

# BUSINESS TIANJIN

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## A Top Level Insight into Airbus Tianjin Delivery Centre

Dialogue with Dr. Christoph Schrempp,  
General Manager of Airbus Tianjin Delivery Centre  
and Chairman, Tianjin Board, European Chamber of Commerce in China



What Brexit Means For China	12
Unorthodox Investments That Could Make You Millions	22
Tianjin Haihe River Lighting Project: Finishing Touches	46
The art of bootstrapping a company	48
The E-Commerce Vision of Life and the Reality	65



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## Business Tianjin

August 2016



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**ADVERTISING AGENCY**  
InterMediaChina  
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**PUBLISHING DATE**  
August 2016

**Business Tianjin** is FREE  
For Members ONLY

**ISSN 2076-3735**

Dear Readers,

Our cover story this month is a high-fly article about one of the most remarkable company in Tianjin and maybe in China during the last 10 years. We hope that our detailed interview of Dr. Christoph Schrempp, General Manager of Airbus Tianjin Delivery Centre and Chairman, Tianjin Board, of the European Chamber of Commerce in China, will have educated our readers about the industry in general and its operations in China. Owing to the global nature of this business, its presence in China offers a great opportunity to observe how industries function at this massive scale.

Now that Brexit is almost a reality, our feature story evaluates its impact on China in every sphere and what it means for our economy in particular. There is more on the investment front with latest news and trends from all over the world being scanned, unorthodox channels of investment, discussion on problems that foreign investors and their employees face in China and also a peek at ecommerce in the country. We take pride in providing you the latest economic report wherein you will have gained a deep insight into the functioning of the Chinese economy and would be better placed to chart your own course of action.

For those who are into entrepreneurship, we hope that our comprehensive coverage of how to safeguard your trade secrets spanning over two articles and an in-depth look into bootstrapping would enable you to understand the nitty-gritty and soar towards your objectives. In the real estate sector, we decided to highlight the developments taking place in the Hedong district that have been crucial in swinging its reputation from being a run-down area into a smart hub. Also highlighted in this edition is the Tianjin Haihe River Lighting Project which is nearing completion and is already evolving into a principle attraction in the city.

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Yours Sincerely,  
Mary Smith

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◀ **A Top Level Insight into Airbus Tianjin Delivery Centre**  
**Dr. Christoph Schrempp,**  
 General Manager of Airbus Tianjin Delivery Centre and Chairman, Tianjin Board, European Chamber of Commerce in China

Of all the great success stories we have seen in this city's booming business sector over the last decade or so, none of the big collaborative projects between Chinese and international organisations stand out more than Airbus Tianjin.

See Page 16



## MOBILE APPS

◀ **The Future of Marketing**

We look at three noteworthy technological trends that could shape the future of marketing. We envisage the future of marketing to be much centred on the use of technology.

See Page 34



◀ **Tianjin Haihe River Lighting Project: Finishing Touches**

One of Tianjin's most iconic attractions is its river - the Haihe, renowned as one of the most beautiful waterways in all of China.

The lighting project of the Haihe River is reaching its final stages and is also one of the final implementation phases of the original 2003 Tianjin Haihe Urban design/ Environmental Design Masterplan.

See Page 46

- 05 **BIZ BRIEFS**
- 09 **NUMBERS**
- 10 **ECONOMY**
- 12 **FEATURE STORY**  
What Brexit Means for China
- 16 **COVER STORY**  
A Top Level Insight into Airbus Tianjin's Delivery Centre
- 22 **INVESTMENT**  
Unorthodox Investments That Could Make You Millions
- 25 **INVESTMENT NEWS**
- 26 **REAL ESTATE**  
Developers shift eastward, bringing Hedong back to life
- 30 **IPR**  
Keeping a Trade Secret
- 34 **MARKETING**  
The Future of Marketing
- 37 **LEGAL ASSISTANCE**  
Latest Reform on the Foreign Exchange Settlement under Capital Accounts
- 40 **HR**  
"Oh Can you PLEASE stop banging on about relationships!"
- 43 **FINANCE**  
The latest IIT trends and challenges affecting foreign employees and their employers
- 46 **ON THE HORIZON**  
Tianjin Haihe River Lighting Project: Finishing Touches
- 48 **MANAGEMENT**  
The art of bootstrapping a company
- 52 **PAST EVENTS**
- 53 **CHAMBER REPORTS**
- 56 **LISTINGS**
- 61 **TRANSPORTATION**
- 62 **ART & LEISURE**
- 64 **BOOK REVIEW**
- 65 **LAST WORD**
- 66 **BIZ FUN**

## Tianjin News

**Premier Li calls for reform to revive world economy in Tianjin Summer Davos**



Chinese Premier Li Keqiang made proposals on promoting the stable recovery of world economy at the Annual Meeting of New Champions 2016, or the Summer Davos Forum, in Tianjin. The Premier says that it is imperative to actively carry out structural reform and speed up economic transformation and upgrading. He called for strengthened efforts in demand management and structural reform to eliminate the root causes of deep-seated problems in the world economy. Efforts should be made to advance fiscal and financial reform, relax regulatory restrictions, promote competition and support innovation to promote robust, sustainable and balanced development of the world economy.

## Enhanced Ritz Kids Program



The Ritz-Carlton, Tianjin, has rolled out an inspiring new campsite adventure as part of an enhanced Ritz Kids program. The Ritz Kids journey has been deeply enriched with new experiences launched this summer, namely the introduction of a new in-room campsite adventure, specially-created amenities and fun, local activities and so on. Ritz Kids is the first globally consistent, immersive programming from a hotel company to build on the adventure of travel for children. Designed to draw on a child's passion for the curious, the program has a tailored approach to creating memories for children visiting a resort, city or urban property.

## JMall Imported Direct Sales Zhengxie Club Shopping Center Grand Opening



On June 4<sup>th</sup>, Tianjin Zhengxie (Club) Hotel and Tianjin JINMAO Imported Commodity Service Co., Ltd reached a strategic agreement which will joint manage the imported direct sales center. Tianjin JINMAO Imported Commodity Service Co., Ltd will use the overseas direct commodity business model which will have first hand sources to guaranteed the quality of the products and benefit the customers. The shop is decorated in European style with around 200m2, and operating with more than one thousand kinds of high-end imported goods. In addition, the shop will also designate a charity sales area which reflects the social responsibility of both parties.

## Conference for Foreign Experts from Beijing, Tianjin and Hebei



The "2016 Suggestion Conference for High-end Foreign Experts from Beijing, Tianjin and Hebei" was held in Tianjin from July 5<sup>th</sup> to 8<sup>th</sup>. More than 50 high-end experts from 11 other countries were invited to the event. Three of them have won the Chinese government "Friendship Award" and 20 were included in state or regional talent plans. Foreign experts visited special spots of interest and major talents' introduction projects in Tianjin. At the suggestion conference, more than 50 foreign experts offered over 80 suggestions on how to improve management and service of foreign experts and how to enhance cooperation between experts from different countries to help the government improve policies in this area.

## Tianjin Airlines becomes the latest Chinese carrier to fly to London



Tianjin Airlines launched a new direct flight connecting Tianjin, Chongqing and London, the latest in a series of Chinese carriers which now fly into London. The twice-a-week direct flight operates between Tianjin and London, with a stop in Chongqing, using an Airbus A330 aircraft designed to carry 260 passengers. Tianjin's flight arrives and then departs from London Gatwick Airport on each Wednesday and Saturday evening. It is currently the only one linking China with Gatwick, one of London's two main airports. Wu Hao, vice chairman and executive vice president of Tianjin Airlines, said the route was chosen due to rapidly growing trade, investment and cultural exchange between China and London in recent years.

## Airborne pollution rises in Beijing and Tianjin



Beijing and Tianjin were among China's 10 most-polluted cities in June with high levels of prime pollutants, such as fine particulate matter and ground-level ozone, leading experts to warn that the excessive amount of ozone has become a major problem for environmental authorities. The cities ranked joint 65th in a list of 74 major cities in which air quality is monitored every month. While it was the first time since January last year that Tianjin has been ranked near the bottom of the list, Beijing has featured three times in the same period, according to a report published by the Ministry of Environmental Protection on Friday.

## FINANCE

**CITIC Bank and Uber to issue co-branded credit cards**



China CITIC Bank Corp Ltd and Uber Technologies Inc announced the launch of a co-branded credit card, taking the first step toward strategic global partnership. Emil Michael, chief business officer of Uber, said CITIC Bank is their first partner globally to launch a co-branded credit card. CITIC Bank customers can earn free Uber rides and cashback rewards by using Uber-CITIC credit card to pay for the rides. Soon it will be possible for Uber drivers to access CITIC Bank funding to buy or upgrade their car, he said.

**China changes GDP calculations again**



China has altered its gross domestic product calculation method for the second time in less than a year, amid doubts among overseas investors about data accuracy. The change in the treatment of research and development spending by National Statistics Bureau (NBS) added \$131 billion to the size of the world's second-largest economy last year. It also revised the GDP figures going back to 1952, changing the growth statistics for 22 out of 63 years in question. Most recently, growth rates for 2012 and 2013 were raised to 7.9% and 7.8% respectively, up from 7.7% in both years, the NBS said in a statement. The latest changes reclassified research and development expenditure as fixed capital formation rather than intermediate consumption.

**Online retailers in China offer 'Brexit sales'**



Online retailers in China have launched Brexit-themed marketing campaigns in the wake of United Kingdom's referendum to leave the European Union, offering a slew of cut price deals on British and European goods even though the sterling continues to weaken. Tmall cut the price of McVitie's Hobnob biscuits, for example, by 39 percent, and marked down soft toys from London toymaker Jellycat by 8 percent. The retailer also lowered the price of some leather goods from the Cambridge Satchel Co by 40 percent. In a similar marketing campaign, Chinese online retailer Ozsp.com alluded to changing exchange rates as it offered consumers cut price European products. Britain's vote to leave the EU immediately weakened the pound and wiped \$2 trillion of world markets in 24 hours.

**Wanda acquires leading European cinema operator**



AMC Entertainment, a U.S. chain owned by Chinese conglomerate Dalian Wanda, announced on Tuesday that it has entered into a definitive agreement to acquire leading European cinema operator Odeon & UCI Cinema Group. The deal is valued at approximately 921 million pounds. Odeon & UCI is currently owned by private equity firm Terra Firma and had 243 cinemas and 2,238 screens as of December 2015. AMC said the combination of AMC and Odeon & UCI will result in AMC's operation of 627 theaters and more than 7,600 screens across eight countries. e than 7,600 screens in eight countries.

**Alibaba to push globalization strategy in Australia**



Chinese e-commerce conglomerate Alibaba Group Holding Ltd announced a plan on Tuesday to open its first local office in Australia later this year, the latest move in its globalization push to have more than half its revenues coming from countries outside China by 2036. Alibaba's global president Michael Evans said Australia was a "huge part" of his company's long-term globalization strategy to raise its 423 million customers to 2 billion in another 10 years, as it expands its presence internationally. Hangzhou-based Alibaba has said on numerous occasions that it wants to build itself into a global e-commerce service, enabling consumers to buy from wherever they want to in the world.

**More Chinese firms in Fortune 500**



Despite slowing economic growth in China, more Chinese companies have climbed onto the famed Fortune 500 list. According to this year's list, released on Wednesday, the number of shortlisted Chinese companies rose to 110 from 106 last year. As many as 13 Chinese companies have debuted on the list, including the Beijing-based e-commerce juggernaut JD.com and the country's biggest maker of home appliances, Midea Group. US retail giant Wal-Mart Stores Inc retained the top spot, with its revenue dropping only slightly by 0.7 percent year-on-year. Out of the top five companies, three are from China namely State Grid, China National Petroleum and Sinopec Group.

## Law & Policy

**New law prevents release of foreign species into the wild**



Individuals and organizations are not allowed to release animals freely into the wild, according to a law adopted by China's top legislative body on Saturday. People and organizations should select species that can adapt to places where they plan to set them free, in a move to avoid disturbing local residents' production and life as well as not to destroy the local ecological system, according to the Law on Protection of Wildlife. Those who harm local ecology and bring personal or property damages to others through the release of wildlife will face legal liabilities, as per the law.

**China to crackdown on fake news from social media**



China's Internet regulator will launch a crackdown on reporting of news gathered from social media, as part of what the government calls a campaign against fake news and the spreading of rumours. The Cyberspace Administration of China said that online media cannot report any news taken from social media sites without approval. "It is forbidden to use hearsay to create news or use conjecture and imagination to distort facts," it said. "All levels of cyberspace administration must earnestly fulfill their management responsibility for Internet content, strengthen supervision and investigation, severely probe and handle fake and nonfactual news," the regulator added.

## TELECOMS

**China Telecom eyes Egypt 4G licenses**



State-run phone carriers China Telecom Corp and Saudi Telecom Co have expressed interest in acquiring 4G mobile-phone licenses offered by the Egyptian government, an Egyptian communications ministry official said on Tuesday. They joined Kuwait's Zain which made an official request last week, the official said. Interest in the 4G licenses by newcomers to Egypt may add to pressure on local units of mobile operators Vodafone Group Plc, Orange SA and Emirates Telecommunications Corp, to accept license terms before the deadline set by the government somewhere in the first week of August.

**iPhone market share in China drops to fifth**



Apple Inc's revenue in Greater China region fell by 26 percent last quarter (as of March 26), wherein the company suffered its first-ever quarterly corporate revenue decline since 2003. The second quarter witnessed Apple's revenue decline by 13 percent year-on-year and plunge to \$50.6 billion. Its net profit decreased by 23 percent year-on-year to \$10.5 billion. By comparison, Huawei Technologies Co Ltd's market share continues to grow, ranking first in China's smartphone market.

## GENERAL

**China CITIC Bank launches visa application services**



China CITIC Bank Corp Ltd announced the launch of a service to help its debit and credit cardholders with visa application to visit more than 70 countries. The embassies of eight of the 70 countries, namely the United States, the United Kingdom, Italy, Brazil, South Africa, Singapore, New Zealand and Israel, have authorized China CITIC Bank as the sole financial institution in the country to provide visa application fees payment and drop-off visa services. Within 15 working days, the bank can help its clients receive a visa that is valid for two to 10 years after they have submitted application documents as required.

**Tesla gears up for trucks and buses**



Elon Musk unveiled his master plan for Tesla Motors Inc, delivering a long-term vision that includes making integrated solar and battery storage system and building a freight truck and a bus. There are two other types of electric vehicles needed: heavy-duty trucks and high passenger-density urban transport," the Tesla chief executive officer said in the blog post, released on Wednesday. "Both are in the early stages of development and should be ready for unveiling next year."

## CHINA IN THE WORLD

Chinese maths mastery headed for British classrooms



The UK government is determined to bring Chinese-style math teaching to England's primary schools with £41 million of funding. The policy is aimed to lift the mathematical skills of British pupils whose numeracy levels still lag behind their Asian counterparts. UK School Minister Nick Gibb announced on Tuesday that more than 8000 primary schools, half the total number in England, will receive support to adopt the "maths mastery approach" or "Shanghai-style" math teaching method. It is set to become a standard fixture in British classrooms.

China sending 416 athletes to Rio Olympics



China is sending 416 athletes to the Rio de Janeiro Games, including 35 former Olympic champions. China's contingent includes 160 men and 256 women, who will compete in 210 events across 26 sports. China's entire delegation - including coaches and other staff - will be its largest ever overseas at 711. Cai Zhenhua, deputy director of the General Administration of Sport, was quoted as saying. Among them will be 29 coaches hired from overseas. Dressed in their formal uniforms of red jackets for men and yellow for women, members of the delegation were addressed at the Great Hall of the People in central Beijing by leading Communist Party official Liu Yunshan, who urged them to display a "high level of sporting ethics."

China approves GSK's HPV vaccine



The Chinese mainland government has approved the use of HPV vaccine in a move that could potentially help millions of females. GlaxoSmithKline PLC's (GSK) announced its Cervarix, the first vaccine against human papilloma virus (HPV), has been approved for use in the mainland by the mainland's Food and Drug Administration. The vaccine is already in use in more than a hundred nations and regions to prevent cervical cancer. Glaxo said Cervarix is registered in the Chinese mainland for use in girls and women between nine and 25 years old with three doses in total. The commercial launch of Cervarix is expected in early 2017.

Beijing Daxing International Airport to link railway and subway systems



An integrated transportation system of Beijing Daxing International Airport, an international hub, is scheduled to open in 2019. It will allow passengers to jump onto a bullet train to reach other places in China. A high-speed rail line that links Beijing and Hong Kong will go through underground of the airport. Passengers will be able to reach the railway station at the underground floor of the airport. The ground floor is for international flight arrivals, the second for the domestic flight arrival, and the third and fourth floor are for domestic and international departure respectively. The design is said to be able to ease traffic pressure of the roads that are connected to the terminals.

Attracted by opportunities, Chinese students trek back home



There has been an exponential increase in the number of Chinese overseas students applying for jobs in the country, said a human resources manager in Shanghai. "Twenty out of 100 resumes are submitted by Chinese students studying abroad," said Zhang Zhuoya, human resources manager of a financial institute in Shanghai, adding that there were only five or six overseas students sending their resumes out of 100 three to four years ago. There were 144,000 Chinese students abroad in 2007 and 44,000 came back to China, making the return rate 30.5 percent. Whereas, last year the number of overseas students was 523,700 and returnees 409,100, pushing the return rate to 78.1 percent.

China to expand railway network to 150,000 km by 2020



China will expand its railway network to 150,000 km by 2020, including 30,000 km of high-speed rail. The plan will mean a 24 percent increase in the length of China's railway network from 2015 and a 58 percent expansion in high-speed rail. The government will encourage state-owned China Railway Corp to expand bond issuance to finance its investment, Fei Zhirong, an official at the National Development and Reform Commission, told a news conference. China aims to invest 800 billion yuan in fixed assets in 2016 as part of the effort to expand the railway network.

## 12.4

Tianjin's gross domestic product (GDP) has grown by 12.4 per cent annually on an average over the past five years.



## 963

The recently opened and increasingly popular Disneyland Shanghai stretches across 963 acres following an investment of approximately \$5.5 billion. Since its opening, it has attracted millions of visitors who have been willing to queue for over 5 hours for the rides.



## 3.7

Recent research has revealed that nearly 700 million people in China spent at least 3.7 hours on the Internet every day.



## 12

The 12-storey office building for North China University of Water Conservancy and Electric Power in Henan Province caught media attention recently for its resemblance to a large toilet. This comes after recent changes to planning permission guidelines to prevent construction of odd-shaped buildings in the country.



## 15

It is estimated that about 15 million young people face unemployment in China every year, majority of which are college or university graduates, thus urging China to adopt more measures to tackle employment issues.



## 34

Italian professional football player Graziano Pelle recently signed a £12 million deal to join Chinese football club Shandong Luneng. Reports indicate that he will be paid £34 million over the course of two and a half years, making him the tenth best paid football player in the world.



# Monthly Economy Report

By Andrew Smith



Over the last month the important data coming out of the world's second largest economy has been a mixed bag. Looking at the overall picture, i.e. pure GDP growth in the second quarter of 2016, the persistent pattern of a slowdown seems to have subsided. According to the latest figures from the National Bureau of Statistics (NBS), Gross Domestic Product expanded by 6.7 percent in the three months till June compared to a year earlier. The rate was steady from the previous quarter and above expectations of 6.6 percent. Analysts said the data showed the world's second-biggest economy was most likely stabilising. There were also signs of stability and strength in other sectors. Industrial output grew by 6.2% compared to forecasts for 5.9% amid concerns about overcapacity, while retail sales rose by 10.6% beating forecasts for 10% growth.

