept of “building ecological port, sharing blue sea and sky”. Tianjin port has been granted the “pilot unit of green and low-carbon port” by Ministry of Transportation of China and its plan for building green and low-carbon port has been evaluated by experts and funded by national special energy-saving subsidy. In the future, Tianjin Port will increase the utilization of renewable energy such as natural gas, solar and geothermal energy and further improve environment management, port green coverage and overall energy and environment management level. By 2017, an energy-efficient, environment-friendly, green and low-carbon port will have been basically completed.

Sheraton Tianjin Hotel enjoy the Asian Cuisine with Chef Li
Business Tianjin, 3 July

The grand opening of “ENJOY THE ASIAN CUISINE WITH CHEF LI—EXCITE YOUR LIFE WITH ECLECTIC FLAVOURS” was held by Sheraton Tianjin Hotel. Southeast Asia, Korea, Great China as the bases of the food stand in the journey. Chef Li as the Executive Chef of Sheraton Tianjin Hotel exhilarates you with a great moment to feel the gastronomical pursuit, to experience the culture around Asia, and to glimpse the passion of Asia Cuisine! The journey Gastronomic and traveling are two great loves of Chef Li. During the Asian tour, he collected and sorted food essences of DOOSLDQVVDWHVSWHU KL VUH QHPHQW DQG

St. Regis Tianjin was awarded the Hurun Presidential Award
Business Tianjin, 4 July

With more than 200 distinguished guests attending this award ceremony, the St. Regis Tianjin was awarded the Hurun Presidential Award for the Top Executive Suite in Tianjin. As the top brand of the Starwood Group, the St. Regis Tianjin is honored by this award chosen by the Hurun editorial and readers’ team and will continue to offer unsurpassed elegance DQG BZOHVV VHU YLFHDW WKH PRVW KRZYHWIG address in the city for the hallmark traits of the legendary St. Regis brand.

Tangla Hotel Tianjin bestowed with the “National Five-Leaves Green RWHOPHUWLDWL RQ
Business Tianjin, 5 July

Tangla Hotel Tianjin was bestowed with the “National Five-Leaves Green Hotel” which is a certification that applies the concepts of environmental protection, health and security and promotes green consumption by The National Hotel Association, becoming the first Hotel in Tianjin to receive the highest award of excellence in the national hospitality industry. Tangla Hotel Tianjin General Manager Fintan O’Doherty commented “Receiving this highly-coveted award that recognizes achievement and quality, UHFVW WKHVHULRXV FRPPLWPHQWRHHE team member towards protecting the environment for society by the reasonable and careful use of natural resources. Our core missions at Tangla Hotels is to provide ‘Harmony, Elegance, Excellence and Serenity’ for our guests and being in harmony with our environment.”

ASCOTT is first serviced residence company to be conferred business superbrands status
Business Tianjin, 8 July

CapitaLand’s wholly-owned serviced residence business unit, The Ascott Limited (Ascott), has been conferred the coveted Business Superbrands status in Singapore. Business Superbrands is an internationally recognised accolade which pays tribute to the best and most valued business-to-business brands around the world. Ascott is the first serviced residence company to receive this recognition. The accolade is presented to brands that have met the stringent standards set by the Superbrands organisation in the areas of achievement, innovation, market share, reputation and corporate social responsibility. Brands were evaluated by Superbrands’ independent panel of marketing and branding experts as well as senior business leaders.

Female entrepreneurs from Tianjin & Taiwan seek deeper cooperation
Women Of China, 10 July

A forum aimed at strengthening economic cooperation between women from northern China’s Tianjin Municipality and southeast China’s Taiwan Province was held in Tianjin. Six successful businesswomen from across the Strait spoke about their experiences and ideas in economic cooperation and attendees discussed company management, operating capital, environmental governance, risk profile and the development of cultural creativity industries.

Tianjin asks to be China’s 2nd free trade zone
Global Times, 11 July

A plan for a free trade zone (FTZ) in Tianjin has been submitted to the State Council for approval, following the recent approval of Shanghai’s free trade zone. Several Tianjin-based companies saw their shares shoot up following the news. Tianjin is planning to upgrade its existing Dongjiang Free Trade Port Zone. The area is currently a bonded zone in east Tianjin’s Binhai New Area, 56 kilometers from the downtown area, according to the 21st Century Business Herald report.

Tianjin Airlines leases A320 from GE Capital Aviation Services
Business Tianjin, 13 July

Tianjin Airlines has taken an A320 on lease from GE Capital Aviation Services Limited, the commercial aircraft leasing DQG DQFLQJ DUPRI 7KH DLUFUDI WZLQQ MRLQ7LDQMLQVHHWRIPRUHWKDQLUFUDIW which it flies to some 60 destinations in China. US and Ireland-based GECAS has a portfolio of over 1,660 aircraft placed with over 230 airlines. It was the first commercial aircraft lessor in China and currently leases aircraft to 23 different Chinese customers.

Hotel Indigo Tianjin Haihe Receives 2013 Golden Pillow Award
Business Tianjin, 10 July

Hotel Indigo Tianjin Haihe was awarded 2013 China’s Top 10 Most Popular Newly Opened Hotels at the Chrysler 10th Golden-Pillow Award Ceremony. The Golden Pillow Award event was held by top Chinese finance media 21st Century Business Herald and China’s first “Business + Travel” Magazine Business Travel, starting in 2004. Hotel Indigo Tianjin Haihe is the only boutique hotel of its kind in the booming coastal destination of Tianjin. It is also the only hotel in China that offers villa-style accommodation in a city centre locale. True to the Hotel Indigo DNA, it delivers a refreshingly local guest experience with a unique contemporary touch.

The Astor Hotel, A Luxury Collection Hotel, Tianjin Pays 150th Anniversary Tribute to Iconic Heritage Launching “Floating Museum” China Tour
Business Tianjin, 15 July

In July 2013, The Astor Hotel, A Luxury Collection Hotel, Tianjin launched 150th anniversary celebrations of the ‘Grand Dame’ of China’s luxury hotels with the official unveiling of a “Floating Museum” paying tribute to its heritage. The showcase of The Astor hotel’s storied past sets-off on a 12-week “China Tour” to share the history of The Luxury Collection brand’s flagship in China. The St. Regis and The Luxury Collection Asia Pacific Brand Manager Ms. Fay-Linn Yeoh, Vice President, Area Managing Director, North China, General Manager of The Westin Financial Street, Beijing Mr. Stephen Ford and General Manager of The Astor Hotel, A Luxury Collection Hotel Mr. Christian Metzner cut the birthday cake for Hotel 150th Anniversary.

The Astor Hotel, a Luxury Collection Hotel, Tianjin honored The Best Characteristic Hotel of China Hotel Charisma Awards which hosted by Life Style Academy & New Weekly
Business Tianjin, 16 July

The Astor Hotel, a Luxury Collection Hotel, Tianjin was honored with The Best Characteristic Hotel of China by Hotel Charisma Awards which was hosted by LifeStyle Academy & New Weekly. New Weekly is the mainstream life style weekly newspaper in domestic. The Best Life magazine paid close attention to the luxury hotels. They experienced hotels and recommended the most comfortable, fashionable and traditional hotels to readers. The general manager of the hotel, Mr. Christian Metzner, thanks the media and its readers sincerely. This is the second year the hotel has won this award.

FINANCE

China banking regulator says liquidity ample in banking system
Xinhua, 1 July

China's top banking regulator soothed concerns over Chinese banks' liquidity conditions, saying there is no liquidity shortage in the banking system as both excess reserves and required reserves are sufficient. China Banking Regulatory Commission (CBRC) Chairman Shang Fulin said the recent cash crunch would not affect the stable operation of Chinese banks, but he acknowledged that some banks needed to improve their liquidity and risk management. The CBRC chairman said the authorities would continue regulating local government financing vehicles (LGFVs), and work out plans to standardize LGFVs.

Private banks to get green light
Global Times, 8 July

China pledged to allow the establishment of privately funded banks run independently from the government, a significant change in the typically State-controlled banking sector. Private capital will be permitted to establish commercial lenders independent of government control and bailout, the State Council said in a guideline outlining the role of the financial sector in economic restructuring. The country should not only bring interest rates and other areas of banking under market control to allow private banks to compete with State-owned peers on a level footing, but also accelerate its steps toward a deposit insurance system, which could help protect depositors' money in the event of bank insolvency.

LOGISTICS

Korean Air Chairman & CEO re-elected to IATA Board of Governors
skynews.co.kr, 14 July

Korean Air Chairman and CEO Cho Yang-ho has been re-elected to the IATA(International Air Transport Association) Board of Governors for a three-year term at the 69th IATA Annual General Meeting (AGM) held in Cape Town, South Africa. This is his seventh election to the Board since 1996. In total, this year's service will be Cho's 14th year of membership on the IATA Board of Governors. Having worked in the airline industry for more than 30 years since 1974, Cho has served as Chairman and CEO of Korean Air since April 1999. Founded in 1945, IATA is the world's largest organization of airlines and represents some 240 civil airlines comprising about 94% of international scheduled air traffic. The Board of Governors acts as IATA's government and its 31 members are chosen among the representatives of IATA Active Member Airlines. Its members exercise an oversight and executive role on behalf of the membership as a whole in representing the interests of the Association.

Air China opens Beijing-Houston
GLUHFVWKW
Xinhua, 12 July

The first non-stop flight between China's capital city of Beijing and the fourth largest U.S. city of Houston landed at George Bush Intercontinental Airport. Operated by Boeing 777-300ERs, the flight departs from Houston on Mondays, Wednesdays, Fridays and Sundays. The return flight leaves Beijing on Tuesdays, Thursdays, Saturdays and Sundays.

BMW, Audi report strong sales
WRZVKLOAVVWKOIRI
Xinhua, 9 July

German car producers BMW and Audi announced strong sales growth in the half of the year. The Munich-based BMW Group said that it sold 954,521 vehicles worldwide in the first half of 2013, up by 6 percent year on year. The good performance in China, Britain and the United States mainly contribute to the good sales numbers, according to Audi's announcement. "The new A3 and the Q3 and Q5 SUV models in particular FRQWULEXWHGVLJQLFDQWOWRRXUUVVWDLQHG JOREDOVDQHVJURZWKLQWKHJVWVKDOIRIWKH year," said Luca de Meo, member of the board of management for sales at Audi. Last week, Daimler also reported sales increased of 6.4 percent especially due to the strong growth on Chinese market.

Chinese institutions eyeing properties abroad
China Daily, 11 July

Limited investment options and abundant liquidity are prompting Chinese investors to look abroad for alternative opportunities, and a real estate consultancy is forecasting that mainland individuals will put up to CNY 1.1 trillion (USD 179 billion) into global real estate markets. Chinese individuals, property developers and institutions have increased their holdings of overseas real estate in recent years. They have been driven by factors including limited investment channels in China, abundant liquidity, divergent domestic and overseas credit conditions, a stronger yuan and relatively cheap overseas assets in the wake of the 2008 global financial crisis. One of the latest examples is China Vanke Co., Ltd. the largest Chinese property developer, which started its first project in North America with its American partner Tishman Speyer earlier this year.

Commodity suppliers hurt by China demand
China Daily, 13 July

China's slowing commodity imports have been hurting major world commodity suppliers, and the situation won't improve in the second half. The nation's commodity purchases have been affected by weak overseas demand for its exports and a domestic growth slowdown. The economic growth of resource exporters has become closely linked to China's economic performance, especially in recent years. China launched a CNY 4 trillion (USD 652 billion) emergency stimulus package in the wake of the financial crisis, which boosted infrastructure construction and the import of natural resources and raw materials. But the new leadership is shifting economic growth away from an investment and export driven model to a consumption-oriented pattern, despite sliding growth. In its latest World Economic Outlook released, the International Monetary Fund cut its forecast for China's economic growth this year to 7.8 percent from 8.1 percent.

LAW & POLICY

Chinese female sailors at China-Russia sea drills
China Daily, 13 July

Chinese female sailors participated in China-Russia "Joint Sea-2013" drill at Peter the Great Bay in Russia, July 12, 2013. Chinese and Russian warships carried out a variety of exercises including joint air defense, maritime supply, joint escort and the rescue of hijacked vessels since the drill started on July 5.

TELECOM

China to release 4G licenses by year-end
Global Times, 10 July

The Ministry of Industry and Information Technology (MIIT) will release fourth generation (4G) telecommunications licenses by the end of this year, citing an official from the ministry. The move is expected to accelerate broadband development in China, the biggest telecom market in the world in terms of number of subscribers. According to the report, the government will also enhance 3G network coverage and service quality, and encourage private capital to enter the telecom market. The 4G network is expected to give users access to faster Internet speeds, an area in which China has lagged behind other markets. China's three telecom operators have already laid out their strategies for the development of 4G mobile networks.

Modern business, mobile is the key to success
China Daily, 15 July

Globally, companies are all increasing their focus and spending on mobility, but Chinese enterprises are leading the world in a number of ways, in terms of their focus on: prioritizing mobile initiatives; incorporating mobility into business processes; supporting a range of mobile devices, including bring-your-own-device options, with which Chinese employees enjoy more freedom to use their own preferred mobile devices to connect at work. More than nine out of 10 Chinese enterprises also prefer a centralized, company-wide mobile strategy and governance to guide longer-term investment but prefer to deploy in-business units that will realize the most immediate value and demonstrate early success such as in sales or in the field. In short, Chinese companies are showing the highest business enthusiasm toward mobility in the world, with a strong desire to equip their workforce with mobile devices and a mobile experience that have the highest impact.

GENERAL

Coca-Cola seeks to connect with young customers
People's Daily Online, 15 July

The world's largest beverage company, the Coca-Cola Co, has launched a series of marketing campaigns in order to meet the demand of the younger Chinese generations. Last month, the soft drink giant announced its introduction of "nickname bottles", a set of eye-catching bottles with innovative labels. The nickname bottles bear the marks of the social media generations, and the first batch of bottle designs pick up on more than 20 buzzwords or phrases, including "Sweetie", "Best Buddy", "Stylish Man" and "Happy-Go-Lucky". In addition to innovative marketing strategies, the Fanta and Sprite maker is also dedicated to water conservation. Coca-Cola China, China's Wetland Conservation and the Management Center of the State Forestry Administration and World Wildlife Fund recently announced a water conservation project involving the Yangtze River, which accounts for 34 percent of the fresh water resources of China. The project will focus on three key components: freshwater conservation, the value chain and valuing nature.

CHINA IN THE WORLD

Beijing Tong Ren Tang Cabramatta Store opens in Australia
Xinhua, 5 July

Chinese Consul-General Li Huaxin (4th R) cut the ribbon with the other guests at the opening ceremony of the Beijing Tong Ren Tang Cabramatta Store southeast of Sydney, Australia, on July 5, 2013. The fourth store of Beijing TRT in Australia following the stores in Sydney CBD in 2005, Brisbane in 2008 and Chatswood, north of Sydney in 2011. Australia legalized traditional Chinese medicine in 2012. Beijing TRT founded in 1669 is a famous time-honored brand in traditional Chinese medicine industry.

Chinese-Swiss FTA, a model for cooperation with EU
Xinhua, 6 July

Nearly two months after Chinese Premier Li Keqiang's fruitful visit to Switzerland, a Free Trade Agreement (FTA) between the two countries was finally inked in Beijing. It is widely believed the FTA between "the heart of Europe" and the world's second largest economy not only cements a win-win relationship between the two countries, but also serves as a model for economic cooperation between Beijing and Brussels amid flaring anti-dumping tensions. Switzerland has been always at the forefront of economic relations with China. Under the agreement, Switzerland and its competitive industries, including medicine, machinery, watch making and tourism, will undoubtedly benefit more from a large and free Chinese market. While the Chinese-Swiss agreement offers a great chance for the two sides to unlock their enormous potential and bring more concrete benefits to their peoples, the same opportunity exists for the broader EU. With the debt-ridden continent still trying to get back on its feet and the world economy burdened with uncertainties, closer China-EU collaboration has taken on a new urgency.

China remains largest rice consumer of Vietnam
Xinhua, 10 July

China imported 1.135 million tons of rice from Vietnam, worth USD 472.4 million in the first five months of 2013, making it continue to be the largest FRQVXPHURI9LHWQDPHVHULFH7KHJXUHV represent year-on-year increases of 27.8 percent in volume and 24.1 percent in value, according to the Vietnam Food Association (VFA). China accounted for 36.4 percent of Vietnam's total rice exports followed by the Philippines, Malaysia, Singapore and the Ivory Coast. QWKHJVWVLPQWQVWKLVDU9LHWQDP shipped nearly 4.2 million tons of rice abroad, pocketing nearly USD 1.9 billion. Vietnam sets target to export some 7.5 million tons of rice in 2013.

China, US sign 6 new Eco Partnership pacts
Xinhua, 12 July

China and the United States expanded their Eco Partnership program with the signing of six new partnerships to reduce greenhouse gases emissions and improve energy efficiency as well as create jobs. The new agreements will add six partnerships to the original group of 18, said Chinese State Councilor Yang Jiechi at a signing ceremony during the fifth round of China-US Strategic and Economic Dialogue in Washington. Under the agreements, China's Yangtze River Delta Circular Economy Technology Research Institute and US giant Coca-Cola will work together to develop a way to use agricultural waste to produce Coke's plastic bottles while Peking University will cooperate with New York Institute of Technology to protect groundwater resources.

RMB status moving closer to dollar and Euro
CRI Online, 13 July

White paper by a major Chinese bank revealed that thirty percent of its foreign interviewees believe that the future status of RMB will be close to that of the US dollar and the Euro. The use of RMB in cross-border trade, representing 11 percent of all transactions at the end of May, witnessed a sharp increase since the pilot cross-border RMB settlement was launched in July, 2009. The volume of cross-border RMB settlement in the Bank of China amounted to CNY 1.6 trillion during the first half of this year. The White Paper suggests that most of the questionnaire respondents maintain positive expectations for the internationalization of RMB and more than half of those polled believe the volume of cross-border RMB settlement would account for 20-30 percent of all cross border settlements in the coming YHHUDUV

China's largest salvage vessel visits Indonesia
China Daily, 14 July

China's patrol and search-and-rescue vessel Haixun 01 arrived at Jakarta, commencing its goodwill visit to Indonesia for the next four days. While China Maritime Safety Administration's largest and most advanced vessel slowly entered the port of Tanjung Priok, it was warmly welcomed by the Chinese Ambassador Liu Jianchao to Indonesia. During the visit, the Chinese delegation on board Haixun 01 will visit Indonesia's Ministry of Transportation. The two countries have conducted a series of cooperation on navigation safety, maritime security, marine scientific research and environmental protection.

