

# BUSINESS TIANJIN

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津衛商務

2012  
SEP



## Behind Asia's New Low Cost Airline

Campbell Wilson, **16**  
CEO, Scot

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## ▲ Behind Asia's New Low Cost Airline

Interview with Campbell Wilson, CEO, Scoot

Asia's air travel industry is soaring. New operators and flight routes are opening every year. Managing one of these new international airlines is no easy task, but for Scoot CEO, Mr. Campbell Wilson, it's just another day in the office. Campbell, who was born in Christchurch, New Zealand in 1971, knows better than most people about the challenges of building a dynamic, innovative multinational company. [See P16](#)



## ◀ Riding on the Dragon's Back: How Can Foreign Investors Benefit from China's Economic Rise?

In recent years, certain reports by western media organisations have implied a false dichotomy between the rise of China and the demise of the US and Europe. In fact China's colossal economic growth is not destroying the financial prospects of people in the western world, it is creating more opportunities. This is a country that is becoming increasingly open to investment from outside sources. [See P20](#)



## ◀ Legal Framework on Tendering and Bidding Law of China

Public bidding in China is mainly regulated by The Tendering and Bidding Law of PRC (the 'Bidding Law') being effective in January 2000, which was adopted by the National People's Congress in an effort to standardise tendering and bidding activities in China. More recently, the State Council issued the Implementation Regulation of Tendering and Bidding Law (the 'Bidding Regulation'), which came into force on 1 February, 2012. [See P40](#)



## ◀ Startup in China

Why do they want to start up? We have met hundreds of entrepreneurs in China and found the top five reasons that motivate them to start their own business rather than working for other people: Freedom. They enjoy the feeling of controlling rather than being controlled. Having their own business allows them the freedom to develop ideas and to choose smart people to work with. [See P50](#)

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# Business Tianjin

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Dear Reader,

Another month and our publication in your hands but I would like to remind you that our digital version is also available in our website [www.businesstianjin.com](http://www.businesstianjin.com) and you can also check daily news and future events.

China consumer prices in July rose by 1.8%, down from 2.2% in June, and the government have cut interest rates twice already since June and are pumping more money into the market. Chinese GDP in the second quarter declined to 7.6% and it is the lowest since the global financial crisis began in 2008. The IMF reduced China's 2012 growth forecast to 8%. You can check all of the details in our monthly economic report.

This month we met Campbell Wilson, the CEO of Scoot - the new low cost Asian airline that belongs to Singapore International Airline but it is managed independently. Tianjin has been chosen as one of Scoot's first destinations together with world cities such Sydney, Bangkok, Tokyo and Taipei. It is a clever decision and we are sure the fresh air will come to Tianjin from New Zealand, through Campbell's leadership, and will make Singapore one of the preferable destinations for Tianjin business leaders and travellers.

Our Legal Assistance this month will help you to write better sales contracts and win any dispute in court with any of your counterparts in China, but don't forget to use a good lawyer and be ready to utilise your *Guan Xi*.

I particularly recommend our Last Word article. I strongly suggest that you read it and get an insight into a day in the Life of a foreigner expert working in a special industrial area of Tianjin's Beichen District, and travel with Chinese workers to other countries, live with them and share all of their experiences and way of thinking. I feel this is the real way that all foreigners should develop an understanding of China and discover what is coming in the future. By understanding these basics of Chinese life it will facilitate your success and reduce your chances of failure in your business venture. Don't miss it and go to visit Beichen or Ninghe District in Tianjin.

Our Real Estate section explains the government's measures to solve the problem of an increasing aging population in China and the HR section explains the reasons why proper communication with your company's CEO is crucial to the development of your organisation.

You will also come to better understand Start Ups in China. New entrepreneurs will have the opportunity to discover the key factors to succeed in their new ventures.

I hope you find this issue useful and enjoy reading all of the sections. Please don't hesitate to contact me if you have any questions.

Best regards,

J. Hernan

Managing Director | Business Tianjin Magazine

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SôU Restaurant

**TIANJIN NEWS**

**Tianjin's First Duty-Free Shop Opened for Business on Dongjiang Island**

*Tjhbnews.com, 13 August*



Tianjin Dongjiang International Shopping Center, the first duty-free shop in the city, has been opened for business on Dongjiang Island in Binhai New Area. Launched on 12 August, the 130,000 square meter duty-free shop provides business jets, yachts, luxurious cars, fine wines, imported food products and high-end furniture. It is 200 meters from the Dongjiang Bay artificial beach, a 45 minute drive from downtown Tianjin and less than two hours from Beijing. Many residents were attracted to the place by the ongoing vintage car show, model catwalk show, wine appreciation and other performances.

**Shell to Break Ground for \$100 Million Lubricant Plant in Tianjin**

*Sinopecnew.com, 15 August*



Royal Dutch Shell PLC (RDSA.LN) will break ground for a \$100 million lubricant blending plant in northern China on Thursday, Mark Gainsborough, Shell executive vice president of Global Commercial Business, announced Tuesday. Located in the city of Tianjin, the world-scale plant will start commercial production in early 2015 and produce 300,000 metric tons of lubricants annually, Mr. Gainsborough said in a media briefing in Beijing. The plant is planned to suit growing demand for lubricants in Asia, especially in China, Mr. Gainsborough said. It will be the company's seventh lubricant plant in China.

**Hang Seng Bank Opens Sub-Branch in Binhai District of Tianjin**

*MENFAN, 16 August*



Hang Seng Bank Limited (sehk:0011) opened a sub-branch in the Binhai district of Tianjin on Monday, said Hang Seng Bank (China) Limited, the mainland China unit of the Hong Kong-based bank. The sub-branch is part of Hang Seng Bank's efforts to enlarge its foothold in the Bohai Ring Area for an extensive financial service network, said the lender, noting that it plans to set up three service outlets in the Bohai Ring Area within this year. Hang Seng Bank has gained regulatory approval to launch another sub-branch in Tianjin. Set up in May 2007, Hang Seng Bank (China) has had 43 outlets in the mainland by far, of which 12 are branches and 31 are sub-branches. Hang Seng Bank has made its cross-border renminbi settlement service available in 15 cities so far.

**Budget Airline Scoot Launches Tianjin to Singapore Flights**

*Business Tianjin, 23 August*



Scoot, the low-cost unit of Singapore Airlines, launched flights between Singapore and China's northern coastal city of Tianjin on Thursday. The inaugural flight took off at 1:30 a.m. local time from Terminal 2 at Singapore's Changi Airport and arrived at Tianjin airport six hours later. The flight will operate three times a week at first and four times a week starting from 9 Sept, Scoot has said. Tianjin is Scoot's first destination on the Chinese mainland. Campbell Wilson, Chief Executive Officer of the budget carrier, said Tianjin is a "large and exciting city." The company will launch flights to more destinations on the Chinese mainland, he

stated. The low-cost carrier market in Asia-Pacific has been growing fast. Currently about one in five passengers passing through Singapore's Changi Airport is traveling on a budget flight.

**The St. Regis Tianjin Launches Newest Dining Venue**

*Business Tianjin, 17 August*



The St. Regis Tianjin is pleased to announce the debut of its 'Riverside Terrace', a new dining setting set to broaden the epicurean experiences to its guests. Since its opening in late 2011, The St. Regis Tianjin, situated in the financial heart of Heping District, has introduced a new benchmark for dining in the city. The addition of the new Riverside Terrace will further enhance The St. Regis Tianjin's position in Tianjin as an exceptional dining destination. Set along the picturesque Hai River, the 'Riverside Terrace' is a chic venue for any time of day – be it an afternoon of relaxation, after work drinks or a romantic rendez-vous. The Riverside Terrace will also be a remarkable venue for hosting special wine appreciation, champagne, Habana, Grand Marnier and other events at the hotel.

**Tianjin Binhai New Area attracts up to 2,000 Foreign Experts**

*WTO, 18 August*

Recently, Tianjin's foreign experts walked out from laboratories and used their cameras to snap the changing Binhai New Area to express their love for Tianjin. The overseas talents rolled up in recent years with the fast development of Binhai New Area. At present, there are over 2000 overseas experts working in the New Area. "We will have more chances to show our skills and ability with the fast development of Binhai New Area," said Kim Joong Suck, an overseas talent from South Korea who has been working in Tianjin for 5 years. Tianjin is like a second hometown for Kim Joong Suck. It's expected to attract 100 overseas leading talents, 500 elites and 1500 high-level employees by 2015 with several talent projects in Tianjin Binhai New Area.

**Jazz Festival at the Gorgeous Qing Wang Fu Garden Courtyard**

*Business Tianjin, 8 August*



The Tianjin Premier Jazz Festival kicked off on 27 July and popular jazz bands from the United States, Europe, and several other countries performed world-class jazz performances. On July 28, the Adriana Jazz Band played their traditional jazz, swing, funk and pop jazz renditions as guests – both local and foreigners - enjoyed music over dinner and beverages. Seven other jazz bands: Schumannize, Black Diamond, Alec Haavik Friction Alliance, Kyle Shepherd Trio, Bobby Watson and WVC Trio + 1 and Winnie Ho performed in Qing Wang Fu on different dates until the 7th of August. On a fine Sunday on 5th August, the Sirius Quartet brought more magic and beauty to the courtyard garden blending the precision of classical music with the energy of a rock band.

**The Astor Hotel, A Luxury Collection Hotel, Tianjin Receives 3 Awards**

*Business Tianjin, 14 August*



The Astor Hotel, A Luxury Collection Hotel, Tianjin was awarded 3 honours recently: 'Best Characteristic Hotel' from 2011 China Hotel Charisma Awards by New Weekly, 'Classical History Hotel of the Year' from 2012 China Travel & Meetings Industry Awards by Travel Weekly and 'Best Boutique/Design Hotel' by National Geographic Traveller. These three milestone awards reinforced its leading position in Tianjin hospitality with its legendary history and offering a range of comprehensive and first-class facilities, exemplary service, comfort, and convenience for business & leisure travellers.

**Tianjin Kerry Centre – Tianjin Arcadia Court Showsuite Media Tour**

*Business Tianjin, 10 August*



Tianjin Kerry Centre - Tianjin Arcadia Court Showsuite Media Tour was successfully held on 3 August. 60 experts from nearly 30 mainstream media outlets visited the showsuite and appreciated the high standard of the finely-decorated apartment buildings situated on the east bank CBD of Haihe River. Tianjin Arcadia Court, located in the centre of downtown, possesses a fantastic view of the river and the city. Covering a surface of about 180,000 square meters, Tianjin Arcadia Court is composed of three 61-floor buildings with 1126 finely-decorated units. Tianjin Arcadia Court provides a variety of unit options for customers and can satisfy a wide range of demands. At the end of the tour, all of the journalists and experts exclaimed that every single detail exuded the concentration and customer approach of Tianjin Arcadia Court.

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**FINANCE**

**Central Bank to Strengthen Monetary Policy Fine-Tuning**

*China.org.cn, 6 August*  
China's central bank on Sunday announced that it will strengthen the fine-tuning of its monetary policy in the second half of this year - indicating that more liquidity may be injected into the world's second largest economy. The monetary policy should play a counter-cyclical role in the country's economy and credit policies will be improved to shore up the development of the real economy, the People's Bank of China (PBOC) said in a news release on its website. The statement came following further cuts in both interest rates and the reserve requirement ratio. Dwindling orders from Europe and other trade partners have sapped China's exports and slowed the country's economic growth rate to 7.6 percent in the second quarter, the lowest level since the first quarter of 2009. To cope with the faster-than-expected slowdown, the PBOC has cut its lending and deposit rates twice this year and lowered the amount of funds that banks must keep in reserve for three times since December last year.

**Warning Issued about High Debt**  
*China Daily, 7 August*



China's corporate debt ratios have reached "dangerous" levels, according to leading economists. Li Yang, vice-president of the Chinese Academy of Social Sciences, a top government think tank, has warned that further stimulus policies could add to the already heavy burden of corporate debt that is weighing on the world's second-largest economy. China's corporate debt-to-GDP ratio stood at 107 percent in 2011, the highest in the world, Li said at a forum on Friday. A ratio that exceeds 90 percent is considered "dangerous", he said, citing a standard set by the Organization for Economic Cooperation and Development. Data from the China Banking Regulatory Commission show China's banking system had \$8.63 trillion in outstanding loans by the end of 2011. The country's GDP for the same year exceeded 47 trillion yuan.

**Measures to Boost Private Investment 'Have Worked'**

*Xinhua News, 8 August*  
A Chinese official who regulates investment activities in the country said on Tuesday that the government's measures encouraging private funds to enter more sectors have worked and helped stabilise investment growth this year. The official remarks of the National Development and Reform Commission, China's top economic planner, came as the Chinese government works to stabilise economic growth through swifter approvals of investment projects in the world's second-largest economy. "Those measures encouraging private capital to enter fields such as oil and gas exploration and education have been playing an active role since the beginning of this year," said the official. He declined to be named, as many economists and private entrepreneurs complain that more has to be done to allow private funds easier and wider access to more sectors. Fixed-asset private investment in China rose 25.8 percent year-on-year to \$1.48 trillion in the first six months of 2012, accounting for 62.2 percent of the country's total investment, which expanded 20.4 percent in the first half, according to data from the National Bureau of Statistics.

**LAW & POLICY**

**China Mulls over Plan on Employee Stock Ownership**

*China.org.cn, 5 August*  
China's securities regulator on Sunday issued a draft regulation for listed companies that offer shares to their employees, a move aiming to make more staff benefit from stock ownership. According to the draft released by the China Securities Regulatory Commission, an employee stock ownership plan (ESOP) allows listed firms to buy their own stocks on the secondary market through an assets management agency with a designated part of their employees' cash compensation. Employees can participate in the plan on a voluntary basis, and get share entitlements according to a distribution agreement. The ESOP, which will help increase efficiency and comprehensive strength of a listed company, is a widely-employed mechanism in mature securities markets. According to the draft, the fund drawn from an individual worker should be no higher than 30 percent of his past 12-month cash compensation, which include salary and bonus, and in the meantime less than one-third of the employer's household financial assets.