Stronger GDP growth in particular will be considered a sign of success on part of Chinese policymakers. Speaking about the general state of the economy, Chinese premier Li Keqiang said this week that conditions are "basically stable", but that it was

"not easy" to achieve Q1's 6.7 percent growth rate and that the economy would show "continued steady development". The government's headline target for annual growth this year is between 6.5 and 7 percent. With expansion in the first quarter of 6.7 percent as well it is looking more likely that in the absence of a major economic shock in the second half of the year, the all-important target will be met.

**One of the significant things we are seeing at the moment is the state having to step in in order to compensate for the unwillingness of the private sector to invest.**

The Q2 GDP figures indicate China's economy is being kept stable through policy support, Daniel Martin from Capital Economics said. "While China is almost certainly expanding

at a slower rate than its GDP data suggests, rapid state sector investment does appear to have kept growth broadly stable last quarter. Growth is more likely to pick up over coming months than slow down further, but a lasting turnaround is not on the cards".

It will of course take more than just steady GDP growth to reassure financial analysts around the world that the Chinese economy is back on the mend, but one major institution has been very vocal about its renewed optimism and bullishness on China. Last week American banking and investment giant Wells Fargo issued a statement in which they said that "It appears as though the Chinese economy is stabilising. High-level disaggregation of the GDP data into industry sectors offers some clues into the current state of the Chinese economy. Although the year-over-year growth rate in the "tertiary" sector (i.e., the service sector) edged down to 7.5 percent in Q2 from 7.6 percent in Q1, growth in the "secondary" sector, which combines industrial and construction sectors,



strengthened to 6.1 percent from 5.8 percent".

On the flip side though, the report also pointed out that "Although the Chinese economy seems to have achieved a "soft landing," which stands in marked contrast to some of the worst market fears last autumn, a return to double-digit rates of economic growth is just not on the cards... We remain concerned about the long-run outlook for the Chinese economy. Although we do not think it will collapse anytime soon, we believe that it will continue to decelerate in coming years".

Given the way things are going right now we can probably expect to see more stimulating measures over the course of the year. One of the significant things we are seeing at the moment is the state having to step in in order to compensate for the unwillingness of the private sector to invest. Data showed first half fixed asset investment grew by 9 percent from a year ago, but private sector fixed-asset investment grew just 2.8 percent in the same period, down from 3.9 percent growth in the first five months, indicating headwinds from slowing exports and macroeconomic jitters.

IHS Global Insight's China economist Brian Jackson said the numbers will fuel doubts over the quality of Chinese data as well as the nature of economic growth in the country. "The first misgiving reflects concerns that

the government is squeezing as much growth as plausible from relatively opaque sectors via accounting techniques," he wrote in a note. "The second misgiving reflects concern that if the data is wholly accurate, then it implies a deepening shift towards state-led growth in both the secondary and tertiary sectors, which raises major doubts about the long term productivity and thus sustainability of current economic activity," Jackson added.

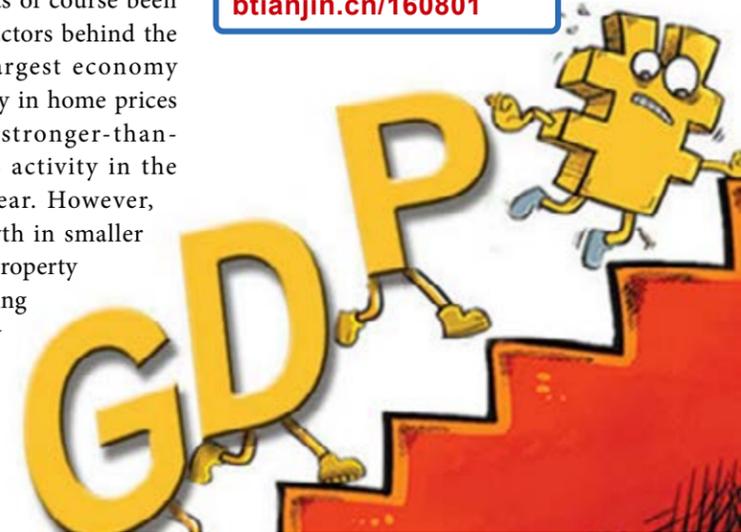
On the whole the economy seemed to be holding up pretty well though, with growth evenly spread between various sectors, said head of emerging market economics at JP Morgan, Jahangir Aziz. "We've also seen in the first two quarters of this year reasonable amount of restructuring that is taking place in industries with excess capacity such as cement, iron ore and coal," Aziz told CNBC.

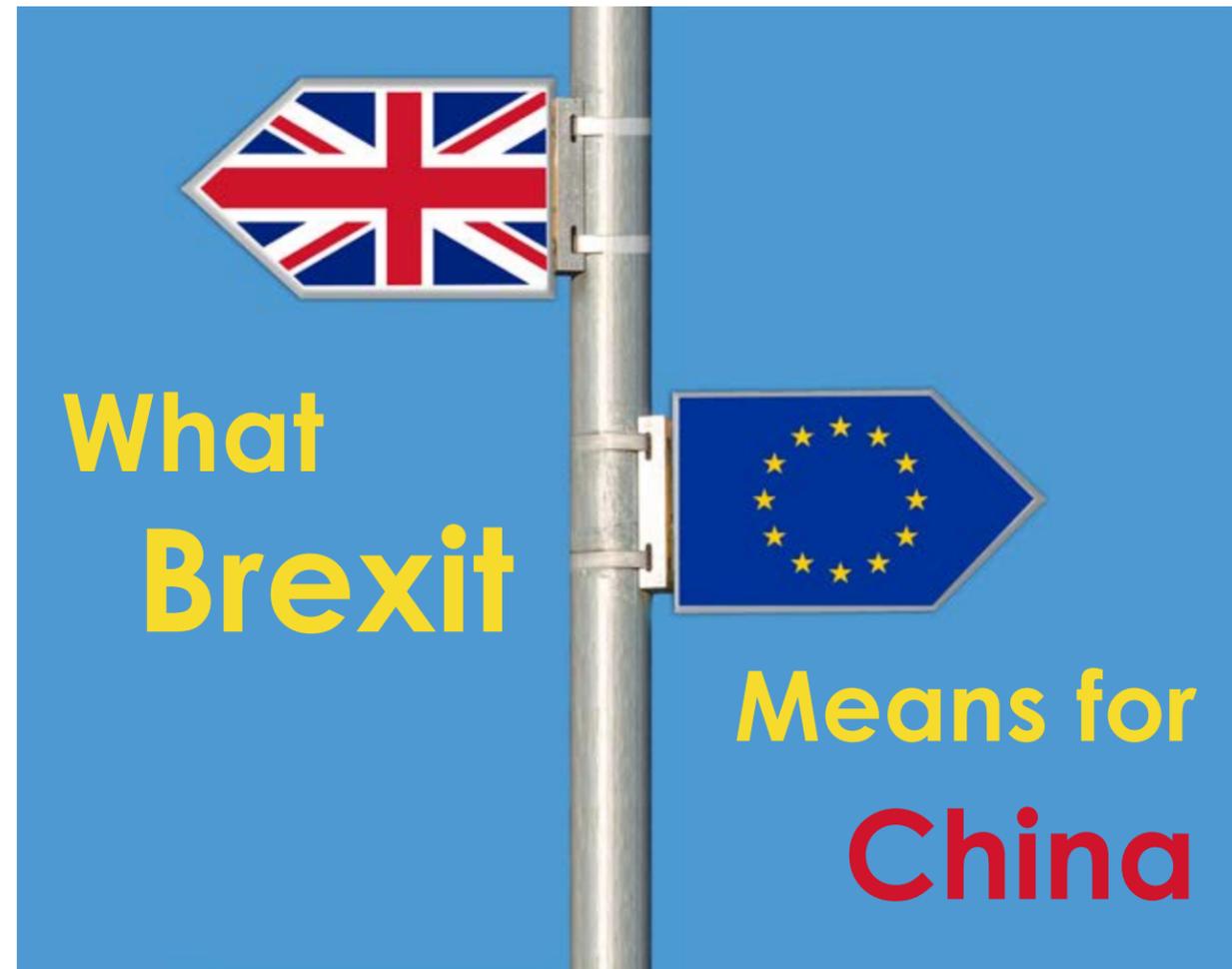
The key aspect of Chinese economy to watch closely in the second half of this year is property. Housing price rises across the country slowed in June for the second month running, which will add to fears that a construction-led rebound in the economy is simply not sustainable in the long run. The property market has of course been one of the major factors behind the world's second-largest economy and a solid recovery in home prices and sales gave a stronger-than-expected boost to activity in the first half of the year. However, slowing price growth in smaller cities and cooling property investment is showing that recovery may already be fading, which increases the risk of weaker economic growth in coming months.

According to an official survey, residential real estate prices in China's top 70 major cities rose by 7.3 percent in June compared to a year earlier, accelerating from a 6.9 percent rise in May.

It has to be noted that while there was a general slowdown in price growth, some of the biggest cities showed staggering gains on a yearly basis, with prices in the southern boomtown of Shenzhen rising up to 46.7 percent and in Shanghai up to 27.7 percent. Having said that, gains continued to fall on a monthly basis as local governments decided to tighten policies amidst fears of a housing price bubble. The monthly rise slowed slightly to 0.8 percent in June, easing from 0.9 percent in May, according to a Reuters calculation based on data issued by the National Bureau of Statistics. "We continue to expect the property rebound to subside and property investment growth to fall in the second half of the year," economists at Nomura said in a note, predicting sales would stabilize and a large glut of unsold homes would keep pressure on prices in some areas. **B**

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By Tracy Hall

In June we witnessed the historical decision being made by citizens of the United Kingdom to part ways with the undemocratic bureaucracy-ridden economic black hole that is the European Union. Vote to leave the EU came about in spite of uncertainties and potential problems that the world's fifth largest economy is likely to face. As is always the case when huge political change occurs in a major global power, big ripples are felt in the financial world.

Following the referendum we saw stock markets around the world take big hits, the pound plummet to a 31-year low and Britain's credit rating get slashed. While share prices and sterling have now started to recover, there are still plenty of pessimists

who are saying that Brexit will be disastrous for the global economy in the coming months and years. Are they right to be fearful, or is an independent Britain going to be good for business?

As soon as the Brexit vote was announced the media turned their attention to the rest of the world's reactions – particularly the French, Germans, Americans and the Chinese. It hardly came as a surprise that Britain's European neighbours were not very pleased with the result. Likewise supporters of the Obama administration, most of whom had previously been very candid about their support for the 'remain' campaign, were disappointed by the

news. Rather than seeing Britain's new found freedom allowing new opportunities to arise, they fear that UK's isolation from the rest of Europe will weaken their economy, which will in turn have a big knock out effect in their own countries.

Chinese on the other hand seem to have mixed feelings about Brexit and they have thus far taken a more pragmatic and level-headed approach. Given the staggering amounts trade that China does with the EU and that Britain is the number one European destination for Chinese investment, Brexit matters a lot to them. In the run up to the referendum President Xi Jinping and his team made no secret of their preference for a continuation

of status quo. During his state visit to UK last year, the Chinese Foreign Ministry paraphrased a statement from him saying "China hopes to see a prosperous Europe and a united EU, and hopes Britain, as an important member of the EU, can play an even more positive and constructive role in promoting development of China-EU ties". But now that the long awaited divorce has now happened the Chinese leadership is tasked with evaluating and crafting a new relationship with a more independent United Kingdom.



**Although Brexit brings uncertainty for Chinese business leaders, investors and policymakers, it also opens up a lot of great opportunities.**

There will certainly be some differences of opinion and long drawn out negotiations between China and the UK over the coming years. As of now we are still not exactly sure what kind of legislative framework we are going to see overshadowing the British business community when

the Brexit process comes to a close, so it is hard for Chinese or anyone else to know how to formulate business and investment strategies. The truth though is that although Brexit brings uncertainty for Chinese business leaders, investors and policymakers, it also opens up a lot of great opportunities. In the last few years both nations have worked very hard to forge a strong bilateral relationship, working together on issues ranging from trade and investment to environmental protection and national security. Some commentators have termed this a 'golden era' for Sino-British relations. Regardless of UK's decision to leave the European Union neither sides are going to risk

jeopardising this highly important strategic partnership.

The most obvious upside of Brexit for China and other Asian economies is that leaving the EU will free Britain up to forge trade deals. As a member of the European Union Britain was not just unable to make its own trade deals but also had to rely on incompetent European bureaucrats to negotiate for them. This has left them without important trade agreements with China, America, Japan, India, Australia, Canada and all the other economic powerhouses of the world because the EU have thus far failed miserably in all their attempts to negotiate deals. Now thanks to the Brexit vote it looks like this is going to change.



In recent weeks key figures from China and the UK have said that the likelihood of major deals being reached in the near future is now highly likely. Xing Houyuan, an official at the state-backed Chinese Academy of International Trade and Economic Cooperation, said that China's efforts were being frustrated by the EU. But now that Britain has left, 'situation in Western Europe will

push China and the UK to make a trade treaty,' he told the China Daily newspaper.

British trade minister Lord Price, a former boss of Waitrose, is currently in Hong Kong where he said they are "very optimistic" about future trade deals with "new trading markets in the East". Moreover, China's Commerce Ministry spokesman Shen Danyang also gave a positive outlook, telling China Daily that Brexit will 'create more chances in different fields for new investment'. The announcements came on the day that Britain posted its best manufacturing figures in five years.

One of the key questions though is how important China sees an independent Britain in comparison to the EU. People who backed the campaign to remain have argued that leaving the European Union will make Britain much less appealing. They say that rather than countries like China seeing UK as a special strategic access point into the wider Europe, as they have in the past, they

will divert their time and resources to Germany and France. On the whole though, as far as Chinese businesses are concerned, the UK already has a lot of advantages over the EU and in future it will have even more.

## The most obvious upside of Brexit for China and the other Asian economies is that leaving the EU will free Britain up to make trade deals.

In fact the European Union has given China some major headaches. Some members of the European Commission want tighter trade restrictions on China. European lawmakers voted in May to deny China "market economy" status, a designation that would make it more difficult to place tariffs on Chinese goods. China was supposed to receive the designation after its entrance into the WTO in 2001. The EU has

also been trying to increase tariffs on China's super cheap state-supported steel, whose overproduction has upended global markets. The UK has been blocking these measures since 2014, the Independent reported citing EU Council documents.

Without doubt the ability to completely regulate their economy by themselves means that the British government will have the freedom to act in the interest of their other global trading partners, not just other European countries. Hopefully when the initial panic wears off we will see some common sense policymaking prevail that will lead to a more prosperous, outward-looking and business-friendly United Kingdom. This will make it an even more attractive and more powerful partner for China. And of course in a more general sense the global economy will benefit considerably from a stronger Britain. **B**

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# A Top Level Insight into Airbus Tianjin Delivery Centre

Dialogue with Dr. Christoph Schrempp,  
General Manager of Airbus Tianjin Delivery Centre  
and Chairman, Tianjin Board, European Chamber of Commerce in China

By Josh Cooper



**O**f all the great success stories we have seen in this city's booming business sector over the last decade or so, none of the big collaborative projects between Chinese and international organisations stand out more than Airbus Tianjin.

Last month our editorial team had an opportunity to talk to Dr. Christoph Schrempp, General Manager of Airbus Tianjin Delivery Centre and Chairman, Tianjin Board, of the European Chamber of Commerce in China, about the current situation of the aerospace industry and European business in China. Dr. Schrempp is a high-flying business leader who, after earning a number of prestigious academic accolades, has gone on to enjoy a successful career with global aircraft manufacturing behemoth Airbus. Now after ten plus years of working in a variety of management positions for the world beating European aerospace firm and with almost twenty years of experience in the aviation industry, Dr. Schrempp is the ideal person to provide a perspective on what is happening in this booming sector.





Please could you briefly introduce yourself to our readers?

I am serving as General Manager at the Airbus Tianjin Delivery Centre. During my academic career I completed a master's degree and earned a PhD in aerospace engineering at Stuttgart University. I joined Airbus in 2006 and up till now I have held a number of positions in the company which have been related to quality control and operations aspects of the organisation. I have been working here in Tianjin since August 2013. Consequently I now have more than twenty years of experience in aerospace engineering and business.

**The delivery process we follow at the Tianjin site is exactly the same as in any of our delivery centres around the world.**

Tell us a bit about your role as the GM of Airbus Tianjin Delivery Centre.

As the General Manager here I am responsible for ensuring that our customers get their aircraft on time and at the right cost. Most importantly it is my job to make sure that the products we deliver are of the best possible quality. There is certainly no room for compromise when it comes to quality in this industry. Meeting delivery deadlines is also crucial to our success. It is our firm commitment to our clients that we deliver every single aircraft on the precise day that we have agreed upon. In many cases the airlines will put the new aircraft into operation the day after it has been delivered. Thus it is vital that we meet our targets and I do everything I can to support our hardworking team.

What is the process that you and your team at Airbus follow when carrying out product delivery?

The delivery process we follow at the Tianjin site is exactly the same as in any of our delivery centres around the world. Firstly we open with a short welcome meeting for our clients in which we give all the participants a brief overview of the delivery process and inform them about the status of the aircraft. Then we normally take customers to conduct an outside inspection of the aircraft. At that point we do engine runs and ideally we allow them to fly the plane in order to see if it meets their specifications.

After that we systematically close all of the technical items which then allows us to issue a document that confirms that the aircraft has been built in compliance with the rules, regulations and design of the model. This allows the customer to obtain the necessary certifications of airworthiness from the Chinese government. Finally we enter the commercial phase in which the customer transfers specified funds to our account and upon receiving payment we execute the bill of sale and issue the transfer of title. The standard timeframe for all of this is four days.

**Most importantly it is my job to make sure that the products we deliver are of the best possible quality.**

Give us a brief insight into the corporate structure of Airbus Delivery Centre.

We currently have around 60 employees at the Delivery Centre and about 500 in Airbus Tianjin site as a whole. Our team is comprised of staff members from all over the globe although we now have a lower percentage of expatriates as many of

them have completed their coaching duties at the site and have moved back to our European bases of operation.

Airbus Tianjin Delivery Centre is a very lean organisation. We have a relatively flat structure – there is only one layer of management between me and the team. The different departments are clearly divided based on the different functions that they perform within the delivery process,

from engineering and quality assurance staff to support services who deal with administrative aspects.

What kinds of aircraft are being manufactured and delivered to customers from this site at the moment? Will that change in future?

Currently the site is gearing towards assembling and delivering single aisled aircrafts. Specifically they are the A320 and A319 models. Most of the demand is for the A320, due to



its larger capacity. We are looking forward to completing and delivering A330 in the near future. Our first delivery of an A330 aircraft from the Tianjin site is scheduled for September 2017.

What are some of the things Airbus is doing to maintain its strong track record of placing social corporate responsibility at the centre of its business model?

Environmental protection is absolutely paramount in what we do here in Tianjin and around the world. We are always looking at ways that we can raise our internal company standards and make it possible for other organisations to do the same. Our team is constantly looking for innovative ways to make our manufacturing process as environmentally friendly as possible. For example, here on the site we have systems in place to regain energy and reduce energy consumption. With



regards to our aircraft, it is imperative that we make them more fuel efficient in order to reduce carbon emissions.

How would you evaluate the current situation in your industry? Has the slowdown in the Chinese economy had much of an impact?