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15th day of the eighth lunar month

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46

A food scandal involving somewhat ancient chicken feet, some of which were 46 years old, is creating a stir among netizens across China.

600 mln

Some 600 million people have been affected by the lingering smog since the start of 2013.

1,336

A total of 1,336 people died of infectious diseases in the Chinese mainland in June 2013. AIDS was the deadliest.

387,750

An original Apple computer from 1976 has sold for USD 218,000 in only auction. Known as the "The Last One" Apple computers ever built.

9.3%

China's industrial output rose 9.3 percent in July 2013, according to the National Bureau of Statistics.

1.05m

Zhu Xi, 25, is from Southwest China's Sichuan province and works in Xi'an as a decorator. He has grown his hair to 1.05 meters.

22

China's Central Meteorological Observatory issued a warning for Typhoon Soulik on July 12, 2013, saying the super typhoon is moving northwest at a speed of 22 km/h.

7.5%

China's gross domestic product growth slowed to 7.5 percent in the second quarter of 2013, down from 7.8 percent in the first quarter.

6

A pack of riders cycles 160 km on the 16th stage of Tour de Qinghai Lake cycling race from Xihai county to Qilian in Qinghai province.

9

10,000 people arrive at Qingdao, East China's Shandong province.

20.1%

China's investment grew 20.1 percent in the first half of 2013, according to the National Bureau of Statistics.

China Economy

Report August 2013

By Tracy Hall

In the past month or so, most of the discussion on the Chinese economy has been focused specifically on the country's policymakers. Following on from earlier reforms, the Beijing government is continuing to tackle the critical issues of structural reform and credit control.

The issue of public debt levels is a particularly big concern at the moment. Credit Suisse have estimated that the ratio of local government debt to GDP for 2012 was around 36%, whilst analysts at Fitch, the credit rating agency which downgraded China in April, gave a more conservative 25% figure. In any case, there is clearly a need for the government to address the current credit situation. With the backdrop of slowing economic growth and poor external demand persisting, policymakers in China are going to have some tough choices to make over the next few months.

Key PMI data suspension raises questions over growth

It emerged in early July that Chinese authorities have suspended the release of important PMI data by the National Bureau of Statistics. Cai Jin, vice president of the China Federation of Logistics & Purchasing, gave the reason that his organisation "now have 3,000 samples in the survey, and from a technical point of view, time is very limited. There are many industries, you know". He also argued that the failure to release these figures on time was due to temporary analysis-related problems and is

not an attempt to hide the bleak economic circumstances which this data may well have confirmed.

Regardless of whether or not the statistics are released at some point, serious questions about the state of the economy will remain. After the National Bureau of Statistics failed to release the PMI data in July, Helen Yuan, a reporter from Bloomberg, pointed out that "less information makes it more difficult to assess the magnitude of an economic slowdown which could be at risk of deepening because of a cash squeeze in the interbank market that sent borrowing costs soaring last month. The issues with trade data this year added to broader scepticism of the nation's statistics". According to this report, "economists in a May survey by Bloomberg News said that January-April export growth was overstated by 4 to 13 percentage points, while Bank of America Corp. estimated the trade surplus for the period was one-tenth of the official figure".

PMI manufacturing figures for June showed that the sector, which continues to be plagued by weak external demand, was worsening:

Analysts will definitely be hoping that the data for July paints a better picture.

e 'great Chinese credit cut off' continues

In a bid to rebalance the economy and restore confidence in the sustainability of China's growth, the government is becoming ever more stringent in its management of credit markets. A number of key cabinet members, including Premier Li Keqiang and President Xi Jinping, have insisted for a long time now that there is a need to limit the amount of easy credit which has been floating around the Chinese banking system since the onset of the 2008 global financial crisis.

According to a statement made by the State Council, "the government will adopt differentiated policies based on the varied situations in the industries plagued by overcapacity". Ma Tao, an analyst with CEBM Group, told Reuters that commodity related sectors and many manufacturing firms are currently being crippled by huge debts and overcapacity. He claimed

that "the recent credit crunch also served as a catalyst for their cash flow problems to emerge as liquidity has not been eased".

Amongst the major risks to China's economy are the so called 'shadow banking sector' and the speculative real estate environment; both of which are largely the result of the central bank's easy money policies of recent years. Chinese business leaders, many of whom have been dependent on support from the central authorities in recent times, are becoming increasingly worried about the government's deliberate tightening of credit.

But not all analysts are so pessimistic about the credit situation. Jing Ulrich, chairperson of global markets at JPMorgan Chase & Co, said in a recent interview that "since the interest rate spike in the third week of June, the liquidity situation has improved somewhat". She argues, however, that going forward "Chinese businesses need to be more disciplined in terms of managing risks and lending because the liquidity situation in China will probably be quite tight for the next few months".

Inflation and property prices seemingly more stable

What is encouraging for both policymakers and consumers

in China is the fact that both consumer-based inflation and the property markets are fairly stable at the moment. Although inflation did spike in June to 2.7%, analysts are broadly optimistic for the latter half of 2013. Food prices were again seen as the biggest area in which

Chinese businesses need to be more disciplined in terms of managing risks and lending because the liquidity situation in China will probably be quite tight for the next few months.

prices rose significantly. According to official figures, food prices were up 4.9% in June, significantly higher than the 3.2% year-on-year rise posted in May. With regards to policy aspects of inflation going forward, most commentators are dismissing the possibility that the current rates are could lead to price controls or even an interest rate hike. Bank of America Merrill Lynch economists Lu Ting and Zhi Xiaojia told the BBC that they expect authorities to keep monetary policy neutral with "neither easing nor tightening".

However, not all analysts see the price stability continuing through the second half of the year. Economists at Barclays are expecting inflation to pick up and in turn a rates hike at some point in the near future. Jian Chang, an analyst for Barclays in Hong Kong "We think the central bank is likely weighing the benefits and costs of a benchmark rate cut, which we believe is increasingly likely given weak economic growth".

In a recent survey from the China Real Estate Index System (CREIS), property price inflation for the 100 biggest cities grew at a more moderate year-on-year rate of 0.8% in June. A spokesperson from the organisation said that "against the backdrop of rising uncertainties in the economy and strained liquidity conditions, home price gains continued to cool slightly due to increasing supply in several cities".

If it persists, this low inflationary setting and seemingly stabilising real estate sector would be great for the country's central bank in the increasingly unlikely event that an interest rate cut was needed to stimulate the economy. **E**

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Good Living at the Westin

By Josh Cooper

When it comes to places of excellent, elite hospitality in Tianjin, the Westin Hotel definitely tops most people's list. As one of the leading venues which represent the Starwood brand in the city, the Westin Tianjin is the perfect place to stay the night or to simply just visit in order to enjoy the finest food, drinks and facilities. The Westin's recently appointed general manager, Mr. Ugur Lee Kanbur, spoke to our editorial team about how his hotel maintains its hard earned position as the best hotel in town.

It is a pleasure to speak to you about both your role as the GM and the Westin Hotel Tianjin more generally. Can you start by giving our readers a brief insight into your professional background?

Sure, and it is a great pleasure to welcome you to our hotel today! I am originally from Istanbul, Turkey, but I moved to Australia where I studied accounting as my major. After a while I decided that the course didn't really suit me. I wanted to do something more exciting and more fulfilling for the kind of person I am.

My first stint in the hospitality sector was with Hilton where I worked in the bars, restaurants and nightclubs for about 9 years. After that I travelled around Asia working in different hotels, in places such as Shenzhen, Singapore, Kuala Lumpur, Shanghai, Mumbai and then to Wuhan which was the first time I took on the GM role. I have spent a lot of my career working in the food and beverage side of hospitality, as well the rooms side of things, so I would say that I know quite a lot about all aspects of the industry.

Give us an idea of the ins and outs of running the hotel. Surely it's quite a challenging role?

There are challenges of course, but it really isn't too difficult if you have the right attitude and approach to the job. I would say that my personal background helps me a lot. Anybody who has ever been to Turkey will know that we place a lot of value upon being happy, and we also want to make other people happy; you could say that hospitality is in our blood!

It is largely a matter of knowing how to take care of people. Firstly you need to know how to take care of yourself. For instance, by learning what you like and what makes you happy. If you can make yourself happy, you can easily make other people around you happy; in Starwood we call that GPS - global personalisation at Starwood. I really

believe that if you don't get out of bed with the right attitude every morning then this will have a negative impact on you and your teams. You need to choose your attitude when you wake up, and through doing this you can inspire other people to do the same.

The other important philosophy I have, which I always tell my team, is: 'Don't work hard, work smart'! That way we can get more done and we enjoy our jobs more.

What appeals to you most about the Chinese hospitality sector and which cities in particular have you enjoyed working in?

I really like opening hotels, and up to now that has been one of the great things about working in China. In fact, our company is opening a hotel nearly every two weeks on average! I was part of the team which opened the first ever Westin hotel in China the Westin Shanghai. The country is growing tremendously and luxury hospitality is one industry which has thrived over the last few years.

I really like Tianjin because it is like being in all the other big cities; only much greater value for money. Dining out here is great and in terms of culture and architecture especially, there is a wonderful combination of old and new. It is a great place for me and my family to live.

I would probably say that my favourite place overall was Shenzhen. I love the city because it has a great culmination of different Chinese cultures and it has great access to Hong Kong and Macau. It is also very easy to travel from there to the rest of Asia and the world.

You have worked for Westin and other Starwood brands for some time now. How does it feel to be part of such an elite company within the sector and how does the Westin brand stay ahead of its competitors?

Other hotels, even those within the Starwood family, have slightly

different focuses and approaches to their service. I am really attracted to the Westin brand because it promotes wellness as its key mantra. Being well and living a good life is what the Westin experience is all about. This is very much my focus on a personal level. I want people to get the most out of life and really be able to relax and recharge between working!

Our core values are 'personal, instinctive, renewal'. People come to our hotel and enhance their sense of wellness. As a team we create a unique experience which allows our guests to feel physically and psychologically renewed after staying here. In our lobby, for example, we make subtle changes to the lighting, use White Tea Scent throughout the day and candles in the evening, to give guests the feeling of being in a spa type setting. Moreover, our rooms have the most Heavenly showers, baths and Heavenly beds you will get in any hotel, anywhere in the world.

We also have our 'super foods' program, which includes a range of foods that contain antioxidants and phytonutrients, with exceptional nutritional properties, promoting food synergy and wellness. The entire service package we offer revolves around the key theme of wellness, and this sets us apart from the rest of the market.

The Westin offers some great schemes and services for families. Please can you tell us about that?

That's certainly right. We recently launched our 'Westin Weekends' whereby you can come and stay on Friday, Saturdays or Sundays and have breakfast late, check out late, and enjoy a range of great activities to help you and your partner recharge after a hard week of work. We also have our 'Lazy Sundays'. On Sundays you can get up in time to have a late brunch then basically eat, drink, have massages or do whatever you want to relax by being lazy for the rest of the day, including afternoon tea. On Lazy Sundays we also open a special kid's area between the hours of 11:30am- 6:00pm.

Children can play in there with the toys, colouring books and other activities we provide. Whilst knowing that they are in a safe environment, you and your wife/husband can enjoy doing your own thing, e.g. enjoying a spa treatment at a 25% discount at our Heavenly Spa; just mention "LAZY" to get the discount.

Your hotel is also well known for its excellent fitness facilities. Can you tell us about that?

Absolutely. We have the Westin Workout, which is our fitness studio. It has a great range of excellent, high tech equipment and offers guests and members a superb setting to work on their fitness objectives. We offer a range of classes for yoga; coming soon are kickboxing, dancing and other popular fitness activities. There is a specially designed area whereby people can do their run on the treadmill and look out the window

at the bustling Nanjing Lu etc, as opposed to looking at a wall and getting bored.

Our pool is listed as one of the best in the city. It is very spacious and has a lot of natural light. We also have rooms which have their own fitness equipment so that people can guests can do exercise in private; these are our Westin Workout rooms.

What are some of the things your company is doing to fulfil its obligations in terms of CSR (Corporate and Social Responsibility)?

It is certainly very important that all companies do what they can to help the local community and the regional environment. We are all responsible for taking care of ourselves and other people around us. Companies and individuals have an important role to play in taking care of both the general 'person on the street' and the next generation of children. Our company


sponsors events and works with different charities and NGOs to help, for example, children with disabilities and neurological handicaps, Unicef. Our Programs encompass assisting students with disabilities to learn various life skills. We also recently held our Children's Day in which we invited some deaf and dumb children from one of these institutions to come to the hotel and experience dining here, making cookies and decorating them, etc.

The other aspects are things such as utilising energy and water saving technologies. We follow strict quotas in these areas and so far we are exceeding our targets in relation to energy saving.

Lastly, what do you have lined up in the near future as the GM of the Westin Hotel Tianjin?

We are currently number one in Tianjin when it comes to rooms,

revenue and overall ranking. I have only been here for 3 months so far, so there is still plenty of work for me to do in terms of introducing new services, promotions and other projects. We have recently launched a number of very exciting Food and Beverage programmes and there are many more to come over the next few months.

One area that I am going to focus a lot of my efforts on is food and beverage. We need to make some slight adjustments and do more work in areas such as marketing in order to become Tianjin's most top dining and entertainment hub. I look forward to 'Wining and Dining' at The Westin with my fellow Tianjiners - See you here soon! 

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Turkish Airlines: Flying on the Wings of Excellence

By Justin Toy

Flying to over 234 destinations in 103 different countries, Turkish Airlines' destination network is one of the largest in the world. Headquartered at Atatürk Airport in Istanbul, Turkish Airlines has been one of the most decorated and highest achieving airlines in recent years. Known for their outstanding service, global gourmet cuisine, and an impeccable record of giving back to the community, Turkish Airlines is the model airline that the other carriers are striving to be like. Business Tianjin got a chance to sit down with Mr. Veysel Tas, the GM of Turkish Airlines here in Beijing, and talked to him about the airline's business and future plans.

Tell us about your background and how you came to be the GM of Turkish Airlines in Beijing.

I have been with Turkish Airlines for more than 9 years already. After several years of experience in Istanbul and four years in Greece, I was honoured to be assigned the role of Turkish Airlines' General Manager in Beijing. This was the result of my hard work, the accumulation of many years of working experience and the trust in me recognised by Turkish Airlines. I have been working in China since 2010, more than three years already! In these three years I have had a very

great time here and China has become one of my favourite countries.

What distinguishes Turkish Airlines from other carriers?

Turkish Airlines possess one of the largest flight networks in the world. Right now we fly to 234 cities around the world, comprised of 38 domestic and 196 international destinations with a fleet of 223 aircraft (passenger and cargo). Given the geographical location of Turkey, we have a great advantage being a natural transfer hub. Located on the edge of Europe and Asia, we have the unique advantage of being able to route Chinese passengers

from China to Europe, and even to the rest of the world.

As the "Best Airline in Europe" three years in a row since 2010, we always provide our passengers with the best service. For catering, we work with Turkish DO & CO to supply passengers with fresh world cuisine. Turkish Airlines was awarded with the 'Best Food of Economy Class' title by Skytrax in 2010 and 'Best Onboard Food' by Skyscanner in 2011. We are one of the first airlines offering the 'Flying Chef' service in long distance flights to business class passengers. Also, Turkish Airlines is equipped with the world's most advanced in-flight entertainment system. Passengers will enjoy the best of entertainment with our wide range of games, films and music; even live TV and WIFI.

We possess one of Europe's youngest fleets, with an average age of six years. Finally, Turkish Airlines continually persists in its efforts toward realising its vision of total quality with the services carried out by its young, dynamic and cheerful staff before, during, and after flights.

How does your corporate culture differ from that of other airlines?

Our future aim is to be the number one airline in the world. With that said, everyone in the organisation,

from the CEO down, is working hard to realise this goal. Our focus and strategy boils down to how we can make our passengers happy. From before ticketing/reservations until after the flight, we have many interactions with the customer. Check-in, boarding, in-flight, baggage claim, etc. The whole time we are thinking about how to create the best customer experience possible. We have been voted the best European airline three years in a row now. Over 18 million people participated in voting us the top airline in Europe because they know they can expect exceptional cuisine, a wide variety of in-flight entertainment, and the highest level of customer service.

What kind of challenges does Turkish Airlines face within the Chinese market?

In China, the biggest impression for me is that Chinese travelling and consumption habits are quite different from Europeans. In Europe, people like to plan ahead 3-6 months for their vacation, and they usually buy tickets from airlines. But in China, due to visas and other issues, people seldom plan vacations ahead and they buy tickets from agents very often. So, because of the differences in travelling habits, consumption habits, and culture, I need to adjust our sales and marketing strategies.

Turkish Airlines has been operating a Beijing route since 1999, over 14 years already. So, actually we already have a very good relationship with local travel and ticket agencies here. Since I have been in Beijing, I have regarded relationship building as a very important element for business development. Every year, we always organise some market events in order to give our agents support and adjust our sales and marketing approach each campaign based on feedback.

What kind of trends do you notice emerging within the Chinese travel market?

Last year, the traditional travel agency combined with the online market, more so than in the past. This year, the combination of online and offline agencies for the Chinese travel industry will be much more obvious, which will foster a new era in China's travel industry. With maturation of China's e-commerce and the travel industry, online travel enterprises will have much more potential in the future.

What future routes are being considered/ planned for Turkish Airlines in China, both in the short and long term?

Turkish Airlines has opened direct flights from Beijing, Shanghai, Guangzhou, and Hong Kong to Istanbul. Right now we are growing very fast worldwide with flights to 234 cities around the world. We have always regarded China as a big market, so we are always considering to open new destinations in China. However, we are still undergoing some procedures now. I hope the good news will be released soon!