**LOGISTICS**

**BYD Company Limited to Manufacture Electric Buses in Tianjin**

*WJS, 8 August*  
Wang Zhiping, vice mayor of Tianjin, met Wang Chuanfu, who is the chairman of BYD Company Limited, on 30th July and presented the signing ceremony of the establishment of Tianjin BYD Automobile Company Limited, which was co-invested by Tianjin Bus Group and BYD Company Limited. "Tianjin Municipal Government attaches great importance to the development of clean energy cars and supported it with financial and administrative policies. At the same time, we started a trial operation of electric buses. Cooperation with BYD Company Limited can make the best of each side's advantages and push the development of the electric car industry in Tianjin" said Wang Zhiping. "We established the new company in the form of a joint venture, aiming to expand our investment scale in Tianjin and speed the development of new products." said Wang Chuanfu "the ultimate goal of the new company is to make contributions to the development of Tianjin."

**Korean Air in Sponsorship Agreement with AIBA**

*Skynews.co.kr, 12 August*



Korean Air, the flag carrier and the largest airline of South Korea, has signed a sponsorship agreement with the International Boxing Association (AIBA) to support the 'Road to London' initiative, which is currently being held in Cardiff. "AIBA is very proud to partner with such a prestigious company," said Wu, the AIBA's President who has spearheaded the 'Road to London' initiative. "This agreement will surely help the global promotion of the 'Road to London' program and will put some of our best boxers in the spotlight." In addition, Korean Air also contributes to the development of international sport and is sponsoring the International Skating Union's 2010- 2012 World Cup short track speed skating competitions and last year sponsored the Qatar Peace and Sport Table Tennis Cup.

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**BUSINESS TIANJIN**

**TELECOM**

**Internet Giants Offer 30 Minute Idea Pitch**

*China Daily, 16 August*

The China Internet Conference 2012 will host a “Golden 30 minutes” to provide internet companies a platform to show their creative ideas to the industry’s leading companies in Beijing from Sept 11 to 14. The program has already attracted several influential companies including China Mobile, China Telecom, Google, Tencent, Qihoo 360, Ctrip, Kuaipai.cn and Tianji.com. Google Inc. will showcase “Art Project” that can take viewers on a journey to explore art collections from around the world in extremely high resolution. Kuaipai.cn, will perform a sitcom by using Quick Response (QR) code and Qihoo 360 Technology Co Ltd. will draw a scroll about the development of China’s network security industry. The CEOs from famous Internet companies including Tencent CEO Ma Huateng, Baidu CEO Robin Li, Sina CEO Cao Guowei and Netease CEO Ding Lei, Xiaomi Technology chairman Lei Jun and Amazon China CEO Wang Hanhua will attend the conference. This year’s conference is the 11th since 2002 and it is expected to attract more than 10,000 to the Beijing International Convention Centre.

**GENERAL**

**Agreements Expected to Boost Cross-Straits Trade**

*Eastday.com, 10 August*



The mainland and Taiwan signed two agreements on Thursday — on investment protection and promotion, and customs cooperation — that will further boost two-way capital and trade flows across the Straits, experts said. The two agreements were inked in Taipei by Chen Yunlin, president of the Beijing-based Association for Relations Across the Taiwan Straits, and Chiang Pin-kung, chairman of

the Taipei-based Straits Exchange Foundation, during the eighth round of talks held since 2008. The long-awaited investment protection and promotion agreement, which took two years to negotiate, will offer investors from the two sides “just and fair treatment” in matters of personal safety and when settling disputes over investment projects by arbitration. The mainland and Taiwan pledged to simplify customs procedures, improve the efficiency of customs clearance and enhance the supervision of cargo for cross-Straits trade in order to facilitate the implementation of the Economic Cooperation Framework Agreement. The two sides published a statement of common understanding on personal freedom and safety issues related to the investment protection and promotion agreement.

**CHINA IN THE WORLD**

**Chinese Industry Group Denies EU Solar Dumping**

*Eubusiness.com, 2 August*

A Chinese chamber of commerce on Thursday denied accusations that the country’s solar industry has used government subsidies and dumping to sell products at lower-than-cost prices in Europe, warning Brussels to be cautious in launching a trade probe. The accusations are not true, as Chinese solar products’ competitiveness does not come from dumping or government subsidies, the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME) said in a statement on its website. Germany’s SolarWorld and other European solar panel makers last month filed a complaint asking the European Union (EU) to impose punitive tariffs on Chinese solar-equipment imports. The CCCME said Chinese solar products are more competitive than their EU rivals because of the slumping prices of raw materials and domestic technological progress. The CCCME urged the EU to handle the issue in a prudent and fair way, saying that cooperation is better than confrontation between the two sides. The Ministry of Commerce last week called the dumping allegations groundless, saying protectionist measures will harm the European solar industry.

**China Southern to Launch New Route to Australia**

*China Daily, 16 August*

China Southern Airlines Co Ltd on Aug 15 announced a new route from Guangzhou to Cairns — its fifth destination in Australia — and signed a contract worth A\$9 million (\$9.42 million) to cooperate on marketing with Tourism Australia. The airline will run three weekly flights on the route from December. China Southern Airlines is the leading carrier on the China-Australia route. It transported 22 percent of all Chinese tourists into Australia last year. In about two years, the airline has nearly quadrupled capacity to Australia, opening up direct access between China and Sydney, Brisbane, Melbourne and Perth. Andrew McEvoy, managing director of Tourism Australia, said the increasing aviation capacity between China and Australia was critical to enable the Australian tourism industry to further benefit from the fast growing Asian markets. The cooperation deal also moved the Australian tourism industry closer to its 2020 goal of doubling overnight tourism to up to A\$140 billion annually by the end of the decade.

**Progress Made in DPRK Economic Zone**

*China Daily, 16 August*

The joint development of two economic zones in the Democratic People’s Republic of Korea by China and the DPRK is producing positive results, the Ministry of Commerce (MOC) said Thursday. A joint steering committee for developing and managing the Rason Economic and Trade Zone and the Hwanggumphyong and Wihwa Islands Economic Zone in the DPRK held its third meeting in Beijing on Tuesday. MOC spokesman Shen Danyang said China’s Jilin and Liaoning provinces and the DPRK’s city of Rason have seen positive results in compiling detailed plans, setting up managing committees and attracting enterprises to invest in the economic zones. “Cooperation in some projects has seen preliminary results,” Shen said. The transport of cross-border goods through the Rajin port has also begun. Self-driving tours made by Chinese citizens to the DPRK are running smoothly and a pilot area for high-efficiency agriculture has seen positive results, Shen said. China and the DPRK have compiled plans for the development of the zones, specifying key industries and creating an industrial structure and direction.

**China Finishes Construction of Railway Linking ASEAN**

*China Daily, 16 August*

Construction workers on Tuesday laid the last piece of a railway that will link Southwest China’s Yunnan province with the Association of Southeast Asian Nations countries. The Yuxi-Mengzi Railway has a total length of 141 km with a designed maximum speed of 120 km per hour. The railway is part of the eastern line of the planned Pan-Asia Railway network, an international railway project that will also consist of central and western lines. Funded by the Ministry of Railways and the Yunnan government, the railway has a total investment of \$709.78 million. The railway is expected to become operational later this year and will boost land transportation between China and ASEAN countries. The Pan-Asia Railway network is designed to start in Kunming, capital of Yunnan, and pass through the cities of Yuxi, Mengzi and Hekou in Yunnan to connect with Vietnam, Laos, Thailand and Singapore.

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# Numbers

## 75

Tianjin Bestown Economic Area has used 0.54 billion dollars in domestic investment and 48.75 million dollars foreign fund to improve its infrastructure, and has attracted 75 registered companies.

## 300,000

During the Twelfth Five-Year Plan, Tianjin will remodel 1.2 million square kilometers of buildings to save move energy, and about 300,000 residents will move to energy-efficient houses.

## 4

From 2 August all the vehicles that carry no more than 7 passengers can drive on the highway for free during four holidays—Spring Festival, Grave Sweeping Day, holidays after the International Labour Day and National Day holiday.

## 19.9 %

According to the status of Tianjin Customs District of PRC, the total amount of foreign trade value has reached 55.98 billion dollars, increasing by 19.9% more than the trade value of the same period of last year.

## 2<sup>nd</sup>

Tianjin has ranked second in the best cities for investment 2012, after Guangzhou, surpassing Hefei, Wuhan and Shenzhen.



## 141

Tianjin Port Free Trade Zone introduced 141 projects from the worlds' top 500 corporations over the past 21 years.



## 65 %

According to a survey of 900 Olympic related products made for the London 2012 games, 65% of the official souvenirs were made in China.



## 22

An English couple have married 22 times in different ways, in different countries. They plan to tour the whole globe within two years and get married in each country they visit.



## 39 bn

Foreign trade revenue in the Tianjin Binhai New Area hit 39 billion dollars in the upper half of the year, up 25% year on year.

## 597

The basement of the skyscraper Goldin Finance 117, designed to be 597 metres high has been completed and the ground tower construction has begun.



## 1.5 m

A businessman in Wenzhou, Zhejiang province, invested 1.5 million to make a Chinese Noah's Ark, which can only be used for disaster prevention and rescue.



## 1,150

By the end of last month, 1,150 representatives from 79 countries had registered to attend the Summer Davos, Annual Meeting of the New Champions 2012.



## Men's Health

The effects of stress are an important cause of illness in men. Cardiovascular risk-factors such as high blood pressure and depression are common in fast-paced work environments, along with the ill-effects of too many business lunches and not enough exercise.

Making the right lifestyle choices and having regular health checks are small but significant steps that can prepare and revitalize you for the things that matter most.

Speak to your medical practitioner today to find out how you can make your health a priority. Remember: the top risks to men's health are mostly preventable.

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International SOS China Assistance Center: 400 818 0767

[www.clinicsinchina.com](http://www.clinicsinchina.com)



# September China Economy Report

By Hyuk-tae Kwon

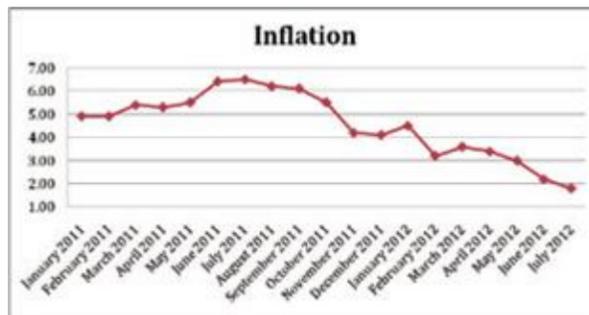


## China's inflation falls further, giving more room for stimulus

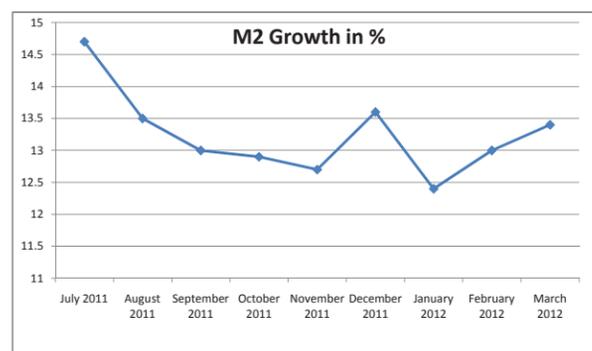
China's inflation rate decreased even more in July, heightening hopes for more economic stimulus. Consumer prices rose 1.8 per cent in July down from 2.2 per cent in June according to data released by National Bureau of Statistics of China on Thursday 09 August.

Lower inflation gives Beijing more room to cut interest rates or take other steps to shore up economic growth which has slowed sharply this year, without the risk of igniting a new price spikes, according to AP News.

"The numbers confirm that the door for more monetary easing is open," said Credit Agricole economist Dariusz Kowalczyk in a report.

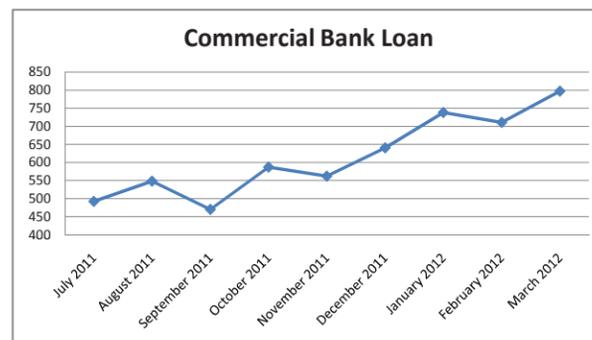


China's gross domestic product for the second quarter declined to 7.6% in July. It's the lowest level since the height of the global financial crisis in 2009. At the same time, the International Monetary Fund reduced its 2012 growth forecast for China by 0.2 percentage points to 8%.

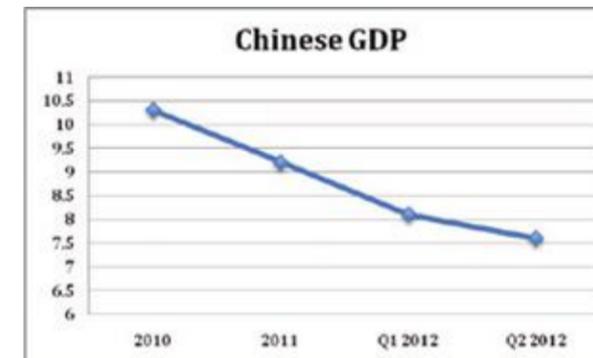


Analysts say the slump has probably bottomed out and a recovery should begin in the second half. But Premier Wen Jiabao warned last month the economy still faces "relatively large" pressure to slow further.