On the whole the global aviation industry is still good. The strong market demand that we have seen from China in recent years is persisting. It is still the fastest growing market for commercial aircraft in the world. It is overtaking the United States as the world's largest market for our products.

**We have a relatively flat structure – there is only one layer of management between me and the team.**

Up to now we have not seen a slowdown in demand for our products and services, in spite of what may be happening in the broader economy. The market demand is basically driven by two factors: replacement of older aircraft models which consume more fuel and are generally less efficient and rapid growth of air traffic in the country due to the increasing wealth of its population.

Which subsectors of the Chinese airline industry are providing most of the demand right now? Is it the established major players or the thriving budget carriers?

We are seeing strong demand coming from every segment of the industry. The bigger carriers are expanding their fleets, as are relative newcomers to the market. Anyone who visits our site will notice that we are in the process of delivering aircraft to a wide variety of airlines.

Can you tell us about any new projects that are currently in the pipeline at Airbus Tianjin?

The most exciting development for us at the moment is assembling and delivering of the new product. It will be a much bigger aircraft than the ones we have here at the moment. As I said earlier, we have a very short timeframe from now till the first delivery of the A330 which is scheduled to take place next year so we are working hard to ensure everything goes according to plan. This presents a good opportunity for people here to develop. It will be a huge aircraft with more complexity involved, especially inside the cabins – which will be installed here.

**The most exciting development for us at the moment is the assembling and delivering of the new product.**

As a prominent business leader and Chairman, Tianjin Board, of the European Chamber Commerce in China, give us your opinion about Tianjin's future prospects as a global business hub.

I like Tianjin very much. I have really enjoyed my stay here so far and I am very thankful to be here. Over the last few years I have had the privilege of watching it evolve into an even more modern and important international business centre. Here in the Free Trade Zone there are plenty of opportunities for other multinational companies to make a footprint. The city certainly has a lot to offer them. Its geographic location on the coast and close proximity to the capital, as well as increasingly high level of human capital and things like international airport are particularly good selling points. Going forward the integration of the Beijing-Tianjin-Hebei area will also present some unique opportunities.



Would you care to make any comments about challenges and concerns that European companies are having in China at the moment?

Speaking as the Chairman of the Tianjin Board of the European Chamber of Commerce in China, I am pleased to say that we will soon be launching our latest business confidence survey. The information we glean from that will allow us to provide a great insight into the real feelings and concerns that our members have about doing business in China. We will be inviting organisations such as Business

Tianjin to discuss our findings and share some of the European business community's perspectives with your readers. **B**

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# Unorthodox Investments

## That Could Make You Millions

By Michael Dow



**T**he financial movers and shakers on Wall Street are always trying to come up with fancy new ways for investors to play the financial markets. Now admittedly, once someone has managed to grasp enough of concepts, strategies and potential risks that are involved in dabbling with stocks, bonds, ETFs, REITS, commodities futures and the like, it does make it pretty easy for people with even a few dollars to spare to get involved in investing with a few clicks at the keyboard.

Despite what some of the conspiracy theorists say about the financial markets there will always be a need for them. But that does not mean that the aforementioned options are the only way you can accrue big returns on your money. In fact for those of us who are willing to find out where to look and how to get started there are literally thousands, if not tens of thousands of alternative ways by which you can put your hard-earned cash to good use. Making money is just like anything else in life: the more you are able to think outside the box effectively, the higher your chances are of succeeding. This month we will look at just a few of the more unorthodox or uncommon investment opportunities that have made many a small time investors' early retirement dreams come true.



### Not so rare commodities

Commodities have staged a decent recovery so far this year but generally speaking they have been a bad investment for a while now. Prices of crude oil and industrial metals have sunk like a lead balloon since the good old days. Gold and silver are not looking particularly attractive either. There are however some commodities that performing very strongly.

Certain niche agricultural commodities in particular are looking great at the moment. Unlike copper for example, which depends largely on how many infrastructure projects are going on in the emerging markets, these are the things that we need to consume regardless of economic circumstances. Over the last year the price of lean hogs, a key source of pork in the United States, has surged by more than 50% in 2014 and demand is still very strong. Soybean meal has also been tipped as a good buy, with a steady price growth and steady demand over the last few years. With the world becoming richer and with there being more mouths to feed, the agricultural commodities space is definitely worth a look.

### The fast road to financial freedom

Vintage vehicles have become great cash generating assets. According to Bloomberg Markets Magazine, "Classic cars were a huge earner for investors, with a three-year annualized return of 21.0% and a one-year return of 40.7%. The 1954 Mercedes Benz W196 Grand Prix race car fetched a record \$29.5 million at a British auction to an unidentified private buyer. The car was used by



▲ 1967 Ferrari GTB NART Spyder

Formula One driver Juan Manuel Fangio". The article also pointed out that "Ferraris from the 1950s and '60s saw high returns. A 1967 Ferrari GTB NART Spyder went for \$27.5 million and several more went for prices between \$10 million and \$20 million". If you know your cars and if you have the money and parking space then trading some classic motors could be a great way to make some big money.

**Making money is just like anything else in life: the more you are able to think outside the box effectively the higher your chances are of succeeding.**

### Niche rental income

When people think of making money from leasing property it is houses, apartments and condominiums that spring to mind. Although nobody has any doubts that these assets are the way to go if you know what you are doing, there are other ways that you can get rich through rental income. Storage space is a good example.



## Collecting dust but gaining value

And of course there are those lovely collectible items that have been sitting in your attic for years when they could be sold on eBay for a small fortune. Prestigious art work is the most obvious one. If you happen to have an eye for this kind of item or you have some fine art lying around in your home then it is well worth getting it valued and selling it at an auction. Like anything that is collected by wealthy people, art has a proven track record of storing value over time and fending off the evil force of inflation.

Prices aren't going up as quickly at the moment but over the last few years this sector has seen double digit annualised growth. You can either invest in storage units yourself or simply park your money in trusted companies like Space Storage Inc., Sovran Self Storage and CubeSmart.

If you own well placed pieces of land in certain countries, which haven't been built on yet, then it might be worth holding on to it for a few years or even decades and then sell it off down the line for big bucks. Another option is leasing out boats to holidaymakers. During the summer months in the UK some families pay big money to hire out a canal barge for a few days or weeks of floating around the beautiful countryside. Likewise in the beach resorts of the world, there is a demand for water-based property.

Collectibles as a whole have performed pretty well over time, which is why many people still bother to collect them in the first place. The age-old cliché of people getting rich off stamp collections has actually proven to be true. According to Stephanie Yang of Bloomberg, "Stamps generally produced gains of 2.6% over one year and 5.4% over three years. However, if you were fortunate enough to have invested in some rare 1800s stamps, your return could have quadrupled. One 1867 9d pale straw stamp had a three-year

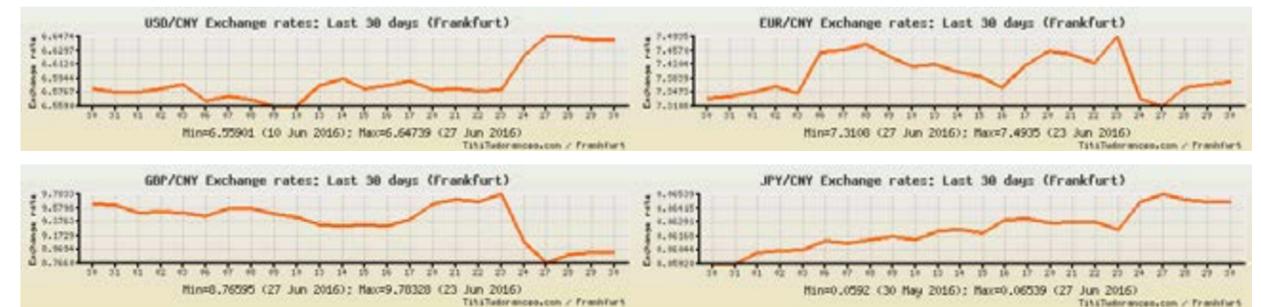
annualized return of 26%. Another, from 1830, had a three-year return of 23.7%".

There are of course plenty of risks involved when it comes to investing in collectibles. As an investment consultant Tom Brakke points out, "Chasing a hot trend in collectibles is generally not a good idea. As with developments in the financial markets, it is possible that a trend will persist and that you'll make some money, but selling at the right time is a real trick". However, he also argues that "if you have real expertise in a particular area, you can take advantage of the mispricings that exist. It is easier to do that with collectibles than with stocks. If you are immersed in the details of the market and understand how the collectible is priced, you have a chance of spotting some real bargains".

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## Stocks and Shares



## Brexit vote derails London property market



Henry Pryor, who has helped people buy homes in London for more than 30 years, says only war would be a bigger threat to the housing market than the conditions it faces now after Britain's vote to leave the European Union. In addition to the vote, the prime minister has resigned, the main opposition is in disarray, and there may be early Parliamentary elections. And Donald Trump may become U.S. President, something Pryor argues

would add further uncertainty to the global economy. While his level of pessimism isn't universally shared, the EU referendum and its aftermath are striking fear in Britain's real estate markets. The market has been inflated for years by economic growth and speculation, including by foreign investors looking for a piece of wealth and stability of London.

Source: Associated Press

## Japan's Line prices IPO at top of the range, may raise up to \$1.3 billion

Japanese messaging app firm Line Corp priced its initial public offering at the top of its marketed range, putting it on track to raise as much as \$1.3 billion and reflecting robust appetite for the world's biggest tech listing this year.

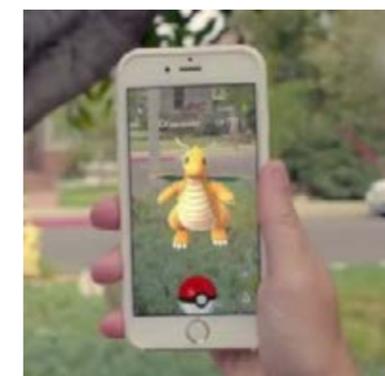
Line set the IPO price at 3,300 yen per share, compared with its book-building range of 2,900-3,300 yen, a filing with Japan's finance ministry showed on Monday. It had initially

set the range at 2,700-3,200 yen but bumped it up last week amid buoyant demand. Line, owned by South Korea's Naver Corp, is set for a dual New York and Tokyo listing this week, raising funds and boosting its profile to speed up its global expansion outside its key markets of Japan and Southeast Asia.

Source: Reuters



## Nintendo shares soar on Pokemon smartphone success



Shares in Japanese gaming company Nintendo soared by almost 25% on Monday on the success of its new Pokemon Go smartphone game. The company has been late to enter the smartphone gaming market but last week launched a smartphone version of its popular Pokemon game. Pokemon Go shot to the top of the US iTunes charts and will be released in Japan soon. Tokyo's Nikkei 225 closed 4% higher at 15,708.82 points. Shares across the index have moved

higher after Prime Minister Shinzo Abe's government claimed a major election victory over the weekend. Mr Abe's party won in an election for the upper house of parliament, saying that voters backed his economic policies. Mr Abe said the election result was a vote of confidence on his economic policies, although he has admitted himself that his Abenomics, aimed at ending debilitating deflation, is only "half done".

Source: BBC

# Developers shift eastward, bringing Hedong back to life



By Lesley Chai, Senior Analyst, JLL Research



▲ He Dong District: Tianjin Station

Ten years ago, Hedong District was known as an immature area that was home to several poor-quality residential projects and old factories. Hedong District's public services, including access to public transportation, hospitals and schools, have lagged behind other core districts in Tianjin. This has led to an agglomeration of less-affluent residential communities while other districts, like Heping and Nankai, have attracted large real estate investments. As such, Hedong District features only limited commercial property stock.

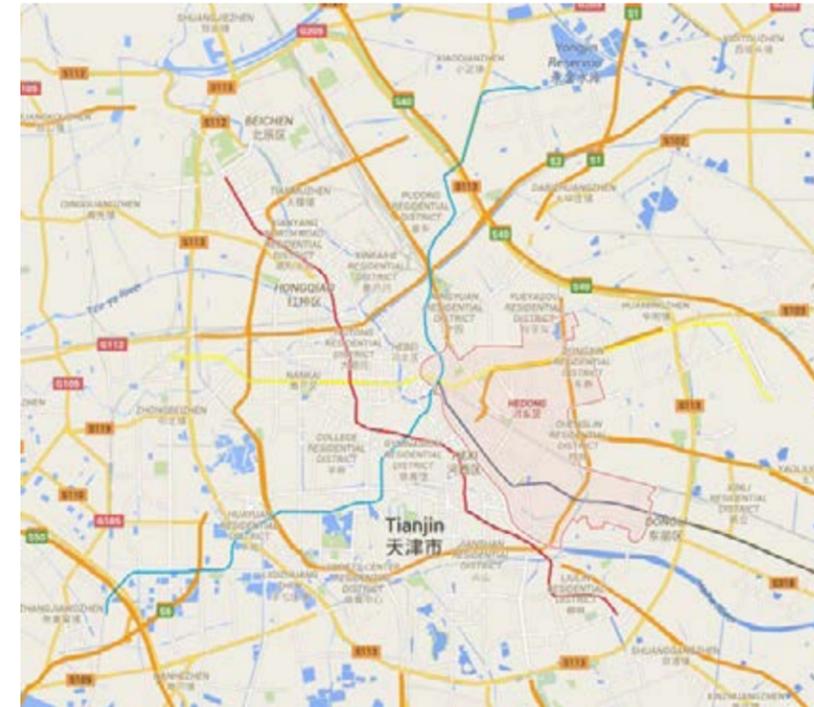
For many years, this district was without office buildings that could support housing demand from white-collar workers or alluring retail projects that could attract visitors from across the Haihe River. Unfortunately, despite recent

developments, Hedong District's poorer reputation persists. Even today, if you asked a local Tianjin resident what she thought of Hedong District, she would most likely describe it as "poor", "uninspired" or "underdeveloped."

However, as we continue to track Tianjin's real estate market, we

notice Hedong District is making large strides in improving its infrastructure, public services and commercial property. Its recent developments will most likely play a role in transforming public opinion as it evolves into a more attractive place to live.

District Information (2015)				
District	Permanent Population (10,000 persons)	GDP (RMB 100 million)	Total Area (sq km)	% as Tertiary Industry
Heping	38	720	9.97	97%
Hexi	102	703	37	91%
<b>Hedong</b>	<b>99</b>	<b>280</b>	<b>39</b>	<b>91%</b>
Nankai	117	544	40.64	90%
Hebei	91	384	29.14	77%
Hongqiao	59	175	21.3	92%



## Tianjin's origins date back to Hedong District

Hedong, which literally means River-East, has a rich history and is considered the historical origin of Tianjin. Starting from Yuan Dynasty, one area called "Zhigu Village" – located along the Haihe River in what would be present-day Hedong District – served as the area's port, transporting grain from north to south China. People gradually gathered there and formed a settlement which later became a sprawling city.

## Advanced infrastructure sets the foundation

Hundreds of years later, Hedong District is beginning to establish itself as a transportation hub. Tianjin Railway Station is located in Hedong and is the primary access point to Beijing, Wuqing and Tianjin's Binhai New Area. Beginning in 2000, the local government also invested heavily in constructing a metro line that stretches through the greater part of Hedong District.

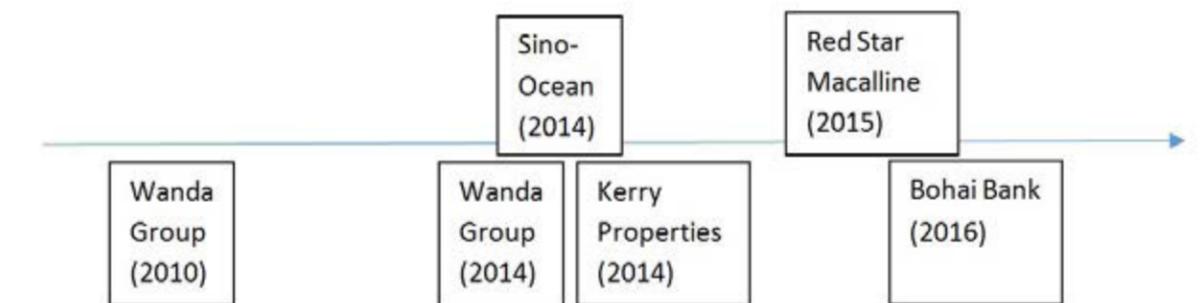
- Construction of Metro Line 9 started in 2001, and by end-2012, it was officially completed. Later on, this also enabled people to transfer to Metro Line 2 and Metro Line 3 at Tianjin Railway Station.

- Metro Line 2, connecting the west to the east, opened in August 2013.

Hedong is also within close proximity of Tianjin's sole airport – Tianjin Binhai International Airport – in Dongli District. This makes access to the airport easier via highways and the metro than from other districts. Hedong's improving transportation network, which has boosted connectivity to other districts, regions and cities, has paved the way for more real estate development.

## Recent development in real estate propels Hedong

2010 was the first time that well-known developers began to explore the development opportunities within the district, especially in the area near Haihe River. Mixed-use developments were most common in the beginning. The Wanda Group developed two large, mixed-use projects in Hedong in 2010 and 2014 respectively. The Sino-Ocean Group entered the Hedong market in 2014, bringing another mixed-use project – a community shopping mall catering to kids and entertainment – alongside Metro Line 2.



▲ Recent development in real estate propels Hedong

In 2016, Sino-Ocean then built 15,000 sqm of Grade B office space in Hedong (Sino-Ocean International Building) which the company is actively selling. Bohai Bank – a local, state-owned bank – developed an office building on the riverside that opened in 2016 with over 70% of the space dedicated for self-use. Kerry Properties, a Hong Kong-based developer, constructed a large mixed-use project that includes high-end residential, a shopping mall and a 5-star hotel and will eventually include an office tower. Lastly, domestic developer Red Star Macalline built a large-sized community shopping mall along Jingbin Avenue, a main road in Hedong, towards end-2015.

Before the development of these new projects, it was difficult for Hedong to attract destination shoppers, white-collar workers and wealthy individuals to own and occupy property within the district. However, Wanda's entrance into

the Hedong scenario in 2010 with a relatively new retail concept – a high-quality shopping mall – helped the district attract new customers from other districts and propelled local shopping environment. Home prices near the shopping mall increased at faster rates than other projects in the area.

**Hedong's improving transportation network, which has boosted connectivity to other districts, regions and cities, has paved the way for more real estate development.**

Kerry Properties' project is perhaps an even better example. Kerry took advantage of a good location, directly on top of a metro station

and alongside the river with a scenic view of downtown Tianjin to develop residential high-rises, a large-scale shopping mall and operate Tianjin's only Shangri-La hotel. In a competitive market environment for both retail and hotels, the shopping mall still has a good amount of vacant space and the hotel cannot achieve high occupancy rates all of the time; however, the complex has brought life to the surrounding area. For example, several kids-related brands and restaurants, such as Kro's Nest and Matta Pizza, made their Tianjin debuts in the project. These brands have attracted people from across the river in Heping and Nankai District. Additionally, we have also witnessed the Shangri-La hotel utilise its riverfront location as a destination for weekend trips, especially for Beijing residents.