Are there any future plans to add routes to and from Tianjin?

Tianjin is an important city in China and also important to Turkish

Airlines. I personally feel that Tianjin is a beautiful and charming city. I hope in the future, we will consider adding a new route to Tianjin. However, due to the close proximity to Beijing, it is not likely to happen, at least in the near future.

Turkish Airlines utilises a lot of sports celebrities and advertises heavily at sporting events. Why are sports such an important part of Turkish Airlines' marketing strategy?

Indeed, we have sponsored many famous sporting events, sports teams, even players. Some of the organisations and individuals that have represented us include: the UEFA Europa League, golf tournaments, FC Barcelona, Manchester United, newly sponsored BVB football team, Kobe Bryant, Lionel Messi and Caroline Wozniacki. No matter whether it is a sports team or player, all of the athletes we sponsor are the best in their own field.

is matches Turkish Airlines' target, which is to be the best airline in the world. So, the global recognition and respect to the above teams or players allows us to reach a great number of people worldwide with our positive brand message.


As I mentioned earlier, Turkish Airlines has won "Best Airlines in Europe" again for the third year in a row and we own one of Europe's youngest and most modern fleets. So, in associating ourselves with youthful champions, we hope to demonstrate our commitment of excellence to the public.

What triggered Turkish Airlines to fly to Africa?

First of all, let me mention that we fly to about 34 different destinations in Africa and are looking to add more routes on the continent. Africa is comprised of many developing countries which are important for our growth plans. With Istanbul located at the intersection between Europe, Africa, and Asia, Turkish Airlines is

a natural hub for passengers looking to travel between continents. To demonstrate Istanbul's centrality, we fly to over 100 destinations within a short three hour flight from Istanbul.

In what ways does Turkish Airlines practice corporate social responsibility?

We are very proud to be Turkey's flagship carrier and we are aware of its social responsibility. The company continues to lend its support to numerous activities from the arts to sports. As an airline that consistently acts in awareness of its social responsibility, our airline has received the 'High Award for Social Responsibility' for our efforts to protect the environment. 

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Tianjin's Future as a World Class Transport Hub

By Melvin Shaw

Tianjin is one of China's main engines of economic growth. With its geographically advantageous coastal position, its proximity to the nation's thriving capital and an annualised GDP growth of around 15%, analysts are predicting that this city will soon become one of the most important trading and financial centres in Asia. There is little doubt that the infrastructural development of the city's transport network is absolutely crucial if Tianjin is to become increasingly prominent on the world stage. The good news is that projects to renovate and upgrade the city's transportation facilities are already

well underway and they look set to bring a great deal of economic prosperity to the region over the course of the decade.

Tianjin Binhai International: A global aviation hub in the making

The city's main airport has become more important both as a hub for commercial and cargo flights in recent years. Figures for 2012 showed that Tianjin Binhai International was the 24th busiest airport in China, with an estimated 8.1 million passengers flying from and to it over the course of that year. For a long time it has also been a major centre for cargo

distribution to other parts of China and the rest of the world.

Whilst it is currently far less busy than its counterparts in Beijing, Shanghai and Guangzhou, when Binhai International's new terminal comes into full operational use it is set to more than treble the airport's capacity. According to one source, "when the three construction phases are complete, the airport terminal will be over 500,000 m² and will be able to handle 40 million passengers a year". Furthermore, "over the period of the project the airport site will enlarge from the current 25 km² to 80 km²... the airport as a whole will resemble Amsterdam's colossal Schiphol

airport in size and will be able to handle over 500,000 tonnes of cargo and 200,000 flights a year".

The well situated airport, which serves as the operating headquarters of Tianjin Airlines and currently offers flights to most major cities in China, has attracted a number of international carriers. At the moment, the foreign airlines operating out of Tianjin Binhai International are: Asiana, EVA Air, Japan Airlines, Korean Air, Scoot, Trans Asia Airways, and for occasional charter flights, Vladivostok Air. In the past it also served as Air Asia's primary transit point to Kuala Lumpur in the north of China before they moved over to Beijing Capital International in mid-2012.

With its new terminal and the construction of a second runway, Tianjin Binhai International has incredible potential to become one of northern China's leading transit points. At some time in the not too distant future, not only will there be more commercial and cargo flights going to the current overseas destinations, travellers and businesses will also be able to access other countries in Asia, as well as Europe, directly from Tianjin.

For airline operators looking to tap into Asia's growing demand for air travel, Tianjin certainly has plenty to offer. One such individual who believes strongly in the city's potential as a future aviation hub is Scoot CEO Campbell Wilson. In an exclusive

interview with Business Tianjin last year, he pointed out that "Tianjin has huge potential. Not only is it a city of 12 million in Northern China, Tianjin is also a mere 30-minute high speed bullet train ride away from Beijing". There is little doubt that as the city continues to grow at a staggering pace, so too will its appeal to both domestic and international transport operators.

The staggering development of Tianjin's maritime transport system

The Tianjin Cruise Ship Terminal and the Dongjiang port area provide another platform for travellers and traders to interact with the city.

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Commercial Routes	Cargo routes
Hong Kong	5DND5XVLD
Nagoya, Japan	Los Angeles, USA
Seoul-Incheon, South Korea	1DYRL8EHNLVWDQ
Singapore	2VDND.DQDL-DSDQ
Taichung, Taiwan	Seoul-Incheon, South Korea
Taipei-Songshan/ Taiyuan, Taiwan	Singapore
5NDWHUL5XJ5XVLD	7RNR1DULWD-DSDQ

According to tour-beijing.com, “the home port is capable of holding the world’s largest cruise ships, designed annual capacity of 500,000 passenger trips. It has one passenger cruise terminal, hotels, post service, travel agents”. Moreover, “when completely finished, the home port will have the shoreline length of 2000 metres, and there will be six cruise births, accommodating six big international cruise ships”.

Seafaring passengers can already travel in and out of Tianjin to several destinations, including the relatively nearby parts of South Korea and Japan. In recent months there has been a significant amount of interest expressed by a number of big international cruise ship operators with regards to open routes which go via the Dongjing port terminal. In the near future Tianjin residents will be able to travel by sea to many other parts of

the globe, and on the other side of the coin; they will also see a great deal of benefit from the increases in trade and tourism that will come from the development of the city’s maritime transportation facilities.

More fast trains and subways

The last couple of years have seen a big expansion of Tianjin’s subway system. In addition to the ultra functional line 1, which runs straight through many of the major downtown areas, metro lines 2 and 3 now give commuters far more opportunities to get around the city. The line 9 light rail system also gives downtown residents cheap and easy access to TEDA, Tangu and other far-flung parts of the coastal area.

To add to the excitement, the Tianjin Transport Committee publically announced back in

2009 that there will be more lines opening around 2015-17. Below is an illustration of the extensive subway system which is now under construction around the city:

It is fair to say that the building of the super fast and sophisticated rail transportation networks is one of the most exemplifying outcomes of China’s economic rise. In conjunction to the underground train lines that are being built in many major, Chinese cities (and even some lower tier ones), there is also the ever expanding network of fast trains which will eventually span the length and breadth of the country.

Tianjin is already a hub for high speed rail transport, with prolific links to Beijing, Shanghai, Qingdao and Hangzhou already well established. In the future there will also be new ultra fast lines operating from Tianjin West station to Binhai, Harbin, Shenyang and Qinshandong respectively.

A brighter future for Tianjin motorists?

Unfortunately, due to Tianjin’s rapidly rising urban population and the increased spending power of its citizens, traffic volumes around the city are noticeably skyrocketing year on year. Accordingly, it is becoming very apparent to the city’s motorists that roads are often very congested and driving around the city centre is taking longer now than ever before. Ironically, this is despite the fact that Tianjin’s roads and highway networks have grown and improved tremendously in recent years.

As a report by the World Economic Forum points out: “the city’s long-term growth potential hinges on its ability to address growing traffic congestion and sharpen its

competitive edge”. The organisation has recommended that three major

Infrastructural development of the city’s transport network is absolutely crucial if Tianjin is to become increasingly prominent on the world stage.

steps need to be taken in order to deal with Tianjin’s busy roads:

1. Expansion of the Intelligent Transport System (ITS).

2. Integrate better land-use and transport planning.

3. Optimise the performance and cost efficiency of public transportation.

If the local transportation authorities can tackle these problems over the next few years, everyone who lives or does business in this city will be much better off. Conversely, if the situation on the roads doesn’t improve very much, at least the people of Tianjin can look forward to a world class airport, a thriving harbour and superb rail connections. **E**

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Reaping Rewards from the Real Estate Rebound

By Josh Cooper

Considering the overwhelming fact that the real estate sector, particularly the US sub-prime mortgage industry, was the straw that broke the proverbial camel's back and caused the financial crisis in 2007, it is hardly surprising that many investors have been avoiding Real Estate Investment Trusts (REITS) like the plague. But as is always the case when it comes to making money out of investments, the colossal hit that residential and commercial property prices have taken in recent years has made it a perfect place for savvy, long term speculators. With data coming out of the US and parts of Europe starting to look more encouraging, is now the time to play the property price appreciation game? And if so, how exactly should you play it? This article will hopefully give you some clues.

The big comeback looks set to continue

Anybody who has had their money tied up in real estate, especially the residential sector, from 2006 up until now will be breathing sighs of euphoric relief at the data that is coming out of the US. Amongst the wave of encouraging reports were the announcements made by America's third biggest homebuilder Lennar Corp. In June this year the firm announced a staggering 53% rise in revenue for the second quarter after orders from clients jumped up tremendously during that period. Lennar's Chief Executive Stuart Miller told reporters that their "second-quarter results, together with real-time feedback from our field associates, continue to point towards a solid housing recovery".

Data from the public sector is also giving property owners and investors plenty to get excited about. Property Wire summed up the mood in a recent article by saying that:

"Analysts at the National Association of Realtors (NAR) are convinced that the U.S. housing market recovery is still going strong, according to its latest tally of total existing home sales. The NAR's chief economist called the current housing statistics "overwhelmingly positive... Existing home sales are at their highest since November 2009 and have beaten year-ago levels for 23 consecutive months. Experts say the difference between now and the last housing boom is that things are operating under more stringent credit criteria and modest price growth".

Historically speaking at least, the health of the US real estate sector is

not only important to US investors. It is very likely that despite the ongoing economic weakness of the eurozone, many property sectors in Europe will see a stronger upward trend as the US housing market and broader economy get back on track. The UK, for instance, has already started to see a recovery in various regional property markets.

Play number one: Direct property buying

Investing directly in property, be it residential, industrial, commercial or anything else, has been the bread and butter of wealth preservation for a hell of a long time. Whether prices on the whole go up, down or flat in any given country, people will always put their hard earned money into real estate. The key of course is timing.

Emerging markets (especially China) aside, there are plenty of great reasons why now is a fantastic time to buy property:

¶ **Prices in the western world are still low.** On an historic basis, you will struggle to find a better time to be on the buying side of a property transaction than the period of 2008 to the present day. It won't take long to find bargains in the housing market on either side of the Atlantic.

¶ **Mortgage deals are spectacular.** Admittedly, banks are no longer lending money to prospective homeowners like it's going out of fashion. However, if you have a decent credit rating and a large sum to put down on a property (perhaps 20-30%) then the mortgage deals you can find are very borrower-friendly.

¶ **Government support for buyers.** For those who are not able to pay a large chunk of the property price off from the start, particularly first time buyers, policymakers are trying to stimulate the markets by offering support and incentives to prospective homeowners.

¶ **The bottom has PROBABLY already been hit.** It is always hard to say convincingly that "the only way is up" with regards to any asset class. But if one thing is for sure, it would take a very big economic disaster to send

property prices back to their lowest point of the current financial cycle.

Play number two: REITS

Whilst owning property personally is something almost everybody will strive to do at some point in life, those looking to make a profit on a macro upturn in real estate value can avoid the headaches and charges

On an historic basis, you will struggle to be on the buying side of a property transaction than the period of 2008 to the present day.

by putting their money into REITS. The basic premise of these financial instruments is very similar to ETFs, stocks or mutual funds - but with the focus being exclusively on real estate.

Some examples of REITS that are popular with investors and are highly rated by analysts are **Duke Realty Corp, Liberty Property Trust, W.P.C Carey INC** and **PS Business Parks.**

Play number three: The indirect investment route

If investing in physical property

or funds directly corresponding to real estate doesn't take your fancy, there are plenty of other options for making a good return from a rebound in bricks and mortar. Owning stocks that are set to benefit greatly from a revival of the US and European property markets could be a great way to make money from more indirect sources.

The most obvious equities in this regard are property developing companies. Big homebuilders such as **D.R. Horton** in the US and **Barrett Homes** in Britain should certainly see a good bounce in the coming months and years. Advisory firms, building material suppliers and land owners will also most likely offer a sound return for investors as the recovery gains momentum and the building of new homes increases further.

On a final note, it is also definitely worth considering the strong possibility that the biggest beneficiaries of a real estate recovery in the western world could be the banks and other big players in the financial sector, all of which have been hit very hard by the rock bottom property markets of recent years. ☐

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Investment News

Stocks and Shares

Samsung issues weaker than expected profit forecast

Samsung Electronics, the world's biggest mobile phone and TV maker, has forecast weaker-than-expected profits for the April to June quarter. It has estimated an operating profit of 9.5 trillion won (USD 8.3bn; GBP 5.5bn) for the quarter. Most analysts had expected a figure closer to 10.1tn won. Samsung's shares dipped more than 3% after the profit guidance. Its shares have dropped more than 15% since early June, after a various brokerages downgraded their outlook for the firm.

Source: BBC

Markets surge but pound slumps after Mark Carney and Mario Draghi interventions

Stock markets across Europe roared to life after Mark Carney and Mario Draghi signalled that interest rates would remain low for years to come in a co-ordinated push to drive growth. Mr. Carney, who only took over as Bank of England Governor on Monday, said investors were "not warranted" in thinking that interest rates would start rising from the end of next year, as markets currently expect.

Source: The Telegraph

Free of newspapers, 21st Century Fox shines

Wall Street rewarded Rupert Murdoch's move to create a separate entertainment company, giving 21st Century Fox one of the richest valuations in the media sector on its first day of trading. Investors had waited for Murdoch to split News Corp, giving its cable, movie and equity stakes in pay-TV assets their own spotlight away from the publishing division.

Source: Reuters

Best Buy shares rise after Credit Suisse cheers turnaround efforts

Best Buy Co (BBY.N) shares rose to their highest level in two years after Credit Suisse gave a thumbs-up to the turnaround efforts of the world's largest electronics chain. Credit Suisse resumed coverage of Best Buy's stock with an "outperform" rating and raised its price target on the stock to USD 40 from USD 32. Its shares rose as much as 7.7 percent to USD 29.44, their highest level since July 2011.

Source: Reuters

Currencies

[Dollar - Chinese Yuan](#)

[Euro - Chinese Yuan](#)

[GB Pound - Chinese Yuan](#)

[Japanese Yen - Chinese Yuan](#)

First Come the Shopping Malls, Next Come the Mall Rats

A current trend that is occurring in cities across China is the slowdown in the construction on new department stores compared to shopping malls; in particular lifestyle shopping centres. Jones Lang LaSalle's research forecast a record year of around 150 shopping malls opening in 20 markets. In addition, the average size of these shopping malls will exceed 80,000 sqm. at means that at least

12,000,000 sqm of just shopping malls are likely to be constructed by the end of this year, which is the equivalent of building sixteen new Forbidden Cities.

Of the 20 markets, this trend of building shopping malls instead of department stores is most prevalent in Tier 1 cities, such as Beijing and Shanghai. For example, approximately 58% of all prime retail stock in Beijing's urban areas was shopping

malls in 2007. Today, that number has grown by six percentage points and by 2017, shopping malls are expected to comprise more than 70% of the total urban prime retail stock. For suburban areas of Beijing the trend is even clearer. In 2007, no prime shopping malls existed in the suburban areas of the city, but by 2017 nearly 80% of the stock is forecast to be shopping malls. Second and third tier cities are also experience this shi



Source: Various

in retail demand format; in cities. In cities such as Dalian, Zhengzhou and Tianjin, the vast majority of the future supply will be shopping malls.

So what's sparking this trend? As my colleague Evian Zhu pointed out in her blog post, "Is This The End Of the Department Store Era In China?" the driving force behind the change is a shift in consumer purchasing habits. As Chinese consumers become more affluent, shopping transforms from a necessity to a source of entertainment, causing shoppers to want more out the shopping experiences than just buying clothes. It has become a general rule of thumb that in order to attract shoppers and compete in the market, retail projects need to allocate at least 30% of their retail space to non-traditional retail elements, such as food and beverage (F&B), entertainment and other services. Thus, the large state-owned department stores of the 1980s and early 1990s that offer plenty in the

form domestic clothing options cannot compete with the modern large shopping malls that offer a diverse array of international and domestic brands, as well as F & B and leisure areas.