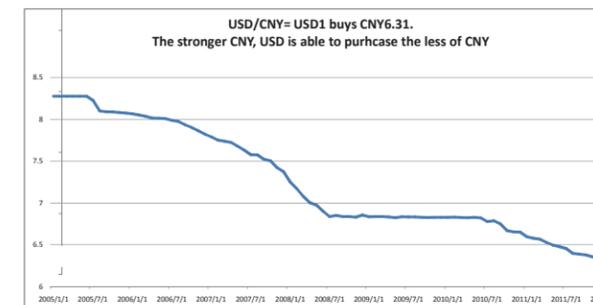
The slowdown has raised the threat of job losses and possible unrest as the ruling Communist Party tries to enforce calm ahead of a once-a-decade handover of power to younger leaders according to AP News.



Beijing has responded to the slowdown by cutting interest rates twice since the start of June and pumping money into the economy through high spending on building low-cost housing and other public works according to AP news.



The steady decline in inflation has prompted warnings that China might be entering a period of deflation, a potentially dangerous phenomenon. It can hurt the economy by prompting consumers to put off purchases in expectation of lower prices, causing a downward spiral of lower company revenues and wages according to AP news.



Analyst say, however, the decline is due largely to a fall in commodity prices that should be temporary, and inflation should pick up later in the year as growth rebounds.

"The data reflects downward pressure on prices coming from weaker commodities," said Kowalczyk. "We expect CPI inflation to rise from now on, reaching 3.8 percent at year end."

## This slowdown is different from 2008

While China has been adversely affected by external factors like the Eurozone crisis, its current slowdown is mainly the result of internal structural issues, including



a suppression of domestic consumption, says Patrick Chovanec, Finance professor at Tsinghua University.

"The main growth driver of the past several years has been an investment boom that was engineered in response to the global financial crisis," explains Chovanec, "and this investment boom is buckling under its own weight."

The Council on Foreign Relations (CFR) interviewed Chovanec and here's the three main points.

- The main cause of China's worsening slow down is an internal problem.

In 2008, the problem was due to the economic crisis in the US, which slowed down China's exports. What's happening now is mainly due to the main growth driver of the past, investment boom, which is buckling under its own weight. It's not sustainable, and it has given rise to inflation and now to bad debt, and that bad debt is dragging down Chinese growth. Of course, people pay attention to whether Chinese exports are rising or falling. It's relevant because if Chinese exports are very vibrant, that creates something of a cushion for the Chinese economy.

- If the slowdown is more internal, will it continue long term?

It really depends on what the Chinese leadership chooses to do. China's leaders know that China needs to make this economic adjustment away from dependence on exports and investment-driven growth toward more domestic consumption-driven growth.

I would add that there are lots of areas of potential growth in the Chinese economy- in agriculture, in services, in healthcare, in retail, in logistics. The problem is that that growth is not as easily achieved as pumping money and boosting investment

- What policy responses China should take to boost domestic consumption and steer towards sustainable growth?

China has been channeling resources to investors and producers who have been boosting production and therefore accelerated GDP growth. China has to re-balance the economy by giving these resources back to the household sector in forms of changing exchange policy, interest rate policy and the tax policy.

However, the trouble is that in the process of the re-balancing, it will inevitably stop the 'known GDP growth formula' it takes vision and persistence to pursue this new option. **B**

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## Scoot's High-Flying CEO: Business Tianjin Meets the Man behind Asia's New Low Cost Airline

By Josh Cooper

Asia's air travel industry is soaring. New operators and flight routes are opening every year. Managing one of these new international airlines is no easy task, but for Scoot CEO, Mr. Campbell Wilson, it's just another day in the office.

Campbell, who was born in Christchurch, New Zealand in 1971, knows better than most people about the challenges of

building a dynamic, innovative multinational company. After obtaining first class honours in his Masters of Commerce in Business Administration, he joined Singapore Airlines (SIA) and has subsequently held a range of prestigious roles within the company. His work with SIA has taken him to all around the world managing various aspects of the company's operations in Japan, Hong Kong and Canada. He is currently based in Singapore

where he heads SIA's low cost subsidiary Scoot. Since Campbell took charge, Scoot has gone from strength to strength and is in the process of expanding into new international locations. With the company opening its new direct route from Tianjin Binhai International Airport to Singapore Changi on 23 August, we caught up with Campbell to find out more about Scoot and the man at the centre of the company.

**Managing a low cost airline must be a tremendously difficult task. What have your main challenges been in this role?**

My mission is to lead and shape an organisation that will touch so many people and places and, ultimately, to create an airline that delivers exactly what it promises: a fuss-free, engaging, fun, reliable, highly customisable and good value way to travel. Furthermore, I have had to meet these challenges within an aggressive one year deadline. It certainly presented its challenges.

In the past year, not only did we fully retrofit and induct two 402-seat wide-bodied aircrafts, in quick succession, certified for international service to the two Australian cities, hired and trained about 200 ground staff, pilots and cabin crew; we also launched extensive marketing campaigns introducing Scoot to our target audience in our various destinations, and sold more than 100,000 tickets even before we started flying.

**Tell us a bit about Scoot Airlines.**

Scoot is 100% owned by Singapore Airlines (SIA) but is independently managed. Scoot is not your everyday airline name because we will not be your everyday airline. We offer a no-frills service on medium to long haul routes of 5 - 12 hours from Singapore. Our core values are safety, reliability and punctuality. The English dictionary tells us that 'Scoot' means 'to move quickly'. But that's not all. For us, it's also about offering fantastic value airfares and keeping things simple. We firmly believe that people should not have to subsidise the choices of others.

**Scoot seems to be creating a trendy, unique and appealing brand. What do you credit as the main driving forces behind the airline's success thus far?**

Our marketing and communications strategy seeks to engage, solicit a reaction and to build an emotional connection. That is why we have been so focussed on social media, which has been a huge success. The feedback we've received from these social media initiatives has been overwhelming, and our community has reached out to us for information on jobs, fares, routes and other issues. It's important to us that the community feels as though they have a hand in building the company.

It is especially important for us, as a start-up company, to introduce our brand to a critical mass in a short time frame. Social media offers a two-way communication channel. It can be highly viral and relevant to our target audience, relatively cost-efficient, with the ability to transcend international barriers and enables us to track results of our online ad campaigns. It also puts us at the forefront of doing things differently.





**Singapore was recently named the easiest country in the world to do business with. Do you think that being a Singaporean company adds a degree of credibility to Scoot?**

Certainly, that and being a 100% subsidiary of Singapore Airlines has boosted our partners and guests' confidence in Scoot right from the beginning and I believe that we have proven ourselves worthy of their trust and confidence. The Scoot team is passionate about what the new airline stands for and how we can change the way people travel long distance.

**Tianjin is Scoot's first destination in China. Why here?**

We will tap new markets, be they altogether new routes or new market segments on routes already plied. But there is no hard and fast rule. Scoot will fly wherever there is sufficient demand for our services and we feel that Tianjin has huge potential. Not only is it a city of 12 million in Northern China, Tianjin is also a mere 30-minute high speed bullet train ride away from Beijing. Besides being the first airline to fly direct to Tianjin from Singapore, Scoot will also connect Tianjin through one of the world's biggest air hubs, Singapore, offering

connections to 220 destinations across 60 countries. Scoot will give Chinese travellers a whole new travel option.

**Given the fairly robust growth in Chinese and Asian demand for air travel, do you and your company intend to capitalise on this further by opening up more routes here and elsewhere?**

We will be announcing new routes in China very soon and our geographic footprint is expected to grow steadily to encompass India, Europe and other markets at a later stage. We intend to operate in Africa and the Middle East as the fleet expands and longer-range aircraft are inducted.

**Low cost airlines are often accused of sacrificing quality of service to provide cheap fares. Is this a fair comment?**

There is a lot to be drawn from other airlines in terms of how they market themselves, the way they operate, the way they procure and recruit. But Scoot is not just another budget airline, we're a no-frills, low-cost carrier that flies to a range of great destinations including; Singapore, Sydney, the Gold Coast and soon to be joined by Bangkok, Tianjin, Tokyo and Taipei. We firmly believe you can be no frills and still be cheerful, honest and respectful. Our service comes with the right personality- engaging, vibrant, fun-loving and upbeat; exhibiting what we call 'Scootitude'.

**Do you see the budget airline market in Asia growing rapidly over the next few years?**

The growth potential of low cost carriers remains hugely appealing. Generally speaking, the region's economies are still growing at a healthy pace, and more people are entering the middle class with the time, money and inclination to travel. Demand for international travel is growing - it has been

over 5.3% per annum for the last two decades, which means that volume doubles every 15 years or so. The rate of growth in this region is even faster, due to economic development, geography and demographic trends. The low cost airline segment is younger in Asia than in Europe or North America - less than a decade in South East Asia and only just starting to take off in North Asia. We have seen how successful this model is in the short haul arena, and there is a clear opportunity to grow a new market segment that either does not exist, or to capture those currently travelling on other carriers.

**With fuel prices set to soar over the next decade and beyond, how much longer can airlines, particularly low cost operators, continue to make ticket prices affordable?**

Obviously, rising costs and a weakening economy aren't welcome for any business, but the low-frills segment is reasonably well-placed. Cost control is a religion and our structure and processes are already efficient relative to legacy carriers. On the revenue side, whilst some people may decide to defer travel altogether in a downturn, a far

higher portion will still travel but try to save some money where they can. The desire for travel doesn't follow the business cycle, only the willingness to impart with the money needed to do so. Those offering great value, as we do, offer the perfect solution.

Scoot's fare structure is very competitive in keeping with the no-frills model. However, besides just rock-bottom airfares, Scoot offers substantial scope for guests to tailor their experience by adding only the frills and services they want, so that they're not subsidising the choices of others. That's why we have created Fly, which is a no-frills, no baggage product. Product combo bundles, FlyBag and FlyBagEat, which provide a la-carte selection of frills. For those wanting a real premium experience, we also have ScootBiz, a premium cabin complete with wide leather seats offering 38-inch pitch, food & beverages and 20 kilograms of check-in baggage. Purchasing these add-on services in bundle combos will offer even better value for money - buying the bag and meal as part of a bundle saves about 20% versus buying a la carte. It's the McDonald's Combo concept.



**Can you tell us about some special offers for customers flying with Scoot in the near future?**

To receive the latest news, updates and exclusive promotional offers, register at [www.flyscoot.com](http://www.flyscoot.com) or [www.facebook.com/flyscoot](http://www.facebook.com/flyscoot).

*Photos Courtesy of Scoot Pte Ltd*

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# Riding on the Dragon's back: How can foreign investors benefit from China's economic rise?

By Josh Cooper

In recent years, certain reports by western media organisations have implied a false dichotomy between the rise of China and the demise of the US and Europe's economies. In fact, China's colossal economic growth is not destroying the financial prospects of people in the western world, it is creating more opportunities. This is a country that is becoming increasingly open to investment from outside sources. For those of us looking to make sound investments, with good long-term returns in mind, opportunities in China are plentiful and tremendously exciting. So how can you benefit from robust economic growth in the 21st century's land of prosperity?



While shares in Chinese companies are not the easiest things to buy, you can purchase them if you look in the right places. In the mainland, foreigners' ability to buy stocks are limited to the B shares of the Shanghai Composite Index. The good news is that many of the big names, including **Petro China**, **Bank of China** and **ICBC**, offer both A and B class shares. Alternatively, H shares on Hong Kong's Hang Seng Index and S shares on the Singapore Stock Exchange are aimed specifically at foreign investors. There are also some Chinese companies listed in US stock exchanges. For example, search giant **Baidu.com** and telecoms mammoth **China Mobile** are listed on the NYSE. For those looking to diversify and avoid complication there are

hundreds of reputable mutual funds which allocate capital on investors' behalves.

There are plenty of reasons to suggest that Chinese shares will be good investments going forward. China Merchant Securities' Managing Director, Ronald Wan, suggests that "Now is a great time to buy Chinese stocks". According to Wan, the Beijing government's recent monetary policies should make equity markets more stable. Likewise, prolific investment fund manager Puru Saxena, CEO of Hong Kong based Sexena Wealth Management, sees a great deal of value in Chinese stocks. His fund is betting that not only will China's export sector continue to grow, but also that domestic consumption is going to increase significantly

over the next few years. Saxena points out that his fund's holdings include "supermarket chains, a kitchen appliances manufacturer, a meat producer and an insurance intermediary", amongst other consumer based companies. The food sector is certainly an enticing prospect. U.S food group **Yum! Brands**, who own KFC, Pizza Hut and Taco Bell, are in prime position and are predicting rapid growth in revenue from China over the coming years.

As an alternative to investing into Chinese companies, many investors prefer to put their money in big, reputable international firms which have exposure to China's growing demand for their products and services. If the past decade is anything to go by, infrastructure

specialists will benefit from Chinese governmental investment. French engineering giant **Alstom** are one such company. The firm are currently at the centre of several long-term construction projects in areas such as transportation and power generation. With the growing demand for technology and electrical products, companies with retail exposure to the Chinese market will almost certainly do well. **Apple Inc**, **Microsoft** and **IBM** would seem like the obvious candidates. American semiconductor makers **Analog Devices** and **Qualcomm** are also safe bets in this regard. Last year 25% of the companies' total revenue came from Chinese customers.

From a value investor's perspective, the financials are looking particularly



exciting at the moment. As the ongoing global credit crises continue to hit investor confidence in the banking sector, stock prices remain enticing for those looking at long-term capital appreciation. Given their prominent position within the China region, **HSBC** may well be the best bet. The banking group's Chief Executive, Stuart Gulliver, recently told shareholders- "Our vision is to build the best universal banking franchise in China and to offer superior China financial services globally". He added that, China's future growth presents "an unprecedented opportunity to reinforce our global leadership position". **Standard Chartered** and other big international financiers are also well placed going forward.

China based stocks, mutual funds and other financial products are clearly good opportunities for savvy investors. But what about hard assets? For most foreigners, buying real estate in China is difficult. Although it is possible to obtain apartments and industrial units in the country's thriving urban centres, there are strict limitations on what

kinds of property foreigners can buy. Furthermore, the bureaucratic requirements of such a transaction would probably outweigh the financial benefits for most people.