As higher quality and better-managed projects enter Hedong District, the area will benefit from

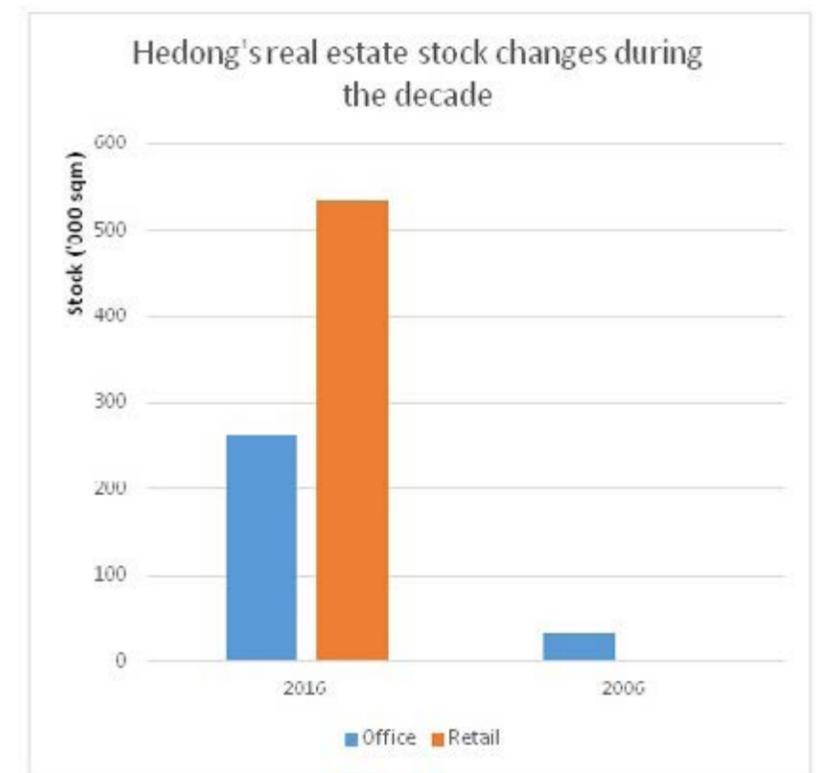
gentrification. Businesses moving to the area will generate more owner-occupier demand from white-collar workers while increasing property values should generate more investment into the real estate sector.

**As higher quality and better-managed projects enter Hedong District, the area will benefit from gentrification.**

**Bright outlook**

Looking forward, more grand-scale projects are expected to enter Hedong. One of the largest, CITIC Real Estate's City Plaza, is located alongside the river and will include several residential high-rises, a shopping mall, a hotel and office towers. The project is expected to be fully complete within the next five years.

It is true that most of the recent development has only occurred in the west of Hedong, principally on



the riverside. However, it is a good start for people from across the river to notice that Hedong is changing rapidly and it is now an attractive destination to eat, drink, shop and spend the weekend with families.

Given the recent trends of urbanisation and city expansion,

formerly distant areas like Hedong will have more opportunities. Limited future land supply west of the river, like in Heping and Hexi District, will force developers who wish to enter the market eastward to rely on this district. Additionally, relatively cheaper land prices and maturing infrastructure should help stimulate more property investment demand into Hedong District. **B**



▲ Bird's eye view of He Dong District



▲ Shangri - La Hotel, Tianjin which located in He Doing District

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# Keeping a Trade Secret (Part I)

By China IPR SME Helpdesk



Nearly all businesses in all industries and sectors possess trade secrets. Trade secrets are a valuable and highly useful form of intellectual property that are nevertheless often undervalued and overlooked by their owners. This is not least the case in the service sector where the relative value of trade secrets as intangible assets can be extremely high. For example, a logistics firm may not hold any patents or few trade marks and substantial copyrights, but the value of its operations could heavily derive from information contained within client lists and standard procedures.

A considerable advantage for trade secrets is that unlike some other

forms of IP rights, such as patents and copyrights that have a finite term, trade secrets can theoretically enjoy an infinite term of protection so long as the trade secret remains just that - a secret. The main difference between protecting something by patent or as a trade secret is that, while technical information is publicly disclosed in patents, it is kept away from the public eye in trade secrets. A trade secret can last forever as long as the confidentiality measures that protect it continue to work. An invention patent typically expires after 20 years.

On the other hand, legal protection of trade secrets is easily lost. Once

the information becomes public information, it no longer enjoys any legal protection. As a result, prevention is the golden rule when it comes to protecting your trade secrets, because once your secret is out, there is usually very little that you can do about it. China, like most other countries, provides a legal framework for the protection for trade secrets, and the law provides for remedies in the event that your trade secrets are unlawfully disclosed. Part one of this two part article will describe what constitutes a trade secret and outline the measures you can take to protect them.

## Know your secrets

You can only protect trade secrets when you know you have them. But what exactly can be a trade secret? In China, by definition, a trade secret is “any non-public information with actual or potential commercial value and that is guarded by confidentiality measures”. Thus, in order for the information to be a trade secret, it must:

(a) be non-public - it must not be known by the general public or by your competitors;

(b) have actual or potential commercial value - it must give the owner a competitive advantage or be capable of generating economic benefit;

(c) be guarded by confidentiality measures - the owner must take reasonable measures to protect the confidentiality of the information.

All three elements are essential pieces of the puzzle.

If you are still unsure whether you have trade secrets, a good rule of thumb is to consider whether the information is something your competitors would want to know or that would give them a commercial advantage. Your trade secrets may include:

- expressions of ideas that give your business a competitive advantage, for example, a new type of service, an innovative business model, or a new online concept, etc.;

- the status of products or services under development, expected product release dates, and details of how they function and their technical features, for example, new design features, a new interface, device functions, or how a new software program works, etc.;

- valuable business information such as customer lists, cost and price information, suppliers and contractors, contract terms, marketing strategy and plans, etc.;

- any other information with potential commercial value such as your preferences with regard to customers or suppliers, rankings of quality of suppliers or creditworthiness of customers, etc.

If you have not already done so, it is important to catalogue what trade secrets you may have, rank the trade secrets in terms of importance and value, and to remember to periodically update your catalogue as your business grows.

**Trade secrets can theoretically enjoy an infinite term of protection so long as the trade secret remains just that - a secret.**

## Keep It Secret, Keep It Safe

It is important to remember that once trade secrets become publicly known, they can no longer be protected as trade secrets. Ways in which a trade secret can be disclosed include publication, disclosure of technical information by your engineer during a seminar, disclosure of information or documents during negotiations and other business dealings with third parties without a non-disclosure agreement, conversations, accidental disclosure by mis-directed emails or other correspondence, etc.

As it is not always possible to keep trade secrets locked away (they may be the knowledge of one or more employees), keeping them safe involves using a combination of physical, technical, and contractual barriers, and implementing a trade secrets protection policy.



**Physical barriers** may include simply marking documents "CONFIDENTIAL", keeping sensitive documents in a safe, undisclosed location, and locking files away after business hours. In addition, access to areas where sensitive business documents are stored should be restricted to certain employees. Limit access and copying rights to the personnel who actually need it. All visitors should be logged, required to sign a non-disclosure agreement before being granted access to sensitive areas of your premises, and should not be left unattended.

**Technical barriers** require the use of information technology (IT) to protect trade secrets stored in electronic files on your computers or data servers. The basic rule in IT security is that the more valuable the information, the harder, more expensive, and more difficult it is to protect. Consulting an IT security specialist can help you to design a cost-effective IT security system.

However, even simple, inexpensive means of IT security measures can be used such as employing the proper use of passwords, commercially available encryption, and logging features. In addition, it is important to have a written technology policy in place and to ensure that your employees abide

**Once trade secrets become publicly known, they can no longer be protected as trade secrets.**

by it. For example, as it is extremely easy for your employees to E-mail sensitive documents to third parties or to transfer files using USB memory cards or CD/DVDs, you might want to consider restricting the ability of your employees to use these tools. Your employees in China should be given a copy of your technology policy written in both English and Chinese (possibly

as an appendix to their employment contract) and be required to sign an agreement stating they received and understand the policy.

**Contractual barriers** normally involve the use of non-disclosure or confidentiality agreements, and are generally considered as one of the best ways to protect your trade secrets. Every existing employee and all new employees should be required to sign an employment contract with non-disclosure or confidentiality provisions. For employees in China, the contract should be in both English and Chinese to prevent an employee from claiming he or she did not understand the confidentiality obligations. Such agreements should also be entered into with suppliers, subcontractors and business partners who are given any level of access to your trade secrets.

Be sure to document the trade secrets protection measures you take and make sure your trade



▲ IT security

secrets protection policy is written down. It is also essential to maintain sufficient records of the flow of information in and out of your company, including keeping records of meetings, discussions, E-mails, written correspondence, and the transfer of electronic files so that you can conduct an investigation and assemble evidence in case you suspect your trade secrets have been misappropriated.

Finally, be vigilant in implementing your trade secrets protection policy. Businesses usually lose their trade secrets because they are too relaxed about keeping the information inside the company. Make sure your management is informed. Trade secrets are a double-edged sword - your staff and workers must be told not only to protect your trade secrets but also not to obtain or utilize the trade secrets of others. Designating a person to be in charge of ensuring compliance with your trade secrets protection policy may be a useful option to consider.

information and intellectual property rights as you might have, it is important to educate them on what can or cannot be disclosed. Adopt appropriate measures to mark and store confidential documents whether such documents are in electronic or paper format.

**Be sure to document the trade secrets protection measures you take and make sure your trade secrets protection policy is written down.**

• **Require all employees to sign an employment agreement with strict confidentiality provisions.** To win a theft of trade secrets claim in China, you must show that the information stolen is (1) not publicly known, (2) has commercial value, and (3) that you took measures to keep it secret. When a current or former employee steals your trade secrets, having an employment agreement with confidentiality provisions is essential to show that you took measures to keep it secret. **E**

### Take-away Messages

• **Prevention is the key to protection.** More often than not, once a trade secret is disclosed, the damage is already done and it is often very difficult to recover its value, even if you succeed in litigation.

• **Establish an internal management system for trade secrets.** Training and clear written guidelines are essential. As your employees in China may not have the same understanding of proprietary

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# THE FUTURE OF MARKETING

By Aaron Low

"Over the next five years we'll see technology ... become a part of the core fabric of marketing itself." said Noah Brier, co-founder of startup Percolate. Indeed, technology is the buzzword for the future of marketing. As technology becomes more and more advanced, companies who lag behind and do not ride on the latest technological trends risk their competitive advantage and market share being eroded.

*In this article, we look at three noteworthy technology trends that could shape the future of marketing. We envisage the future of marketing to be centred on the use of technology.*

## 1. The use of mobile and applications

Mobile web access is expected to change the lives of billions of people over the next five years. Whole communities previously left without the sheer wonder of mobile data will benefit from projects like Google's Android One, granting them access to affordable mobile devices. There are currently more mobile devices than people on the planet, thus underscoring the immense potential marketing via the mobile medium. Mobile is the way forward as customers change the way they communicate with their brands via

the small screen. Mobile is slated to enable more personal interactions between brands and consumers and it is up to firms to cash in on this opportunity. In short, go personal and simply interact with your customers via the apps or on mobile. The words there speak volumes, as consumers value this personalised feel to it.

As the relationship between marketers and customers transits from one-way to two-way conversation between marketer and customer, firms must be prepared for this radical change in order to benefit from it. Many companies

have mobile applications and mobile versions of their websites today but there is still room to grow in this yet to be saturated market. What is important though is that the company's Chief Marketing Officer (CMO) must rise to the occasion. In order to align with this "mobile" future, it is predicated that the CMO will need to possess both analysis skills and an ability to keep up with fast-changing technology. Surprisingly, research by New Jersey's Science and Technology University showed that a staggering 71% of CMOs were unprepared for the data explosion heading their way.

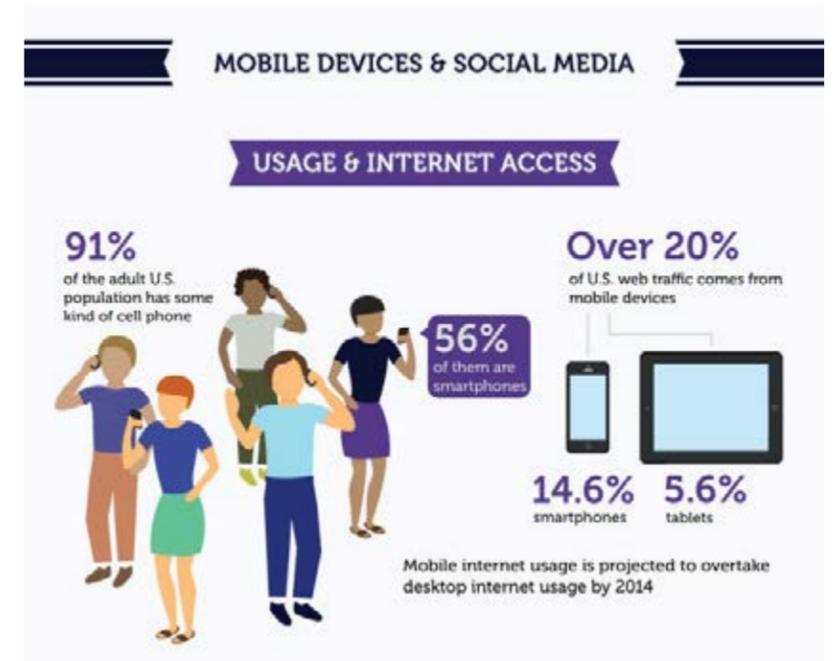
As a pivotal figure in determining a company's success apart from the CEO, present CMOs have to be quick to adapt to developments in mobile technology and data analytics. With that, a strong marketing strategy leveraging on the burgeoning mobile industry can help the company outwit its competitors and stay ahead of rising competition as it garners a larger customer base.

**Over the next five years we'll see technology ... become a part of the core fabric of marketing itself.**

## 2. User-generated content set to be the next big thing

User-generated content, generally defined as any content that is created and contributed by users rather than brands, allows for more creative content to come from a firm's buyers themselves - the customers, and also empowers them to actively participate in the brand. An example of good Business to Consumer (B2C) user-generated content is Infiniti's "New Heights" contest in which customers competed to win a free trip to Budapest by posting creative pictures of the brand's Q30 model. The contest was a great success in terms of generating interaction with customers and allowing them to help the firm develop creative ideas.

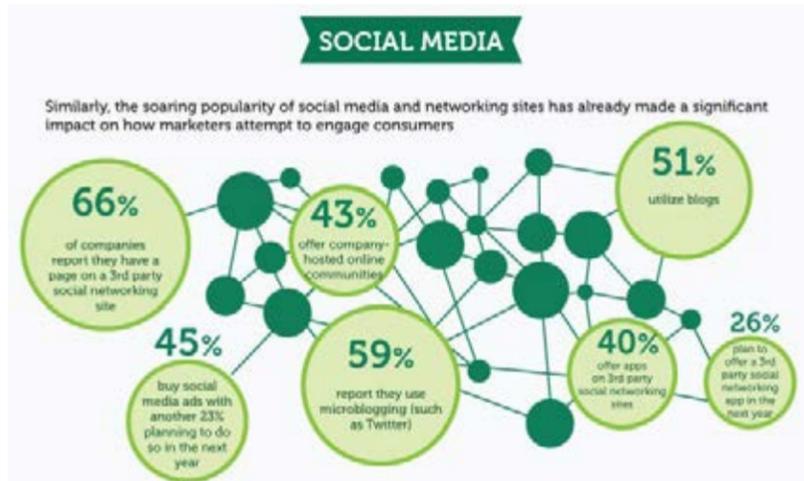
Chris Brandt, chief marketing officer of Taco Bell Corp, has contended that "User generated content will far exceed branded content and brands need to embrace this." His firm has three approaches to content:



Create, Co-Create, and Curate, of which "curate" means taking the user generated content they like and showing it to more people. He added how it is "imperative that brands create a strong identity in the minds and hearts of consumers".

David Garland, creator of the Rise to The Top online course, posited that smarter and cheaper advertising has

to come from the consumer and that the traditional style of outsourcing advertising to a specialized advertising/public relations agency will not work in today's age. Today's consumers are not as responsive to advertising as those in Generation X and that is precisely the reason why user-generated content is a promising marketing tool; consumers want to be the trusted



source of information. They want to provide ideas to marketers and let them act on them. No longer will marketers simply value customers' feedback, they WANT customers' feedback and input.

### 3. Traditional Media vs New Media and blogs

It is interesting to witness how the new generation and new media technologies intertwine in marketing. Marketers have to pay attention to Generation Z, for they share very different values from the previous generations. Generation Z tends to be more private and is very technologically-savvy owing to having grown up in this digital age. Members of this generation tend to

favour social apps over interaction in person, which explains why there is a need to focus more on new media and blogs. Moreover, they are increasingly connected, interactive, participative and vocal.

One such form of new media is video marketing. It is designed to be concise and visually appealing. There are many tools which companies can use to assist them with video marketing. These include Webyclip and Waking App. Of course, there is the well-known and popular social media platform. This, if used effectively, can be a potent tool in driving outreach and raising sales. It can help to generate buzz and excitement about a company's new offerings. However, more importantly, it seeks to establish

long-term relationships with its customers. In fact as aptly stated by Brier, co-founder of Percolate, "social will just be folded into the broader marketing discipline."

Other than the above, new media is playing an increasingly vital role in marketing as consumers nowadays are more discerning with online platforms giving them control over the type of content they consume and rendering mass marketing less effective. Marketers also cannot wait for customers to come to them and must instead reach out to them and start a conversation; the key is in engaging the audience. Finally, some forms of new media like podcasts are also more cost-effective and tend to cater to a specific audience.

All in all, with technology at the forefront today, it is a mistake for marketers not to concentrate on the technologies that when used properly and to a firm's advantage, can be an effective marketing tool and afford vast growth opportunities. **B**

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## Latest Reform on the Foreign Exchange Settlement under Capital Accounts

### SAFE Circular 16



Manuel Torres  
(Managing Partner of Garrigues China)



Dun Zhang  
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Xuezhou Chen  
(Corporate Associate)



Aiming at implementing nationwide reforms and unifying the current foreign exchange settlement policies under capital accounts, on June 15, 2016, the State Administration of Foreign Exchange ("SAFE") launches Circular on Reforming and Regulating Policies on the Administration over Foreign Exchange Settlement under Capital Accounts (Huifa [2016] No.16) (in Chinese, "国家外汇管理局关于改革和规范资本项目结汇管理政策的通知") ("Circular 16") on its official website.

Circular 16 shall take effect on June 9, 2016 and the key features are highlighted as follows:

#### 1. Nationwide Adoption of "At Will" Approach (in Chinese, "意愿结汇") for the Settlement of Foreign Debts

Based on the experimental implementation in four pilot free trade zones in Shanghai, Tianjin, Guangdong and Fujian, Circular 16 extends the "At-Will" approach for foreign debts settlement to the whole country. According to Circular 16, all domestic enterprises, including domestic-funded enterprises and foreign-invested enterprises (excluding financial institutions) could choose at will the timing for foreign exchange settlement of foreign debts.

#### 2. Unified Policy on "At Will" Approach for Foreign Exchange Settlement under Capital Accounts

Circular 16 unifies relevant policies previously released by SAFE on the "At-Will" approach for foreign exchange settlement under capital accounts, including policies on settlement of foreign exchange registered



▲ State Administration of Foreign Exchange

capital, foreign exchange foreign debts, repatriated foreign exchange funds raised through overseas listing and foreign exchange in the funds pool operated by the multinational enterprises. Other than the “Settle-to-Pay” approach (in Chinese, “支付结汇”), Circular 16 enables all domestic institutions to choose the timing and amount to convert their foreign exchange funds under capital accounts into RMB, at current stage. No limitation is set by SAFE, i.e. 100% of said foreign exchange funds could be converted into RMB, but SAFE shall be entitled to adjust the ration according to the then balance of international payment. Under the “At-Will” approach, domestic institutions shall open a “Settled-to-be-Paid” account (in Chinese, “结汇待支付账户”) to store the settled RMB. No document evidencing the usage of the settled RMB funds is required to be provided to the bank upon “At-Will” settlement, while SAFE will mainly fulfill the administration on usage of foreign exchange and the settled RMB upon payment, where documents evidencing the authenticity of usage of settled RMB funds or foreign exchange capital funds, such as the underlying contracts and invoices, shall be submitted to banks. In addition, banks will also verify

the authenticity and compliance of evidencing documents for the previous payment when handling each payment of capital funds.