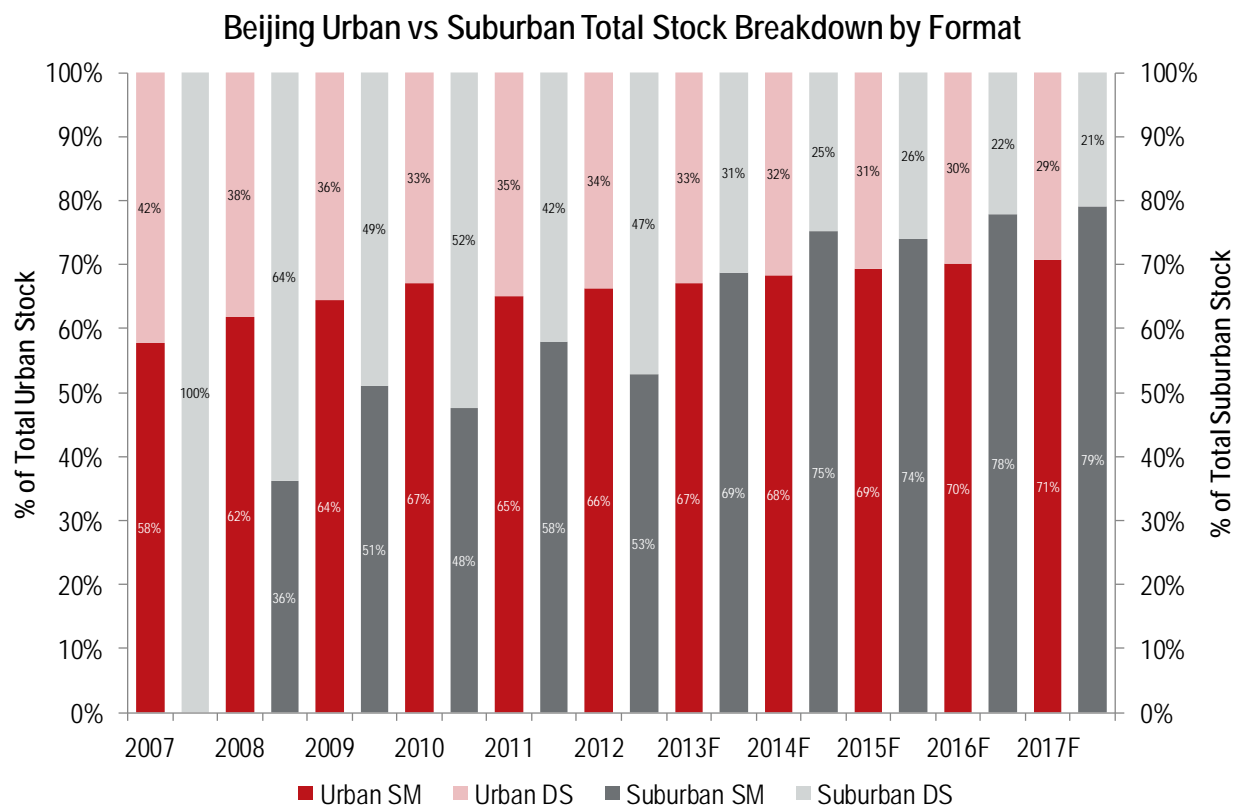
It must be said that building a shopping mall by no means guarantees that it will outperform a department store.

Even modern department stores are being forced to rethink their model in the face of change. For example, for the last year, Parkson has been trying to increase the amount of F & B brands at their projects in an effort to attract today's shoppers. However, as

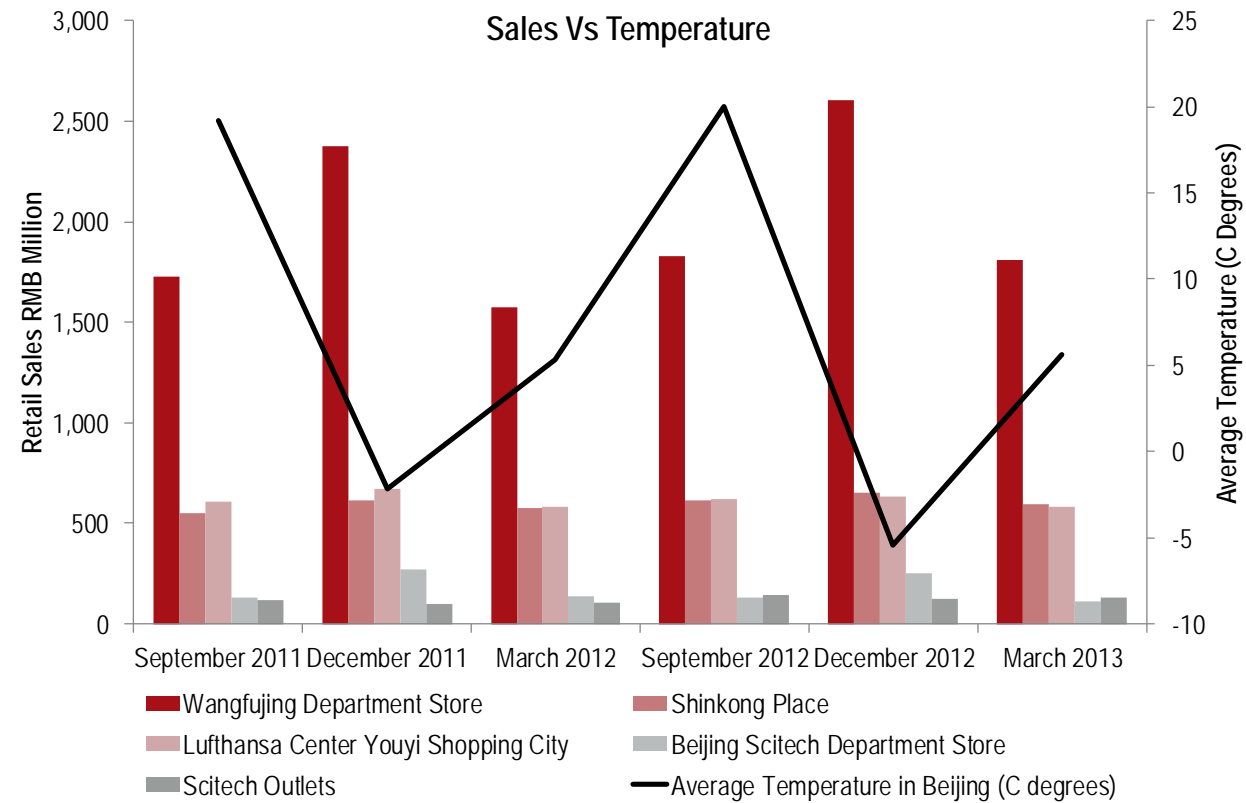
seen in the graph below not all of its department stores have had success in trying to make the transition, Parkson Fuxingmen still has not been able to increase its F & B levels significantly.

The change in consumption habits has already had an impact on retail sales for many of Beijing's most famous retail projects. As can be seen from the graph above, several of the shopping malls in Beijing saw retail sales increase by at least 10% annually, while many of the department stores experienced growth much slower than 10% and a significant portion had negative retail sales growth in 2012. Chaoyang Joy City, which had one of the highest retail sales growths in Beijing, also has one of the largest F & B and entertainment selections in the city. Developers have seen these retail sales numbers too, that is also why they are keener to build shopping malls than department stores.

It must be said that building a shopping mall by no means



Source: Jones Lang LaSalle Research



Source: Various Sources

Correlation of Retail Sales to Temperature	
Wangfujing Department Store	-72.1%
Shinkong Place	-63.9%
Lu hansa Center Youyi Shopping City	-35.1%
Beijing Scitech Department Store	-75.7%
Scitech Outlets	44.3%

Source: Jones Lang LaSalle

Note: Scitech Outlets is an outdoor mall, while the rest are indoor malls.

guarantees that it will outperform a department store. Many factors come into play for a shopping mall to be successful, such as the marketing, the management, the location, design and tenant mix, to name a few. These elements can have a large effect on whether a

retail project experiences robust or mediocre retail sales; even a factor such as building an outdoor shopping mall in a cold city like Beijing can affect the amount of retail sales a project receives. However, for developers trying to entice the mall rats into their future

retail projects, beginning with the idea of constructing a shopping mall is already a good start. **E**



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Product Placement: The Future of Advertisement

By Justin Toy

Product Placement, also known as embedded marketing, has long been a tactic for firms to strengthen their brands and to build brand recognition. Large corporations spend millions of dollars a year to help finance big budget movies and other forms of entertainment. The new Superman movie, "Man of Steel", set a record this summer when it was reported that it took in USD 160 million via 130 different partners. Everyone from Gillette, to the fast food burger chain Carl's Jr, to the US National Guard are all trying to tie their brand to a vessel that will gel with their brand image and help build sales. However, the use of product placement is not limited to only giant multinational firms. Small

businesses are also getting into the mix when possible, especially in the world of television. Local businesses are usually able to pay or give some kind of donation in order to get some airtime. Whether we are talking about using product placement in this summer's biggest blockbuster or in the hottest reality television show, companies of all sizes can benefit from the use of product placement.

What is product placement?

Product placement is an advertising technique used by companies to promote their products through a non-traditional method, usually through film, television, or other media. Today, companies are leaning

more heavily towards using product placement and other forms of non-traditional methods to advertise their products. In today's world with online streaming and DVRs where people can fast forward through commercials, product placement offers companies a more effective way to promote their product by integrating it into the program their target audiences are watching. One of the most famous successful examples of product placement is in the movie E.T. The main character, Elliot, lures the cute alien into his home using Reese's Pieces. Spielberg originally wanted the scene to feature M&Ms, but the Mars company turned him down. Hershey, on the other hand, said yes and the result for them

was a rise in profit of 65% in the weeks following the movie. Another successful example can be seen in the 2003 film, Lost in Translation. Bill Murray plays an aging film star who is in Tokyo to film a commercial for Suntory Whisky. The movie helped launch the Japanese whisky brand to international success shortly after the film's release.

Chinese firms are also getting in on the product placement action in order to help promote their brands to an international audience. In the film "Transformers 3", the main character, Shia Labeouf, can be seen putting on a Metersbonwe T-shirt while later in the movie a scientist is drinking Yi-Li, a Chinese milk brand. The popular sitcom "The Big Bang Theory," though it doesn't actually appear on Chinese television stations, is hugely popular in China via online streaming websites. As a result, Chinese marketers have been collaborating with "The Big Bang Theory" and other popular shows in order to try to cash in on the potential of product placement. According to Janie Ma, an entertainment marketing director at Ogilvy Beijing, "Chinese

consumers are wowed when they see Chinese brands in American media. It polishes the brands' local image."

The revenue produced through product placement will continue to increase rapidly as a growing number of savvy consumers fast forward through advertisements using DVR.

How Does Product Placement Work?

There are three basic ways product placement occurs. The first way it occurs is naturally. Sometimes product placement will happen because actors need props. Perhaps

in the heels of a major action scene, the hero has just finished an epic fight and needs a refreshing beverage so he grabs a Dr. Pepper and drinks it on screen. Or maybe there is a car chase scene, and the main character is driving a Mini-Cooper because the stunt coordinator recognizes that Minis handle better and can fit into tighter places.

However, in today's hyper-media society, it is more likely that the brands you are seeing in movies and on TV got there through an arranged deal. This can happen in one of two ways. Financial compensation is obviously a sure fire way to get your product some airtime. Heineken paid USD 45 million to have James Bond ditch his trademark martini for a lager beer in last year's 007 instalment, "Skyfall".

The other arrangement that allows us to witness product placement onscreen is through a trade-off of integration or placement for a supply of product. For example, a beverage company such as Snapple might arrange a deal with a popular

Legal Overview on the Jurisdiction Dispute of CIETAC

sitcom where in exchange for some airtime, Snapple will provide the cast and crew with an ample supply of drinks. Apple is a master of this kind of arrangement. The company claims that they do not pay for product placement but it is hard to watch any sort of multimedia without a character using or referencing an Apple product. In 2011, Apple products appeared in 891 different TV shows and 40% of Hollywood box office movies.

Future of Product Placement

Many analysts believe that the revenue produced through product placement will continue to increase rapidly as a growing number of savvy consumers fast forward through advertisements using DVR and look to the internet to stream free content. In 2010, global product placement promotion was estimated by some to be as high as USD 25 billion. However, as demonstrated in Morgan Sperlock's documentary/film/advertisement; "Pom Wonderful Presents: The Greatest Movie Ever Sold" (a film about product placement that is made possible through excessive product placement,

as seen in the naming rights of the movie) this growing trend could lead to over contamination of not only the entertainment industry, but also the recording arts and publishing.

The recording industry has witnessed decades of decline due to piracy, the internet, peer-to-peer networks, and digital music stores where you can buy single songs instead of whole albums. As a result, recording executives have been seeking advertisement dollars for "lyrical insertions," especially in the realm of hip hop. The song "Pass the Courvoisier" by P. Diddy and Busta Rhymes helped to cause a jump in sales by 20% for the premium adult beverage. McDonald's at one point was offering cash incentives for rappers to incorporate Big Macs into their lyrics.

The publishing industry, which has also been taking a beating this decade because of increasing use of tablets, e-readers, and the internet, is also looking for new ways to generate revenue and survive. Newspapers, magazines, and even books are being filled with product placements. Elementary and high school math text books are peppered with the mention of brands like Oreos, Gatorade, and Nike. Author

Fay Weldon received GBP 18,000 from jeweller Bulgari to mention the company at least twelve times in the novel. She went above and beyond this call, titling the book "The Bulgari Connection" and mentioning the jeweller 34 times. Meanwhile, in the world of sports journalism, ESPN has set up a column written by Bill Simmons titled "Miller Lite Great Call of the Week". As technology advances and consumer trends shift, we may not be far off from a future where product placement invades not only arts and entertainment, but perhaps our social circles. "Sony presents your best friend's Facebook status update" or "Tsingtao presents your daughter's wedding invitations." As Matt McAllister, a leading media scholar once wrote, "advertising is geographically imperialistic, looking for new territories it has not yet conquered." Let's just pray that we never reach a stage where advertisement takes over the world, so to speak. 

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Manuel Torres

Grace Ge

By Manuel Torres (Managing Partner) and Grace Ge (Associate) of Garrigues Shanghai

As the most experienced arbitration institution in China, the China International Economic and Trade Arbitration Commission ("CIETAC") is based in Beijing with several sub-commissions over China, amongst which the CIETAC Shanghai Sub-commission ("CIETAC Shanghai") located in Shanghai and the CIETAC South China Sub-commission ("CIETAC South China") located in Shenzhen were the most famous and reputable ones.

Since May 2012, CIETAC (as one side) had a dispute between CIETAC Shanghai and CIETAC South China (together as the other side) with respect to the jurisdiction over cases with certain typical arbitration clauses, which has caused great uncertainty in arbitration practices. In this article we will overview the development of the jurisdiction dispute, and analyze the impact caused to the contracting parties.

I. Overview of the jurisdiction dispute

(1) Initiation of the jurisdiction dispute

The dispute between the two sides was triggered by the promulgation of the Arbitration Rules of CIETAC taking effect from May 1, 2012 ("CIETAC Rules 2012").

According to the previous arbitration rules ("CIETAC Rules 2005"), with the general arbitration clause that "any dispute arising from or in relation to this contract shall be submitted to China International Economic and Trade Arbitration Commission and solved in accordance with its arbitration rules then", the claimant shall have the option to submit the case for arbitration before CIETAC, CIETAC South China or CIETAC Shanghai, and when such an option is exercised, the first choice by the party shall prevail.

Nevertheless, CIETAC Rules 2012 deleted that option. Consequently, CIETAC South China and CIETAC Shanghai would lose jurisdiction over cases with that general arbitration clause, which shall only be accepted by CIETAC. In addition, even with the arbitration clause that "the dispute shall be submitted to CIETAC, and the arbitration place shall be in Shanghai" or "the dispute shall be submitted to CIETAC, and the arbitration place shall be in Shenzhen", CIETAC Shanghai or CIETAC South China neither has right to accept the case.

(2) Actions taken by CIETAC, CIETAC Shanghai and CIETAC South China

As CIETAC Rules 2012 will significantly reduce the cases to be resolved by CIETAC Shanghai and CIETAC South China, CIETAC Shanghai and CIETAC South China publicly refused to apply CIETAC Rules 2012. In addition, CIETAC Shanghai adopted its own CIETAC Shanghai Sub-commission Arbitration Rules taking effect from May 1, 2012 ("CIETAC Shanghai Rules 2012"), and CIETAC South China announced that it would still apply CIETAC Rules 2005 rather than CIETAC Rules 2012.

Facing the resistance from CIETAC Shanghai and CIETAC South China, CIETAC published a series of announcements, mainly declaring that:

- The sub-commissions should apply CIETAC Rules 2012, and have no right to make their own arbitration rules, and their arbitration rules shall be invalid;
- From August 1, 2012, CIETAC suspends its authorisation to CIETAC Shanghai and CIETAC South China for accepting arbitration applications and hear arbitration cases;
- From August 1, 2012, with the arbitration clause that "the dispute shall be submitted to China International Economic and Trade Arbitration Commission Shanghai Sub-commission" or "the dispute shall be submitted to China International Economic and Trade Arbitration Commission South China Sub-commission", the parties shall submit the case to CIETAC rather

than to CIETAC Shanghai or CIETAC South China, while CIETAC will hold the hearing in Shanghai or Shenzhen; (d) From December 31, 2012, CIETAC Shanghai and CIETAC South China shall not use the Chinese or English name, brand or any logo of “China International Economic and Trade Arbitration Commission (“CIETAC”)", and shall not conduct any arbitration under the name of International Economic and Trade Arbitration Commission Shanghai Sub-commission or International Economic and Trade

“Shenzhen Court of International Arbitration” (“SCIA”) concurrently as its official name.

(b) On April 17, 2013, CIETAC Shanghai announced that it changed name to “Shanghai International Economic and Trade Arbitration Commission”, as well as started to use the new name “Shanghai International Arbitration Centre” (“SHIAC”) concurrently as its official name.

II. Impact to contracting parties

(1) For contracts to be executed by the contracting parties

After the name change of CIETAC South China and CIETAC Shanghai, when preparing the contract, the parties may refer to the below model arbitration clauses of each commission. With the changed name or new name of the commissions in the arbitration clause, the parties’ intention about the selected arbitration commission can be clearly expressed:

Table 1:

Commission	Model arbitration clause
CIETAC	Any dispute arising from or in connection with this Contract shall be submitted to China International Economic and Trade Arbitration Commission (CIETAC) for arbitration which shall be conducted in accordance with the CIETAC’s arbitration rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon both parties.
SHIAC	(1) Any dispute arising from or in connection with this Contract shall be submitted to Shanghai International Economic and Trade Arbitration Commission for arbitration. (2) Any dispute arising from or in connection with this Contract shall be submitted to Shanghai International Arbitration Centre for arbitration.
SCIA	(1) Any dispute arising from or in connection with this contract shall be submitted to South China International Economic and Trade Arbitration Commission (SCIA) for arbitration. (2) Any dispute arising from or in connection with this contract shall be submitted to Shenzhen Court of International Arbitration (SCIA) for arbitration. (3) Any dispute arising from or in connection with this contract shall be submitted to South China International Economic and Trade Arbitration Commission (SCIA) for arbitration which shall be conducted in accordance with the UNCITRAL Arbitration Rules in effect at the time of applying for arbitration. The arbitral award is final and binding upon the parties.

