

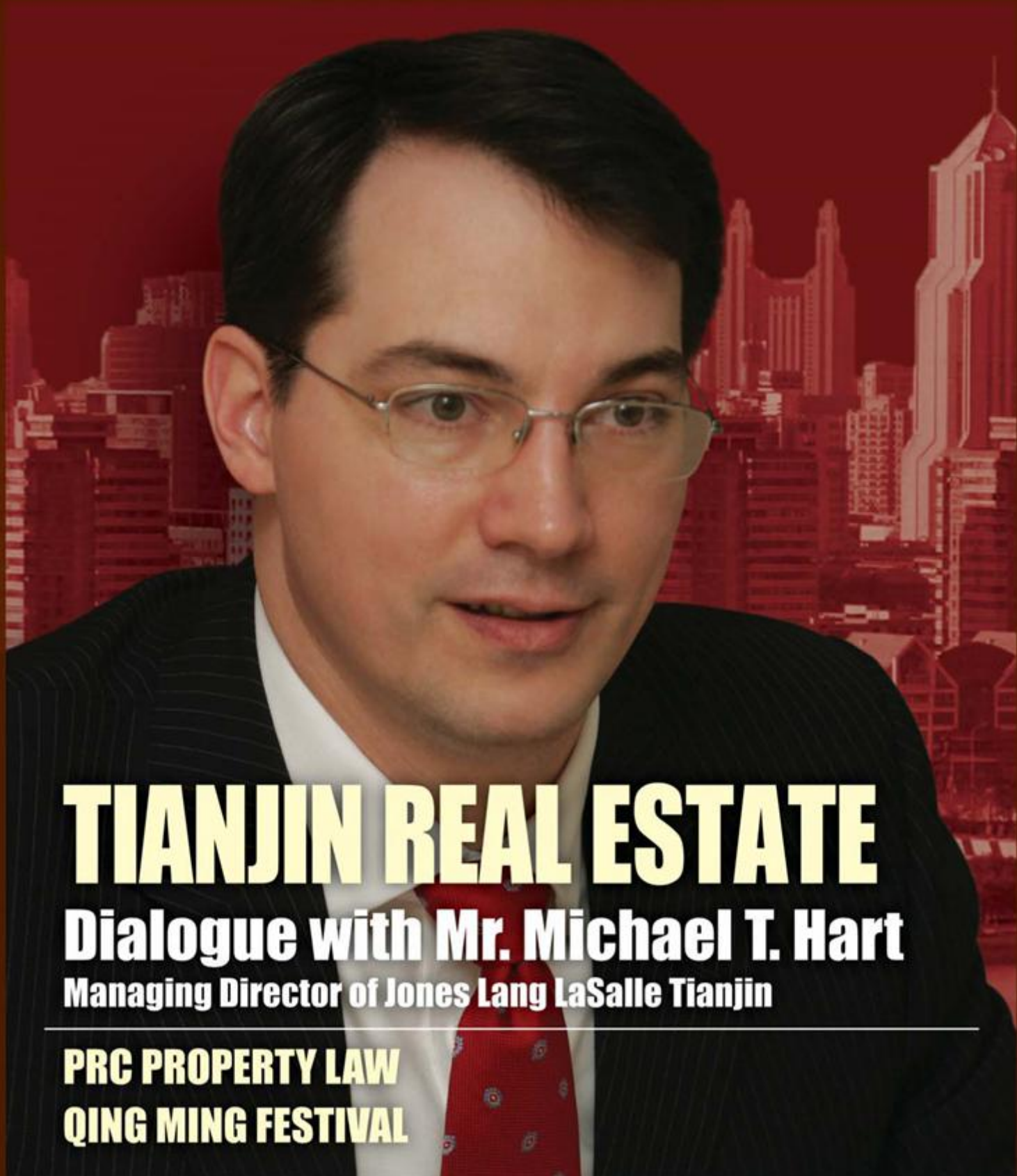
Insight Into a Changing Tianjin  
**BUSINESS**

JOURNAL



津衛商務

**TIANJIN**



# **TIANJIN REAL ESTATE**

## **Dialogue with Mr. Michael T. Hart**

**Managing Director of Jones Lang LaSalle Tianjin**

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## Dear Reader,

This issue **Business Tianjin** hones in on a topic near and dear to business- and lay-people alike: real estate. Over the past few years the domestic real estate market has flourished, creating a need for informed, researched outlooks on new and upcoming developments. We aim to cover everything from growth and availability to law and negotiation this month.

**Business Tianjin** is fortunate to be able to present the opinions, reviews and statistics of Tianjin-based Jones Lang LaSalle and Savills Property Management companies. Combined, they manage the majority of Grade A office and residential space in Tianjin.