**If you own the raw materials that China needs, you are almost guaranteed to be making money in the future.**

Currency speculators probably have more reason to be optimistic about the future. Whilst nobody knows what will happen with the CNY in the short term, the consensus view amongst financial commentators is that appreciation of the Chinese currency over time is almost inevitable. It is now possible to open CNY based bank accounts in London, New York, Hong Kong and other financial centres. The Chinese government have also stated their intentions to fully internalise the

currency over the next few years. Therefore, investors with significant holdings in Yuan could see nice, steady gains in the long term.

Ultimately, however, the best place to put your money may well be the commodities which China increasingly demands to fuel its economic ascent. Legendary investor and author Jim Rogers has become well known for his advocacy of natural resource and investment in agricultural products. Rogers convincingly claims that the best way to cash in on China going forward will be commodities. He points out that "as China and other Asian economies develop, they have to buy commodities. They have to buy cotton and nickel, and China doesn't have much oil". Moreover, in buying such assets, investors "don't have to worry about local governors and legal complications". Given that there are 1.3 billion potential increasingly wealthy consumers in a country which is not especially resource rich for its geographic size, if you own the raw materials that China needs, you are almost guaranteed to be making money in the future.

# Investment News

## Stocks and Shares

### Stock markets see a better month

After the turbulence of recent months, global stock markets have generally seen steady gains in August. The announcement by the ECB (European Central Bank) that it will do "anything it takes" to protect the Euro has seemingly restored some much needed confidence amongst investors. Europe's three major stock exchanges; The FTSE 100 (UK), Dax (Germany) and the Cac 40 (France) have all climbed significantly higher. Speculators are hoping that the ECB will help to trim borrowing costs for the struggling economies and take drastic measures to increase demand and stabilise credit markets over the coming months.

### Japan's Nikkei hits 3 month high

Japan's stock market edged up to a 3 month high in late August following a weakening of the yen and an increase in investor confidence. The country's troubled economy has been hit hard in recent months by an increasingly strong currency, which has been dampening exports, and a lack of risk appetite due largely to public debt levels.

### Banking scandals continue to dominate headlines

Barclays and Standard Chartered are just two global banking giants who have been in hot water over misconduct of late. Share prices of both groups have dropped significantly over the last month but the consensus amongst stock analysts is that they should see a steady come back over the next few months. So now may be a good time to buy.

### Manchester United goes public

The world's most recognisable football team, Manchester United, are now publicly traded on the New York Stock Exchange. So far, traders and speculators have had mixed feelings about the club's floatation and intrinsic value. Billionaire investor George Soros is one of the biggest names to have recently acquired shares in the club. He currently owns 8% in total.

### Apple Inc becomes the 'most valuable company ever'

In late August, Apple's share price hit a new all time high at USD 665.15. This makes them the most valuable publically traded company in history. Microsoft had previously held the title. This good news for tech investors comes at a time where risk appetite is fairly mixed for the IT sector following the recent mess over Facebook's IPO.

### Bidding war over Singapore beer company rages on

Singapore's largest brewing company, Asia Pacific Breweries Ltd, has been at the centre of a colossal bidding war for several months. Dutch beer giant Heineken has been competing with rival firm Thai Beverages to buy up controlling stakes in the company. In late August, the Heineken group decided to up the ante and offered SGD 53 per share for a significant stake in the company which manufactures the increasingly popular Tiger Beer. Asia Pacific's share prices look set to increase substantially as the ongoing bidding war comes ever closer to a conclusion.



Currencies

Dollar- Chinese Yuan



Japanese Yen- Chinese Yuan



Euro- Chinese Yuan



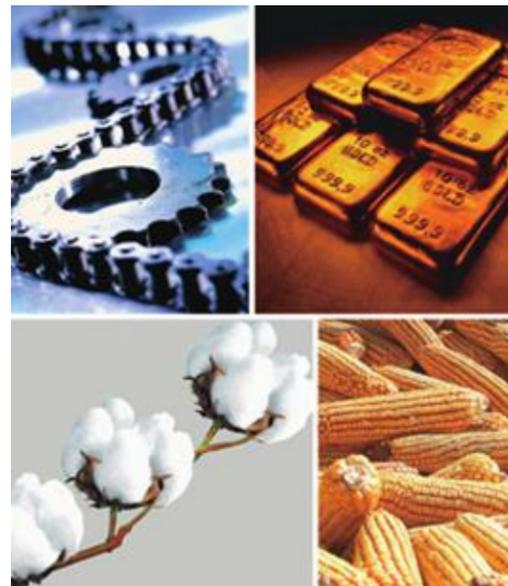
GB Pound- Chinese Yuan



Coming into September, the Dollar is stronger against the Yen and a number of other major currencies. Given that the strengthening of the Japanese currency has impacted heavily on exports in recent years, many business owners will be breathing a sigh of relief. The Euro has also been performing slightly better since the ECB announced that they are willing to intervene in the Eurozone's troubled economies. Although further bailouts seem likely, the European Central Bank seems apprehensive about making any big moves and therefore, in the short term, the Euro is likely to remain fairly stable rather than appreciate robustly. India's Rupee remains weakened after plummeting in value against the Dollar earlier in the year. Economic data suggests that the country is in for some tough times in the near future, but eventually the currency should pick back up when inflation eases and exports start rising again.

Commodities

Commodity	1 Month Change	1 Year Change
Crude Oil (Petroleum)	6.64%	-12.32%
Natural Gas	20.80%	11.07%
Wheat	25.15%	13.76%
Sugar	13.23%	-22.77%
Rice	-4.58%	5.89%
Aluminium	-0.49%	-25.71%
Copper	2.10%	-21.41%
Iron Ore	-4.96%	-26.04%
Lead	1.65%	-29.82%
Nickel	-2.86%	-32.37%
Gold	-0.55%	1.13%
Silver	-1.94%	-28.02%



The main story over the last month has been increasing grain prices following the severe droughts in the U.S. Corn prices in particular have been soaring since agricultural yields decreased sharply. Analysts are warning that the worst may be yet to come in terms of rising food prices. Platinum has headed higher lately

while demand for other precious metals remains relatively stable. The metal hit a 6 week high on 20 August. Commentators are attributing the price increases to the ongoing violent situation in South Africa's mining industry. The price of gold is also likely to go upwards in the near future if the ECB or the Federal Reserve

announce any sizeable stimulus moves. Oil is also on the up as the United States' plans to open up strategic reserves face significant opposition. **B**

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# Ready for the 2012 Summer Davos in Tianjin

The 2012 Tianjin Summer Davos Forum will be held from 11 to 13 September at the Tianjin Meijiang Convention and Exhibition Centre.

The Summer Davos, as the Annual Meeting of the New Champions has become known, is held annually in China, alternating between the cities of Dalian and Tianjin.

Part of the World Economic Forum, the 'New Champions' are individuals and organisations that have demonstrated their ability to translate societal challenges into value-creating businesses, policies and technologies. They include stakeholders in global growth companies, primarily from rapidly growing emerging countries such as China, India, Russia, Mexico, and Brazil, but also including fast movers from developed countries.

This is the third time that Tianjin has hosted the Summer Davos. Expecting over 1,300 delegates, it sees the meeting as important in elevating the city's influence on various domestic and key foreign elements, as well as presenting the city as an international venue for great meetings.

Business Tianjin got the chance to interview some of the designated star hotels where the WEF guests will be staying to find out what preparations have been made to make the delegates stay memorable.

## The St. Regis Tianjin GM: Paul M Cunningham

**What is your experience managing events?**

I have been lucky enough to be part of some amazing events in China since arriving here in 2001. When I was in Beijing, I was involved in a number of high profile events and visits from various heads of state including the US President, Canadian PM, British PM, and Indian PM. I was also involved in the Fortune 500 meeting in Beijing back in 2005 with the gathering of many CEO's from around the world. It was an exciting time to be in China. The most significant event I have been involved in was the 2008 Beijing Olympic games. The hotel was the main host for Visa and coordinating all their guests and VIP's and functions was a logistical balancing act. We also received Usain Bolt the Olympic gold medal holder and hosted Lord Sebastian Coe, the Chairman of the London Olympic Organising committee - great times, great events.

**What kind of business facilities are you offering to your guests?**

Guests receive, with compliments from The St. Regis, wireless internet in all public areas, including the food and beverage venues. This way, guests can connect with their offices over their morning coffee before heading off to the conference. The St. Regis also brings to guests 'The Study' (Business Centre) available at all times, where the staff can assist with flight ticketing support, administrative tasks such as photocopying, or as a venue to hold more private meetings. In every room, guests find a full kit of business amenities, such as an internet cable for a faster internet connection, stationary, and an ergonomic chair and desk. My favourite 'business' offer is the live music at The St. Regis Bar. Here I often find guests enjoying a live act whilst they are connected via their laptops or iPads and enjoying the daily St. Regis Wine Ritual-



complimentary drinks and canapés that we offer to our in-house guests.

**What kinds of special amenities will World Economic Forum guests have?**

The World Economic Forum Delegates will experience the full extension of The St. Regis Tianjin signature services. During their stay, each guest

will receive personalised attention from their own St. Regis butler – a first for a Tianjin hotel. For more than a century, the St. Regis Butler Service has been the hallmark of the St. Regis Hotels and Resorts. All St. Regis butlers are trained in the English tradition of impeccable service; ready to cater to individual requests, no matter how great or small.

Guests will also find relaxing moments in The St. Regis Bar and The River Lounge. The River Lounge terrace overlooks the Hai River and will be the place to be during the week of the World Economic Forum.

As we are catering for a world-wide clientele The St. Regis is offering Spanish, German, French, Russian, Korean, Japanese and English speaking staff to our guests, so we can welcome delegates from all around the world in a distinguished St. Regis manner.

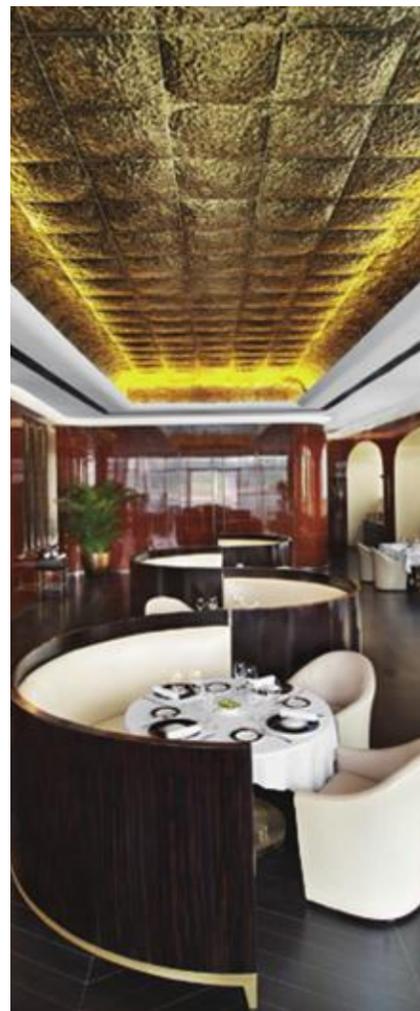
### How will you cater to the nutritional needs of these important individuals during their stay at your hotel?

The St. Regis Butlers gather guests' feedback and expectations, so we can go the extra mile in everything we do. We love to understand the special needs from our guests, such as their dining habits, favourite food and beverage items, their travel agenda, and so on.

We have also redesigned the menus for all our Restaurants, including the Yan Ting (Cantonese), Riviera (French Brasserie) and Promenade (Italian), to cater to the unique dining habits of international guests. The River lounge is also offering a light menu and an extensive wine list, so guests can enjoy the amazing views over Hai River whilst tasting one of our best sellers, Mussels with Chardonnay.

### Can you offer any specialist advice for visiting Tianjin? What do people need to know whilst on this business trip?

Tianjin is an exciting, dynamic city that is rapidly growing and becoming increasingly vital to businesses in the region and around the world. It is located in an extraordinary location for both leisure and business offering sightseeing venues, shopping centres, opera, restaurants, historic areas, parks and monuments, architecture and culture. The ancient culture street is a mere 5 minutes car drive, The Italian Quarter a 10 minute walk and if shopping is a must, guests will find the Gold Street (Heping Lu) right in front of the hotel.



# Feature Story

## The Astor Hotel, A Luxury Collection Hotel, Tianjin

### GM: Christian Metzner

#### What is your experience managing events?

Over the last 14 years I was involved in many different events in various functions. In Germany the hotel I worked for hosted Formula 1 events, several Football Teams and just before I left for China in 2006, the Football World Champion Chip Tournament. In Beijing, I was involved in the preparation of the Olympic Games in 2008, as well as hosting VIP's from all over the world including Avril Lavigne and Kylie Minogue. In 2010 we hosted the World Economic Forum catering event as well as the UN Climate Change Event. In 2011 we welcomed the Real Madrid football team.

#### What kind of business facilities are you offering to your guests?

The Astor Hotel, A Luxury Collection Hotel, Tianjin features 152 elegantly appointed rooms and suites in both classic Victorian style and more contemporary elegance. Guestrooms yield gorgeous views over Victoria Park or panoramic river views.

The Astor Hotel features five exciting dining and wining venues: Signature classical dining experience 1863, The

Astor Bistro & Terrace serves gourmet Anglo-French specialties and vintage wines, Chinese restaurant Shui An offers local and regional Chinese specialties in a modern-Zen dining room, and Café Majestic serves breakfast, lunch and dinner buffets and all-day a la carte favourites from an open kitchen.

O'Hara's English Pub, styled after an authentic British gentlemen's club, pours a large selection of beers, single malt whiskeys and innovative cocktails. The Victorian Lounge is the city's most stylish spot for daily high tea, with orchestral accompaniment at weekends.

The Astor Hotel Tianjin provides 'Luggage Liaison', a suite of travel services including luggage storage and unpacking/packing services upon request, and 'News Paper Direct', a print-on-demand service for over 520 newspapers.

#### What kinds of special amenities will World Economic Forum guests have?

The Astor Hotel, Tianjin is the ideal place for guests to experience the history of Tianjin while staying for business in our city. Our team has worked on an unique arrival ritual



as well as having special welcome, farewell and turndown gifts available for our guests.