(2) For contract already executed

Previously, many parties adopted the typical arbitration clauses as illustrated in Table 2 in their contracts. Currently, CIETAC, SHIAC and SCIA hold different opinions about whether they have jurisdiction over the cases with those arbitration clauses, as follows:

To avoid jurisdiction disputes between the contracting parties in the future, when preparing the arbitration clauses, the parties may refer to the model arbitration clauses in Table 1, by using the new names of SHIAC/SCIA to clearly express the arbitration commissions selected by the parties.

Arbitration Commission South China Sub-commission.

The actions taken by both sides had confused the contracting parties significantly. Nevertheless, the dispute could be regarded as temporarily suspended due to name change taken by CIETAC South China and CIETAC Shanghai, as the separation of CIETAC Shanghai/ CIETAC South China from CIETAC:

(a) On October 22, 2012, CIETAC South China announced that it changed the organisation’s name to “South China International Economic and Trade Arbitration Commission”, as well as started to use the new name

Table 2:

Typical arbitration clause	CIETAC’s opinion	SHIAC’s opinion
(A) Any dispute arising from or in relation to this contract shall be brought before the China International Economic and Trade Arbitration Commission (“CIETAC”) Shanghai Sub-Commission	SHIAC has no jurisdiction over the case	SHIAC has jurisdiction over the case.
(B) Any dispute arising from or in relation to this contract shall be brought before the China International Economic and Trade Arbitration Commission (“CIETAC”), and the arbitration place shall be in Shanghai.	SHIAC has no jurisdiction over the case	Based on our anonymous consultation, in practice, SHIAC avoids clearly expressing whether it has jurisdiction over the case, but recommend the parties to submit the case to CIETAC to avoid jurisdiction dispute*.
Typical arbitration clause	CIETAC’s opinion	SCIA’s opinion
(A) Any dispute arising from or in relation to this contract shall be brought before the China International Economic and Trade Arbitration Commission (“CIETAC”) South China Sub-Commission	SCIA has no jurisdiction over the case.	SCIA has jurisdiction over the case.
(B) Any dispute arising from or in relation to this contract shall be brought before the China International Economic and Trade Arbitration Commission (“CIETAC”), and the arbitration place shall be in Shenzhen.	SCIA has no jurisdiction over the case.	Based on our anonymous consultation, in practice, SCIA avoid clearly expressing whether it has jurisdiction over the case, but suggest the parties to submit the case to CIETAC to avoid jurisdiction dispute.

* In May 2013, the Intermediate People’s Court of Suzhou (a city near Shanghai) issued a judgment refusing to enforce the arbitration award made by SHIAC with the said arbitration clause. The court judged that, prior to CIETAC Shanghai Sub-commission obtaining its Registration Certificate for Arbitration Commission on December 8, 2011, CIETAC Shanghai (SHIAC) had jurisdiction over the case with the said arbitration clause since the parties’ intention is to submit the case to CIETAC while CIETAC Shanghai Sub-commission was a part of CIETAC, but after that date CIETAC Shanghai (SHIAC) has lost its jurisdiction as it was no longer part of CIETAC but an independent arbitration commission different from CIETAC.

Fortunately, based on the non-official information from SCIA, the Supreme Court of the PRC is considering issue a judicial interpretation soon, to clarify the jurisdiction matters amongst the commissions, which is expected to dismiss the jurisdiction dispute and bring certainty to arbitration practice.

III. Recommendations

To avoid jurisdiction disputes between the contracting parties in the future, when preparing the arbitration clauses, the parties may refer to the model arbitration clauses in Table 1, by using the new names of SHIAC/ SCIA to clearly express the arbitration commissions selected by the parties.

On the other hand, with respect to the contract which already has been executed with the typical arbitration clauses in Table 2, the parties may consider to change the arbitration clause, by using those in the model arbitration clauses in Table 2.

Most importantly, the contracting parties may engage legal professionals to have a review of the arbitration clause, to ensure the jurisdiction as well as the enforcement of the arbitration award made by that arbitration commission. **B**

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Revised Rules of Arbitration for SIAC

Simon Bai
Winners Law Firm

The Singapore International Arbitration Centre (SIAC) has become one of the most popular neutral venues for investment and commercial dispute resolution involving international investors in China or international businesses trading with China, as well as Chinese counter-parties. SIAC boasts good reputation, common law tradition, multi-lingual speaking staff, culture diversity, flexibility and arbitration-friendly legal regime. The past few years have witnessed continued growth of the institution's caseload involving parties from around the world. SIAC registered 235 cases during 2012 (the largest number of filings ever) involving parties from 39 jurisdictions and was handling a total of 525 active cases at the year's end. A significant number of the filings are from parties based in China or parties investing or trading with China which is now the largest foreign jurisdiction for SIAC in terms of source of cases.

SIAC has recently released a 5th edition of the SIAC Arbitration Rules (the "New Rules"), which entered into force on 1 April 2013. While the changes do not reflect a significant overhaul of the prior version of the institution's rules, they do contain important changes of which interested international businesses and legal practitioners should be aware.

Court of Arbitration

The New SIAC Rules creates a Court of Arbitration (the "Court") comprising of 16 leading arbitration practitioners from around the world, is responsible for oversight of case administration, the determination of challenges to arbitrators, jurisdictional challenges and arbitral appointment functions of SIAC. These functions were previously under the power of SIAC's Board of Directors (the "Board"), which now focuses on corporate and

business development matters and its compliance with applicable laws.

The Court is now led by Dr. Michael Pryles, serving as the Founder President of the Court. The new Board is made up of prominent lawyers and corporate leaders from around the world. Both the new Board and the Court assumed office on 1 April 2013.

The President of the Court now performs the roles previously assigned under the old rules to the SIAC Chairman. The President of the Court has responsibility for determining applications for expedited procedures (Rule 5) and appointment of arbitrators (Rules 6-10) and emergency arbitrators (Schedule 1).

According to the new rules, the President is defined to include the Vice President and the Registrar. The Registrar, in turn, is defined to include any Deputy Registrar. The Court is defined to include a Committee of the Court. Committee is in turn defined to mean any committee consisting of at least two of the 16 members of the Court.

These definitions will be of particular interest in cases of challenges to the identity of the arbitrator, the existence or validity of the arbitration agreement or the competence of

SIAC to administer the arbitration before the tribunal is appointed

Jurisdiction Challenges

The new Rule 25.1 has been amended to create a two-stage procedure for jurisdiction challenge of SIAC prior to the constitution of a tribunal. If a party objects to the existence or

The Registrar has the ability to grant extensions of time without the need to refer matters to an arbitral tribunal.

validity of the arbitration agreement or to the competence of SIAC to administer an arbitration verdict before the tribunal is appointed, the Registrar shall determine if reference of such an objection is to be made to the Court. If the Registrar so determines, the Court shall decide if it is prima facie satisfied that a valid arbitration agreement under the Rules may exist. The proceedings shall be terminated if the Court is not so satisfied. Any decision by the

Registrar or the Court is without prejudice to the power of the tribunal to rule on its own jurisdiction. Such a two-stage procedure may help to improve SIAC's efficiency when dealing with jurisdiction challenges.

The previous rule had a one-step process, i.e., a Committee of the Board decided the matter without having a preliminary decision made by the Registrar.

Expansion of power of the Court and Tribunal

The new rules have expanded the power and discretion of the Court and Tribunal in order to streamline the arbitration proceedings as well as enhance its efficiency.

Rule 36 under the revised new rules of SIAC states that decisions of the President, the Court and the Registrar with respect to all matters relating to an arbitration are binding upon the parties and the arbitral tribunal, subject to the tribunal's competence to rule on its own jurisdiction under rule 25.1. Rule 36 also provides that the parties are deemed to have waived any right to appeal or review in respect of any decisions of the President, the Court or the Registrar to any state court or other judicial authority. Furthermore, the President, the Court and the Registrar shall not be required to provide reasons for such decisions.

Under the new Rule 2.5, the Registrar may at any time extend or shorten any time limits prescribed under the rules. This gives the Registrar the ability to grant extensions of time without the need to refer such matters to an arbitral tribunal, or before a tribunal has been constituted.

Under Rule 24(n), the tribunal has the power to decide any issue not expressly or impliedly raised in the parties' submissions, as long as such issues were clearly brought to the notice of the other party and that other party had been given adequate opportunity to respond. This enables the tribunal to consider issues not specifically raised in the pleadings,

IP Strategies for EU ‘Clean Tech’ Businesses in China: Part II

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whom nonetheless might be of significance to both parties.

Under rule 3.3, a Notice of Arbitration can be deemed to be complete if the Registrar determines that there has been substantial compliance with the requirements listed in rule 3.1. This allows the Registrar, at its full discretion to determine when an arbitration has commenced.

Under Rule 28.7, the limitation on the tribunal's power to award interest only up to the date of its award has been removed. Under the new rules, the tribunal is now empowered to award post-award interest in line with the latest legal developments in Singapore, namely the recent amendments made to the Singapore International Arbitration Act. This may serve to better protect the interest of the non-breaching party of a dispute.

Under Rule 28.10, the SIAC may publish any award with the names of the parties and other identifying information redacted. One interesting outcome would be whether this may

prompt legal practitioner to refer to previous awards, for precedents albeit non-binding. It will also be interesting to see how the parties will react to such amendments and who might be sensitive to the issue of confidentiality.


In a multi-party scenario, the new Rule 9 give parties 28 days or a time period set by the Registrar to make a joint appointment (failing which the arbitrators may be appointed by the President) calculated from the date on which the Registrar received the notice of arbitration rather than the date of the filing of the notice of arbitration as had been the case in previous version of SIAC rules.

Expansion of Jurisdiction

With an aim to be a pre-eminent global arbitral institution, Rule 3.1(d) of the new SIAC rules notes that the Notice of Arbitration must include a reference to the contract “or other instrument [e.g. investment

treaty]” underlying the dispute. As the jurisdiction of SIAC has been extended expressly to cover disputes arising under an investment treaty or other instrument conferring jurisdiction upon SIAC.

Conclusion

The recent new governance structure of the SIAC, with the establishment of a Court of Arbitration and the separation of the SIAC's business and legal functions, has been widely considered as a positive development giving rise to more flexibility and efficiency. Some of the changes therein are of interest to international businesses and investors and deserve continuing attention on how they will be applied in practice. 

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With immense growth, the Chinese clean technology market is an attractive prospect for European companies. To realise the potential and operate competitively however, clean tech enterprises need to protect their intellectual property (IP) rights. This concluding article of a two-part series outlines important considerations – such as licensing of IP – for conducting business in and with China. For strategies to assess and manage your IP, read part I in last month's edition of Business Tianjin.

Agreements, dealing with partners and preparing technology for transfer

Protecting IP whilst having to deal with contractors, partners, regulatory authorities and a host of other parties is a constant challenge for clean tech businesses. In addition to patents, the source of many clean tech businesses' competitive advantage often is in the form of know-how, trade secrets, and confidential information which need to be protected contractually. Non-Disclosure Agreements (NDAs) are widely recognised by Chinese courts and should be used in every business dealing with a third party, no matter how big or small, including in contract manufacturing arrangements. Thorough documentation and requiring strict procedures when disclosing and receiving confidential information are equally important because they will be essential when seeking to enforce the NDA in case something goes wrong.

Clean tech and high-technology businesses in China use a variety of strategies to protect their IP when transferring it to China, including ‘black box’, compartmentalisation, custom-fit components, role-segregation, and diversified sourcing strategies. Further information on IP protection in technology transfers and on protecting trade secrets can be found in other China IPR SME Helpdesk materials.

Trademarks and branding

Trademarks are important in the clean tech space because of the unique role public perception plays in the adoption of new technologies and the direction of government policy. A strong brand can be instrumental in winning government procurement contracts and government approvals. Like in Europe, China is a first-to-file trademark jurisdiction, which means that the business or individual who files to register a trademark is first granted an exclusive right to use it, unless a special case applies such as if the trademark is already well known. It is important to consider that Chinese consumers often find a Chinese name of a foreign trademark much easier to pronounce and remember. A Chinese version of a foreign mark can be a transliteration or a translation, or the company can develop a distinctive Chinese mark. In addition, IP hijacking extends to Chinese language versions of foreign brand names. It is therefore highly recommended that companies register a Chinese version of their foreign language marks. Further information on trademark filing and enforcement strategies can be found in other China IPR SME Helpdesk materials.

Licensing and sale of IP

Licensing and sale of IP can be a potentially lucrative source of cash flow for clean tech businesses with high-value IP. Many small and medium-sized clean tech businesses are interested in licensing technology within their own industry. However, the decision to monetise IP through licensing or sale is one that must be taken only after careful consideration of a number of important factors.

5HPHPEHU Businesses with a sufficient budget to engage in litigation and licensing negotiations if necessary.

Patent licensing broadly falls into two categories – ‘carrot’ and ‘stick’ licensing, explained below.

‘Carrot’-licensing

This refers to a license taken on voluntarily by the target licensee without the need for the patent owner to sue. Clean tech businesses with good technology that meets pressing needs will be able to find local partners and licensees because they provide solutions in niche areas which

One way to hedge against the possibility of ‘seller’s remorse’ (i.e. later regretting having made the sale) is to couple a sale with a grant-back license.

Chinese companies cannot deliver by themselves. A large part of getting potential licensees to the negotiating table is to be able to demonstrate strong rights to a credible technology that requires specific know-how to fully realise. A clean tech business can be successful with this approach when a patent license is coupled with a license to the clean tech business’

know-how related to implementing or practicing the technology.

Another way to initiate a licensing negotiation is to hold an auction. This can be done by sending a letter to a number of potential target licensee’s simultaneously or to the target licensee’s competitor. The letter should be carefully crafted by a lawyer in order to avoid exposure to a lawsuit for declaratory judgment, which is a lawsuit brought by the letter recipient asking a court to declare that the recipient is not using and infringing rights to the relevant technology. Licensing negotiations should be conducted under a Non-Disclosure Agreement (NDA) that contains a promise by the target licensee not to file for a declaratory judgment during the negotiations.

‘Stick’-licensing

‘Stick’-licensing is not the preferred option for licensors but may sometimes be necessary, and comes about when a third party is already using a technology without a license from the owner of the IP, thereby infringing the owner’s rights. Businesses pursue litigation to compel the payment of royalties from the third party by demonstrating that the technology is covered by their own IP, that the IP is valid, and that the business is willing to sue and enforce its IP rights. Often

target licensees will not seriously consider paying royalties until this can be demonstrated; in short, very often one must sue or threaten to sue. However, putting IP to the test in litigation can be risky. In all cases, the validity of the IP will be challenged, and if lost and invalidated, the business may never be able to recoup its investment and may lose a key piece of its competitiveness. For this reason, many businesses do not choose to license their core IP unless they are confident in the strength of their IP or have other means of ensuring their continued competitiveness. Businesses seeking to license should also have a sufficient budget to engage in litigation and licensing negotiations if necessary.

The end-game of pursuing a patent litigation is almost always a license. Often a business may succeed in getting a target licensee’s attention simply by filing a complaint and then reaching a settlement through negotiations without having to go through the expense and burden of a trial. Patent litigation can be expensive, but litigation in China is much faster and significantly less expensive than litigation in Western jurisdictions. Despite this, these cost-savings are still limited in China, because most of the expense

in patent litigation (>50%) in China is incurred before the filing of the complaint. Even though a business should expect to go the distance if it intends to file a lawsuit, keeping in communication with the potential target licensee early and frequently can be a good way to increase the chances of a settlement.

Sale of IP


A clean tech business will often develop IP that may eventually fall outside its core operations but that other businesses may be interested in acquiring. When IP is no longer attached to a product or a core aspect of the business, it may be worthwhile to sell the IP through an assignment to avoid the carrying costs associated with keeping the IP in the portfolio. One benefit of a sale versus a license is that in a sale, a business can obtain immediate cash flow, whereas in a license, royalties typically take at least 2-3 years to materialise when the product hits the market.

When trying to decide whether to sell IP, it is important to recognise that a potential purchaser may see different value in the IP than the seller, simply because it has a different business focus. Because of this, it can be a good idea to engage an outside consultant to determine

the value of the IP before the decision is made to sell. One way to hedge against the possibility of ‘seller’s remorse’ (i.e. later regretting having made the sale) is to couple a sale with a grant-back license. In this arrangement, the buying party grants a license to the selling party to use the technology. In this way, the selling party has the right to continue to use the technology after the sale. However, it is best to try to negotiate the right to sub-license as part of the grant-back, in order to keep as many options available as possible. Further information on IP protection in technology transfers can be found in other China IPR SME Helpdesk materials.

Take-Away Messages:

European clean tech SMEs need to be proactive in understanding and taking measures to minimise IP risk when doing business in China. Often SMEs get caught up in fast-moving deal opportunities and do not adequately address critical IP issues. SMEs can avoid incremental losses to competitiveness through IP loss by thinking strategically about IP, and should follow these guidelines:

- Carefully consider how licensing fits within the overall business strategy and direct sufficient resources towards obtaining strong IP rights to support licensing initiatives.
- Consider how IP generated by your business could potentially be used in other sectors and therefore be monetised.
- Always use non-disclosure agreements (NDAs) with third parties, affiliates, and employees.
- Obtain registered IP rights (patents, copyrights, trademarks, etc.) in China prior to transfer. 

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Leadership Agility: Thriving in Changing, Global Times

Professor JoAn Mann, MBA, has worked with national associations, Fortune 500 executive teams, and is currently an associate of LDi Training (www.lditraining.cn), working as a consultant and trainer.