But our real estate coverage doesn't stop with property pros. Our policy expert from Winners Law Firm explains China's property law, and what it entails for business and residential acquisitions. Our monthly Chinese language lesson highlights common discussions for renting, buying and selling property. And for the architecture enthusiast, we feature the most striking of the new Olympic venues.

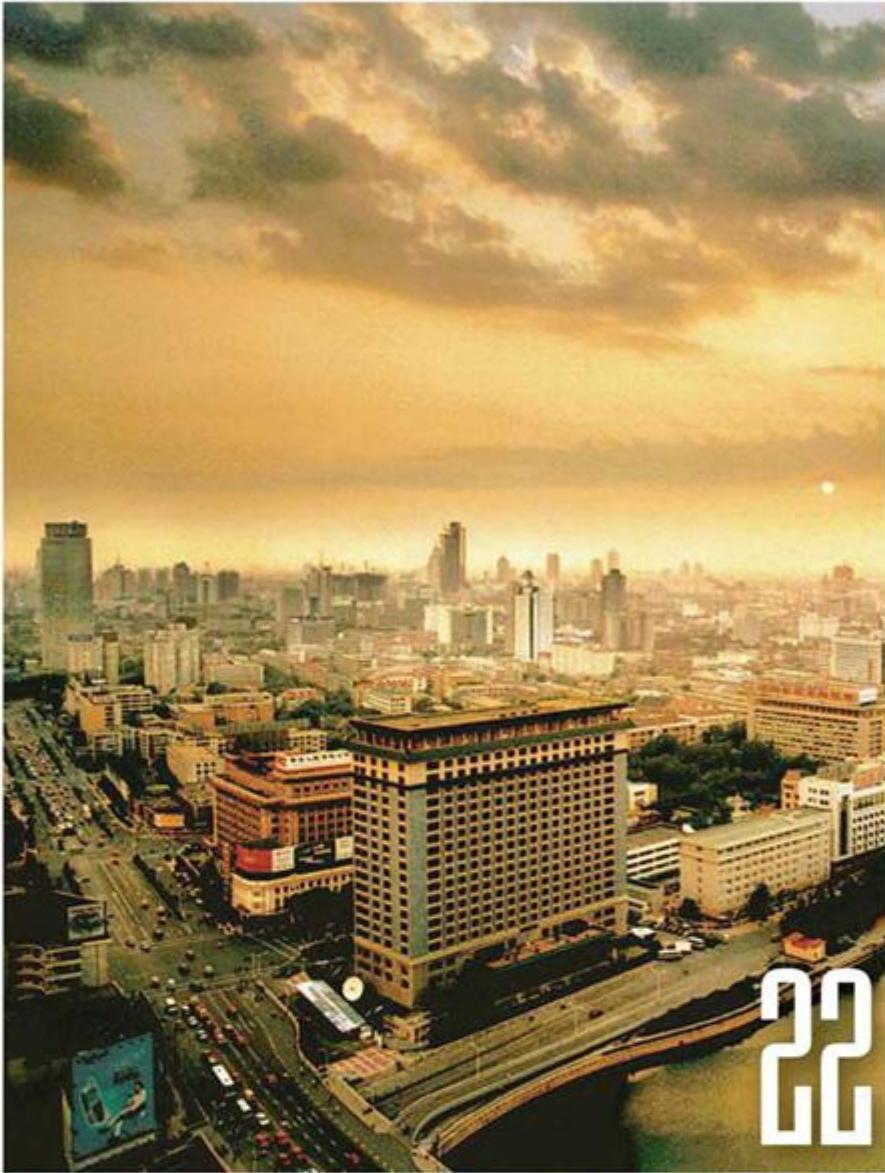
Only three major events have superseded real estate news in local media, and this month we cover them all. The first, southern China's winter snowstorms, received international attention and immediate relief aid. The second, China's National Congress, just concluded on 18 March. And the third, Qing Ming Festival (4 April), is granted national holiday status for the first time. This issue reviews the major history and developments of these three.

Starting this month **Business Tianjin** also extends the scope of local Chambers of Commerce, offering them a platform for publicizing events. We cordially invite Chambers to share their recent and upcoming events with our reader base.

As always, we welcome your input and inquiries. If you are interested in contributing to a future **Business Tianjin**, or just have questions or comments on an article, please don't hesitate to reach out to us at the contacts on this page.