#### How will you cater to the nutritional needs of these important individuals during their stay at your hotel?

We started to prepare and train our team several months ago starting with additional English classes to ensure staff can answer questions guest might ask. Our Food and Beverage Director has prepared a different buffet menu to cater for all guests having different religions from all over the world.

#### Can you offer any specialist advice for visiting Tianjin? What do people need to know whilst on this business trip?

The Astor Hotel, Tianjin is located in the heart of Tianjin's central business and financial district offering guests easy access to the historic concession areas, the railway station, the airport and a great view facing the Haihe River. Spend an afternoon wandering Tai'an Five Courtyard Area (Tianjin's newest high end shopping centre) or the Victoria Garden located just next to the hotel. For a true taste of Tianjin's old cultural traditions and customs, a visit to the Ancient Culture Street is a must.



## Sheraton Tianjin Hotel

### GM: Owen Zhang

#### What is your experience managing events?

As a veteran in the hospitality industry, I have managed countless events ranging from local to international, small to very large scale. I have met and served many top government figures, including US Presidents, Former Presidents from Pakistan, Mexico, The Netherlands, China's former Chairman, Mr Deng Xiao Ping, global corporate figures, international celebrities and many more.

Preparatory work to meet their needs and requests is very important and always my top priority taking extra effort to learn and understand their preferences and customs before they arrive.

#### What kind of business facilities are you offering to your guests?

As an international upscale branded business hotel, we emphasise top notch facilities and services to our guests around the world.

Our 24-hours business centre offers from simple photocopying and typing to full secretarial and translation services. We also assist our guests in worldwide hotel and airline bookings, train and shipment arrangements.

For those who prefer a private business environment, our Sheraton Club rooms and suites are specially designed for busy business guests. We offer round the clock access to our Lounge that serves Executive breakfast, afternoon teas and snacks, evening cocktails, and has a personalised butler

For an extraordinary culinary experience, our guests have a great selection of meals and drinks at our 5 Food & Beverage venues.

Guests can work-out at the Sheraton Fitness, dip in our cold and hot pools, swim in our in-door heated pool, play out-door tennis or enjoy a massage that relaxes mind and soul.

#### What kinds of special amenities will World Economic Forum guests have?

Being one of the hotels selected by the government to receive country heads, we have been preparing ourselves since the beginning of the year.

The delegates will be received by our Guest Relations team and escorted to their room for in-room check-in. Flowers, fruits, special welcome amenities, welcome notes and a Tianjin Information pack will be placed in all rooms and suites before their arrival. In the evening, they



will be served local delicacies, which allow the delegation to experience Tianjin taste.

#### How will you cater to the nutritional needs of these important individuals during their stay at your hotel?

We have experienced and well trained butlers on duty 24-hours a day for country heads and our guest services team is on duty round the clock to attend to requests. We have special lunch and dinners with different cuisines to cater to different delegates' needs.

#### Can you offer any specialist advice for visiting Tianjin? What do people need to know whilst on this business trip?

There are lots of things to do, many interesting places to see and lots of stories to hear.

Tianjin is among the first cities in modern China, influenced by the West being designated a treaty port and concession district back in the mid 19th century.

Ancient Culture Street, Mansion of Family Shi and the Tianjin Eye are a few of the must visit places in the town. A little further north one can climb the tallest mountain in Tianjin, Mount Pan, visit the 1200 years old Tang Dynasty's Dule Temple, Huang Yaguan the Great Wall or at the coast area experience the Polar Ocean World and Binhai Aircraft Carrier Theme Park.



## The Westin Tianjin

### GM: Terry Ko

#### What is your experience managing events?

In the past I have worked in some major MICE properties in China, SE Asia and Canada and am used to handling events from 20 to over 1000 guests.

#### What kind of business facilities are you offering to your guests?

For business travellers today, connectivity is very important. Our hotel is fully Wifi, and especially for the WEF we will be upgrading our bandwidth from 40MB to 100MB.

And if this proves to be positive, we may well continue with it as our standard service. We will also have our business centre and Westin Executive Club Lounge open 24/7.

#### What kinds of special amenities will World Economic Forum guests have?

Apart from our regular VIP amenities, we will also be preparing some special Tianjin specialties and souvenirs for our WEF guests

#### How will you cater to the nutritional needs of these important individuals



#### during their stay at your hotel?

For those who have stayed with us before, we will review their profile, their likes and dislikes and be better prepared. For the first timers, we will try to find out, through different sources, their preferences, anticipate their wants and needs and be prepared best we can.

#### Can you offer any specialist advice for visiting Tianjin? What do people need to know whilst on this business trip?

Personally, I would advise them on being prepared for travelling time. Traffic can sometimes be quite heavy and you don't want to be caught in the traffic when you are in a hurry. Also, drink enough water.



# New Appointments

## Frank Chen Appointed China Research Head of CBRE

CBRE, the world's leading commercial real estate services company, has recently announced the appointment of Frank Chen as Executive Director, CBRE Research, China. Frank will be responsible for the management and direction of CBRE's research platform in China.

Frank has a diverse knowledge of business management practices, and real estate related research experience.

Prior to joining CBRE, Mr. Chen was most recently at BNP Paribas, where he was Executive Director and Head of Property Research within the Equities Research department. He has worked in several international markets, including Hong Kong, Australia and New Zealand, and held equity research and investment banking roles at organisations such as JP Morgan Securities, Cazenove and Macquarie Bank. Frank was educated in both China and overseas.



## Fintan O'Doherty Appointed as General Manager, Tangla Hotel Tianjin

Fintan O'Doherty is a committed energetic and dedicated manager with excellent skills in combining quality and service to ensure exceptional customer satisfaction. He has excellent overall knowledge of Hotels, with strengths in Rooms Management, Food and Beverage, Banqueting and Training and extensive International and cross cultural experience. Educated to MBA level, Fintan O'Doherty is capable of thinking at a strategic and operational level and excels as a team player within the Senior Manager Team and at team building. He consistently delivers against agreed targets and deadlines and always exceeds expectations even in difficult circumstances or markets.



## Aleksandra I. Zhukova appointed F&B Operation Manager of Astor Hotel, A Luxury Collection Hotel, Tianjin

The Astor Hotel, A Luxury Collection Hotel, Tianjin has appointed Ms Aleksandra I. Zhukova as F&B Operation Manager.

Ms Aleksandra I. Zhukova is from Moscow, Russia. She studied hotel management in Switzerland before. Prior to her current position, she was the Sales Executive Manager and Guest Relationship Manager at Crown Plaza, U-Town, Beijing. Ms Aleksandra I. Zhukova will be responsible for the operation and management of 1863 Bistro & Terrace, Café Majestic, O'Haro' etc.



## Mr. Anthony Mahon appointed General Manager of Crowne Plaza Tianjin Binhai

Mr. Anthony Mahon has 22 years' experience in leading international hotel chains in Cluster General Manager, General Manager and Senior Management roles within Australia and China. He used to be sent on board to assess and correct operational shortfalls, revitalise quality & brand standards, elevate service quality, and exercise cost management. He also managed the planned extensive upgrade/ refurbishment to both hotel towers. During the high-profile Shanghai World Expo Mr. Anthony Mahon evaluated business mix and booking patterns to increase yields and reduce displacement.

He has worked in IHG as Hotel Productivity Enhancement & Change Management Team Leader (16 Holiday Inn properties), coach & mentor for 16 years, having strong relationships with owners of large hotel portfolios in Australia & China. He was also an IHG award-winner—Asia Pacific General Manager of the Year and ANZSP General Manager of the Year, Intercontinental Hotels Group, 2001

He is quite experienced in creating effective teams & developing human capital as an assessor, coach and mentor for high-potential senior management and General Manager candidates, and he has successfully managed hotel and departmental clustering (3 properties); takeovers/rebranding (3 properties); large complex refurbishments/upgrades/rebuilds (6 properties).

# JOB POSTINGS

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

在津跨国公司招聘以下高级人员

### Social Media Coordinator

社交媒体协调员 Code: SMC120901

#### JOB DESCRIPTION:

- Responsible for daily posts/tweets to all applicable social media outlets;
- Coordinate the marketing calendar with online activity, track social media influence measurements;
- Partner with other departments to ensure proper online messaging and relevancy, ensuring consistency of messages across multiple networks;
- Prepare reports to update internal staff on usage statistics, and continuous monitoring and coverage of all sites;
- Search engine optimisation/search engine marketing (SEO/SEM) integration, monitor and analysis of social media trends and their impact on the company brand;

#### WHO WE ARE LOOKING FOR:

- Bachelor's degree;
- Excellent English & Chinese communication skills, both written and spoken;
- HTML or similar computer knowledge;
- Able to work with cross-functional teams, a knack for research, a sharp wit and a willingness to work;
- Prior experience in customer service, advertising, public relations or online marketing is preferred (including demonstrable social networking experience);

### Finance Manager

财务经理 Code: FM120902

#### JOB DESCRIPTION:

- Revise the expense reports and get approval;
- Book expense reports in daily accounting;
- Close Monthly accounting;
- Prepare Financial Reports monthly and yearly;
- Check Gas Consume Control Form;
- Count inventory monthly and yearly;
- Fix assets counting and control half year;
- Prepare PI and cash flow analysis monthly;
- Manage company administrative files and certificates;
- Deal with tax bureau about Fa Piao purchase, tax declaration etc;
- Check related to AIC Tax bureau and other authorities annually;
- Coordinate with auditors about annual audit;
- Other work assigned by GM

#### WHO WE ARE LOOKING FOR:

- Bachelor's degree, education in Finance;
- At least 8-10 years of experience in the financial control;
- Highly organised;
- A fine eye for details;
- Good spoken and written English;
- Team player, sense of responsibility;

### Senior Sales Representative

高级销售代表 Code: SSR120903

#### JOB DESCRIPTION:

- Sell company's products and service;
- Develop and maintain current or potential customers;
- Prepare proposals, presentation and sales contracts, negotiate and conclude the contracts with clients;
- Fulfill revenue targets;
- Submit sales and marketing reports periodically to Sales Manager;
- Track for the clients' service;
- Achieve other tasks assigned by GM or Sales Manager;

#### WHO WE ARE LOOKING FOR:

- Bachelor's degree or above. Major in marketing or related;
- At least 3 years of sales experience in international company;
- Ability to meet multiple objectives in an entrepreneurial environment with little supervision;
- Negotiation skills
- Sales channel management experience is a must;
- Proficiency in written and spoken English;

### Senior Editorial Assistant

高级编辑助理 Code: SEA120904

#### JOB DESCRIPTION:

- Conduct research, fact checking, or copy editing;
- Communicate and coordinate with interviewers and or interviewees;
- Translate and interpret on site;
- Provide administrative support to the editors;
- Conduct data inputting and database searching;
- Maintain production schedules;
- Report on production progress;
- Help editors to control the distribution of magazines;

#### WHO WE ARE LOOKING FOR:

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

# China Promulgates Judicial Interpretation on Sales Contracts



Manuel Torres



Grace Ge

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



Recently, the Supreme People's Court of China issued the Interpretation on the Application of the Law in the Trial of Sales Contract Dispute Cases (hereinafter the "Interpretation"), which came into force on July 1, 2012.

As sales contracts could be the most widely used contract in economic activities, there is a large number of cases regarding disputes over sales contracts before the Chinese courts. Though China amended its Contract Law in 1999, and has promulgated two judicial interpretations respectively in 1999 and 2009 with respect to the application of the Contract Law, Chinese courts may still have different understandings and implementations of the Contract Law during trial of disputes over sales contracts. With such background, the Interpretation was issued particularly to regulate the application of law for trial of

disputes over sales contracts. It is expected that the Interpretation could unify the judicial practices.

In this article we will outline the key points of this Interpretation which may deserve the attention of the companies operating in China, especially those engaged in trading activities.

## I. Validity of sales contract

### • Contractual relationship without written contract

The Interpretation clearly stipulates that, in case there is no written contract, other documents, such as delivery note, receiving note, settlement note, invoice, etc. shall also be taken into account to determine the existence of contractual relationship based

on the transaction form and trade custom between the parties.

In this regard, it is advisable for the companies to have good custody of all trade related documents in their daily operation, which may be used as evidence before the court especially when there is no written contract signed.

### • Effectiveness of contract when selling goods without ownership

The Interpretation clarifies that lack of ownership over the goods will not be the ground for denying the effectiveness of the sales contract. In case that the ownership cannot be transferred to the buyer due to the seller's lack of ownership over the goods, the seller shall bear default liability according to the sales contract and the Contract Law.

### • Pre-contracts

For pre-contract, such as letter of intent, memorandum, etc, under which the parties agree to conclude the sales contract within an agreed period, one party may claim for breach of such pre-contract and request

compensation in case the other party fails to perform its obligation to conclude the sales contract.

As it is often necessary for companies to sign letter of intent or memorandum before or during the contract negotiation stage, the relevant parties shall consider seriously before stipulating the period to sign the contract and the responsibilities for not signing it, as they will be binding according to the Interpretation.

## II. Goods delivery and ownership transfer

### • Function of invoice as evidence

According to the Interpretation, where the seller intends to prove the delivery of the goods only with the VAT special invoice and/or the VAT deduction document, it may not be supported by the court in case the buyer does not accept such proof.

On the contrary, where the buyer tries to prove the payment of goods price with a regular invoice, in case the contract regulates or the custom between the parties shows that the regular invoice can be the evidence of payment, the court shall support the buyer unless there is evidence to the contrary.





## • Single movable property sold to different buyers

In case the seller signs multiple sales contracts for one single movable property with different buyers, the Interpretation deprives the seller of his right to choose one buyer among them to deliver the property:

If it is an ordinary movable property, the buyer who first takes the delivery of the property shall obtain the ownership. In case no buyer has taken the delivery, the buyer who first pays the price has the priority to request the delivery; if there is neither delivery nor payment, the buyer who first concludes the contract with the seller shall have the priority to receive the delivered property.