**All domestic enterprises, including domestic-funded enterprises and foreign-invested enterprises could choose at will the timing for foreign exchange settlement of foreign debts.**



Notwithstanding the above, Circular 16 increases the limitation of accumulated amount of monthly imprest payment of a single institution from USD 100,000 to USD 200,000, which means the domestic institution could convert in maximum USD 200,000 per month into RMB in the name of imprest (in Chinese, “备用金”), without providing documents evidencing the payment.

### 3. Negative List for Usage of Foreign Exchange under Capital Accounts and the RMB Funds Settled Therefrom

Circular 16 intends to adopt a “Negative List” approach to administrate the usage of foreign exchange and “At-Will” settled RMB funds under the capital account. It regulates as follows:-

- (1) They shall not be directly or indirectly used for payment beyond the business scope of enterprises or payment prohibited by the PRC laws and regulations;
- (2) Unless otherwise provided by PRC laws and regulations, they shall not be directly or indirectly used for securities investment or other investment and financing except



for the principal safeguarded bank wealth management products;

**Circular 16 reflects the PRC government's intention to release the foreign exchange control under capital account step by step for the promotion of the internationalization of RMB**

(3) Unless permitted by the business scope of enterprises, they shall not be used for granting loans to non-affiliate enterprises; and

(4) Except for self-use purpose or for real estate enterprises, they shall not be used for constructing and purchasing real estate.

It sounds like that it is still prohibited to convert foreign exchange funds into RMB for equity investment, unless equity investment is included in the business scope of said company. Further, based on the above Negative List, it seems that

SAFE may allow affiliates to finance each other by using the foreign exchange or “At-Will” settled RMB funds; And using the “At-Will” settled RMB funds to repay the RMB bank loans (including entrusted loans) is no longer prohibited.

Circular 16 maintains silence on the administration of cross-border RMB under capital accounts, which has been treated same as foreign exchange under capital accounts by rules and policies promulgated by the Ministry of Commerce, the People's Bank of China and



SAFE. However, after the launch of Circular 16, under the capital account there are some differences between the use of cross-border RMB funds and settled RMB funds, for example, cross-border RMB is not allowed to be used for granting entrusted loans or purchasing any wealth management products, while the settled RMB funds are allowed to grant entrusted loan to the Affiliate Entity and purchase principal safeguarded wealth management products.

Circular 16 reflects the PRC government's intention to release foreign exchange control under capital account step by step for the promotion of internationalization of RMB. Some uncertainties, like the definition of “Affiliate Entity” might be further clarified by SAFE during the implementation of Circulate 16.

As usual, Garrigues will keep a close watch on the implementation and keep our clients posted. **E**

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## “Oh Can you PLEASE stop banging on about relationships!”

By Robert Parkinson, CEO & Founder RMG Selection



In the last article, there was a nice piece written by one of my team on how to create good relationships. I want to give a different perspective this time, and suggest why, in my view actually everything is becoming less and less about relationships, and more and more about substance; and of course how all this fits in to the prism of *“Human Resources”*.

First of all though, don't you get sick of people talking incessantly about how important it is to have “good relationships”? - all the time! It never stops in China! If you ask someone what will make them successful in their studies, the answer

is: “A good relationship with my professor”. If you ask someone what are the essentials to success in your career, the answer is invariably: “lots of ‘cherished’ connections and contacts” [being good at what you do is sometimes a very long way down that list]; If you ask someone what do their clients want (you guessed it) it's: “a strong relationship”.

This encore of “good relationship” “good relationship” “good relationship” on occasion has made me quietly go mad! No! I shout (to myself). It's not just about relationships (“It” I suppose meaning success in what you are doing): “It's” about knowledge, credibility,

sensitivity, ability; adaptability, and most importantly the ability to build and sustain trust with others.

Possibly even more annoyingly as we start to slice up the relationship obsession, another expression I hear often is “My friend”: “My client and I are very good friends.” Oh really I think, that's why they hammer you down on fees and make no apology for calling you at 9pm! Relationships where the service provider is exploited by the purchaser are bad relationships. Period.

When I ask my staff where they have found a candidate, the answer will often be “My friend referred



me to him” when in fact it wasn't his friend at all, it was a business contact on the company's database. Is it even possible to have a genuine friendship with someone who you have a commercial relationship with? Instinct tells me not. You might be friendly with them, but that doesn't mean you're actually friends, which is a subtle but important distinction very many misunderstand.

**To me “a good relationship” is a relationship of productivity and honesty, and mutual trust and respect.**

What does a good relationship mean anyway? What “a good relationship” is, is subjective. To me it is a relationship of productivity and honesty, and mutual trust and respect. To others “a good relationship” may be timely favors and gifts.

Of course those of us who are foreigners really have no idea (and I don't intend to explore it here) just how important relationships are to Chinese people (and indeed to

Chinese people are both pragmatic and instinctively commercial. They know that a good (business) relationship without timely service or product delivery will not last long, so perhaps when they hear the “relationship, relationship” refrain, they assume that good service is ‘a given’.

So there are pros and cons of the “relationship obsession” and I agree that there might be positive reasons for emphasizing relationships; and we will forgive our hosts the occasional annoyance.

However: what we have not yet done is answered the question that I've implied from the beginning, and that is: If your clients (clients could be colleagues, bosses etc) don't just want good relationships with you, then what do they want?

The answer, in my view, is simply this: You do what you say you'll do. You deliver. Without delivery, a (good) relationship is pointless.



It doesn't matter how nice the receptionist is, if the bed's lumpy and the shower doesn't work, the 'friendliness' is irrelevant and my relationship with that hotel is over. It doesn't matter how cozy our lunch on Friday was, if you're 20 minutes late to my meeting, I don't like it, and our lunch will not forgive it.

There's a more important reason that all of this matters in China in 2016: As more business sectors are opened up, and GDP slows, and the rest of world's economies are in uncertain territory, then the more competitive the Chinese business climate will become. Indeed one day, China Mobile, Unicom & Telecom will not be the only 3 in the mobile providers market, and no matter how many years you've been with the big 3, if you get a better deal from "Virgin Mobile China" (for example - it doesn't actually exist), you'll move to Virgin Mobile China. Old relationship over.

All of this is directly relevant to the workforce of China in 2016: Just as

the economy as a whole in China will undoubtedly feature a downward pressure on prices and upward pressure on quality, the same is true of us as "Human Resources".

**You do what you say you'll do. You deliver. Without delivery, a (good) relationship is pointless.**

I am now in my second decade living and working in China. In the first I observed a labour market that embraced even the most semi-competent as a high-fliers. The word "talent" was showered in amongst every HR related conversation. Even I stopped getting shocked when literally everyone said they expected 30% more salary for doing the same job just because it was with another company.

My predication is that this decade of the outrageous pay increases even for

the mediocre will not be repeated. Just like the country as a whole which will have to become much more competitive and value oriented; so must people in their own careers stop focusing on "who do I know" (the relationships) and start focusing on "what do I know" (the substance).

I remember at the start of my career I read an article at a company careers fair which basically said we much prefer people who can be successful in any country at anytime rather than people who can be mega-stars, but only in one location and at one thing. I didn't completely understand that then, I certainly do now. Never more is this truth-truer than in China in 2016. In light of that assertion, how important do you think relationships are now? 

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## The latest IIT trends and challenges affecting foreign employees and their employers



Kelvin Lee, PwC Tianjin

### In detail

#### New measures over non-taxable fringe benefits

In China, all employment related income received by an individual (whether it is in the form of cash, kind, marketable security or any form of economic benefits) is taxable for IIT purposes, except for the provision of certain fringe benefits to foreign employees which can be exempt from IIT. These benefits include:

- housing
- meal and laundry
- home leave
- children education
- language training
- relocation

However, there are certain requirements and local practices that must be met for these fringe benefits to remain exempted from IIT. Based on our observation, many companies and foreign employees fail to understand and comply with these requirements and practices. As a consequence, when they are audited by in-charge tax bureaus, their arrangements (including tax exemption status) are successfully challenged and they need to pay back the underpaid taxes together with late payment surcharge and non-compliance penalty.

In Shanghai, after having been introduced in early 2016, a detailed breakdown and disclosure of the non-taxable fringe benefits is now required to be reported in the monthly IIT return. By doing so, tax authorities have a

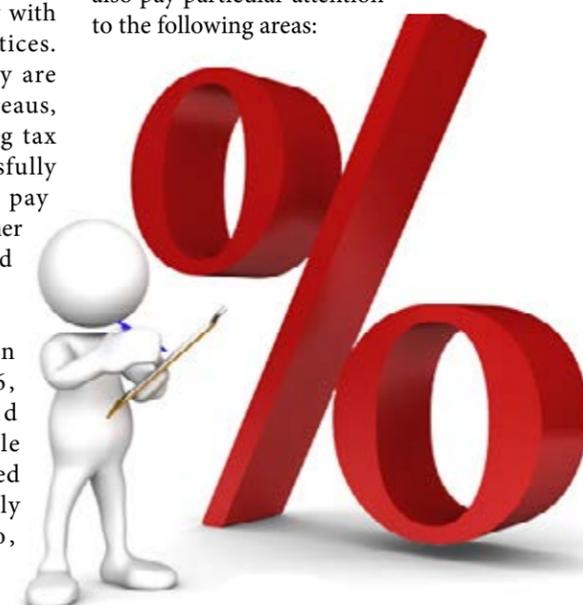
more complete picture of the compensation level and income components of foreign employees concerned. In addition, in recent months, an increasing number of local tax bureaus in Shanghai have required companies to register their non-taxable fringe benefit arrangements with the in-charge tax bureau in order to secure IIT exemption. Some companies, in our view, appear not to have a proper structure and arrangement in place and can be easily caught by the in-charge tax bureaus when they perform registration.

In Beijing, a special tax inspection is being conducted specifically on non-taxable fringe benefits. During the inspection process, the in-charge tax officials will review relevant documentation including employment contract/secondment letter, company reimbursement policy/guideline, original tax receipts ('fapiao') etc. The tax officials will also pay particular attention to the following areas:

### In brief

Over the past few months, we have seen tax bureaus in major cities across China taking strict action to tighten the tax compliance requirements and tax collection on China Individual Income Tax (IIT). These efforts include implementation of new measures over the administration of non-taxable fringe benefits and new tactics against those who failed to report their offshore payroll. The new measures and tactics target foreign employees working in China and have been successful in recovering some tax revenue loss - it is likely that they will be adopted widely in other cities across China in the near future.

In this article, we will share with you our observations on these new measures and tactics as well as recommendations for companies and foreign employees on how to manage their tax exposures, such as ensuring they have the proper contractual and supporting documentation and complying with additional registration requirements.



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## Tianjin Haihe River Lighting Project

# Finishing Touches

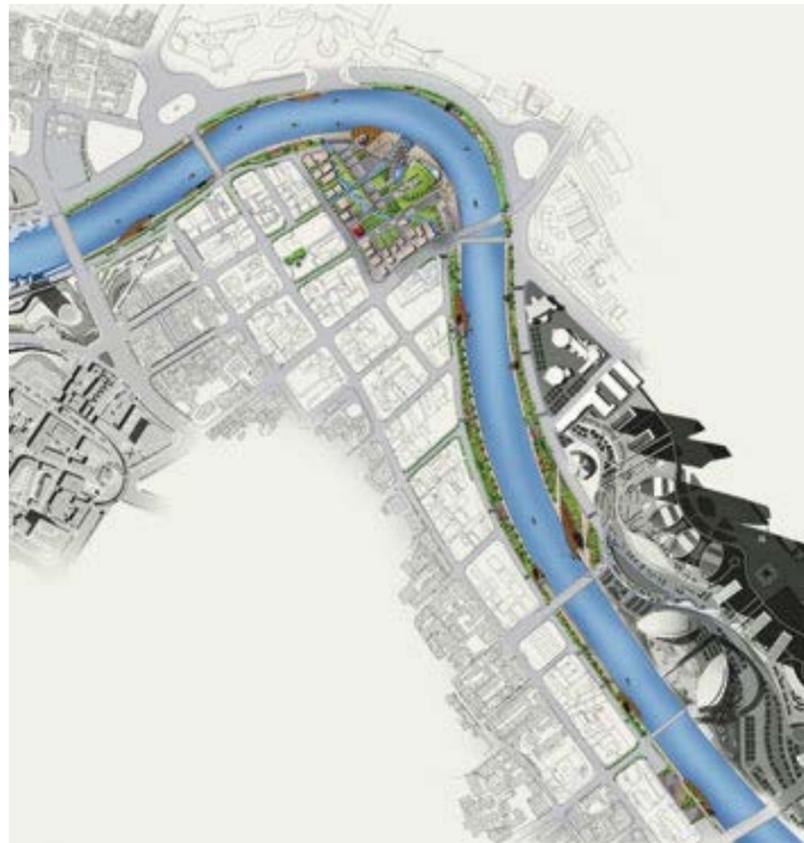
By Richard J. Cook

One of Tianjin's most iconic attractions is its river - the Haihe, renowned as one of the most beautiful waterways in all of China. For centuries this critical river has overseen countless shifts of power, tales and mysteries, enough to keep one occupied for a lifetime. Furthermore, the Haihe was the prerequisite for our home - here in Tianjin and like countless other settlements across the globe it is the very artery that keeps the cultural beat and pace of this city going.

Along with China and Tianjin's rapid development, the Haihe began its waterfront regeneration in 2003 following the publication of the Tianjin Haihe Urban Design/Environmental Design Masterplan by the Tianjin Urban Planning and Design Institute. The plan itself was 10 years in making and initially included 19km of waterfront to be regenerated, sprucing the city up into a world-class waterfront city, complete with a whole range of open public spaces and promenades. Investment for the project back then had a price tag of \$22 billion (USD) and has since received extra top ups, with additional projects being put in place, one of which was a vast waterfront lighting plan, which has come to iconize Tianjin's beauty in this modern era.

### A World Class Waterway

The lighting project is reaching its final stages and is also one of the final implementation phases of the original 2003 Tianjin Haihe Urban design/Environmental Design Masterplan. This final lighting stage is



▲ Hai He Plan

but a segment of a vast 25km lighting project that starts around the Tianjin Eye and works its way downstream and is set to complete Tianjin's own unique urban nightscape. Under the focus at the moment is a small section of the river ranging from Da Guang Ming Bridge to the Liu Zhuang Bridge, which has seen some spectacular development in terms of residential, office and cultural zones of late.

The general idea behind the project is to further personify Tianjin's great renaissance like atmosphere, drawing from its rich multipolar cultural hotspots. The predominant

cultural factor however, is taken from the Italian style town at the very heart and soul of Tianjin's exotic internationalized theme. Lighting up the waterways in a Venice-esque fashion will intensify the artistic feel of the city, however the approach is not totally Eurocentric in design. Further, additional factors on the project will display traditional Chinese flare, delivering a tantalizing taste of when East meets West.

Furthering of this regeneration program is also aimed at reallocating and 'greenifying' existing lighting structures from the original development back in 2003. With

rapid development and rapid redevelopment of residential zones through the course of the Haihe in Tianjin, some lighting structures have intensified glow contributing to light pollution in some isolated places. It is expected to be rectified by repositioning and upgrading certain electrical components to newer more green lighting apparatuses so that this sometimes-problematic glow can be reduced. In addition to this, other aging lighting structures can also be replaced during the overhaul. It is expected that once the project is complete, a 98% operational target can be met.

### Lighting up Tianjin's Tourism Drive

The new lighting project is expected to highlight and intensify aspects of Tianjin's tourism industry, which has made remarkable leaps and bounds year after year.

In 2014 the Tianjin statistical yearbook stated that Tianjin received 2.96 million tourists, up by 11.9% on the previous year, whilst tourists spent 2.992 billion \$ (USD). According to China National Tourism Administration, Tianjin is currently ranked as the 19th most visited city by overseas tourists to China in 2014 and is expected to make quite a hike

on the table once further figures are released for 2015. According to the overall scope China has seen a 4.6% increase in foreign tourism from the year 2014-2015 and 2015-2016 is expected to chart another significant increase.

### The new lighting project is expected to highlight and intensify aspects of Tianjin's tourism industry.

At the apex of the national tourism strategy Tianjin is listed as been among the top 20 cities singled out for tourism excellence and is expected to further intensify Tianjin's tourism strategy in order to push the city to the forefront of this surging industry in China. Tianjin already has a range of spectacular tourist attractions, ranging from Binhai Aircraft carrier theme Park, the Tianjin Haichang Polar Ocean Park up to the Tianjin Eye as well as the Avenues, all of which have recent increases in tourism usage. So there are plenty of pickings to keep any person busy, irrespective of age, gender or taste.

The Haihe itself has seen many changes over Tianjin's 600 year history and has been core to Tianjin's

purpose in the past while being significant for Tianjin's future. As the main artery for Tianjin's economic hub, the Haihe is being revitalized like never before, catering for several market sectors simultaneously.

Waterfront enhancement has always been a fantastic catalyst for spurring on urban regeneration projects. For Tianjin it has proven to be one of the most successful policies and is now set to continue downstream in Binhai with several river upgrade projects announced this year. The South Bay Project as well as the Tianjin Sino-Singapore Ecological them Park are both schemes, which wish to bandwagon to a certain degree from this policy success.

Whether or not the city is a designated economic hub or a tranquil cultural hotspot the artery of a city's life runs through the course of its river.

Water is life and to this effect cherishing and beautifying waterways is just one of many formulas for highlighting its importance, something that China has become very good at doing. **E**

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# The art of bootstrapping a company



Marwan Emile Faddoul  
(Managing Partner  
NFG Consulting LLC)



Guillaume Michael Lange  
(Marketing Analyst  
NFG Consulting LLC)



Networking forms a necessary part of the consulting world, and thus it allows NFG Consulting to have an array of connections, from government to entrepreneurs and investors. This has led to many startups requesting us to liaise them with Venture Capitalists, or Angel Funders, which we usually decline for one simple reason. They do not need it to succeed - let us take Steven for example.

Steven is a close friend of NFG Consulting, and he approached us (NFG) a few months ago, asking NFG to put him in contact with investors for his start-up. Steven insisted on the need for rapid funds to get his project off the ground, but we introduced a different concept to him - Bootstrapping.

When it comes to creating a company, many often believe that they lack the resources required, but in reality it is seldom true. Not having an investor should not hinder anyone from starting a business; there simply is a need to manage and plan with a distinct mindset. Bootstrapping is a situation where entrepreneurs start their company with little to no capital resources. The saying comes from one having to pull up one's own bootstraps to get out of the mud.

More and more companies should aim to have this set up and follow in the footsteps of over 60% of Inc. 5000 companies. This percentage has increased dramatically in the last few years due to the services, which are available to facilitate startups and business growth at a more affordable price than in the past.