The world is constantly changing. To lead means that you need to be constantly adjusting and upgrading your leadership 'software'. Previously the rate of change was slower, occurred with differing intensities and with varying degrees of transparency in a much more divided, sometimes information starved and pre-internet closed borders world. Today, things may still be scary but they come more from the overwhelming amounts of information we must integrate to make good leadership decisions. We live in a more evenly transparent, vibrant, highly fluid, technology-driven and cross-culturally interactive global economy. 'Leadership Agility' has made a difference in who 'succeeds' and who will no longer be a part of the global landscape—politically, economically and socially. What makes up that quality of leadership agility whereby decisions endure the test of changing times? Is it a matter of nature, what we have inherited in our DNA, or nurture, that is, something that can be learned and developed? Is it purely situational and the chance forces of history at work?

Over the past 35+ years, we've witnessed the evolution of leadership development from a Traits Theory to Behavioural Style, including stimulus-response Skinnerian approaches to Situational Leadership to Integrated Psychological theory introducing Servant and Authentic leadership models, and back to revisiting Leadership Personality Styles in an integrative approach. There is no simple formula for Leadership – neither for identifying who will be a great leader, nor what approach will work in the next situation you or anyone else faces. These are intangible elements that offer key insights for personal and organisational development.

When Roger Bannister broke the 4 minute mile barrier on the track sixty years ago, an extraordinary phenomenon occurred – the original universally accepted physical 'barrier', was broken... for all times. The human body had not fundamentally changed. What changed were mental, emotional and psychological inner qualities. When mastered, these intangible attributes can change history and human potential.

is metaphor applies to Leadership. The mental-emotional-psychological inner drive is at least as important as the academic and intellectual factors that have long been identified as important to leaders. Human psychological qualities reflect an agility that impacts possibilities for all humans. The key measurable factors of these psychological qualities are personality (nature) and emotional intelligence (nurture). With skills learned through training and formal education, these additional qualities help us to understand how to better approach situations to be more effective in our personal leadership styles, individually and in groups.

Leadership Agility offers great opportunities for those with keen mental and emotional communication agility. We've seen that swift or dire consequences await those who cling to outdated, growing-up-in-clenched-fist times. Such an approach easily topples leadership and relationships within teams, organisations or communities. The more we are able to lead and communicate with an offered palm, gently supporting, guiding, mentoring others to rely on their own when the time is ripe, the brighter is our personal, organisational and community future.

The good news: much of this agility can be learned, and in a fun way! Regardless of your past experience, education or cultural background, communicating with leadership agility is based on caring and curiosity - something innate to our human spirit, regardless of cultural or ethnic origin. No one needs an advanced academic degree to master the fundamentals of caring and curiosity. Each of us expresses how we care and we are curiously interested in the world around us in different ways. That's where Leadership Agility comes in. Your leadership will reflect your personal uniqueness, but will also allow you to develop a new and easily understood universal language in relationships. This is at the core of leadership development.

This is not to say that we won't all

make a mess of things from time to time, or even often. That is our fastest learning curve and we're all human! The mistakes we make may well be our best indicator of Leadership Agility – or perhaps more accurately, how fast and well we recover from

Leadership Agility offers great opportunities for those with keen mental and emotional communication agility.

making mistakes. Our ability to be caring allows us to understand the critically sensitive 'timing' element when communicating with another, as well as to make amends quickly when we've hurt someone's feelings. But, it is curiosity that allows us to not take the other's mistakes too personally. Instead, by remaining open to, for example, the other person having a bad day and not having all the information, helps us maintain our sense of humour - the hallmark of a truly outstanding leader in any field or culture. The natural talents and current motivation to either be more caring or curious can be measured.

Many tools are used to assess personality and leadership style. One that we have found very useful

in helping managers and teams is the PREP Profile, which is a simple, globally and cross-culturally sensitive personality assessment with leadership-team system of reports, charts and curricula for organisations and individuals. The PREP Profile reports identify leadership styles - based on personality, energy reserve, current attitudes and motivation. Nine Primary Factors, such as a more personal communication style (Caring) or more objective communication style (Curious), are easily identified. Additionally, the current individual or collective group motivation and stress level is assessed, which are very helpful in the interview process for hiring, or coaching a current employee. Coaching leaders to better understand timing in communicating and relationship development is simplified by identifying an individual's natural talents, current motivation and attitudes.

The beauty of this tool is its simplicity of use. It takes only 5 minutes to complete and can be done in Chinese, English, German, Spanish, Thai, French or Arabic. Full reports are available in the English, Chinese and German. The PREP Profile has been successfully cross-validated with the Myers-Briggs Type Instrument, Cattell 16-PF assessment, including Quadrant style instruments and 'The Big Five'. The assessment has been used on all continents, in global and entrepreneurial organizations as well as by numerous professional coaches

in the organizational development and human resources fields.


The PREP reports deal directly with the personalities of different individuals and the impact that has on shaping a team or organisational culture— especially when integrated with the profile of the founder or head of the organisation/team. PREP training and curricula integrate cross cultural/generational and gender differences.

The PREP Profile emphasizes Leadership Agility through its unique

emphasis on communicating to different personality styles, genders, cultures and generations based on a listening model of building trust.

To begin any 'agile' communication, we must first listen to the whole person: personality, gender, generation, culture. Then, we need to understand their background. When understanding takes place, communication can be selected carefully and sensitively for well-matched timing either with a sense of urgency or relaxedness depending

on the situation. Then, trust can be developed and maintained while continually listening to each person, not just the 'words' being used.

The PREP Profile System has been useful for global acquisitions, to better understand the intangible, cultural elements that often go awry, when "the numbers looked good". Personality styles are very consistent and reliable across cultures and genders in understanding basic approaches to communication and problem-solving... to be more caring or curious, for example. Using a system like PREP helps good leaders to become agile leaders to weather the storms of cultural and technological change. Reading the signs of hazards ahead makes good sense and is a small investment for necessary on-going organisational change, developing Leadership Agility to thrive with more change ahead. 

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Uncover the Hidden Costs of Human Capital in Tier 2 and Tier 3 Cities

By Robert Parkinson, CEO and Founder of RMG Selection

With the 12th Fortune Global Forum just being held in Chengdu, a typical second tier city in western China, more and more emphasis has been put on the further development of Tier 2 cities in China. Running factories in cities like Beijing, Shanghai and Guangzhou is considered to be quite costly. With the aim of lowering the cost, an increasing number of businesses are starting to think about building factories in Tier 2 and Tier 3 cities in China

where the cost of labour, resources and land is much lower compared to the expenditure in first tier cities. According to RMG's China Talent Flow Survey report, the salary level in Tier 2 and 3 cities is about 70% to 80% of that in Tier 1 cities. Furthermore, due to the fact that developing businesses in Tier 2 and 3 cities actually quite fit the strategy of the Chinese 'go-west' campaign, a lot of companies firmly believe that transferring to Tier 2 and Tier 3 cities can lower the cost, especially in the

case of manufacturing businesses. However, there lies the uncovered cost in managing human resource capital while calculating all the expenditure. Therefore, I would suggest that those who plan to pan their treasure in the goldfield should think twice before acting.

Firstly, let's talk about the production rate in the smaller cities. Developing a good workforce in the new land does not necessarily bring companies benefits in terms of the production rate. To be specific, looking for factory workers and preparing them to get

ready to work is a difficult process with the costs of both time and money being high. Moreover a newly trained workforce is less efficient and proficient in comparison to skilled workforces from Tier 1 cities in terms of industry development, educational background and employee training levels. In general, compared to the ratio of skilled workers in first tier cities, the production rate in undeveloped and developing cities just reaches 60% to 80%. The process of the production has profound effects on subsequent processes, which finally leads us to the product percentage of pass. Taking quality control into consideration, the passing rate in non-first-tier cities only reaches 85%.

Let me illustrate this case with an example from a factory in Chengdu, where renting and operating costs account for only 30% of that in Beijing and Shanghai. Assuming that there are 1,000 workers in a factory,

the average monthly salary of those who work in Tier 1 city is about CNY 4000. The annual output value of the factory is CNY 80 million, and the expenditure of renting and operation is about 1/4 of the annual output value. Moving to Tier 2 and 3 cities

Taking quality control into consideration, the passing rate in non-first-tier cities only reaches 85%.

can help the factory save CNY 26 million, which includes a CNY 12 million salary (4000*1000*12*25%) and CNY 14 million renting and operation costs. As mentioned above, however, the product rate will be decreased to 75%, which means that the profit margin will drop to CNY

51 million (8000mIn*75%*85%). In this regard, the annual output value actually is decreased by CNY 29 million which is CNY 3 million more than the saving; let alone the cost of training and recruiting. It can be seen in this presumption: when it is the moment for companies to generate return on investment, the efficiency and proficiency of those newly trained workers will probably disappoint a lot of companies.

Another issue to be concerned with is the process of "brain gain" at the management level. To find the right management leader and move him or her to the sub-company in Tier 2 or Tier 3 cities creates issues. So, we have to deal with such factors as relocation. Instead of regarding it as a minor issue, companies need to take several factors into consideration. Asking management personnel who have lived and worked in a big city for years to relocate to a smaller city is absolutely a difficult task. Should

The Internet and Social Networking in China

By Robert Watt

an apartment be prepared, should the family members move together, should the company give to the family, and should the salary level remain the same, etc. are all details that companies must consider.

In general, the “brain gain” process can be achieved either by hunting for talents from other companies or by looking around within the company. In both ways, companies need to benefit the chosen one by offering housing subsidies, salary increases, round trip tickets, or a one-time family allowance. Actually, as for the housing subsidies, in order to ensure fairness inside the company, more and more companies tend to choose salary increases. Sometimes companies will offer an extra contract signing bonus for talents hunted from other companies. With these choices, the only problem left for the company is to balance them in order to get the best one for both sides. Though companies think they might make the

right decision, problems might still appear sooner or later. For instance, one of the typical problems is whether the management personnel are able to get used to the new working and living environment as soon as possible. And what if he or she does not move on well?

The last issue to be considered is whether companies are ready to bear the risk of a “brain drain”. Asking high level employees to relocate in another city brings concerns, especially with regard to one’s career development. Relocation not only means that the talent will work and live in a new city, but it suggests that one should develop their new social network for work as well. Developing new relationships takes more than a day or two. It is a long-term project. When considering moving to another city, these people will have to decide whether they would like to restart everything. In another sense, whether or not companies have planned the

career development path for these employees also matters in this regard. If the relocation process pushes management personnel to a dead end on their career path, the company needs to be careful with the issue of a “brain drain” occurring.

However, you might say that there are a lot of companies that moved to Tier 2 and Tier 3 cities which have embraced great success and benefits. Of course, the ideas here are only suggestions for companies who have a plan of action. Every company encounters different troubles and solves these problems quite differently, so this is time for the wise to utilise their wisdom. ☐

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Those thinking of coming to live in China may be worried by headlines such as the one which appeared in the Daily Telegraph in 2010: ‘China makes Skype illegal’. The reported restrictions of many popular websites give an impression that living here is like committing social networking suicide. But living in China, you soon become used to the restrictions on blog sites and other internet websites, particularly blocking of popular services such as Twitter, Facebook

and Youtube. For most people these restrictions are either a minor irritation, or accessed anyway via a proxy or a Virtual Private Network (VPN).

Even without a VPN you probably haven’t noticed any changes with Skype. Most people continue to use the service without any problems. But internet calls are only legal when using one of the Chinese state owned telecom carriers: China Mobile or Unicom. Computer to computer communications, however, are still

possible 3 years after the reported crackdown. If you downloaded Skype in China it will have been via the TOM website, (a Chinese joint venture with Skype) which will have provided you with a modified version that has the required content filters to make Skype conform with local regulations.

Newspapers focus on China’s obsession with the monitoring and censoring of communications as the reason for blocking these sites. In the case of internet phone calls, China is

the world's largest market and they had been eating into the profits of the state owned China Mobile and China Unicom. So, there is also a business case for discouraging Skype use.

If you feel that life would be unbearable without Youtube, Facebook, Twitter and Skype, you may feel sorry for the Chinese consumers. But of course, the vacuum created by their inaccessibility here is being filled with home-grown equivalents. But does a market without the creativity of the rest of the world or the competition that these popular foreign websites provide, mean that the Chinese 'socially engaged' person is poorly served?

Jego

Jego is China's equivalent to Skype. It has been developed and is owned

by China Mobile, and therefore an answer to plugging the loss of income from calls made over the internet. It was launched at the beginning of June and primarily aimed at people wanting to make international calls into or out of China. Surprisingly the registration of new users was suspended within a week of the launch, but this is only expected to be temporary.

Tencent QQ

QQ was launched in 1999 and provides a social network with personal web space for adding photographs, messages and videos.

The main feature, however, is the instant messaging window, which opens automatically when you log in. It's rather like MSN Messenger was. QQ is used by just about everyone in China. There are over 800 million active QQ accounts, not far short of Facebook's 1 billion users. It is China's second most popular website.

Even if you haven't used this site, you will have heard, in restaurants and subways, the knocking sound coming from people's phones to indicate that a friend is on line, or the 'cough cough' sound which indicates that a message has been received.

Sending attachments is easy with QQ and is surprisingly fast. Using QQ mail, you can send files of up to 1GB, far more than the 20MB limit of E-mail providers such as Outlook. At a basic level it's free, but you can upgrade it and get access to more games, more music and get rid of the advertisements for a small fee.

Baidu

Baidu is the Chinese equivalent of Google. It is by far the most used search platform with 70% of online searches in China. It has a built-in translator, so it can search in Pinyin, English and Chinese characters. Like Google, it contains images and videos, news etc. Although it lacks the excellent Google maps, it has a host of other features such as a dictionary, music, movies and a searchable community question and answer database. The music and movie sites are hugely popular and any mainstream MP3, film or TV program can be found and downloaded. Even some more obscure music can be found. There is also a TV channel where popular foreign TV programs and a lot of sport (inaccessible online via foreign TV networks) can be streamed - if you turn your VPN on.

A search on Google.com using the word 'Snowden' gave 110,000,000 results of which the 1st page was entirely news items about Edward

Snowden and a Wikipedia entry about him. In the same search using Baidu the top 3 were discussion boards about the whistleblower, a consultancy company, then a news item and a song by 'Doves' available as a free download from Baidu. Although not a very scientific study, the differences in search results may reflect the way the two search engines work, but equally this could be a reflection of what Baidu's predominantly Chinese users want to see.

Of course, all the content is currently free- although you sometimes have to pay for higher quality downloads. There are plans to make users pay for film and music in the near future.

Weibo

Weibo is a micro-blogging website very similar to Twitter, but has a far larger user base. Twitter estimates to have 21 million active users whereas Weibo has 50 million active users. As well as being popular with Chinese celebrities, some foreigners have also joined; David Beckham, for example, has over 2 million followers.

Using Weibo is very similar to Twitter. It is restricted to 144 characters, the same as Twitter. However, a recent analysis of key words used, showed that the information tweeted is subtly different. The most commonly shared content on Weibo is jokes, images and video, most of which are 're-tweets'. The effect is less comment on shared content, but there is also less sharing of news stories compared with Twitter.

Actor Tao Chen who has 8.9 million followers has reportedly turned down offers of CNY 100,000 per promotional tweet.

The vacuum created by sites and apps like Facebook's inaccessibility KHUHLVEHLOOHG with home-grown equivalents. There are over 800 million active QQ accounts, not far short of Facebook's 1 billion users.

RenRen

Has been called the Facebook of China and is the biggest Chinese social network. Most functions are the same as those in Facebook. You can update your personal status, share photographs, articles and external links, leave a message or comment on photos, blogs, status, etc. Activities can be held online by calling on friends to participate. There are also several peripheral applications, such as online mini games.

The games are hugely popular. RenRen has won several awards including top 10 best Games developer 2012. Online gaming is their biggest revenue earner with

USD 26 million in the first quarter of this year, up 53% from last year. People who use both Facebook and RenRen report that they are similar to use and post similar information to their Chinese friends on RenRen and foreign friends on Facebook.

There are 194 million real name users of RenRen, 40 million unique logins per month. While small compared with Facebook's 1 Billion users, it is still the 5th biggest website in China.

Such surveillance is taken for granted by Chinese users and so is the ability to download films and music for free. If China proceeds with plans to try and make users pay for them, it's going to be much more unpopular than filtering out 'sensitive words' has been. With the largest base of net users in the world and (as estimated by the International Federation of Phonographic Industry) being responsible for 99 percent of all music pirated, it's also going to find enforcing the alien concept difficult and costly. And unlike blocking Facebook or Twitter, there would be no corresponding advantage from protecting home-grown businesses. **B**

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The Astor Hotel, A Luxury Collection Hotel, Tianjin Celebrates 150th Anniversary with Themed Celebrations Reliving History in Classic Style

Starwood's first Luxury Collection brand hotel in China celebrates its milestone anniversary as the fabled 'Grand Dame'

The Astor Hotel, A Luxury Collection Hotel, Tianjin offers an indelible and classic experience of exquisite luxury that goes back to its establishment 150 years ago. This year it celebrates its 150th anniversary with themed events, packages and promotions that pay tribute to the Victorian landmark's fabled history since opening in 1863.

President, Operations for Greater China of Starwood Hotels & Resorts Worldwide, Mr. Qian Jin said: "The Astor Tianjin is China's most iconic historic hotel. The rich historical heritage of this hotel adds greatly to the Luxury Collection brand experience, while the Luxury Collection brand promotes the development of the hotel, including the injection of new service concepts, etc."

Nostalgic Themes, Classic Moments

For all of 2013, accommodation promotions range from the 1863 Suite Legacy Package, priced CNY 1,863 for a themed suite with the second night including a special surprise, to a Discovery Escape Package featuring a Foreign Concession tour and Epicurean Package with a celebrated banquet menu.

Exclusive historic menus also recreate the exact dishes served at banquets for notable VIP and dignitary guests – from the 'Last Emperor' Pu Yi to revolutionary leader Dr Sun Yat Sen, the 'Founder of Modern China', and former U.S. President, Herbert Hoover.

From now until September 28, 2013, all four Luxury Collection Hotels & Resorts in China will be celebrating the Astor Tianjin's 150th anniversary with special "150" event promotions for guests who stay at any of the hotels on weekends. Promotions include free room upgrades, CNY 150 coupons, and free breakfasts, among others.