If it is a special movable property such as vessel, aircraft, vehicle, etc., the buyer who first takes the delivery of the property has the priority to obtain the ownership, even if the special movable property has been registered under another buyer's name. In case no buyer has received the property, the buyer who first conducts registration of ownership of the special movable property has the priority to request the delivery; if there is neither delivery nor registration, the buyer who first concludes the sales contract shall have the priority to request the delivery and ownership registration.

Therefore, when buying movable properties, according to the Interpretation it is very important for the buyer to take the delivery of the property in order to ensure the ownership of it.

## III. Risk allocation for goods in transportation

### • Clarification of phrase in Contract Law

According to Article 142 of the Contract Law, usually the buyer shall bear the risk of the goods after delivery while the seller shall bear the risk before delivery. Article 145 of the same law further regulates that, in case the delivery place is not clear and the goods transportation is needed, the buyer shall bear the risk when seller delivers the goods to the first carrier.

The Interpretation clarifies the definition of 'if the goods transportation is needed' in Article 145 of the Contract Law that this term refers to the circumstance where the seller is responsible for consignment of the goods and the carrier is an independent third party engaged for transportation. Therefore, if the carrier is a department of the seller, such Article 145 of the Contract Law will not be applicable and the risk will be transferred to the buyer upon delivery to the buyer.

## IV. Inspection

### • Effectiveness of signature

If the parties do not have specific agreement on the inspection period, once the buyer has signed the delivery note or the confirmation note which indicates the quantity, model and specification of the goods, it will be deemed that the buyer has checked the quantity and appearance of the goods unless there is other evidence in contrary.

### • Short inspection period

The Interpretation specifies that, if the agreed inspection period is too short, so that it is impossible for the buyer to finish the complete inspection according to the nature of the goods and the trade custom, such agreed period shall only be applicable to the appearance check, while the court shall determine the reasonable period for the buyer to lodge claims for hidden defects.

In addition, in order to protect the best interest of the buyer, the Interpretation provides that if the inspection period or the quality warranty period, agreed by the parties, is shorter than those set up by laws or regulations, the laws or regulations shall prevail.

## V. Default liabilities

### • Penalty for overdue payment

The Interpretation clarifies that, where the sales contract has stipulated the penalty for overdue payment, in case the reconciliation statement or the repayment agreement does not mention the liability for overdue payment, the court shall support the seller's claim for penalty as stipulated in the sales contract.



**When buying movable properties it is very important for the buyer to take the delivery of the property in order to ensure the ownership of it.**

However, the above rule is not applicable in the circumstance whereby the reconciliation statement or the repayment agreement has explicitly addressed the amount of the principal and penalty for the overdue payment.

In this regard, the parties shall be more careful when preparing any reconciliation statement or repayment agreement, etc. to make sure the liabilities that the defaulting party shall assume.

### • Rules for determining default compensation

The Interpretation expressly provides that, the compensation for default can be correspondingly reduced in case the damage is also partially attributable to the non-defaulting party, or if the non-defaulting party also receives benefit due to the default.

## VI. Other rules

In addition to the key points introduced above, the Interpretation also covers the following rules, mainly include:

- Title retention under sales contracts, with the purpose to improve the feasibility of this rule in practice, such as whether this rule is applicable to immovable properties or not;
- Sales contract with payment in installments, to clarify the definition of this type of contract;
- Sales contract based on trial-use, to clarify the definition of this type of contract, payment of the trial-use fee, etc.

## VII. Conclusion

The issuances of the Interpretation represents the efforts of the Chinese Supreme People's Court to unify the judicial practice in respect to trial of disputes arising from sales contracts, which may have important impact to the companies with large volume of sales in daily operation, especially the trading companies. It would be necessary for these companies to pay attention to the provisions expressly provided by the Interpretation in order to better protect their interest in the daily business. **B**

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# Senior Housing in China: A Market in the Making

## CBRE



### Introduction

It is often claimed that China is at risk of 'getting old before it gets rich.' According to the World Bank, China's ageing population (the number of people aged over 60) currently stands at 178 million – around one in seven of the population. This figure is set to double to 340 million by 2030. China's ageing demographic profile and declining working population presents the country with significant challenges related to the care of its senior citizens. Although the deeply ingrained 'Xiao-Dao' mentality means that most Chinese families take full responsibility for the care of

their elderly parents or relatives, often living with them under the same roof, the One Child Policy coupled with improved life expectancy is inverting the traditional population pyramid, making it difficult for the younger generation to adequately support their parents and grandparents.

The Central Government recently began to take steps to address the challenges posed by the country's changing demographic profile. Authorities have formulated a series of measures to support the development of the senior housing sector, which is set to double in size over the next five years. The private sector is attuned

to these emerging opportunities, with numerous domestic and foreign developers, investors and service providers beginning to assess and enter the market. Market participants will face numerous challenges as they attempt to transform the Chinese senior housing market from "grey to gold". Indeed, attempts to implement a sustainable business model for a high quality profit-oriented senior housing project have so far been unsuccessful. This viewpoint will provide an overview of current market conditions in the senior housing sector in China and identify, as well as evaluate, potential opportunities going forward.

### China's Ageing Demographic Profile

Underpinning the rising demand for senior housing in China is the country's ageing demographic profile. According to United Nations' definitions, China became an "ageing society" in 1998 when the proportion of its elderly population reached 10% of the total population. The World Bank anticipates that the country's elderly population will almost double from the 2011 level to 340 million by 2030. The accelerated rate of ageing currently being witnessed in China is due to a combination of several factors. As the country modernises and living standards improve, life expectancy has soared and is projected to continue doing so over the next few decades, from 75 years in 2010 to almost 80 years by 2050. At the current rate of ageing, the proportion of China's population that is elderly will surpass that of numerous developed economies, including Australia, Japan and United States, by 2030. At the same

time, fertility rates over the past 30 years have plummeted due to the implementation of the One Child Policy beginning in 1979. The country's birth rate fell from 17.8 per 1,000 people in 1979 to just 11.9 per 1,000 people in 2010. The two baby booms China experienced after the civil war which ended in 1949 have also contributed towards the country's changing demographics.

The first generation baby boomers, born during the 1950s and 1960s, are now reaching the age of 60 and are becoming grandparents, whilst the second group of baby boomers, born in the 1980s, are becoming the parents of the country's single-child policy third generation.

The so-called '4-2-1' family structure (four grandparents, two parents and one child) is becoming more apparent in China in what is a complete reversal of the traditional population pyramid. This trend raises the obvious question as to how a young couple

from two single-child families can be expected to provide for potentially as many as twelve aged family members (four parents and eight grandparents). More significantly, the coming years will see China's shrinking working population having to support the country's rapidly growing elderly population.

Developing a senior housing sector, particularly a privately-run one, requires senior citizens to be able to finance the bulk of their living costs. Despite China enjoying rapid economic growth in recent years, its wealth level remains well behind that of developed economies. As of 2010, the United States' per capita GDP was ten times greater than China's. Although the gap in income levels is expected to steadily decrease in the years ahead, China's GDP per capita is anticipated to be just 50% of the United States in 2030, reflecting the significant challenges in developing and paying for senior care in China.





**Senior Housing Institutions in China**

The senior care industry in China is still at a very early stage of development. According to the Ministry of Civil Affairs, there were around 100,000 senior housing institutions in China at the end of 2010, providing a total of 3.5 million beds. This translates to just 19.7 beds per 1,000 elderly, or 1.97% of the population aged 60 and above, compared to a figure of around 5% to 7% in the United States, Australia and Japan. Public senior care facilities in China are generally at full occupancy because of low cost and the limited number of beds available. It can take months or even years to secure a bed in such an institution. As the country continues to get older and more people reach the age of 60, demand will increase further. These trends have resulted in the Chinese government formulating a long term plan to foster the development of the sector. Targets include:

- Increasing the coverage of senior

care institutions to 3% of the elderly population under the so-called '9073' scheme. Home care will account for 90% of the aged population and community care will account for 7%.

- Increasing the supply of institutional retirement homes from 3.5 million beds as of the end of 2010, to 6 million beds by the end of 2015.

**Public senior care facilities in China are at full occupancy. It can take months or even years to secure a bed.**

The rate of ageing and the supply of senior living facilities significantly varies across the nation. Provinces on the Eastern and Northern coast, and cities in the west of the country, such as Sichuan and Chongqing, are ageing more rapidly

than elsewhere. Amongst the provinces with above-average GDP per capita, Guangdong, Shandong, Fujian and East China lack institutional senior care facilities relative to their steadily ageing population; making them attractive locations for potential investment. Beijing, Shanghai and Tianjin have all reached the 3% target for institutional senior care but there is room for additional investment in high-end senior care facilities in these locations - given their relative affluence and maturity. This analysis does not take into consideration the number of elderly people who may opt to retire outside of the cities where they currently reside. Some observers, noting the trend for seniors in the United States to retire to locations with an attractive climate such as Florida, believe that Southern China will emerge as a preferred location for retirees. However, there are significant cultural, ethnic and language differences within China which may make it impractical for the elderly

to relocate from other areas of the country. To date only Hong Kong has seen significant numbers of its senior citizens move away from the city to spend their retirement years elsewhere - usually in Guangdong.

Government agencies are the largest operators in the market at present but recent years have seen increased participation from the private sector. Senior care institutions can be broadly classified into publicly and privately run facilities, as detailed below:

- **Public institutions** - The majority of public institutions are nursing homes and social welfare homes. These are fully funded by government bodies such as the Ministry of Civil Affairs and various Agricultural Cooperatives. Charges to residents are relatively low and institutions provide collective accommodation only. Most provide services to seniors who are capable of taking care of themselves independently or require only minimal assistance for their daily living.
- **Private institutions** - These institutions include nursing homes, senior apartments and Continuing Care Retirement Communities (CCRCs). Private nursing homes provide skilled nursing care for fully or partially disabled residents and consist of collective or dormitory style accommodation. Senior apartments and CCRCs usually provide high quality living facilities with healthcare support to affluent seniors. There is a huge range of institutions claiming to provide homes for seniors but only a few genuine projects are currently operating in China. Most only have minor differences to general housing developments. Although several schemes bill themselves as CCRCs with added elderly care services, most are in fact a combination of independent and assisted living facilities.

To encourage greater private sector participation in the senior care market in China, authorities have pledged to provide various incentives to support the development of new retirement homes and institutions. Two major types of subsidies have been announced thus far:

- (1) The publicly-built privately-run model (公辦民營), under which the government provides land sites at below-market prices or with a one-off subsidy for construction costs - as well as providing monthly ongoing subsidies for residents.
- (2) The privately-run publicly-supported model (民辦公助) under which the government provides subsidies for existing private institutions targeting lower income groups which are making losses.

To date only a few pilot schemes have been launched in a few major

cities, such as Beijing, and the implementation process across the country appears to be quite slow. The Central Government has placed a strong emphasis on encouraging the development of retirement institutions in areas of Western China such as Chongqing and Sichuan, and has also pledged to offer subsidies of no less than 70% of the total development cost. However, this incentive policy is still on the drawing board and the timetable for implementation has yet to be released. **B**

*NB: this article is an excerpt from CBRE Research Viewpoint. Original contributors include Frank Chen, Ada Choi and William Cheung.*

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# Legal Framework on Tendering and Bidding Law of China



Simon Bai  
Winners Law Firm



Public bidding in China is mainly regulated by The Tendering and Bidding Law of PRC (the ‘Bidding Law’) being effective in January 2000, which was adopted by the National People’s Congress in an effort to standardise tendering and bidding activities in China. More recently, the State Council issued the Implementation Regulation of Tendering and Bidding Law (the ‘Bidding Regulation’), which came into force on 1 February, 2012.

### Scope of Bidding Activities

In accordance with Article 3 of the Bidding Law and Article 2 of the Bidding Regulation the following construction projects, to be undertaken within the territory of China, shall be subject to bidding process:

- Large infrastructure and public utility projects that involve public interests and security;
- Projects invested completely or partially with State-owned funds or financed by the State; and
- Projects using loans or aid funds from international organisations or governments of other countries.

Construction projects encompass engineering and construction projects as well as pertinent goods and services. Such construction projects include: new construction, refurbishing and expansion of buildings and fixtures, and decorating, demolition and renovation of buildings and structures. The goods pertinent to project construction refer to equipment and materials, which constitute an integral

part of projects and are required for achieving the purpose of the projects in question. Services pertinent to project construction means services such as survey, design and supervision required for the completion of projects.

### Public Tender and Selective Tender

Tender is classified into two categories: public tender and selective tender.

Public tender means that the procurement purchaser, in the form of public announcement for bidding, invites unspecified legal persons or other organisations to bid. Selective tender means that the bid inviter, in the form of written invitation, invites only specified legal persons or other organisations to bid. In an open tender, if there are less than 3 bidders, the tenderer shall make a new invitation to bid. In a selective tender, the tenderer shall invite at least 3 qualified candidates to submit bids.

For construction projects whereby State-owned funds take up the holding or controlling position of the investment, public tender is mandatory. However, there are exceptions where public tender is not employed:

- Only a small number of potential bidders are available for selection due to the complexity of technologies, special requirements or restrictions because of the natural environment; or
- The cost of conducting public bidding would account for an excessively large proportion of the value of the project contract.

### Exemptions from Tender

According to the Bidding law and its implementation Bidding Regulation, there are circumstances under which tender could be exempted even for State-invested or State-funded projects, which include the following:

- Special projects that involve State security or secrecy;
- Emergency rescue and disaster relief;
- Projects that involve the use of relief funds for providing employment as a form of relief;
- Projects that require employment of farmers;
- Where any particular patent or proprietary technology is required;
- The procurement purchaser itself has the requisite qualifications required to complete the project;
- The project can be constructed, produced or provided by the franchise project investor that has been selected through bidding;
- Where it is necessary to procure projects, goods or services from the original bid winner, otherwise the construction or supporting functions would be adversely affected;

**Collusive activities have generated widespread concerns in China over the years due to lack of specific provisions and various forms of irregularities.**

### Tender Process

The tenderer shall sell pre-qualification documents or bid invitation documents at the time and place prescribed in the pre-qualification announcement, bidding notice or bid invitation. Pre-qualification documents or bid invitation documents shall be available for purchase for a period of no less than five days. The time for the submission of pre-qualification application documents shall be reasonably determined which shall not be less than five days from the date when the sale of pre-qualification documents ceases.