Before bootstrapping a business, there are a few requirements that should be taken into consideration. This business plan is better implemented with companies who require a low level of upfront investment; factories and hospitals would not entirely fit into this strategy. The advantage of having recurring sales, a short sales cycle and short payment terms facilitate the survival and cash flow of this business scheme. For this to succeed efficiently, the product should be able to optimize the use of social media and word of mouth as main marketing channels.

**Bootstrapping is the situation where entrepreneurs start their company with little to no capital resources.**

The easiest market to obtain with this business design is going to be one which already knows of or can easily understand how they need the products. They should not require a great deal of persuasion once they have understood their need. Moreover, even with current demand, your product should follow the different market trends. Understanding where a certain market is going and establishing a reputation there before the competition comes in is fundamental to success.



Many start-ups focus on getting large distribution deals with national retailers and believe this to be the most efficient way to grow. After research and analysis, it was suggested, by Lange, to avoid major distribution deals but rather embrace the opportunity to directly sell to end-consumers for a multitude of reasons. The large retailer market looks to feed current demand and never to create a need for a new product. An enormous amount of effort is needed to sign an advantageous distribution deal and this time can be better invested in strategic planning and culture development within any new company. Signing a distribution deal can also complicate production scaling; the capacity of production will need time and resources to fulfill the new demand successfully.

However, by using direct selling, entrepreneurs will be exposed to consumers and this has many essential advantages. Profit margins will be higher by eliminating the middle reseller, which in the long run will allow for more important valuation of the company. Moreover, the growth can be stabilized and controlled at an efficient pace, but more importantly, one can organize an easy channel of communication with clients, thus allowing for timely feedback. If used efficiently, this feedback can allow the owner of the company to improve and invest in the product to better meet consumer demand, which is essential for long-term survival and overall success. Once the product has been perfected and optimized, then a retail deal can be considered, but not before.

When offering this advice to Steven, he mentioned how he could not envision survival with no influx of investment to the stage where he could take advantage of large retailers. The important concept, which Marwan Faddoul explored, was cash flow and differences with income and profits. Cash flow forecasting is the ability to anticipate and predict the inflow and outflow of money from a business where as



profits are the bottom line, often on paper. Many companies have found themselves profitable but unable to survive due to cash management. Limiting upfront investments and allowing for careful planning of receivables are requirements for a successful bootstrapping company. An important way to limit initial investment is to lease; conditional sales contract and chattel mortgage contracts allow for improved company cash-flow control.

Another potential improvement is to the receivable and creditor periods. NFG Consulting advised Steven to negotiate these to his advantage. If he was given more time to pay for materials while being able to shorten the time given to his customers to pay without damaging his sales, it could greatly improve his long-term feasibility. The goal and ideas are clear, but the implementation was a mystery to Steven. The offered suggestion was simple: ask for what you desire. Following a few months of regular business and increasing

trust, many suppliers will offer credit. If this is not enough, producing a letter of financial transactions from regular buyers should be used to show consistent income and demand, thus enticing a sense of durability and reliability.

**It was suggested to avoid major distribution deals, but rather embrace the opportunity to directly sell to end-consumers.**

When these types of negotiations fail, an improving cash flow is vital and the alternative is to sell receivables. When customers have debts towards a company, firms exist to buy their debt at 75% to 90 % of its full value. This allows entrepreneurs to receive cash instantly while forgoing a portion of their receivables. This however allows the management to concentrate on

new sales and strategies instead of investing time chasing creditors.

Steven mentioned he lacked hours per day to get everything done, thus we advised him not to do everything independently. Regarding hiring on a bootstrapping budget, many key points were shared. When choosing whom to hire, it is important to understand expectations of potential staff according to their previous experience. Hiring experienced and seasoned staff can be a very expensive option, which might not be feasible depending on the initial investment level.

Our recommendation leaned towards hiring unproven, ambitious and talented staff for the following reason - they are on the job market to gain experience and payment - perks are not their priorities. They will accept challenges as an opportunity to grow and solve issues. Their inexperience allows them to challenge concepts and status quo; a perfect example of this is George Bernard Dantzig



Bootstrapping eliminates waste due to the limited availability of financial resources. The question leaders ask themselves in this situation is “is it worth spending?” instead of “how should I spend this investment money?” Having limited resources allows the company to work at a faster pace and to solve problems frugally and efficiently. This develops a work ethic and allows it to cascade to the rest of the staff, establishing a winning company culture. This is a competitive advantage, which can be kept and implemented once substantial growth happens.



at UC Berkeley. Not knowing that something is impossible will allow young minds to challenge it and find new ways to succeed around it - the creative thinking that all startups need to be innovative and grow.

This ambition and determination allows entrepreneurs to offer options and shares to substitute for cash payment, which can be an incentive for staff to commit more and also this method does not disadvantage cash flow. We warned against hiring redundant staff; the negative impact of firing staff outweighs temporary productivity advantages. Creating a working environment, including furniture and rental space, has an important opportunity cost, especially if they are not being utilized when a staff leaves. Moreover, seeing a coworker leave the office is an unsettling feeling and can strongly disrupt the productivity of the office as well as discredit the leadership ability of the owner. Externally, it can be a PR struggle to keep appearances to creditors and others of the future financial stability of the company while firing staff.

A constant reminder all bootstrapping entrepreneurs need is to understand the difference between frugal and cheap and what is their value of time. When it comes to expenses, one must focus on functionality and not form. Getting brand new furniture incurs

a lot of costs for the functionality they offer, however if a vehicle breaks down and causes serious reputational loss, functionality has not been observed properly. Moreover, spending hours creating individual business cards to save the cost of printing is not optimizing resources. Time has value, and thus every hour spent on a certain project must be able to raise sales or reduce costs at an efficient rate.

**A constant reminder all bootstrapping entrepreneurs need is, difference between frugal, and cheap, and what is their value of time.**

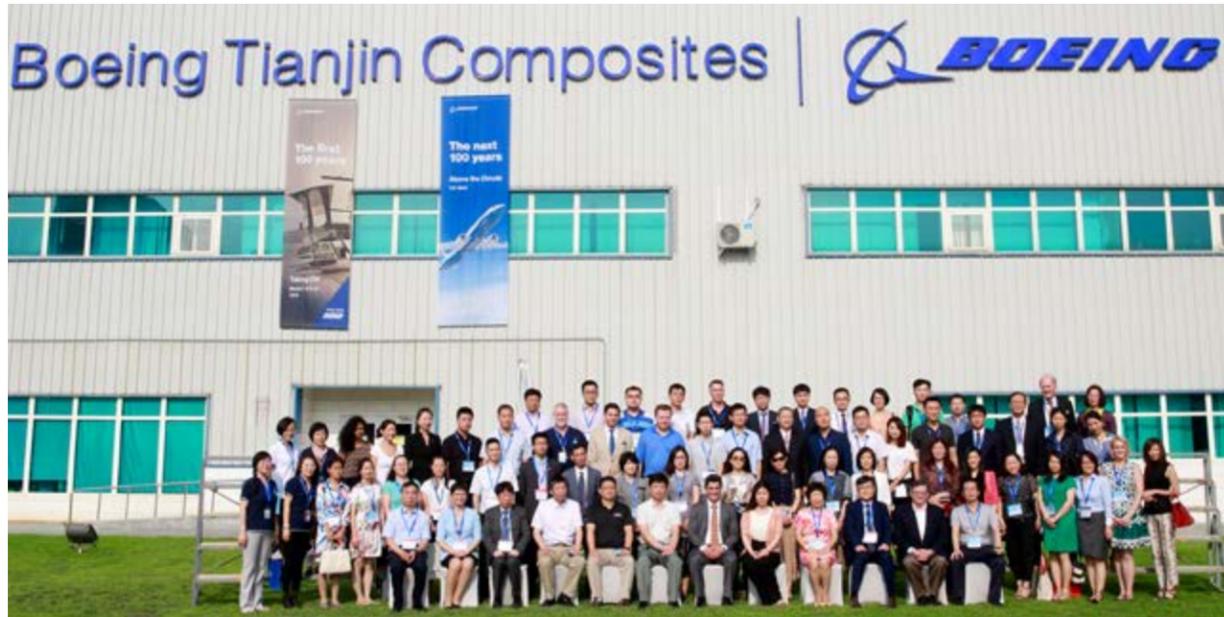
The key long term points we shared with Steven pointed out his ability to retain independence and not have obligations to shareholders or venture capitalists due to having accepted investments. Moreover, his profits were his to keep or reinvest, without having to pay interest or dividends. Because of these two reasons, he could keep the strategy true and objectives clear as he retains control over his company.

Quest Bar only survived because one of its founders took a “saw and a blowtorch” to a machine in which they had invested all their funds into. Re-designing and re-building, using the finite resources they had, allowed them to turn their start up into a 200-staff company with a “Quest Success Spirit”. Not focusing on finding investment allowed them to focus on their product and problems, making them financially viable on their own.

An advice to all like Steven is to stay true to your goals, understand that there is no absolute need for investment and with well planned and anticipated actions no amount of capital can limit ideas and innovations. **B**

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[btianjin.cn/160812](http://btianjin.cn/160812)

## BTC 15 Year Operation Anniversary and Boeing Company Centennial @ Boeing Tianjin Composites



On July 1<sup>st</sup>, 2016, Boeing Tianjin Composites Co., Ltd (BTC), the joint venture between The Boeing Company and Aviation Industry Corporation of China (AVIC), had joined forces with American Chamber to create a special weekend to celebrate BTC 15 Year Operation Anniversary and Boeing Company Centennial at the same time. It was a two-day celebration feast which included Friday Sky surfing factory tour at BTC and Saturday American Chamber Annual 4th of July celebration.

As the first, the largest and the best aviation manufacturer in Tianjin, Boeing Tianjin Composites hosted more than over 130 people, including local government, media, suppliers, customers, American Chamber members and Boeing executives on July 1st Sky-surfing factory tour. Each participant had spoken highly over BTC production ability and capacity and was impressed with its overwhelming operation efficiency and outstanding achievements in EHS (Environment, Health and Safety).

Boeing Tianjin Composites was also honored to join American Chamber on its traditional Annual 4th of July BBQ family banquet at Ritz Carlton-Tianjin as the exclusive sponsor in which there were over 300 distinguished guests attending. Boeing Tianjin Composites also contributed the charity fund to Tianjin Jian Hua Foundation which provides education, health and related services to special needs children.

The celebrations of Boeing Tianjin Composites 15Y and Boeing's Centennial had been important milestones for the whole aviation industry history and will also serve as the vision of future aviation development. Boeing will continue to be committed to BTC and Tianjin long term and continue to grow its statement of work at BTC. The sky is unlimited for Boeing and also for Boeing Tianjin Composites, and all the best for the next Centennial...



13.07.2016

### The 11<sup>th</sup> EU-China Business Summit Held at The Great Hall of The People in Beijing

Hosted in Europe and China on an alternating basis, the Business Summit is an annual dialogue that brings together industry to discuss critical business and trade issues. Global CEOs of major European and Chinese companies shared their views on topics like China Manufacturing 2025 and EU industrial upgrading; promoting investment, as well as unleashing it in new areas like green development, smart city construction and finance; and synergy between the 'One Belt, One Road' initiative and EU policies on transport and energy.

The 11<sup>th</sup> EU-China Business Summit was held on July 13<sup>th</sup> in the presence of Chinese Premier Li Keqiang and European Commission President Jean-Claude Juncker. The summit, attended by 600 Chinese and European business leaders, was the result of ongoing cooperation between the co-organizers, namely the European Union Chamber of Commerce in China (European Chamber) and the China Council for Promotion of International Trade (CCPIT).



08.07.2016

### European Chamber Training Series: Excel Training - Better Management of Data

Micorsoft Office MVP Mr. Xue Zheng from Eddic delivered another intensive training on data management skills using Excel and also shared some practical tips to make you more efficient. Moreover, Mr. Xue has revealed the logic behind the software so to avoid double work and make your report outstanding. This is one of our most popular training programs in European Chamber. We share not only the good practices but also advanced methodology.



12.07.2016

### Policy Interpretation: Foreigners' Working Permit Application Process in Tianjin

The European Union Chamber of Commerce in China Tianjin Chapter, in cooperation with the German Chamber of Commerce Tianjin Chapter, AmCham Tianjin Chapter, and the HR Club jointly held the seminar on policy interpretation of regulations for Foreigner's working permit application process in Tianjin. The seminar facilitated communication between the enterprises and government official from Tianjin Administration of Foreign Experts Affairs. During the seminar, working permit online application process was explained in detail and questions regarding foreign employment, working permit alteration, etc. were raised. Common confusion was clarified in due course.



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Website: [www.european-chamber.com.cn](http://www.european-chamber.com.cn)

**02.07.2016 Tianjin Fortune Lake Golf Club and the Ritz-Carlton Tianjin**

AmCham China Tianjin celebrated the 240<sup>th</sup> year of American independence with its 15<sup>th</sup> Annual Charity Golf Tournament as well as a banquet with almost 300 guests.

The tournament, held at the Tianjin Fortune Lake Golf Club, brought together almost 40 golfers.

Later in the day, at the Zest Restaurant of the Ritz-Carlton, the July 4<sup>th</sup> banquet kicked off with delicious food, cold beverages, live band, lucky draw and games for the kids in tow.

AmCham Tianjin Chapter would like to thank all the sponsors for helping raise money for the Tianjin Jian Hua Autism Rehabilitation Center. A sincere thank you to the Exclusive Platinum Sponsor: Boeing Tianjin Composites Co., Ltd. and our major sponsors: Tianjin Custom Wood Processing Company Ltd., Air Canada, the Ritz-Carlton Tianjin and Hainan Airlines.



**15<sup>th</sup> Charity Golf Tournament and Annual US Independence Day Celebration, Co-hosted by AmCham China, Tianjin and Boeing Tianjin Composites Co., Ltd.**

**Winners of the day included:**

- 1st place:** Yuan Qiang and Jiang Han
- 2nd Place:** Ray Kelly and Rupert Munton
- 3rd Place:** Jose Garza and Li Yongsheng
- Longest Drive:** Li Yongsheng
- Closest to the Pin:** Rupert Munton
- Most Accurate Long Drive:** Yuan Qiang
- Best Putters:** Hank Martin and Gary Ng



**23.06.2016 Tianjin Harbor Economic Area**

**Exclusive Company Tour to Archer Daniels Midland Bio-Science and Technology, and BOMESC Offshore Engineering**

As the 16<sup>th</sup> stop in AmCham China Tianjin's series of company tours introducing our members to the world of advanced manufacturing, almost 30 participants paid a visit to Archer Daniels Midland Bio-Science and Technology, and BOMESC Offshore Engineering on June 23<sup>rd</sup>.

The first stop was ADM Bio-Science and Technology (Tianjin) Co., Ltd., a wholly-owned subsidiary of Archer Daniels Midland Company which was established in 2012 with the vision of serving China's growing demand for better and healthier foods. Till now, ADM Tianjin has developed into a modern food processing hub that supplies a variety of food ingredients to China and Asia markets. Led by experts working at ADM Tianjin, participants visited the labs and workshops inside the facility with thorough introduction and explanation.

The second stop was BOMESC. Founded in 1996 and located at Tanggu by Bohai Bay in the Tianjin Economic-Technological Development Area (TEDA), BOMESC is Engineering, Procurement and Construction (EPC) company providing comprehensive services for offshore oil, gas and mining projects. The history and accomplishments of BOMESC were described by port staff, while the participants were also able to take a closer look at the modules and construction sites. Overall, the participants found the tour meaningful and have given positive feedbacks.



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189 Nanjing Lu Heping District  
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[www.amchamchina.org](http://www.amchamchina.org)



**07.07.2016  
Breakfast Seminar - Tax Health Check**



Due to the constant adjustments and updates of tax laws in China as well as in Europe, the German Chamber of Commerce organized a Breakfast Seminar on the topic of Tax Health Check with the aim of helping enterprise managers identify current operation circumstances of their companies.

During the breakfast briefing, the speaker, Dr. Michael Bormann of the BDP Management Consulting Group, presented a summary of practical experiences from the BDP tax advisors for reducing tax risks, which provides corporate houses with practical suggestions to conduct self-assessment of tax risks, therefore enhancing the participants' ability of assessing tax risks. About 20 tax professionals from different companies joined the event to learn and share their knowledge of tax health check on the financial statements, tax return form and more related topics.

**12.07.2016  
Seminar with Tianjin Municipal Bureau of Foreign Experts Affairs - Debriefing on Foreigners' Working Permit in Tianjin**

On July 12<sup>th</sup>, more than 70 HR professionals from international enterprises gathered at Wellington College International Tianjin to join the seminar with Tianjin Municipal Bureau of Foreign Experts Affairs on the topic of "Debriefing on Foreigners' Working Permit in Tianjin". It was the first collaboration of the German Chamber, the European Chamber, AMCHAM and the HR Club in Tianjin, which turned out to be a great success.

Mr. Zongjing Li from the Foreigners Working in China Division, Tianjin Municipal Bureau of Foreign Experts Affairs, delivered a very informative and practical seminar, in which the new online application system was introduced and application process of permits/certificates related to the foreigners' employment has been clearly explained. This event has provided the attendants a perfect opportunity to communicate with the each other and more importantly with the speaker during the Q&A and free networking session.