Sincerely,

Jamie Michael Kern  
Chief Editor – Business Tianjin



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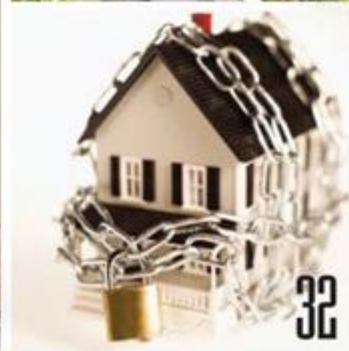
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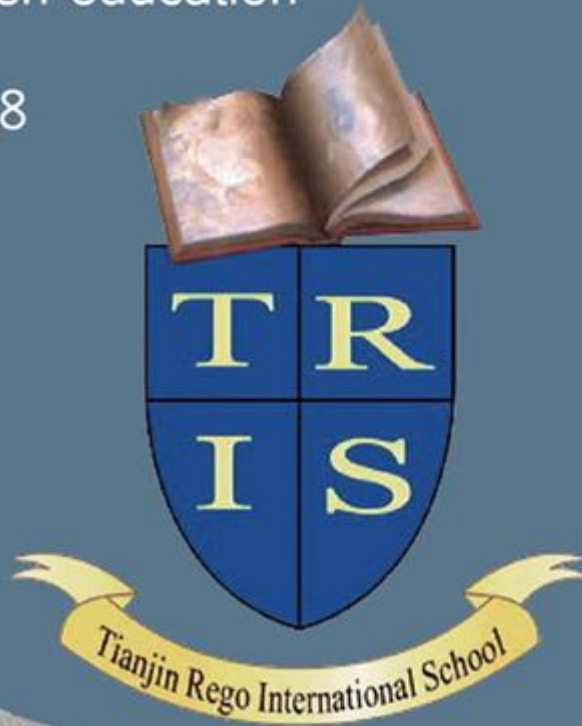
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## FINANCE

**Former PBOC governor to head pension fund**

Former People's Bank of China Governor Dai Xianglong has been named head of China's 70 billion USD national social security fund. Dai replaces Xiang Huaicheng, a former finance minister. Dai was governor of the People's Bank of China from June 1995 to December 2002. He then became mayor of Tianjin, where he championed the municipality's Binhai New Area as a testing ground for China's financial reforms.

- *China Daily*, 1 February

**Record winter storm insurance payouts**

China's insurance industry is faced with the biggest payout in its history following severe snowstorms that brought much of the country to a standstill during the lunar New Year. Direct economic losses from the storms have already topped 15.6 billion USD, and payouts on property, liability and car insurance claims are approaching 150 million USD. Total insurance payouts are likely to exceed 1.2 billion USD according to estimates China's insurance regulator released and then retracted without explanation.

- *Financial Times*, 15 February

**Tianjin International Economic & Financial Arbitration Center under construction**

Tianjin Municipal Government signed a Framework Agreement with the China Council for the Promotion of International Trade on 1 February, according to which the council will establish an International

Economic & Financial Arbitration Center in Binhai New Area. The Center will serve as an efficient finance dispute arbitration system to better serve local economy.

- *Tianjin Daily*, 2 February

**Brokerages can now manage individuals' assets**

Chinese brokerages will be allowed to manage assets for individual clients for the first time. The China Securities Regulatory Commission announced the move by publishing a set of draft rules on its website. Under the draft, brokerages can manage cash, bonds, asset-backed securities, stocks, mutual funds and financial derivatives for individual clients.

- *Bloomberg*, 29 January

**HSBC to sell 400 banks**

HSBC Holdings, the biggest bank in Europe, plans to put about half of its 800 French consumer branches up for sale as it focuses on expanding in Asia and other emerging markets. The step would be part of HSBC's broader shift from developed markets with more exposure to subprime loans to faster-growing emerging markets. The British Daily Telegraph newspaper reported that a sale of the branches in France would be worth about 4 billion USD.

- *Xinhua Net*, 13 February

**Two foreign banks approved for Chinese bonds**

Standard Chartered and JPMorgan Chase have been approved to underwrite debt offerings from the Chinese government. The banks became the second and third foreign institutions to be allowed to sell government bonds in China, following HSBC, which was approved in 2004. Officials from JPMorgan said they expect the underwriting business to be only slightly profitable - the bank is required to underwrite 0.2% of each offering - but the main

benefit could be a closer working relationship with the Ministry of Finance.

- *Wall Street Journal*, 28 February

**China increases interest-rate swap trades**

China expanded trading of interest-rate swaps in February to accelerate the development of derivatives and help companies and financial institutions hedge risks. Qualified members of the nation's inter-bank bond market are allowed to trade yuan-denominated interest-rate swaps, the People's Bank of China said on its website.

- *Xinhua Net*, 28 January

**ICBC approved for South African acquisition**

The China Banking Regulatory Commission has approved a plan by the Industrial and Commercial Bank of China to take a stake in South Africa's Standard Bank, ICBC officials confirmed on 3 February. The deal has already been approved by shareholders of both banks along with regulators in South Africa, including the South African Registrar of Banks and the Johannesburg Securities Exchange.