Pre-qualification screening must be conducted according to the standards and methods provided in the pre-qualification documents.

For projects subject to public bidding where State-owned funds holds up the holding or controlling role, a bid assessment committee needs to be constituted to examine the pre-qualification application documents. The number of bid assessment committee members shall be an odd number, and at least 5. Industry experts shall constitute not less than two-thirds of the members who have to have experience of eight years or longer in relevant fields.

If a bidder believes that there is something wrong with the bid documents, it can raise the concern 10 days before the submission deadline.

The tenderer may request the bidders to furnish bid security deposits, and the amount of which shall not exceed 2% of the estimated tender price. The bid security deposits shall be returned to the bidder, with any accrued interest, within 5 days after the written contract between the bid winner and the tenderer is signed. The validity term of bid bonds shall be consistent with the term of bidding process.

Where it is found that the content of pre-qualification documents or bid invitation documents prepared by the tenderer violates any compulsory provision of laws and administrative regulations, or is against the principle of openness, fairness, impartiality or good faith, a new round of tender and bidding shall be conducted.

If the bid winner assigns the project to a third party they shall be subject to a fine of between 5% and 10% of the tender price, and any illegal gain will be confiscated.

### Collusive Activities in Tendering and Bidding

Collusive activities are strictly



forbidden in tendering and bidding. This has generated widespread concerns in China over the years due to lack of specific provisions and various forms of irregularities. The Bidding Regulation clarifies ambiguities and fills any voids. Collusion can happen between bidders or between bidder and tenderer. Once found guilty, collusive activities might trigger administrative sanctions or even criminal liabilities.

- Bidders agree beforehand that some bidders quit bidding or win the bid;
- Bidders of the same group, association, chamber of commerce or any other organisation, collaborates with each other in bidding by demand of such organisations; or
- Bidders take other joint actions for the purpose of winning bids or excluding specific bidders.

Collusion between the tenderer and bidder could be any of the following circumstances:

It shall be deemed as collusion between bidders under any of the following circumstances:

- Bidders negotiate with each other on fixing bidding prices or any other substantive content of the bidding documents;
- Bidders agree on the bid winner;
- the tenderer opens bidding documents before opening bids and discloses relevant information to other bidders;
- the tenderer discloses to a particular bidder, directly or indirectly, the

- base bid price or information in relation to members of the bid assessment committee;
- the tenderer explicitly or implicitly suggests that a bidder lowers or raises the bidding price;
- the tenderer induces a bidder to replace or amend the bidding documents;
- The tenderer explicitly or implicitly suggests that other bidders cooperate, so that a particular bidder can win the bid;

**Conclusion**

The tender and bid market is fraught with various fraudulence and irregularities and needs to be more strictly regulated. While the Bidding Regulation certainly provides better clarity and more specific guidance to address many issues, the administrative supervision, industry supervision and more effective enforcement have to be boosted. A centralised credit rating system might be a solution to resolve many thorny problems. In the meantime, joint efforts by different government departments are required to establish a healthy, transparent and orderly market. **E**



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## Intellectual Property Rights (IPR) Strategy for SMEs in the EU Ceramics Sector – Part II



Philippe Healey,  
Project Manager,  
China IPR SME  
Helpdesk



Part II of this two-part article series describes the IP enforcement routes available to SMEs and outlines strategies to protect your IPR in China.

For a description of the types of IP most relevant to the ceramics sector, see Part I of this article published in last month's edition of Business Tianjin.

The IPR that is most likely to be associated with ceramic products are trade marks, design patents and copyright. Enforcement of IPRs in China can be generally divided into two routes: administrative enforcement and civil enforcement (the criminal enforcement process is not as widely used). In addition, cease and desist letters, complaints during trade fairs and registration of IPR with China Customs are also options. Note that by enforcing your rights, infringers may challenge them by initiating, for example, trade mark cancellation or patent invalidation proceedings.

**Administrative Enforcement:**

Administrative enforcement is often considered a quick and cost-effective method to deal with straightforward infringement cases. This method involves making a complaint to the relevant administrative authorities who are designated separately or jointly to enforce intellectual property rights. Specifically, the Administration of Industry and Commerce (AIC) is empowered to enforce trade marks rights and to handle complaints of unfair competition; the Patent Administration Bureau (PAB) for invention patents, utility model patents, and design patents, and the National Copyright Administration (NCA) for copyright.

**Civil Litigation:**

A company can file a civil claim against an infringer in the People's Courts, which are empowered to order the infringer to cease the infringing act, publish an apology and compensate the claimant. Legal advice should be sought before pursuing the civil litigation option.

The burden of collecting evidence of infringement is primarily on the plaintiff as there is no formal 'discovery' process in China and the standard for preparing evidence to make



out infringement of IPR for civil litigation is high, usually requiring notarisation and legalisation if evidence is from outside China. Therefore it is important to thoroughly investigate, prepare evidence properly and seek the advice of lawyers and experienced investigators.

#### Criminal:

Criminal prosecution of infringers (where available) has a relatively strong deterrent effect. In China a dispute may be criminally actionable if the value of the infringing goods exceeds the statutory criminal thresholds (e.g. over RMB 50,000). Again, it is the rights holder who must conduct a significant portion of the investigation and build up the case for the Public Security Bureau (PSB). If the evidence reveals criminal culpability, the PSB will pass the case on to the Public Prosecutor's office for review, and the Public Prosecutor may either conduct further inquiries or decide to indict based on the PSB's recommendation.

#### Strategy for Protecting your IPR: Identify Infringers

Having a representative office, agents or distributors in China is beneficial, and enables you to monitor infringements on the ground and filter information back. After learning of an infringement, it is normally best practice to engage a professional investigation firm to determine the extent of the problem and to uncover the responsible infringer; gathering probative evidence is often most challenging.

#### Monitor Industry Trade Fairs Relevant to the Ceramics Industry

Trade fairs provide a gathering point for companies to meet with clients, find vendors, as well as overseas buyers under one roof, and to introduce new products and services. They are also prime events to monitor for infringements and to stop potential sales of infringing products which may have been destined for the EU market.

For effective enforcement actions at trade fairs to take place, preparation at least 2 months prior to the trade fair is key since notarisation, legalisation and

translations of key documents would require time to prepare.

In addition, trade fairs provide a good opportunity to identify potential competitors and infringers, and collect evidence of any potentially infringing products. Ask for business cards and brochures, and record the name and number of the stalls of potential infringers. In order to formalise the evidence collection for use in future civil actions, consider having a notary present during evidence collection. The notarisation of evidence would enable a claim for jurisdiction in the city where the trade fair took place to be made, as well as make it difficult for the infringer to later argue in court that the infringing product was not present, they did not produce the product, or even that the evidence was fabricated.

Undertaking follow-up actions with the advice of a local law firm is also very important, especially in deciding whether sending the infringer a warning letter or other action is the appropriate next step to take after the trade fair. The exact nature of the claims in a warning letter will depend on the strength of evidence collected, and, of course, on the strength of the IPR. The evidence gathered at the trade fair can be used to initiate follow-up investigations into the infringer and then, if the



combined evidence warrants it, take administrative enforcement actions or civil litigation.

Moreover, a 'blacklist' of infringers can also be developed from the information gathered and provided to customs or used internally to improve your IPR protection strategy. Follow-up investigations of target websites and factories are also recommended, particularly against repeat infringers.

Taking such actions will not be effective in the long run if they are only one-off actions. To be effective, trade fair actions require commitment and consistent monitoring year after year. Where such trade fairs are the primary source of orders for vendors, denying infringers the connections they need to exist, namely international customers, may have a knock-on effect on those supplying to the infringer. Attacking infringements from this demand side may be used in combination or as a cost effective alternative to finding the source manufacturer (which may be costly and in some cases very difficult). If budget permits, a multi-pronged approach of attacking counterfeits from both a supply and demand side is a better course of action.

#### Develop Cease and Desist (C&D) Letter Campaigns

Carefully timed and worded C&D letters can be effective especially if sent to previous enforcement targets. For instance, sending a C&D letter to a previous infringer before a trade fair to remind it of any past enforcement actions, your rights, and to demand it to refrain from including any infringing products in its brochures and exhibiting any infringing products at the upcoming trade fair may be very effective. Note that in some circumstances a C&D letter may not be advisable if you are preparing for litigation and need to collect evidence of the infringement – a warning letter may alert it to your actions, making evidence collection difficult.

### Trade fairs are prime events to monitor for infringements and to stop potential sales of infringing products which may be destined for the EU market.

#### Record IPRs with Customs

Given the growing competition from imported ceramics products from China and the risk of infringement, companies should seriously consider recording their trade marks and other IPR in China with the GAC. Customs in China is most effective for protection of trade marks and may also be effective for design patents, but generally less effective for copyright, patent and other technical rights.

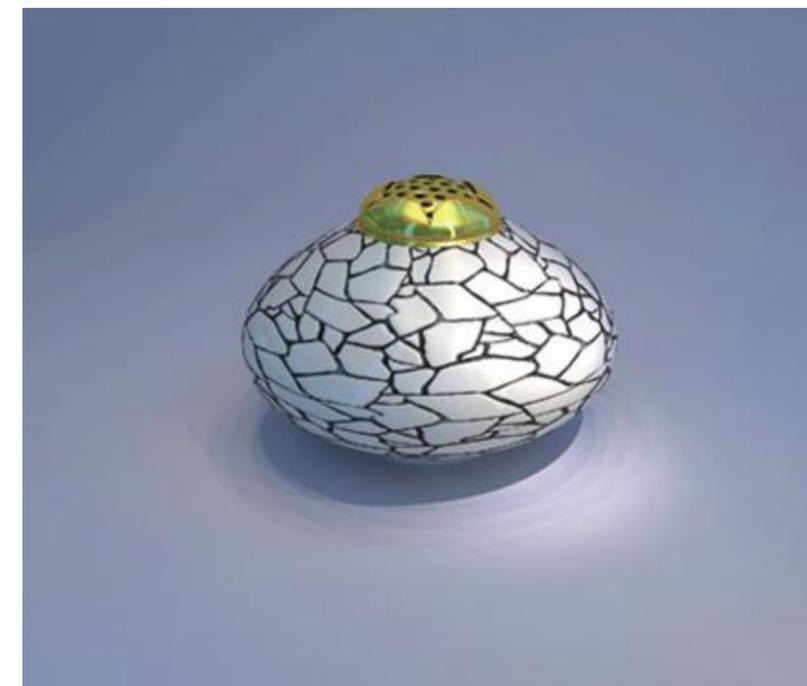
If you are aware of any known infringers you can also submit a so-called 'blacklist' to assist Customs in determining which shipments are

likely to contain suspicious goods.

#### Take-Away Messages:

- Make sure your products are properly registered in China as design patents, trade marks, copyright, invention patents and utility model patents. Do this as early as possible because in China if it's not registered, it's not yours.
- Develop your enforcement strategy; monitor ceramics industry trade fairs to identify infringers, have their offending products removed from display and gather evidence against them if you are preparing for litigation.
- For straight-forward infringement cases, use administrative enforcement through the relevant authorities. Civil litigation should be used for more complicated cases. Remember that gathering probative evidence can be challenging so seek legal advice and engage professional investigation firms if necessary. **E**

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# Target marketing and segmentation

By Heidi Skovhus

The two extremes in marketing are either to market to the mass or to market to one individual. The first is called mass marketing and the firm basically decides to ignore market segment differences and go after the entire market with one offer, one message and one tactic. The latter is called one-to-one marketing or micro-marketing and is tailoring the marketing program according to individual customer needs and wants and so each offer and/or message is, to some extent, personalised. In between these two extremes – which are both widely used – we find a middle road called target marketing or differentiated marketing, which this article discusses.

## Target marketing

Target marketing involves breaking a market into segments then concentrating the marketing efforts on one or a few of these segments. This is also called target

segments. A well-defined target market is often the first element of a marketing strategy. The beauty of target marketing is that it makes the product development, promotion, pricing and distribution (e.g. the entire marketing mix) easier and more cost-effective because it is focused towards one or several target segments.

Defining a target market requires market segmentation, which is the process of pulling apart the entire market as a whole and separating it into manageable, disparate units based on a chosen segmentation criteria. A market segment is a subgroup of people sharing one or more characteristics which cause them to have similar product needs.

## Segmentation

Roughly speaking, the process of market segmentation includes three main activities:



- Determining the characteristics of segments in the target market and then separating them based on their characteristics.
- Checking to see whether the market segments chosen are attractive enough to pursue.
- Once a target market is chosen, developing a strategy to target this market.

## Ad. 1) Determining the segments

Market segmentation can be done in many ways. Four of the most common ways to segment a market are described here:

**Geographic segmentation:** Market segmentation whereby the intended audience for a given product, is divided according to geographic units such as nations, states, regions, countries, cities or neighbourhoods. Zip codes, postal codes or area codes can also be used. The marketer will tailor marketing programs to fit the needs of individual geographic areas, localising the advertising, creating products and / or sales efforts to insure that it appeals to the taste, needs and wants of a specific geographic market.

**Demographic segmentation:** Market segmentation based on consumer statistics regarding socio-economic factors such as age, income, gender, occupation, education, family size and so on. Advertisers often define their target markets in terms of demographics. This is mainly because customer demands are closely linked to variables such as income and age, and also for practical reasons since there is often



a lot of data available to help with the demographic segmentation approach.

**Psychographic segmentation:** Psychographics is the science of using psychology and demographics to better understand consumers. Market segmentation whereby the intended audience for a given product is divided according to attitudes, values, social class, personality, behavioural, lifestyle and sexuality.