**Upcoming Events:  
E-Commerce Seminar**

**Date:** August 9<sup>th</sup> **Time:** 7:30 - 9:00 **Venue:** the Astor Hotel  
**Biz-Socializer**

**Date:** tbc **Time:** tbc **Venue:** tbc

**Mittelstand Roundtable**  
**Date:** August 18<sup>th</sup> **Time:** 19:00 - 22:00 **Venue:** tbc

**Kammerstammtisch Tianjin**  
**Date:** August 31<sup>st</sup> **Time:** 19:00 - 22:00 **Venue:** Drei Kronen 1308 Brauhaus Tianjin

Room 1502, Global Center,  
No. 309 Nanjing Road, Nankai District, Tianjin 300073  
**Tel / Fax:** +86 22 8787 9249  
[tianjin@bj.china.ahk.de](mailto:tianjin@bj.china.ahk.de)

## DINING

## TIANJIN

## Chinese

## China Station

**A:** 2F, Radisson Plaza Hotel Tianjin No. 66, Xinkai Lu, Hedong District  
**T:** +86 22 2457 8888  
 中国站  
 河东区新开路66号天津天诚酒店2层

## Fortune Restaurant

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



庆王府  
QING WANG FU

## Qing Wang Fu

**A:** No. 55, Chongqing Road Heping District  
**T:** +86 22 8713 5555  
 +86 22 5835 2555  
**E:** info@qingwangfu.com  
**W:** qingwangfu.com  
 庆王府  
 和平区重庆道55号

## Riverside Chinese Restaurant

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

## Tian Tai Xuan

**A:** 1st and 2nd Floor, The Ritz-Carlton, Tianjin, No. 167 Dagubei Road, Heping District, Tianjin  
**T:** +86 22 5809 5098  
 天泰轩中餐厅  
 和平区大沽北路167号天津丽思卡尔顿酒店一楼和二楼

## Din Tai Fung

**A:** No. 18, the junction of Zi Jin Shan Lu and Binshui Dao, Hexi District  
**T:** +86 22 2813 8138  
**W:** dintai fung.com.cn  
 鼎泰丰  
 河西区滨水道与紫金山路口18号

## New Dynasty

**A:** 2F, Renaissance Tianjin Lakeview Hotel No.16 Binshui Road, Hexi District, Tianjin  
**T:** +86 22 5822 3388  
 天宾楼  
 河西区滨水道16号万丽天津宾馆2层

## Bazndei Yunnan Food

**A:** Joy City IF Street - B3, Nankai District, Tianjin  
**T:** +86 22 87897222  
 坝美云南菜  
 南开区南门外大街大悦城if如果街IF-B3

## Japanese

## Café Vista

**A:** 1F, Wanda Vista Tianjin, 486 Bahao Road, Da Zhi Gu, Hedong District  
**T:** +86 22 2462 6888  
 美食汇全日餐厅  
 河东区大直沽八号路486号天津万达文华酒店一层

## Kasumi

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

## Seasonal Tastes

**A:** 1F, 101 Nanjing Road, Heping District  
**T:** +86 22 2389 0168  
 知味全日餐厅  
 和平区南京路101号一层

## Seitaro

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

## SôU

**A:** 49F, Tangla Hotel Tianjin, No.219 Nanjing Road, Heping District  
**T:** +86 22 2321 5888 ext.5106  
 思创  
 南京路219号天津唐拉雅秀酒店49楼

## Thai

## YY Beer House

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

## Always Thai Restaurant

**A:** Tian Xi 22/23-133.Ao Cheng Plaza, Nankai District, Tianjin  
**T:** +86 18602289919  
 泰香来东南亚主题餐吧  
 南开区奥城商业广场天玺22/23-133

## Western

## Promenade Restaurant

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

## Cholito Spanish Cuisine and Bar

**A:** Crossing of Hebei Lu and Luoyang Dao, Heping District  
**T:** +86 22 5835 2833  
 西班牙餐厅&酒吧  
 和平区五大道河北路与洛阳道交口

## Le Loft

**A:** Cross of Nanjin Lu and Jinzhou Dao, Heping district  
**T:** +86 22 2723 9363,  
 +86 18702200612  
 院  
 和平区南京路与锦州道交口

## Maxim's De Paris

**A:** No.2 Changde Dao, Heping District  
**T:** +86 22 2332 9966  
 马克西姆法餐厅  
 和平区常德道2号

## Pizza Bianca 比安卡意大利餐厅

Great choice of Italian cuisine and pizza.  
**A:** No.83 Chongqing Lu, Min Yuan Stadium, Heping District  
 和平区重庆道83号民园体育场内  
**T:** +86 22 8312 2728

## Churchill Wine &amp; Cigar Bar

**A:** 1F, Wanda Vista Tianjin, 486 Bahao Road, Da Zhi Gu, Hedong District  
**T:** +86 22 2462 6888  
 丘吉尔红酒雪茄吧  
 河东区大直沽八号路486号天津万达文华酒店一层

## Prego Italian Restaurant

**A:** 3F, 101 Nanjing Road, Heping District  
**T:** +86 22 2389 0173  
 Prego意大利餐厅  
 和平区南京路101号三层

## Qba - Latin Bar &amp; Grill

**A:** 2F, 101 Nanjing Road, Heping District  
**T:** +86 22 2389 0171  
 Q吧 - 拉丁酒吧&烧烤  
 和平区南京路101号二层

## Element Fresh Restaurant

**A:** 1F Joy City, Nanmen Wai Dajie, Heping District  
**T:** +86 22 8735 3372  
 天津新元素餐厅  
 天津市南开区南马路大悦城一楼

## Blue Frog (Riverside 66)

**A:** Unit 3009, Riverside 66, No. 166 Xing'an Road, Heping District,  
**T:** +86 22 23459028  
 蓝蛙(恒隆广场店)  
 和平区兴安路166号恒隆广场3009室

## Blue Frog (Joy City)

**A:** 1F-J02, IF Street, Joy City, Nanmen Wai Dajie, Heping District  
**T:** +86 22 27358751  
 蓝蛙(大悦城店)  
 南门外大街大悦城如果街1F-J02

## Trolley Bar &amp; Grille

**A:** Aocheng Plaza, Tianjin 22/23-119, Nankai District, Tianjin  
**T:** +86 15222091582  
 乔尼西餐厅  
 南开区奥城商业广场天玺22, 23号楼底商119



## Bistro Thonet

**A:** No.55 Chongqing Road, Heping District  
**T:** +86 22 8713 5555  
**E:** info@qingwangfu.com  
**W:** qingwangfu.com  
 庭悦咖啡  
 和平区重庆道55号庆王府院内

## Authentic French Brasserie Since 1901 百年历史的巴黎式经典法餐—福楼

**Brasserie Flo Tianjin**  
**A:** No.37, Guangfu Road Italian Style Town, Hebei District  
**T:** +86 22 2662 6688  
 福楼  
 河北区意大利风情区光复道37号

## 1863 Bistro &amp; Terrace

**A:** 1F Astor Wing, The Astor Hotel, A Luxury Collection Hotel, Tianjin No. 33, Tai'er Zhuang Lu Heping District  
**T:** +86 22 2331 1688 ext. 8918  
 1863别致西餐厅&花园  
 利顺德翼, 和平区台儿庄路33号天津利顺德大饭店豪华精选酒店一层

## DINING



## Café Majestic

**A:** 1F Haihe Wing, The Astor Hotel, A Luxury Collection Hotel, Tianjin No. 33, Tai'er Zhuang Lu, Heping District  
**T:** +86 22 2331 1688 ext. 8910  
 凯旋咖啡厅  
 海河翼, 和平区台儿庄路33号天津利顺德大饭店豪华精选酒店一层

## Café Venice

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

## Glass House

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

## Pan Shan Grill &amp; Wine

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



## Riviera Restaurant

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

## Spectrum All-Day Dining

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

## Zest

**A:** 1st Floor, The Ritz-Carlton, Tianjin, No. 167 Dagubei Road, Heping District, Tianjin  
**T:** +86 22 5809 5109  
 香溢 - 全日餐厅  
 和平区大沽北路167号天津丽思卡尔顿酒店一楼



## Inasia Restaurant

(Olympic Stadium Store)  
**A:** 4F, A-Hotel, Olympics Gym, Nankai District, Tianjin  
**T:** +86 22 2382 1666/2233  
 美轩亚萃餐厅(水滴店)  
 南开区水滴体育馆A-Hotel四楼

## Bars

## China Bleu

**A:** 50F, Tangla Hotel Tianjin, No. 219 Nanjing Lu, Heping District  
**T:** +86 22 2321 5888  
 中国蓝酒吧  
 南京路219号天津唐拉雅秀酒店50层

## WE Brewery

**A:** 4 Yi He Li, Xi An Road Heping District, Tianjin  
**T:** +86 18630888114  
**W:** www.webrewery.com  
 WE Brewery酒吧  
 和平区西安道怡和里4号

## O'Hara's

**A:** Astor Wing, The Astor Hotel, A Luxury Collection Hotel, Tianjin No. 33, Tai'er Zhuang Lu Heping District  
**T:** +86 22 2331 1688 ext. 8919  
 海维林酒吧  
 利顺德翼, 和平区台儿庄路33号天津利顺德大饭店豪华精选酒店一层

## The St. Regis Bar

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

## Flair

**A:** 1st Floor, The Ritz-Carlton, Tianjin, No. 167 Dagubei Road, Heping District, Tianjin  
**T:** +86 22 5809 5099  
 Flair酒吧  
 中国天津市和平区大沽北路167号天津丽思卡尔顿酒店一楼

## SERVICES

## Education

## KINDERGARTEN

## Hopeland international kindergarten Meijiang Campus

**A:** No. 7 Huandao East Road, West side of Jiefang South Road, Tianjin  
**T:** +86 22 5810 7777  
 华兰国际幼稚园(梅江园)  
 解放南路西侧环岛东路7号

## Hopeland international kindergarten Shuishang Campus

**A:** No. 46, Xianguang Street, Weijian South Road, Tianjin  
**T:** +86 22 2392 3803  
 华兰国际幼稚园(水上园)  
 卫津南路霞光道46号

## Hopeland international kindergarten Haiyi Campus

**A:** No. 5 Cuibo Road, Meijiang Bay, Tianjin  
**T:** +86 22 6046 2555  
 华兰国际幼稚园(海逸园)  
 梅江湾翠波路5号

## Jeff's House Kindergarten

**A:** No. 77, Munan Dao, Heping District  
**T:** +86 22 2331 0236/0636  
 杰夫幼稚园  
 和平区睦南道77号(近河北路)



## SmartKidz International Tianjin

**A:** 5F, Building C, He Zhong Building, You Yi Bei Lu, Hexi District  
**T:** +86 186 2230 2923(English)  
 +86 186 22303272(English)  
 +86 186 2235 9571(Chinese)  
 +86 186 2230 3926(Chinese)  
**E:** thai.enc\_cn@yahoo.com  
**W:** Smartkidz-tj.com  
**Fax:** +86 22 8386 0969  
 天津童慧国际学校  
 河西区友谊北路合众大厦C座5层

## International Schools



## International School of Tianjin

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



WELLINGTON COLLEGE INTERNATIONAL TIANJIN

## Wellington College International Tianjin

**A:** No. 1, Yide Dao, Hongqiao District  
**T:** +86 22 8758 7199 ext. 8001  
**M:** +86 187 2248 7836  
**E:** admissions@wellington-tianjin.cn  
**W:** wellington-tianjin.cn  
 天津惠灵顿国际学校  
 红桥区义德道1号

## Tianjin International School

**A:** No.4-1, Sishui Dao, Hexi District  
**T:** +86 22 8371 0900 ext. 311  
 天津国际学校  
 河西区泗水道4号增1

SERVICES

Hotels

★★★★★ Hotels



**Renaissance Tianjin Lakeview Hotel**  
A: No. 16, Binshui Dao, Hexi District  
T: +86 22 5822 3388  
万丽天津宾馆  
河西区滨水道 16 号



**Banyan Tree Tianjin Riverside**  
A: No. 34, Haihe Dong Lu, Hebei District, Tianjin  
T: +86 22 5883 7848  
www.banyantree.com  
天津海河悦榕庄  
河北区海河东路 34 号



**Hotel Indigo Tianjin Haihe**  
A: No.314 Jiefang South Road, Hexi District, 300202, Tianjin  
T: +86 22 8832 8888  
F: +86 22 8832 6868  
天津海河英迪格酒店  
中国天津市河西区解放南路 314 号



**HYATT REGENCY TIANJIN EAST**  
A:126 Weiguo Road, Hedong Dist. Tianjin, 300161  
T: + 86 22 2457 1234  
F: +86 22 2434 5666  
W: tianjin.regency.hyatt.com  
天津帝旺凯悦酒店  
天津市河东区卫国道 126 号

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

**Shan Yi Li Boutique Hotel**  
A: No.55 Chongqing Road, Heping District.  
T: +86 22 87135555  
E: info@qingwangfu.com  
山益里精品酒店  
中国天津市和平区重庆道 55 号



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



**The Ritz-Carlton, Tianjin**  
A: No. 167 Dagubei Road, Heping District, Tianjin  
T: +86 22 5857 8888  
天津丽思卡尔顿酒店  
和平区大沽北路 167 号



**Tangla Hotel Tianjin**  
A: No. 219, Nanjing Lu, Heping District  
T: +86 22 2321 5888  
天津唐拉雅秀酒店  
和平区南京路 219 号



**Yi Boutique Luxury Hotel Tianjin**  
A: No. 52-54, Min Zu Road, Hebei District  
T: +86 22 2445 5511  
天津易精品奢华酒店  
河北区民族路 52-54 号



**Shangri-La Hotel, Tianjin**  
A: No.328 Haihe East Road, Hedong District Tianjin, 300019 China  
T: + 86 22 8418 8801  
天津香格里拉大酒店  
河东区海河东路 328 号



**Sheraton Tianjin Hotel**  
A: Zi Jin Shan Lu, Hexi District  
T: +86 22 2731 3388  
天津喜来登大酒店  
河西区紫金山路



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



**Holiday Inn Tianjin Aqua City**  
A: No. 6, Jieyuan Dao, Hongqiao District  
T: +86 22 5877 6666  
天津水游城假日酒店  
红桥区芥园道 6 号



**The St. Regis Tianjin**  
A: No. 158, Zhangzizhong Road Heping District  
T: +86 22 5830 9999  
天津瑞吉金融街酒店  
和平区张自忠路 158 号 (津塔旁, 哈密道正对面)



**The Astor Hotel, A Luxury Collection Hotel, Tianjin**  
A: No. 33, Tai'er Zhuang Lu, Heping District  
T: +86 22 5852 6888  
天津利顺德大饭店豪华精选酒店  
和平区台儿庄路 33 号

**PAN PACIFIC TIANJIN HOTEL**  
A: No. 1 Zhang Zi Zhong Road, Hong Qiao District  
T: +86 22 5863 8888  
E: infor.pptsn@panpacific.com  
天津泛太平洋酒店  
中国天津红桥区张自忠路 1 号



**The Westin Tianjin**  
A: 101 Nanjing Road, Heping District  
T: +86 22 2389 0088  
W: westin.com/tianjin  
天津君隆威斯汀酒店  
和平区南京路 101 号



**Wanda Vista Tianjin**  
A: 486 Bahao Road, Da Zhi Gu, Hedong District, Tianjin 300170  
T: +86 22 2462 6888  
F: +86 22 2462 7000  
天津万达文华酒店  
中国天津市河东区大直沽八号路 486 号

**Tian Cheng Hotel Tianjin**  
A: No. 66, Xinkai Lu, Hedong District  
T: +86 22 2457 8888  
天津天诚酒店  
河东区新开路 66 号

**Tianjin Goldin Metropolitan Polo Club**  
A: No.16, Hai Tai Hua Ke Jiu Lu, Bin Hai Gao Xin Qu, Tianjin  
T: + 86 22 8372 8888  
W: www.metropolitanpoloclub.com  
天津环亚国际马球会  
滨海高新区海泰华科九路16号

Serviced Apartments

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

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



**Ascott TEDA MSD Tianjin**  
A: No.7 Xincheng West Road, Tianjin Economic-Technological DevelopmentArea, Tianjin  
中国天津市经济技术开发区新城西路 7 号  
T: +86 22 5999 7666



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

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

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



**Ariva Tianjin Binhai Serviced Apartment**  
A: No. 35 Zi Jin Shan Road, Hexi District  
T: +86 22 5856 8000  
F: +86 22 5856 8008  
www.stayariva.com  
滨海·艾丽华服务公寓  
天津市河西区紫金山路 35 号



**The Lakeview, Tianjin-Marriott Executive Apartments**  
A: No. 16, Binshui Dao, Hexi District  
T: +86 22 5822 3322  
天津万豪行政公寓  
河西区滨水道 16 号



**Fraser Place Tianjin**  
A: No. 34 Xing Cheng Towers Ao Ti Street, West Weijin South Road, Nankai District  
T: +86 22 5892 0888  
E: sales.tianjin@frasershospitality.com  
天津市招商辉盛坊国际公寓  
南开区卫津南路西侧奥体道星城 34 号楼

Real Estate

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



**Jones Lang LaSalle**  
A: Unit 3509, The Exchange Mall Tower 1, No.189 Nanjing Road, Heping District.  
T: +86 22 8319 2233  
W: joneslanglasalle.com.cn  
仲量联行天津分公司  
天津市和平区南京路 189 号津汇广场 1 座 3509 室

Associations

**TICC (Tianjin International Community Centre) Association** and meeting place for foreign passport holders and their families in Tianjin. Organises monthly coffee mornings, luncheons and social/fundraising events, supporting local charities.  
E: ticc\_09@hotmail.com  
W: tianjin.weebly.com

SERVICES

HEALTH



**European Chamber**  
A: 41F, The Executive Center, Tianjin World Financial Center, 2 Dagubei Lu, Heping District  
T: +86 22 5830 7608  
E: tianjin@european-chamber.com.cn  
W: european-chamber.com.cn

**American Chamber**  
A: Room 2918, 29F, The Exchange Tower 2, 189 Nanjing Lu Heping District  
T: +86 22 2318 5075  
F: +86 22 2318 5074  
W: amchamchina.org

**German Chamber**  
A: Room 1502, Global Center, No. 309 Nanjing Road, Nankai District,  
T: +86 22 8787 9249  
E: tianjin@bj.china.ahk.de

Serviced Office



**The Executive Centre**  
Asia-Pacific's Premium Serviced Office Provider  
A: 41F, Tianjin World Financial Center 2 Dagubei Road, Heping District Tianjin  
T: +86 22 2318 5111  
W: executivecentre.com  
天津德事商务中心  
和平区大沽北路 2 号天津环球金融中心津塔写字楼 41 层



**Regus Tianjin Centre**  
A: 8<sup>th</sup> Tianjin Centre, No.219 Nanjing Road, Heping District  
T: +86 22 2317 0333  
**Regus Golden Valley Centre**  
A: 11<sup>th</sup> Floor, Block One, Golden Valley Centre, Heping District  
T: +86 22 5890 5188  
W: www.regus.cn  
雷格斯天津中心  
和平区南京路 219 号天津中心 8 层  
雷格斯金谷大厦中心  
和平区金谷大厦一号楼 11 层

Hospitals



**Raffles Medical Tianjin Clinic**  
A: 1F Apartment Building, Sheraton Tianjin Hotel, Zi Jin Shan Road, He Xi District, Tianjin 300074  
T: +86 22 23520143  
河西区紫金山路喜来登饭店公寓楼一层, 300074

**Tianjin United Family Hospital**  
A: No.22, Tianxiao Yuan Tanjiang Dao, Hexi District  
T: +86 22 5856 8500 (Reception)  
24 Hour Emergency:  
T: +86 22 5856 8555  
W: ufh.com.cn  
天津和睦家医院  
河西区潭江道天潇园 22 号



**Women's and Children's Specialized Health**  
A: No.21, ShuiShangGongYuan East Road, Nankai District  
T: +86 22 5898 2012  
400 10000 16  
W: amcare.com.cn  
美中宜和医疗集团天津美中宜和妇儿医院  
南开区水上公园东路 21 号

**Arrail Dental Tianjin International Building Clinic**  
A: Rm 302, Tianjin International Building, No. 75 Nanjing Rd, Heping District, Tianjin PRC  
T: +86 22 2331 6219/10/67  
24Hr Emergency Line:  
150 0221 9613  
W: arrail-dental.com  
瑞尔齿科  
和平区南京路 75 号  
天津国际大厦 302 室

Gyms

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

**Leo GYM**  
A: 3 Floor, Olympic Center Stadium Swimming Diving Hall, Binshui Xi Dao, Nankai District  
T: +86 22 6097 6681  
W: leogym.com.cn  
力奥健身  
天津市南开区滨水西道奥林匹克游泳跳水馆

**DINING**

**TEDA & TANGGU**

**Brazilian**

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

**Chinese**

**Wan Li Chinese Restaurant**  
**A:** 2F, Renaissance Tianjin TEDA Hotel & Convention Centre  
 No. 29, 2nd Avenue, TEDA  
**T:** +86 22 6621 8888 ext. 6750  
 万丽轩中餐厅  
 开发区第二大街 29 号天津万丽泰达酒店及会议中心 2 层

**Yue Chinese Restaurant**

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

**Japanese**

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

**Italian**

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

**Western**

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



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

**BARS**



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

**Education**



**Tianjin TEDA Maple Leaf International School**  
**A:** No. 71, 3<sup>rd</sup> Avenue, TEDA  
**T:** +86 22 6200 1920  
 天津泰达枫叶国际学校开发区第三大街 71 号