The 150th anniversary celebrations at the Astor Tianjin reached their climax in July with a Victorian-style vintage ball on the evening of July 12, 2013. Hosting VIPs gathered and dressed in classic attire, this unique Luxury Collection event turned the clock back to a time of spectacular royalty. This regal affair was followed by a British-themed celebration entitled "150 Years of Sharing Luxury" on July 19.

The Wedding Fair at Tangla Hotel Tianjin

"Tangla Romance", a prestigious event concept for romantic occasions made its first appearance at the Tangla Hotel Tianjin in an elegant Wedding Fair. Whether you are looking for a perfect venue for a romantic proposal, a dream wedding, an unforgettable honeymoon or a cherished anniversary, Tangla Tianjin is the perfect venue for you. With a wide range of high-end facilities ranging from an opulent ballroom to the highest bar and restaurant in Tianjin to luxurious guestrooms and suites, culinary excellence and impeccable service, Tangla is recognized internationally through its acclaimed "Six Star Diamond Award" from the American Academy of Hospitality Sciences (it was the first hotel in China to receive this award and only one of six in the world).

The wedding fair was held in partnership with wedding planner Queeny, one of the most prestigious firms of its kind in Tianjin. It was the first wedding planner in Tianjin to use 4D holographic technology themed as "Love Travels". It featured a journey from the Tang Dynasty to today's hottest fashions and trends.

The event featured an over-the-top designer spring/summer 2013 collection entitled "Beautiful Dream", and also showcased the latest in wedding and banquet designs to the audience. During the wedding fair, experts of wedding ceremonies unveiled this year's fashion trends for couples.

The event was officially opened by Hotel General Manager Mr Fintan O'Doherty and Queeny Managing Director Mr Alan Wang, who simultaneously unveiled a spectacular heart shaped ice carving flanked by an ice dragon and phoenix with red wine revealing a Tangla Logo.

Other features included stunning wedding cakes, retailing from CNY 688 to CNY 666,666, created by the hotels master chefs as well as limousines by Audi and Rolls Royce. Cruises by the HNA Cruise line, wine and photography options also made it an event not to be missed if you were planning your or a family member's wedding.

The 550m²/sqm ballroom can accommodate a sit down event for as many as 400 people, while other venues within the hotel can cater smaller more intimate events.

The Tangla Hotel Tianjin also displayed its sumptuous wedding suites located on floors 36 to 48 of the Hotel. They offer stunning views of central Tianjin and the Hai He river below. The hotel offers rooms and suites ranging from 60 to 220m²/sqm, 600 thread count cotton sheets, high end toiletries and the Tangla Ambassador service.

Hotel General Manager Fintan O'Doherty and Managing Director Alan Wang at the Tangla Hotel Tianjin Wedding Fair.

"Big Kid's Club" @ Min Yuan Terrace

Your Childhood Memories Recalled

On 7 July 2013, the "Big Kid's Club"-themed activity was successfully held in Min Yuan Terrace Cultural Creative Block, which was co-sponsored by the Tianjin Historical Architecture Restoration and Development Co., Ltd. and Tianjin People's Broadcasting Station Arts Radio. It included a second-hand goods bazaar, band performances, a graffiti wall and cartoon shows. DJ Yi Ding from Tianjin People's Broadcasting Station Arts Radio led the 'Curry Fried Rice Band's performance from 2-3PM. People also wrote down their mood or drew something cute on the creative graffiti wall, as well as enjoyed the nostalgic cartoon show. Post-80's childhood memories were all recalled by this get-together.



AmCham China Tianjin's Annual US Independence Day Celebration

29 June, Qing Wang Fu

On June 29, 2013 AmCham China, Tianjin held its annual US Independence Day Celebration, marking America's 237th birthday. The event was held in the courtyard of Qing Wang Fu and involved an afternoon of delicious food, cold beverages, a live band, lucky draw and fun games for the kids. It was a great opportunity to hang out with old friends and meet new people.

We would like to thank all our sponsors for helping us celebrate the US Independence Day in a memorable fashion. A sincere thank you to our major sponsors: Jones Lang LaSalle, Schneider Logistics, Northern Lights, Wellington College International Tianjin, Taylor Printing and Jin Magazine and all the lucky draw prizes sponsors. And also thanks Qing Wang Fu for the delicious food, good service and lovely venue.



Breakfast Seminar - Business Relevant Data Management for Companies

Wednesday, June 19, 2013

In the current technological age, the amount of data has a strong impact on daily working life as well as on strategic decision making processes. The vastly increasing amount of data is pushed by current trends like mobile usage of networks, cloud computing, IP-based communication, social media, etc. is expected to increase in enterprises by over 40 % by the end of 2014. During the German Chamber Breakfast Seminar on June 19, our expert Markus Tenelsen provided practical solutions (e.g. efficient reporting on tablets with the help of ERP Software like SAP) and tips and tricks (how to minimize the "human factor" in data security) to show how to deal with the challenge of data management. Moreover, the seminar presented ways of getting the right information out of data and clarified the most common questions about data security, mobile data management and enterprise data management.

GM Roundtable: The Chinese Trade Union Policy - How to Deal with Trade Unions in International Companies

Monday, July 1, 2013

Recently, many international enterprises have been approached by the All-China Federation of Trade Unions (ACFTU) and development zones, requiring them to set up their own trade unions. In order to inform and discuss how to deal with trade unions in international companies, the Tianjin Office of the German Chamber of Commerce – North organised a GM Roundtable on July 1, 2013. In the presence of Advisory Council Member Uwe Birnbaum, General Manager of Jean Mueller Electrical Systems (Tianjin) Co., Ltd. the Roundtable highlighted in current trade union policy from both a legal and a practical point of view. After legal expert Catherine Shen introduced the relevant regulations, nature and rights of unions in China, Dr. Zhang Li, the elected Chairman of the trade union at Siemens Ltd. China since 2008 provided first-hand experiences regarding his work at the Siemens union. The experts offered insights into the latest development and characteristics of Chinese trade unions and discussed its impact on international companies together with the participants. The GM Roundtable is a quarterly German Chamber event in Tianjin that provides the opportunity to openly discuss current issues that are important for international companies on a manager level.

July 26, 2013: InterChamber Finance & Tax Workshop- Current Accounting Trends and the Latest Development of B2V Reform

July 31, 2013: Kammerstammtisch Tianjin, Drei Kronen 1308 Brauhaus Tianjin

August 7, 2013: Kammerstammtisch Binhai, Delights Restaurant & Bar

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

Include your event
email to editor@businesstianjin.com

01
THU
北京

Beijing China International Cleaning Industry Expo

China National Convention Center

Aug 1-3

08
THU
北京

The China (Beijing) International Filtration and Separation Technology Equipment Industry Exhibition

Beijing International Convention Center

Aug 8-10

15
THU
上海

Energy-saving & Advanced Building Materials Expo

Shanghai New International Expo Centre

Aug 15-17

02
FRI
北京

Coral de Camara de Navarra - The Spanish Folk Music Night

Concert Hall, Tianjin Grand Theatre

¥ 150/120/100/80/50/30/10

Editor's pick

15
THU
上海

Shanghai International Green Wood-en Residential Exhibition

Shanghai New International Expo Centre

Aug 15-17

08
THU
北京

China (Beijing) International Water Treatment, Pump, Valve and Pipe Equipment Exhibition

China International Exhibition Center

Aug 8-10

Special Days 07 Aug %HJLQIRIWRQUTLì 23 Aug /LPLWRIHDWFKVK
13 Aug &LEQVHØOHQWLEQVDTT

20
TUE
上海

Shanghai International Automotive Manufacturing Technology & Material Show

Shanghai New International Expo Centre

Aug 20-22

23
FRI
北京

2013 Tianjin International Fashion Beach Music Festival 2013

Tianjin Dongjiang Bay Beach

¥ 240-280

Aug 23-24

Editor's pick

22
THU
北京

China International Power Transmission & Control Technique Exhibition

Tianjin Meijiang International Convention (KLELWLRQWUHU)

Aug 22-24

23
FRI
北京

China International Import Food Exposition

National Agricultural Exhibition Center

Aug 23-25

Editor's pick

23
FRI
北京

Mr. Yin Chengzong, Piano Maestro 30 Anniversary Concert

Concert Hall, Tianjin Grand Theatre

¥ 120/100/80/50/30/10

Commodity Inspection

会话

商务会话

Volume 63

Not only must you apply for inspection, you also have to apply for a quality license before you sign the contract.

不仅要申请检验，您还要在签订合同前申请质量许可证。

Otherwise the Chinese importing corporation cannot place an order.

否则，中国的进口公司不能下单。

A: 您好，我想咨询有关商品检验的问题。
我们准备与中国的代理商签订协议，向中国销售汽车。

B: 尽管如此，长途运输后可能会出现质量问题。
根据中国《商品检验法》的规定，法定商品（需检验）必须通过检验。
那些非法定进出口商品，商品检验机构可以对它们进行抽样调查和监督。
汽车是法定商品，需要检验。

A: Hello, we'd like to inquire about matters concerning commodity inspection.

您好，我想咨询有关商品检验的问题。
我们准备与中国的代理商签订协议，向中国销售汽车。

We are prepared to enter into an agency agreement with a Chinese partner for selling automobiles to China.

我们准备与中国的代理商签订协议，向中国销售汽车。

When we import cars and their parts, do we have to apply for inspection?

当我们进口汽车及其零件时，我们是否需要申请检验？

B: According to the stipulations In China's Law on Commodity Inspection, the statutory goods (for inspection) have to go through inspection.

根据中国《商品检验法》的规定，法定商品（需检验）必须通过检验。

Those non-statutory import and export commodities which, the commodity inspection institution can exercise sample survey and supervision.

那些非法定进出口商品，商品检验机构可以对它们进行抽样调查和监督。

Automobile is a statutory commodity for inspection.

汽车是法定商品，需要检验。

9. 词汇

P	inspection	MLQJQ	BGF	quality	KuOLjQJ
î	export	FKNX	!3	damage	FiQVQ
qB	according to	M•	-A	short	GXQTX•
‘î	selective examination	FKXFKi	A&B	FHUWLFWDH	NKqQJ
,7	supervise	ML—QGì	Bf	property	FiLFKQ
Bž	consignee	VKXKXzUpQ	û	mark	EL—Rku
¥,	discover	I—LjQ	26(compensation	VXSpL

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Tel for VIP Clients: 022-5837-5736

DINING

TIANJIN

Chinese

China Station
A: 2F, Radisson Plaza Hotel Tianjin
1RLQDL MGRQLVWULFW
T: 55A 2a

Fortune Restaurant
A: 2F, Crowne Plaza Tianjin Binhai
No. 55, Zhongxin Da Dao
SUSRUW, GXWULDO3DUN
THW 55A 2a



Qing Wang Fu
A: No. 55, Chongqing Road
Heping District
T: 55A

E: info@qingwangfu.com
W: qingwangfu.com
55A

Riverside Chinese Restaurant
A: 3F, Holiday Inn Tianjin Riverside
Phoenix Shopping Mall
East Haihe Road, Hebei District
T: HW 3A

Shui An
A: 2F Haihe Wing, The Astor
Hotel, A Luxury Collection Hotel,
Tianjin No. 33, Tai'er Zhuang Lu
Heping District
T: HW 5a

Tao Li Chinese Restaurant
A: WHO1LNNR7LDQMLQ
1RIDQMLQJ/XMSLQJLVWULFW
T: HW 8A

Yan Ting Chinese Restaurant
A: 2F, The St. Regis Tianjin, No. 158
Zhang Zizhong Lu, Heping District
T: HW 158 2A

Japanese

Benkay Japanese Dining
A: WHO1LNNR7LDQMLQ1R
Nanjing Lu, Heping District
T: HW 5a

Kasumi
A: 1F, Crowne Plaza Tianjin Binhai
No. 55, Zhongxin Da Dao
SUSRUW, GXWULDO3DUN
T: HW 55A 1a

Kushi Grill
A: 2F, Radisson Blu Plaza Hotel Tianjin
1RLQDL MGRQLVWULFW
T: HW 2a

Seitaro
A: Sheraton Hotel Tianjin
Zi Jin Shan Lu, Hexi District
T: HW 37A

SóU
A: YDQJODRWHO7LDQMLQ1R
Nanjing Road, Heping District
T: HW 5a

Thai

YY Beer House
A: KLQG, QWHUQDWLRQDOXLOGLOJ
A: No. 3, Aomen Lu, Heping District
T: HW 3A

Western

Café @66
A: 1F, Radisson Bul Plaza Hotel Tianjin
1RLQDL MGRQLVWULFW
T: HW 1a

Aulare Latin Restaurant
A: Magnetic Plaza, Building A4
%LQMLDR
1DQDL'LVWULFW
T: E: tianjin@aulare.com

Texas BBQ Saloon
A: Units 115 and 128, Central
Avenue, Building C7, Magnetic
3ODD1DQDL'LVWULFW
T: (QJOLVK
&KLQHVH
7415-128

Bistro Thonet
A: No.55 Chongqing Road,
Heping District
T: E: info@qingwangfu.com
W: qingwangfu.com 55

Brasserie Flo Tianjin
A: No.37, Guangfu Road
Italian Style Town, Hebei District
T: HW 55

1863 Bistro & Terrace
A: 1F Astor Wing, The Astor Hotel,
A Luxury Collection Hotel, Tianjin
No. 33, Tai'er Zhuang Lu Heping
District
T: HW 5a

Café Majestic
A: 1F Haihe Wing, The Astor Hotel,
A Luxury Collection Hotel, Tianjin No.
33, Tai'er Zhuang Lu, Heping District
T: HW

Café Venice
A: 2F, Holiday Inn Tianjin Riverside
Phoenix Shopping Mall
East Haihe Road, Hebei District
T: HW

Glass House
Hyatt Regency Jing Jin City
5HVRUW6D
A: No. 8, Zhujiang Da Dao
Zhouliang Zhuang, Baodi District
T: HW 8A

Pan Shan Grill & Wine
A: 2F, Main Building
Sheraton Hotel Tianjin
Zi Jin Shan Lu, Hexi District
T: HW 2a

Promenade Restaurant
A: 1F, The St. Regis Tianjin
No. 158, Zhang Zizhong Road
Heping District
T: HW 158

Spectrum All-Day Dining
A: WHO1LNNR7LDQMLQ
1RIDQMLQJ/XMSLQJLVWULFW
T: HW 7a

Mighty Deli (South Park Store)
A: 1F6KXLVKDQJRQJXDQ
:HVW51DQNDL7LDQMLQRSSRVLWH
WR1DQFSLQJ3DUN
T: HW 5-87

(Somerset Store)
A: 6RPHUHVWRXL3LQJMLDQJ
Dao, Hexi District
T: HW 5a

DINING

Riviera Restaurant
A: 1F, The St. Regis Tianjin.
No. 158, Zhang Zizhong Road
Heping District
T: HW 158

Inasia Restaurant
A: 4F, A-Hotel, Olympics Gym,
1DQDL'LVWULFW7LDQMLQ
A-Hotel
T: HW 6RPHUVHW6WRUH
A: 6RPHUHVWRXL3LQJMLDQJ
Dao, Hexi District
T: HW 5a

Wine

Bars

China Bleu
A: YDQJODRWHO7LDQMLQ1R
Nanjing Lu, Heping District
T: HW 50a

O'Hara's
A: Astor Wing, The Astor Hotel,
A Luxury Collection Hotel, Tianjin No.
33, Tai'er Zhuang Lu Heping District
T: HW

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Zhang Zi Zhong Lu, Heping District
T: HW stregis.com/tianjin
W: 158

The St. Regis Bar
A: 1F, The St. Regis Tianjin, No. 158
Zhang Zizhong Road, Heping District
T: HW 158

Education

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will all be the masters.
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T: W: jeffhouse.net
HW

International Schools

International School of Tianjin
A: Weishan Lu, Jinnan District
T: HW



Hanbridge Education
A: &0DJQHWF&DSLWDO
, QWHUQDWLRQDO2IFH%LOGLOJ
T: HW C4-308/309

Tianjin International School
A: No.4-1, Sishui Dao, Hexi District
T: HW 4 1

**Wellington College
International Tianjin**
A: No. 1, Yide Dao, Hongqiao District
T: HW

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W: wellington-tianjin.cn
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Catering Solutions

Flo Prestige
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Italian Style Town, Hebei District
T: HW 37A

Hotels & Apartments

★★★★★ Hotels



BANYAN TREE
TIANJIN
RIVERSIDE

Banyan Tree Tianjin Riverside
A: No. 34, Haihe Dong Lu,
Hebei District
T: www.banyantree.com
HW 4A

Hotel Indigo Tianjin Haihe
A: No.314 Jiefang South Road,
Hexi District, 300202, Tianjin
T: HW 4A

SERVICES

Holiday Inn Tianjin Riverside
 A: Phoenix Shopping Mall
 Haihe Dong Lu, Hebei District
 T: 2338 8888

Hyatt Regency Jing Jin City Resort & Spa
 A: No. 8, Zhujiang Da Dao
 Zhouliang Zhuang, Baodi District
 T: 2338 8888

Hotel Nikko Tianjin
 A: 110 Qianjiang Road
 Heping District
 T: 2338 8888

Radisson Blu Plaza Hotel Tianjin
 A: 110 Qianjiang Road
 Heping District
 T: 2338 8888

Tangla Hotel Tianjin
 A: 110 Qianjiang Road
 Heping District
 T: 2338 8888

Yi Boutique Luxury Hotel Tianjin
 A: No. 52-54, Min Zu Road, Hebei District
 T: 2338 8888

Renaissance Tianjin Lakeview Hotel
 A: 110 Qianjiang Road
 Heping District
 T: 2338 8888

Sheraton Tianjin Hotel
 A: Zi Jin Shan Lu, Hexi District
 T: 2338 8888

ST REGIS
 天津瑞吉金鐘街酒店
The St. Regis Tianjin
 A: No. 158, Zhangzizhong Road
 Heping District
 T: 2338 8888

The Astor Hotel, A Luxury Collection Hotel, Tianjin
 A: No. 33, Tai'er Zhuang Lu,
 Heping District
 T: 2338 8888