- *CRI English*, 3 February

**Microsoft offers 45 billion USD for Yahoo**

Microsoft Corp. announced a surprise offer to acquire Yahoo Inc. for an estimated 44.6 billion USD on 1 February. The bid amounts to 31 USD per share of the search company's outstanding common stock, a 62% premium above its closing price on 31 January. Yahoo said it will study the proposal "carefully and promptly".

- *Xinhua Net*, 2 February

**Crude futures jump above 100 USD on supply worries**

Crude futures closed for the first time above 100 USD a barrel Tuesday, driven by



geopolitical tensions in Venezuela and Nigeria and concerns that OPEC will cut output. Analysts



said there was growing speculation that OPEC would cut output at its March 5 meeting in Vienna. Light, sweet crude for March delivery rose 4.51 USD to a record 100.01 a barrel on the New York Mercantile Exchange after earlier rising to 100.10 USD, a new trading record.

- Xinhua Net, 20 February

### Tianjin seeks OTC market

Tianjin has applied to launch the country's first national over-the-counter stock exchange to bolster the city's financial strength and expand fund-raising options for small companies. If permitted, the new market would allow non-listed companies to transfer or trade shares under unified supervision by the China Securities Regulatory Commission.

- CRI English 9 March

### Average Tianjin salary rising

The average salary of Tianjin employees was 33,875 CNY per year (2,823 CNY per month) in 2007, up 19.1% from 2006, according to a report from Tianjin Labor and Social Security Department.

- Enorth 11 March

### Inflationary risk remains high in first half of 2008



China's central bank, the People's Bank of China, said that price levels will remain high throughout the first half of the year as the nation is facing an "increasing" risk of inflation. Its Q4 monetary policy report predicts structural supply shortfalls and rising international prices would hold domestic price levels at a high level for a while.

- Xinhua Net 23 February

### Registered capital in Chinese private sector hits 10 trillion CNY

China's private sector booms with registered capital totaling 10.1 trillion CNY in 2007, an annual increase of 22.7%. The sum includes private firms and self-employed households. The booming Chinese economy, which saw a growth of 11.4% in 2007, led to the healthy and continuous development in the private sector.

- Xinhua Net 2 March

### China sets 4.8% inflation target for 2008

Premier Wen Jiabao pledged to cap China's consumer price index (CPI) growth rate within 4.8% in 2008 – the average level of last year – to ease the country's mounting inflationary pressure. For 2008, China will follow a prudent fiscal policy and a tight monetary policy to sustain steady and fast economic development and avoid drastic fluctuations in the economy.

- Xinhua Net 5 March

### China to slow economic growth and curb price surging

China has targeted to contain its economic growth to a single digit this year: 8%. For the past few years, the Chinese economy has been growing at a speed of around 10% annually, becoming the fourth largest in the world.

- CRI English 6 March

### China's social security fund assets top 70 billion USD



China's social security fund has seen its assets increase sevenfold in the last six years to exceed 70 billion USD by the end of 2007. The assets mainly came from cash injections from government and capital and equity assets acquired from offloading state-owned shares.

- Xinhua Net 29 February

### CBRC to continue pushing local incorporation of foreign banks

The China Banking Regulatory Commission (CBRC) said on Thursday that it would continue to push for the local incorporation of foreign banks. The CBRC also urged locally incorporated foreign banks to build a so-called Chinese Wall separating

themselves from parent banks and remaining Chinese branches. They should also set up independent risk control, accounting and IT systems to prevent overseas risk overflow.

- China Daily 7 March

### 30% rise in rural spending this year

The central government is planning a massive increase in spending on rural development this year, with a 30% year-on-year rise to a record high of 562.5 billion CNY (79 billion USD). The amount set aside for the country's 700 million farmers accounts for about 16% of the government's total spending of almost 3.5 trillion CNY this year.

- China Daily 7 March

### Dollar rebounds on Central Banks' measures

The USD rebounded across the board on 11 March after the US Federal Reserve and other central banks announced new measures to inject liquidity into stressed financial markets. The dollar had slumped to a new low against the euro during the session on the report that German investor confidence jumped in March.

- CRI English 12 March

### China, ASEAN trade surged in 2007

China and the Association of Southeast Asian Nations (ASEAN) became each other's fourth-largest trading partners last year. Total bilateral trade surged 25.9% year-on-year to 202.5 billion USD, reaching that level three years ahead of the mutual target.

- CRI English 29 February

### China to introduce bank shareholding system

China will continue deepening the reform of the banking industry this year, with focuses on the introduction of a shareholding system in Agricultural Bank of China (ABC). In 2007, the ABC's deposit business increased 549.7 billion CNY, while its loan business increased 330.4 billion CNY. It also cleared 57.4 billion CNY in bad loans.

- Xinhua Net 5 March





































































































































