**TEDA International School**  
**A:** No. 72, 3rd Avenue, TEDA  
**T:** +86 22 6622 6158  
 泰达国际学校  
 开发区第三大街 72 号

**SERVICES**

**Hotels**

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



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



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



**Crowne Plaza Tianjin Binhai**  
**A:** No.55 Zhongxin Avenue Airport Economic Area, Tianjin  
**T:** +86 22 5867 8888  
 天津滨海圣光皇冠假日酒店  
 天津市空港经济区中心大道 55 号



**HILTON TIANJIN ECO-CITY**  
**A:** No. 82 Dong Man Zhong Lu, Sino-Singapore Eco-City, Tianjin, P.R. China 300467  
**T:** +86 22 5999 8888  
**F:** +86 22 5999 8889  
**E:** tianjinecocity.info@hilton.com  
**W:** tianjinecocity.hilton.com  
 天津生态城世茂希尔顿酒店  
 天津市中新生态城动漫中路 82 号

**Apartments**



**TEDA, Tianjin – Marriott Executive Apartments**  
**A:** 29 Second Avenue TEDA, Tianjin  
**T:** +86 22 6621 8888  
 天津泰达万豪行政公寓  
 天津经济技术开发区第二大街 29 号

**HEALTH**

**Spas**

**Touch Spa**  
**A:** 2F, Renaissance Tianjin TEDA Hotel & Convention Centre  
 No. 29, 2nd Avenue, TEDA  
**T:** +86 22 6570 9504  
 开发区第二大街 29 号天津万丽泰达酒店及会议中心

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

**Hospitals**



**Raffles Medical Tianjin TEDA Clinic**  
**A:** 102-C2 MSD, No.79 1st Avenue, TEDA Binhai Area, Tianjin 300457  
 天津经济技术开发区第一大街 79 号泰达 MSD-C 区 C2 座 102 室, 300457  
**T:** +86 22 65377616

**Gyms**

**Eco-City International Country Club**  
**A:** No. 5681, Zhongxin Road, South Ying-Cheng Island, Tianjin  
**T:** +86 22 6720 1818  
 生态城国际乡村俱乐部  
 天津生态城中新大道 5681 号 (营城湖南岛)

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



**TIANJIN-BEIJING AIRPORT Shuttle Bus ¥83 one way**

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

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

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

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

**TEDA-BEIJING AIRPORT Shuttle Bus ¥90 one way**

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

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

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

10:30, 13:00, 18:30, 20:30. Exit on the 1st floor at Gate 15 /Terminal 2 and Gate 1 / Terminal 3. Tel: +86 10 6455 8718

**BULLET (C) TRAIN**

**TJ ~ BJS (¥55 - ¥93)**

Train	Tianjin	Beijing
C2002	06:18	06:53
C2108	22:52	23:27

**BJS ~ TJ (¥55 - ¥93)**

Train	Beijing	Tianjin
C2001	06:01	06:36
C2107	23:05	23:40

**TG ~ BJS (¥66 - ¥93)**

Train	Tanggu	Beijing
C2584	09:04	09:58
C2594	20:26	21:21

**BJS ~ TG (¥66 - ¥93)**

Train	Beijing	Tanggu
C2291	10:10	11:09
C2593	20:26	21:21

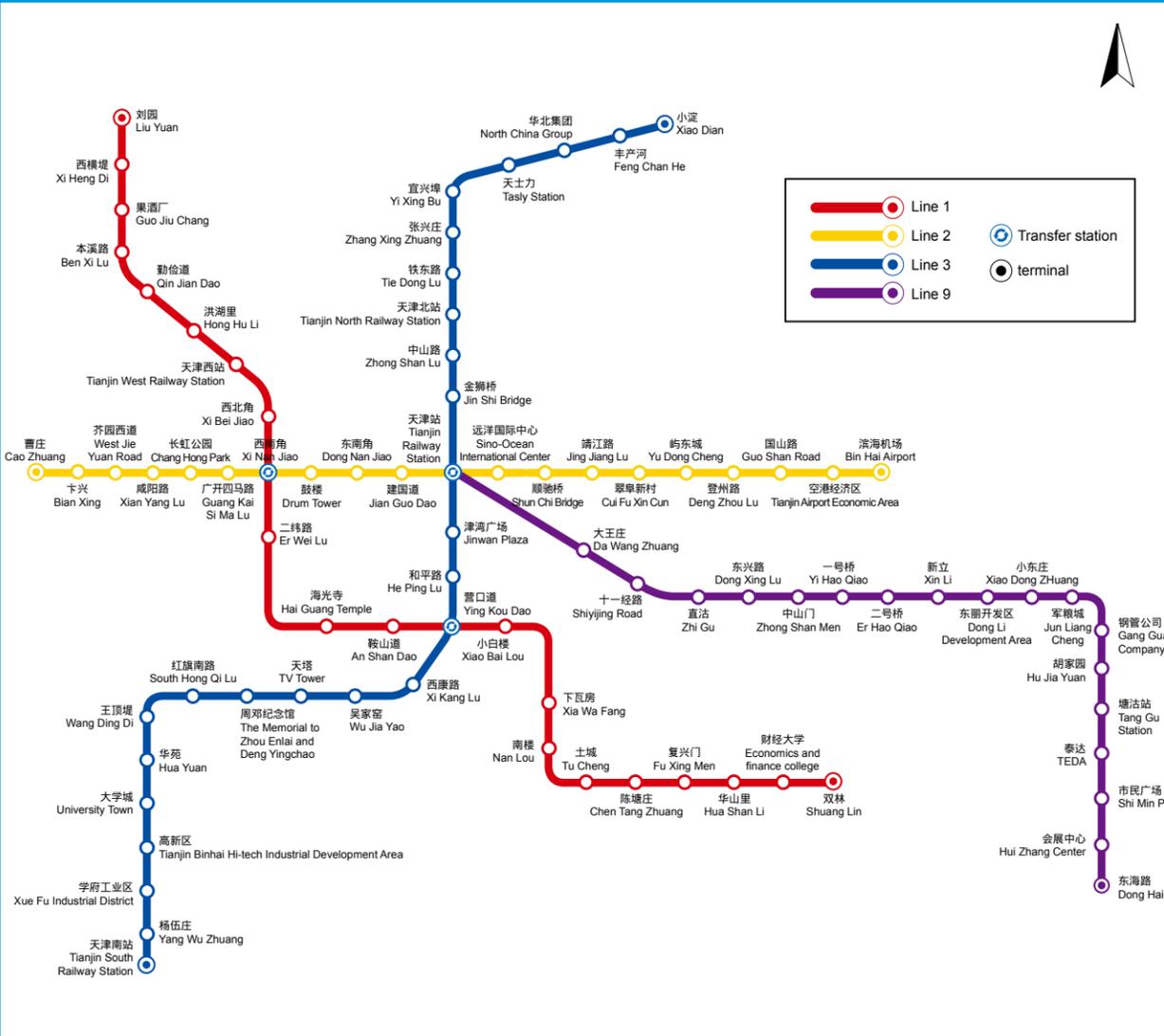
**Wuqing ~ BJS (¥39 - ¥66)**

Train	Wuqing	Beijing
C2202	06:54	07:19
C2246	21:27	21:52

**BJS ~ Wuqing (¥39 - ¥66)**

Train	Beijing	Wuqing
C2203	07:31	07:55
C2245	20:56	21:20

**TIANJIN SUBWAY**





## Four treasures of the Study

By Nadia N.

It takes a special type of science to analyse the handwriting of a person but this technique can be used to generate detailed information about a person's mental state, habits, aptitude, personal characteristics and tons of other "secret" data. In general, one can definitely benefit at some point by having understandable and beautiful handwriting. In China, calligraphy - "书法" (shu1fa3) - occupies a special place and has played an important role from BC years so long ago up to modern times. Nowadays calligraphy is mostly practiced as a discipline. Children learn how to write characters in a correct way and beautiful writing of characters is a "must" for the educated Chinese. But in ancient China the ability to write characters in an artistic way was a special kind of fine art and only aristocrats and

highly educated people could afford to study it.

According to some historians, calligraphy was born the same day as when the first characters were created - around 4000BC. Extant examples of writing and calligraphy appeared on so-called oracle bones (animal bones, turtle shells) and bronze vessels dated 1000-1400 BC. These objects were used for sacred divination rituals. One of the oldest artifacts of "artistic writing" found recently (2003) was dated by archeologists as far back as 1435-1412 BC. Ceramic inscriptions found at Zhengzhou Shang city contained single-written characters in cinnabar paint. Of course, characters of that ancient period hardly looked like the characters that we know today. They were picture-

like and were significantly easier to understand (too bad foreigners didn't learn Chinese then).

With the Imperial era of China, characters and calligraphy changed with the reforms of emperors and fashion and different styles were created. Calligraphy at the time was the prerogative of only highly educated people, close to the emperor and members of the royal family. Good calligraphy skills were known to be as challenging to acquire as it is to become a martial art master. So, pieces of hand-written scripts were presented from one aristocrat to another as an honourable gift.

As a matter of fact, while different styles and characters came and went

from the calligraphy stage, tools and materials have barely changed, even up to now. Traditionally, the quartet of ink brush, ink, paper, and ink stone was "in charge" of calligraphy since the long gone dynasties and emperors. They are respectfully called "Four Treasures of the Study" - "文房四宝". These Four Treasures are the same materials employed by traditional Chinese painters. Some critics have argued about the importance and the status of the "top art", and came to the conclusion that calligraphy should be considered as being a fine art which is akin to painting - due to its accuracy and subtlety.

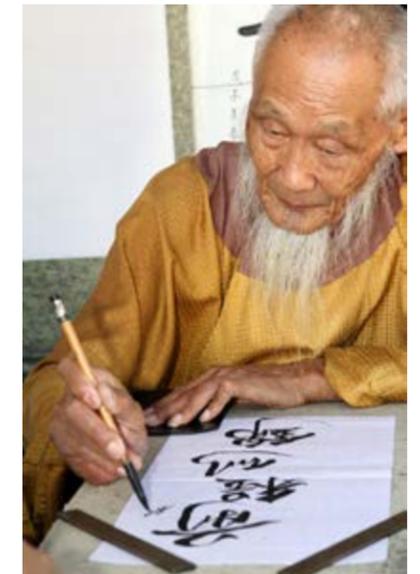
**Good calligraphy skills were known to be as challenging to get as it is to become a martial art master.**

Self-expression and personalisation are some of the crucial aspects of calligraphy and one of the reasons why it so highly esteemed. One of the earliest recorded instances concerns the first-century emperor Ming of the Han, who, upon hearing that his cousin was on his deathbed, dispatched a messenger to obtain a piece of his writing before he passed away. By so doing, Emperor Ming was hoping to be able to "commune" with

his relative, even after death, through traces of his personality embodied by his calligraphy.

Overall, calligraphy is not only a beautiful picture on a piece of paper. Like most of the things in China, it has its own hidden meaning that shouldn't be overlooked. Early critics and historians often, if not always, compared and linked the process of writing with the natural world and its elements. For instance, the movement of the brush is associated with the force of the boulder rushing down the hill or the tiny ripples in the lake left by swimming geese. The writing elements would be also described in physiological terms like "bones", "flesh", "muscles" etc. In brief, calligraphy definitely involves Confucian and Daoist emphasis, which indeed makes it a reflection of Chinese culture as a whole.

While on one hand the art of writing demands personalisation, on the other hand it sets strict rules that dilettante and master alike should follow. Apart from the fact that characters need to be correct and fit the context, there are some more faint rules. Written characters are supposed to be legible, however, if the reader is not familiar with the used style or, for instance, unable to read cursive, it doesn't deprive the script of being "calligraphically-correct".



Another 'rule' states that calligraphy should be concise. While Western scholars of the past were showing off with their "curly" handwriting, Chinese masters were keeping it black and white as the characters and meaning were considered more important. And the last but not least, characters are supposed to be aesthetically pleasing, which is why the contemporary generation appreciates calligraphy in the first place.

Tianjin as a city with a great and long history has a lot of nation-wide famous calligraphy masters. However, to buy their works as a souvenir is a little challenging. Works of renowned artist can cost thousands and millions of CNY, and perhaps, it is better just to observe and appreciate it in Tianjin Museum or Ancient Culture Street. In addition, to learn more about calligraphy and to choose a brush or ink, or all "Four Treasures of The Study", Ancient Culture Street is the right place. Among clothes and fan shops, there is always a store or two crowded with brushes, paper and ink, so why not make-believe you are a luminous calligraphy master too? **B**



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# THE CHINA FACTOR

Leveraging Emerging Business Strategies to Compete, Grow, and Win in the New Global Economy

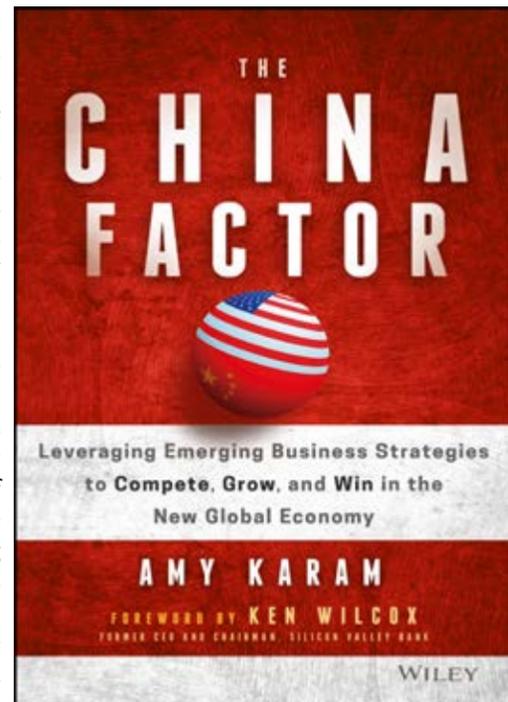
Author: Amy Karam

Business strategy books seem to come in one of two camps. There's the micro level book, focusing on manners and negotiations and contracts. Then there are books at the macro level, looking at the China effect on government, markets and the global economy and how to adapt your business accordingly. Both have their uses, but for the general reader, the latter category is usually a better read. The issues are deeper, the outlook broader, and the connection of individual businesses to the macro-environment more intriguing, for in that we see their connection to the broader historical sweep of our time.

The China Factor, then, is a book that definitely belongs in the macro level. It aims to show how Chinese business and government operate together to great success in world business, how this has left Western (especially US) business trailing and suggests remedies and strategies to compete successfully. The book opens with a brief but sweeping historical overview of Western economic dominance and then of China's resurgence as a major power. Then we come to the meat of the book where Karam analyses the traditional "Four Ps" of marketing (price, product, placement and promotion), adding a fifth P – politics for the Chinese government is an active participant, persuading, financing and cajoling as necessary. Karam then explicates how these are performed by China and then how these should be implemented by Western businesses that may be striving to compete.

The material is well organized, like a series of lectures (perhaps from which it was developed), with bite-sized chapters, outlines, takeaways and case studies. The convergence of business and government is a good insight and we may be seeing the roots of a new economic methodology in that – with the state no longer content to establish open markets and essentially leaving businesses to operate within that. However, the macro perspective can occasionally be frustrating, as the reader wants to hear about specific, concrete examples, rather than generalized overviews.

This book may be one of the first American attempts to react strategically to the Chinese economic challenge and is worth reading for that alone.



## Quotes of the Month

In the midst of chaos, there is also opportunity

~Sun Tzu

The purpose of business is to create and keep a customer.

~ Peter F. Drucker

Business is a game, played for fantastic stakes, and you're in competition with experts. If you want to win, you have to learn to be a master of the game.

~ Sidney Sheldon

# The E-Commerce Vision of Life and the Reality

By Mike Cormack

If the Western Internet might, as some have claimed, have been developed by pornography, the Chinese Internet has been led by e-commerce - and the desire to make money. Modern Chinese innovation and way of life are perhaps best exemplified by the giants of e-commerce, the BAT trinity of Baidu, Alibaba and Tencent – just as the American era was exemplified by the motor car and the suburban lifestyle it enabled.

What is intriguing about e-commerce apps being so popular in China is that they aspire to a sort of frictionless life, where needs are instantly met by suppliers and where goods and services are delivered without fuss or difficulty. Laudable aims, but it is interesting how they aim to remove difficulties in life in China that really could be managed or removed if consumers had greater say. The apps represent a sort of great leap forward for consumer satisfaction, bounding over the logistical and behavioural issues that make every day life such a hassle.

Let us take the bank apps for instance. Alipay is great, far in advance of the app I have from my UK bank, with its simple and convenient ability to transfer money, pay for a Uber cab, order take-out food, get online movies and games, pay for Tmall or Taobao purchases, lottery or air tickets, or even give via digital "red envelopes". And yet compare that to the grinding difficulty of achieving anything in the actual bank branches – where, if you lose your bank card, it is somehow less troublesome as compared to closing your account, opening a new one and changing



your salary direct debit than to issue a new card. Or so the Bank of China seemed to think when it happened to me. As for transferring money – well, if you asked me about losing a kidney or trying to send money back home, I would have to think.

**Modern Chinese innovation and way of life are perhaps best exemplified by the giants of e-commerce.**

There are a number of healthcare apps similarly aiming to bring together practitioners and patients in a simple and convenient transaction.

Alibaba, Baidu and Tencent have been particularly active in this field, acquiring startups and technology in what they are clearly betting will be a strong economic growth area. Quiyuan, for example, aims to provide appointment scheduling, diagnosis checking, and making payments. Chunyu Doctor allows users to connect with professional doctors, to seek diagnosis on potential diseases and symptoms for free. But – again – it is little wonder that people are seeking better ways to gain access to healthcare. Why do so few hospitals allow you to phone or go online to make an appointment? Why is it necessary to queue up to buy a ticket at 6am? (Even more grating is the mei-banfa shrug of the shoulders by both hospitals and police towards the touting problem, both declaring that it is not their responsibility).



▲ Tmall "red envelopes"



▲ Taxi apps: Didi-Kuaidi and Uber

**BIZ FUN**



"You have seven phone messages telling you to check your e-mail, and thirteen e-mails telling you to answer your phone."

Taxi apps similarly – why, before Didi-Kuaidi and Uber was it necessary to stand at the roadside, arm outstretched like a slot machine lever? Even worse was the way you stood hoping that a cab came along before someone brazenly stood a few metres in front of you to claim it first. And God forbid you want a cab in some popular resort or nightlife area, where gougers would be out in force. No doubt cab-driving isn't an easy way to make a living, but there had to be a better way to operate than that. And so Uber and Didi-Kuaidi have proved, with the apps claiming 1 million and 4 million rides a day in China, respectively, across 200 cities. Which is nice, but you wonder why the existing cab companies were happy to stagnate into redundancy.

Beyond, apps have transformed education, dating, job hunting, property, and wealth management (to take a few examples). They like to describe themselves as disruptors, obviating the need for flabby layers of bureaucracy by directly connecting consumers and suppliers (for a slight fee). Certainly, in China, one can see their appeal: existing supply chains are often lumberingly inefficient, or just absent. (Western supermarkets have found China tough going precisely because they rely on efficient, just-in-time supply chains. That inefficiency grinds away, making every transaction needlessly difficult, clogging time, raising frustration levels.

The frictionless world the apps create is one that leads directly to the consumer society that the Chinese economy needs to and promises to bring about. The apps herald an era of everything being instantly available and consumer satisfaction being the driving force for the economy. This will be a real revolution in how China operates, transferring power from producers to consumers. Already, there have been reports of conflicts between regular cabbies and Uber drivers. The shakedown of existing, comfortable supply patterns will discomfit some. But for majority, it promises a more open, accountable and efficient future. It will be fascinating to see how these methods take hold, and to what degree they are allowed to, on the broader economy. **E**

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