Apartments
Astor Apartment
 A: No. 32, Tai'er Zhuang Lu
 Heping District
 T: 2338 8888

Ariva Tianjin Binhai Serviced Apartment
 A: No. 35 Zi Jin Shan Road, Hexi District
 T: 2338 8888
 F: 2338 8888
 www.stayariva.com

Sheraton Apartment
 A: Zi Jin Shan Lu, Hexi District
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 Heping District
 T: 2338 8888
 E: info@qingwangfu.com
 W: qingwangfu.com

Somerset International Building Tianjin
 A: No. 75, Nanjing Lu
 Heping District
 T: 2338 8888

Somerset Olympic Tower Tianjin
 A: No. 75, Nanjing Lu
 Heping District
 T: 2338 8888

Somerset Youyi Tianjin
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 Heping District
 T: 2338 8888

SERVICES

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 A: 41F, Tianjin World Financial Center
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 W: cbre.com.cn

Rentals
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 T: 2338 8888

Regus Golden Valley Centre
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 T: 2338 8888
 W: www.regus.cn

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 2 Dagubei Road, Heping District
 T: 2338 8888
 W: executivecentre.com

Regus Tianjin Centre
 A: 8F, 75 Nanjing Road, Heping District
 T: 2338 8888

Regus Golden Valley Centre
 A: 11F, 110 Qianjiang Road, Heping District
 T: 2338 8888
 W: www.regus.cn

Travel Agencies
 Tianjin's travel agency specialising in tourism for foreigners
 T: 2338 8888
 E: info@thestarstravel.com

Spas
Green Bamboo Well Being Resort
 A: EOGJDDJ(WLFB)SLWDO
 %LQK(LDR)DQDL(LVWULFW) T: (QJOLVK) WQ(OVD)
 T: 2338 8888

Hospitals
Tianjin International SOS Clinic
 A: 1F, Sheraton Hotel,
 Zi Jin Shan Lu, Hexi District
 T: 2338 8888

Tianjin United Family Hospital
 A: No.22, Tianxiao Yuan
 Tanjiang Dao, Hexi District
 T: 5HFHSWLRQ
 RXU(PHUJHQF) T: 2338 8888
 W: ufh.com.cn

Gyms
Astor Fitness & Health Club
 A: 3F, Haihe Wing, The Astor Hotel,
 A Luxury Collection Hotel, Tianjin
 No. 33, Tai'er Zhuang Lu Heping District
 T: 2338 8888

Powerhouse Gym
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 Dao, LDR(DL)RW(UHHW) Hexi District
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DINING

TEDA & TANGGU

Brazilian

Salsa Churrasco
 A: 11F, Holiday Inn Binhai Tianjin
 1R/VW\$H107(\$)
 T: HWV
 11ā

Chinese

Wan Li Chinese Restaurant
 A: 2F, Renaissance Tianjin TEDA
 RWVHOBQCHQLRBQUH
 1RQ\$H107(\$)
 THIV
 11ā

Yue Chinese Restaurant
 A: 2F, Sheraton Tianjin Binhai Hotel
 No. 50, 2nd Avenue, TEDA
 T: HWV
 11ā

Japanese

Sake n Sushi Bar
 A: 11F, Holiday Inn Binhai Tianjin
 1R/VW\$H107(\$)
 T: HWV
 11ā

Italian

Bene Italian Kitchen
 A: 2F, Sheraton Tianjin Binhai Hotel
 No. 50, 2nd Avenue, TEDA
 T: HWV
 50ā
 2ā

Western

Brasserie Restaurant
 A: Renaissance Tianjin TEDA
 RWVHOBQCHQLRBQUH
 1RQ\$H107(\$)
 T: HWV
 11ā

Feast All Day Dining Restaurant
 A: 1F, Sheraton Tianjin Binhai Hotel
 No. 50, 2nd Avenue, TEDA
 T: HWV
 11ā

BARS

Happy Soho Live Music & Dance BAR
 2SSRVLWHRI&HQWUDORWHO
 A: 1R)RUWXQH3ODD
 Third Avenue, TEDA
 T: HWV
 11ā

Education

GEMS World Academy Tianjin Eco City, China
 A: 8QLW7(66)RFN &VW\$H107(\$)
 T: HWV
 3ā 307Ē

TEDA International School
 A: No. 72, 3rd Avenue, TEDA
 T: HWV
 11ā

Tianjin TEDA Maple Leaf International School
 A: No. 71, 3rd Avenue, TEDA
 T: HWV
 11ā

SERVICES

Hotels

Holiday Inn Binhai Tianjin
 A: 1R/VW\$H107(\$)
 T: HWV
 11ā

Renaissance Tianjin TEDA Convention Centre Hotel
 A: 1RQ\$H107(\$)
 T: HWV
 11ā

Sheraton Tianjin Binhai Hotel
 A: No. 50, 2nd Avenue, TEDA
 T: HWV
 50ā

Crowne Plaza Tianjin Binhai
 A: No.55 Zhongxin Avenue Airport Economic Area, Tianjin
 T: HWV
 50ā

Spas

Touch Spa
 A: 2F, Renaissance Tianjin TEDA
 RWVHOBQCHQLRBQUH
 1RQ\$H107(\$)
 T: HWV
 11ā

Yue Spa
 A: 15F, Holiday Inn Binhai Tianjin
 1R/VW\$H107(\$)
 T: HWV
 15ā

Hospitals

Tianjin TEDA International SOS Clinic
 A: &061R
 1st Avenue, TEDA, Tianjin
 T: SOS
 MSD-C 2ā 102Ē

Gyms

Champs Elysees
 A: 2F, Renaissance Tianjin TEDA
 RWVHOBQCHQLRBQUH
 1RQ\$H107(\$)
 T: HWV
 2ā

Holiday Inn Binhai Hotel Fitness Center
 A: 15F, Holiday Inn Binhai Tianjin
 1R/VW\$H107(\$)
 T: HWV
 15ā

Transportation

Tianjin - Beijing Airport Terminals 2/3 ¥83 one way

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 7KHM&FWLQRQRIROJL/1QGG&VKDQL'DR7HO

Beijing Airport Terminals 2/3 - Tianjin

WKHQHMURLO&VH&WLO
 (LWRQWKHVW&RUDWDWH7HUPLQDODQGDWH7HUPLQDOD
 7HO

TEDA - Beijing Airport Terminals 2/3 ¥90 one way

VW&QM7(\$)
 7HO

Beijing Airport Terminals 2/3 - TEDA

(LWRQWKHVW&RUDWDWH7HUPLQDOD
 DQGDWH7HUPLQDOD7HO

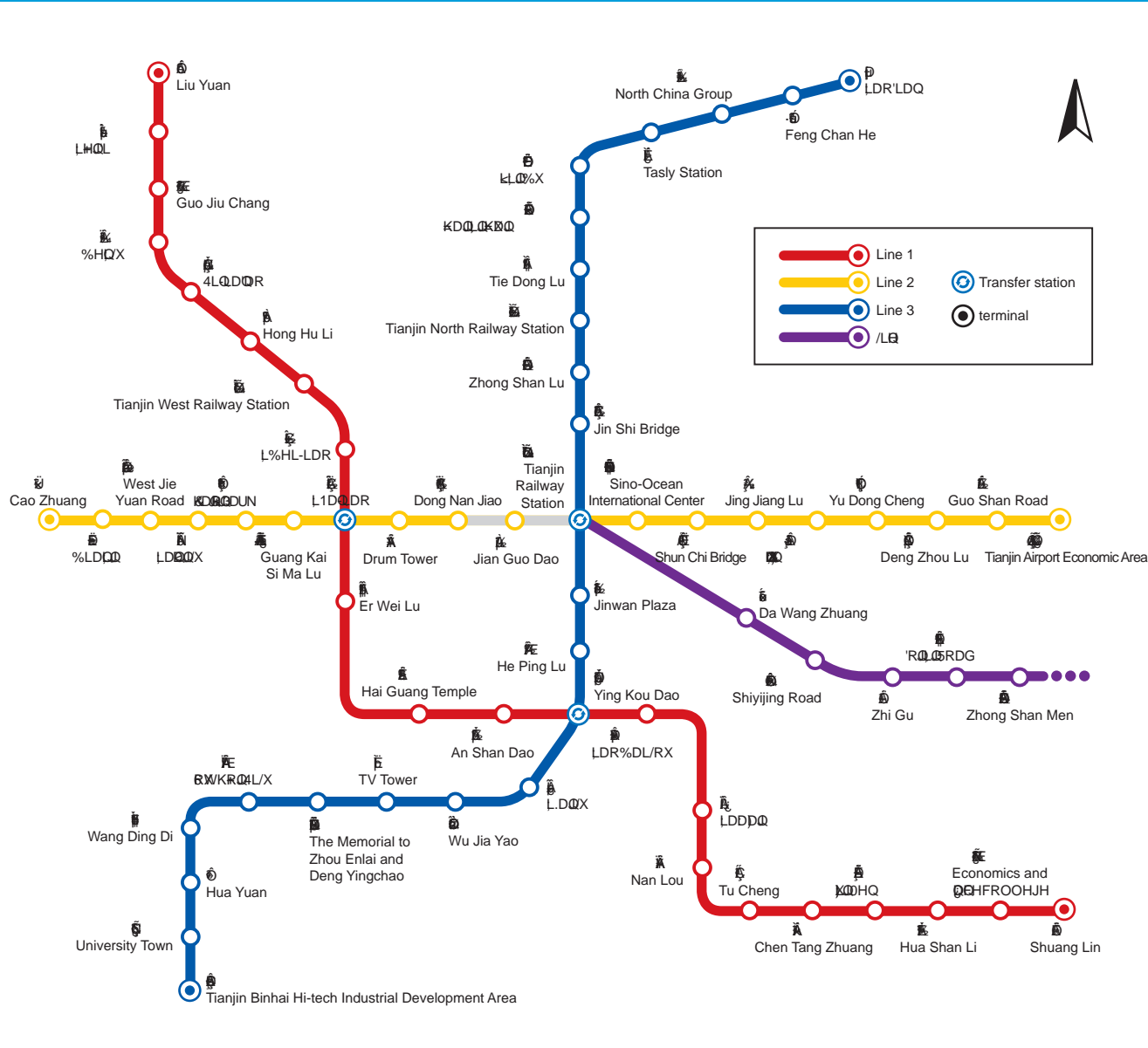
BULLET (C) TRAIN

TJ ~ BJS (¥55 - ¥66)			BJS ~ TJ (¥55 - ¥66)		
Train	Tianjin	Beijing	Train	Beijing	Tianjin
C2002			C2001		
&			&		

TG ~ BJS (¥66 - ¥80)			BJS ~ TG (¥66 - ¥80)		
Train	Tanggu	Beijing	Train	Beijing	Tanggu
C2274			C2273		
C2280			&		

Wuqing ~ BJS (¥39 - ¥46)			BJS ~ Wuqing (¥39 - ¥46)		
Train	Wuqing	Beijing	Train	Beijing	Wuqing
C2202			C2201		
C2232			C2231		

TIANJIN SUBWAY



The Pitfalls of Recruiting Teachers in China

By Christopher Ribeiro

If you ask a room full of children who is an artist, it would not be surprising to see almost all of their hands go up. If you ask this question to a room full of adults, you would be lucky to find one person who might hesitantly raise their hand. In *Unthink*, Wahl analyses why we go from children who are born with unlimited curiosity and creative energy to adults who, for the most part, lose this creative potential to the status quo and conventional thinking. *Unthink* is about getting back in touch with the child inside of us and rediscovering our creative engine in order to unlock our full potential. The book challenges the reader to get away from conventional thinking in order to realise the truth; that creativity is not reserved for artists, poets and musicians, but is everywhere and in everyone.

Wahl himself worked in the business world for eight years where he was made a partner at a corporate firm while playing with his passion for art. Today he is an artist, entrepreneur, author and highly sought-after speaker. His paintings are also in high demand and can be found in many executives' offices around the world.

3UWYHIVBDJHV
DQWTH(U)
B
E3UE

This recently released title comes from several authors whose insights into the science of leadership are incredibly useful to business leaders the world over. The tagline of the book is 'Change your company. Change the lives of others. Change the world'. But before one can undertake such tasks, it is very important to understand how to change your organisation's corporate strategy and culture by influencing the attitudes of the individuals who work there. This publication takes the reader on a journey across the world as it provides case studies to exemplify the key points its authors are making. They explore strategies for improving a company's level of customer service, innovation and productivity through effective and visionary leadership. Since its release earlier this year it has undoubtedly changed the approach of many managers, parents and other leaders within society. You too can benefit from reading this masterful and very readable book!

DQWTH(U)
B
3UEHSD

QUOTATIONS OF THE MONTH

True good is peacefully desired, sought without eagerness, possessed without elation, and postponed without regret.

— Coventry Patmore

Such is beauty ever - neither in Rome nor in Athens, but whenever there is a soul to admire.

— Henry David Thoreau

Life finds its wealth by the claims of the world, and its worth by claims of love.

— Tagore

There is only one success - to be able to spend your life in your own way.

— Christopher Morley

Being an English teacher in China is about as cliché as being an actor if you live in LA or New York. And although teachers here are a *jiao* a dozen, unfortunately good teachers are sometimes more difficult to find.

Anyone that has spent a reasonable amount of time in China can attest to the fact that teachers here are a colourful bunch – for various reasons China attracts a lot of people who I wouldn't trust to water my plants if I left town for a week, let alone look after my child for two hours every Saturday morning.

It's unfortunate that many of the foreigners here actually have no interest in teaching at all – they're merely using the job to pass time

until a better opportunity emerges at home or as something to do in between trips to the pub. That's not to imply that all are bad! In two years working as a TEFL teacher I met some wonderful people, I learned a lot from observing their classes and it was a delight to see how they captivated their student's attention.

These special teachers seem to be in the minority however, which is disheartening because those here for a free ride often fail to consider how much time, effort and money Chinese people spend trying to learn English. English is the world's *lingua franca*, the international language of business, and for some Chinese it's seen as a path to a better quality of life. Many native speakers take this for granted.

There are several reasons why so many weak candidates choose China – the most notable are because China pays more than Europe and South America and because it tends to be more lenient in regards to its minimum qualifications than other Asian countries.

Additionally, Chinese parents are incredibly competitive. A high premium has been put on English training and the idea of early introduction to language has been gaining traction for several years. Children as young as one and two years old are getting English instruction. This means that training centres continue to open at a torrid pace all over China and the demand for all teaching positions is rising.

Out of desperation, schools are willing to hire virtually any native speaker. References are rarely called, criminal background checks aren't required and interviewees aren't met in person; interviews are typically conducted via telephone or video call on Skype. This last item puts recruiters at a formidable disadvantage.

Finally, the difference between teaching mathematics at a university or an international school for example and teaching TEFL is this: a mathematics teacher is usually required to have a related degree and experience teaching the subject in their home country- speaking English is merely a minimum qualification for employment.

Conversely, TEFL teachers don't need to have a degree in English Literature or a PhD in Linguistics. They simply need to be a native speaker, have a college degree in any subject and relevant work experience. The first qualification is a must, the second two, frankly, are not always necessary.

The result is that typically the most qualified teachers go to the universities and international schools and the training centres are left to pick from the rest. This in turn causes recruiters to make a critical mistake: they jump at the opportunity to hire any candidate that has teaching experience in their home country or previous TEFL experience in China or elsewhere. They often overlook past obvious flaws because they fall in love with the resume, not the person.

It never ceases to amaze me, however, that the people with the most teaching experience were often the worst teachers. And yet, in spite of this trend it seems these candidates have the easiest time finding work.

I'm of the opinion that many of these low character people could be avoided if recruiting practices were modified to focus on intangible qualities rather than previous teaching experience. It's much easier to train someone with high character and good values how to become a good teacher than it is to train a teacher to develop good values and character; often a candidate that

looks like a "can't miss" ends up being completely different in person than they appeared to be on their CV.

The problem that occurs is that often the wrong types of questions are asked in the interview process. Is it really very important that a candidate can explain the difference between the past simple and the present perfect in an interview? The answer is "no", particularly if they're only going to be teaching young learners where the focus is on communicative skills and grammar is taught in a somewhat indirect manner. Thus, it's

Ultimately, you want to avoid any question that can elicit a "canned" response. Typical questions yield typical answers!

more important that the candidate is reliable, genuinely enjoys spending time with children, is eager to learn and is able to positively contribute to a culturally diverse team.

It's a useful exercise to think of the top five employees in your organization and write down the qualities that differentiate them, revisit their resumes and interview answers to look for trends. Likewise, it's useful to do the same with the bottom five employees. This process may reveal clues which will prevent you from making bad hires in the future and ensure you can spot the type of candidate you want to hire.

Because the candidates can't be met in person, the phrasing of the questions is even more critical. Questions like, "Tell me three adjectives to describe yourself," or "What's your biggest weakness?" rarely yield useful information because people usually prep for these types of questions prior to an interview and can easily give generic answers. Therefore, it's important for the interviewee to consider the qualities they find most

desirable and then write questions that will generate authentic answers.

If you feel that a "good work ethic" is a desirable quality, what type of question can tell you if a candidate really is a hard worker? "Do you consider yourself as a hard-worker and if yes, tell me why" isn't going to get a very revealing answer. Perhaps, "Tell me about your earliest work experience" would work better. I often find that people who started working at an earlier age or had to work their way through college had better work ethic than those that started working after graduation. Ultimately, you want to avoid any question that can elicit a "canned" response. Typical questions yield typical answers!

The focus of an interview should be to learn the candidate's beliefs and core values. If a candidate is hired, a tremendous amount of time, money and resources are spent on sending their invitation letter, arranging their visa, flight, housing, training and so on. It's difficult to get rid of them. You're essentially "married" to them until their contract has expired – thus the screening process is that much more important.

As the competition among TEFL schools increases, hiring and retaining the best teachers is the most critical element to build a successful brand and to ensure that the students are getting the most out of their classroom time. The insatiable demand for English instruction continues to rise which means more teaching vacancies and potentially more candidates coming into to China looking for a opportunities. With this in mind, it's critical that English centers refine their interview practices to be able to identify as many top-flight candidates as possible. **E**

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