**Behavioural segmentation:** In behavioural segmentation, consumers are divided into groups according to their knowledge of, attitudes towards, degree of loyalty, use of or response to a product. This way of segmenting is based on the behaviour of the consumer.

## Ad. 2) Checking the attractiveness of segments

An ideal market segment meets all of the following criteria:

- It is possible to measure it.
- It has to be large enough to be profitable.
- It has to be stable enough that it does not vanish in the short term.
- It is possible to reach potential customers via the organisation's promotion and distribution channels.
- It is internally homogeneous (potential customers in the same segment prefer the same product qualities).
- It is externally heterogeneous (potential customers from different segments have different quality preferences).
- It responds similarly to a market stimulus.
- It can be cost-effectively reached by market intervention.
- It is useful in deciding the marketing mix.

It is very important that the potential segment has the right size and growth characteristics so that the future value of picking

the potential segment is good. It is very important to access both the short and long term value of the segments being considered.

Furthermore, when accessing the attractiveness of a potential segment it is necessary to look at market threats as well, and not just at the isolated attractiveness of the given segment. One threat could be that intense segment rivalry, meaning a segment is unattractive if it already contains many strong or aggressive competitors targeting it. Also, a segment is unattractive if it is likely to attract new competitors who will bring in new capacity or substantial resources. This can be difficult to predict but sometimes it is possible to calculate this kind of risk. It is not just about competitor risk it is also about accessing the extent of buyers and suppliers' bargaining power. For example, a segment is unattractive if the buyers possess strong bargaining powers, if they are somehow organised, if the given product represents a significant fraction of the buyer's cost, if the product is very undifferentiated, or finally, if buyers in the segment are highly price sensitive. A segment is also unattractive if the company's supplier of, for example, raw materials or equipment necessary to serve the segment is able to raise prices or reduce quality or quantity without much of a risk.

## Ad. 3) Targeting of the segment

When targeting a segment it is all about analysing it, understanding the drivers and barriers, and based on that, choosing which segments to target and then responding with the appropriate marketing strategies and marketing mix (product, price, promotion and place). Revenues are very much in focus in this part of the process and also when targeting the segments identified by the company as their final prioritisation from all of the

segments – very often based on a financial calculations.

Improved segmentation and targeting can lead to significantly improved marketing effectiveness with more value for money, better advertising results and more satisfied customers.

**The collection of consumer insights and segmentation can be difficult to conduct, which represents a risk for many companies operating in China.**

## Digitalisation: a big advantage for target marketing

Digital media allows marketers to collect data on an individual level and, furthermore, in real time. Who is interacting with our company, how are they doing it, how often, at what time of day, what are they mainly searching for and how long do we interact before they place an order and so forth? This is very unique data to do segmentation upon and to use as useful consumer insights. Using real time data means that companies can act faster than in the offline world. This, however, requires some kind of web analysis skills and tools. More and more customers expect companies to respond immediately.

Most online media is also so-called 'addressable media', which means that the company can specifically address and identify who is using the media. This will aid marketers in creating and refining targeted audience definitions.

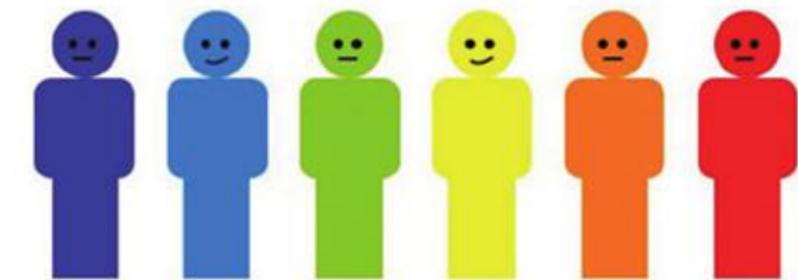
With digitalisation arose a new term called re-targeting. This

is the practice of using targeted display ads and personalised email to re-engage visitors who left the company's web site without converting into buyers. Re-targeting has emerged as an indispensable tool in the smart marketer's online kit. Re-targeting is proving to be a high-performance and cost-effective solution that is generating impressive results in click-through rates, conversions and sales.

## Target marketing in China

As the interview with Carol Potter from BBDO in the August edition of *Business Tianjin* showed, doing good advertisement is all about consumer insights – everywhere in the world and also in China. The collection of consumer insights, at a sophisticated level, is still a big challenge in China and so segmentation can be difficult to conduct at a refined level, which will represent a risk for many companies operating in China. The better segmentation you have, the higher the likelihood of financial success is – if you are operating in a small scale market. However, more and more local and international companies are trying to separate the massive Chinese market into segments. International companies such as McKinsey and Accenture are making great efforts to provide good segmentation on various topics and approaches in China. But no doubt about it, compared to more mature and simpler markets, not so much effort is given at the beginning with doing target marketing in China! A good idea is to start with simpler forms of segmentation, such as geographical or demographical - whereby more data is available, and then move into the more complex methods such as psychographic and behavioural segmentation. **E**

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# Startup in China

By DaD Asia

We have met hundreds of entrepreneurs in China and found the top five reasons that motivate them to start their own business - rather than working for other people.

The main reasons cited were:

**Freedom:** They enjoy the feeling of controlling rather than being controlled. Having their own business allows them to develop ideas and to choose smart people to work with.

**Financial return:** With the salary paid by employers, they can easily

afford a house and car, but they want something bigger than that. Achieving greater financial independence is the key to having personal freedom.

**Challenge:** There are some people who are born to be risk takers and an office routine bores them very quickly.

**Family Tradition:** Coming from an entrepreneurial family teaches them that to be an entrepreneur is an easy way to change their personal life. The spirit of aiming high in their family inspires them, especially during

periods of struggle.

**Improvement:** Some of them have sensed the inefficiency in current businesses. With their experience and smart minds they can change the situation easily.

To be or not to be, being an entrepreneur is the lifestyle everyone can choose. Being a successful entrepreneur requires motivation and also the necessary entrepreneurial skills. If you decided to startup you have to get to know what the exact situation is.

## How is their survival environment in China now?

In the early period of 2012, Tech 163 interviewed 103 representative teams all around China, whose companies or projects were in the start up stage. The report (Tech 163, "A Survival Guide for Entrepreneurs in China") can be viewed as the true situation of startups in China.

### Firstly: Policy

When a business enters into a certain market, they will encounter constraints from regulatory authorities. They are not allowed to

begin without the relevant licenses and permission, especially for websites, forums, games, books, videos and so on. Even if these areas only account for a small proportion of the business, you have to either apply for a license or to be recorded. It is an easy way for the government to regulate companies. However, there are still risks involved in some of the new policies being introduced, so entrepreneurs need to keep an eye on policy changes.

According to the survey, only 34.95% of companies received policy support

from the government in taxes, place support and funding support. How long will the procedures take if the legal requirements to complete a license are followed? 54.37% spent 3 months, 16.5% spent 3 to 6 months, 8.74% spent 6 to 12 months and the rest haven't completed the process.

### Secondly: Funding

Nearly 67% of entrepreneurs started their businesses with their own money, while 24.3% used the money from angel investors or VC. 74.8% needed to raise money recently while 25.2% did not. 25.2% have started to make money while 74.8% have not. Amongst all of the samples, 44.66% of entrepreneurs have not acquired any investment, 26.21% acquired angel round, 18.45% acquired series A, 7.7% acquired series B, and 2.91% acquired series C.

The report quoted Naval Ravikant, a Silicon Valley entrepreneur and Angel Investor. He said "The average valuations of young companies have dropped recently from 5 million to 3 million, from 8 million to 6 million earlier this year." Apparently, the valuation drops, and Chinese venture markets may be infected with this trend, which will have a bad influence on the startup's finance and lead to the low survival rates of these companies.

### Thirdly: Industry and Competition Environment

The question entrepreneurs will often be asked is how will they deal with the competition from BAT (Baidu, Alibaba and Tencent)? The answers are various, but most entrepreneurs are optimistic; the situation is quite stable. More than half of the interviewees admit that the big companies have not gone into the field they are in, or they do not need to worry about whether the big company will be involved in it. On the other hand, many startups can earn huge rewards due to the opening of big companies. About 30% of interviewees said their products are based on the open platform from those big companies such as Sina microblog, QQ Zone and so on.

Even though the Chinese market is bloody, 83% of companies still choose to target local users while 17% are focusing on mobile Apps trying to get access to foreign markets. About 40% of companies have faced malicious competition from competitors; both in Chinese and foreign markets.

#### Fourthly: Operation

Internet companies usually get income through 5 streams: 1) sales product or service directly, 27.2%; 2) advertisement, 20.4%; 3) commission, 19.4%; 4) additional service, 20.4%; 5) others 12.6%. The biggest problems they have to face are lack of talent and in 78% of companies, labour costs. Fund raising is the second biggest problem.

More than half of the interviewees admitted that their product has referred to the existing model in China or abroad, 23.3% are facing the problems of piracy.

In conclusion, startups face pressures from all areas, and undoubtedly they will meet even fiercer competitors later on. But there are still some people who want to change the world and they want to do something different.

#### Key elements of starting up in China

Making things in an impulsive

manner and having the drive of intuition are useful attributes to push oneself out of his or her comfort zone. They are a necessary condition for what is later needed in order to start up in China - a brain.

**Chinese people tend not to disappoint the people in front of them so you may believe they are buying in to your proposal.**

There are several aspects that an entrepreneur coming to China should take into consideration:

#### 1. Getting to know your product perfectly.

Perfectly understanding the product or service so you are able to make a perfect sales pitch at any moment. What's more, you should be capable of communicating it to others. Making conversations around the table about a product is not a good idea, and a typical situation is receiving a phone call the day after a dinner with your Chinese counterparts.

#### 2. Make sure you know what your

#### product/service contributes to the Chinese market.

This means you should conduct a deep study of the Chinese market and find out the core competitive advantages. Foreigners are often so convinced that they have a killer product or service that they just try to sell it at any cost and they do not listen to what the Chinese have to tell them. Chinese people tend not to disappoint the people in front of them so you may believe they are buying in to your proposal.

#### 3. Doing it sooner than later

As a secondary market, China is tempting for many foreign entrepreneurs. If you are ever going to face a Chinese company in our niche market, it's better to start it earlier. Ideally, it is better to come to China when the products and processes are mature enough to scale up in a very robust way. That means normally that China should not be your secondary market.

#### 4. Using key resources to implement a solid strategy.

In order to move forward in the Chinese market you have to invest and make it into what you want it to be. If you make that effort and come to China it is worth preparing well, having a good agenda and carrying out proper follow up effort.

#### 5. Grow a personal appreciation for China.

When serving your customers it is much more difficult to do so if you cannot feel some kind of appreciation for them (and the things they love, including their country). Therefore, if someone hates many things about China it will be difficult to successfully do business here.

Have you decided to start up in China? It will definitely be a wonderful and worthwhile venture. Hope you have a nice journey! **B**



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Our Satisfied Customers:



# How to Communicate with Your CEO?

By Robert Parkinson, CEO & Founder, RMG Selection

Last weekend, when having dinner with an HR manager of a well-known IT company in China, I asked him what he thought of his position in the company. Since we are old friends, he was quite frank and gave me an example. He said, "As you know, 'dinner culture' is very popular in China, especially in our industry. I'm often invited for lunches, suppers and cross-sectoral gatherings. Sometimes I'm a little late, but they will all wait for me, including the leaders of other departments. I usually talk a lot during the dinner no matter what the topic is. It is not that I want to talk that much, but that others will lead me into the conversation. Last Monday, I attended an enterprise development conference for senior managers on behalf of the director of our department. Throughout the conference, I barely got the opportunity to speak. Even when I tried to say something, the seniors just looked the other way. When the discussion was finished, they told us what our department should do in areas, such as recruitment and assessment. That was the end of the conference, and that was our 'position.'"

This is, in my opinion about the most interesting part of the HR department of Chinese enterprises. On the one hand, the HR department is highly respected in China and regarded as a department that cannot be offended. This has a lot to do with the fact that, as a department in charge of staff, the HR department is an important source of a great deal of the company's internal and confidential information. Besides, it gets to know something about salary, welfare,



personnel appointment and removal in advance. Thus, everybody is more or less afraid of the HR department. For instance, recently, in a world-renown pharmaceutical company, the HR manager of a branch company in China was forced to resign for using confidential information to seek personal interest.

On the other hand, since the HR department is not a production department and doesn't create profit directly, it seems to be treated as a subsidiary to the product from every angle. According to a recent telephone survey conducted by RMG Selection, 70% of the respondents did not consider the HR department as a strategic department. As many

as 40% to 50% thought that the HR department was similar to an administration department in small and medium-sized companies. It seems that the HR department doesn't get involved in the strategic management of the company, reducing its importance.

Nevertheless, in my experience of co-working with successful Western enterprises, great importance is attached to the HR department owing to its contribution to areas related to business, rather than its role as 'personnel manager'. In England, most HRDs and vice-presidents in charge of human resources act as the business consultants of the company rather than directors within the HR department. In such companies, the HR department is established as a centre for sharing and consulting, providing comprehensive services—from recruitment to personnel training, from external market brand to internal cultural exchange, from personnel to business. In my opinion, this is a comparatively ideal development model for the HR department.

Now that we have a clear idea of the position of the HR department, it is easier to understand HRDs' position on the company's strategic conferences. Based on the current situation of China, the starting point is to understand that the HR department is an interdependent department in terms of strategic function. Here, 'interdependent' refers to an independent and interdependent relationship. For most of the time, the HR department treats itself as an independent entity, but consciously or unconsciously, it also engages in the 'relationship', so hardly manages to act independently. Therefore, in high-level meetings, it is crucially important to take a firm attitude of 'not being afraid of being independent'. As plenty of information about the company is in the hands of HRDs, the HR department is able to make a more comprehensive and in-depth analysis of problems than other departments.



In order to make use of the independent position of HRDs, three main principles should be followed:

1. Do not abuse power. The HR department is responsible for welfare, salary, personnel appointment to and removal from the company, but the staff of the department ought not to misuse this information. The HR department is the provider of service not the controller of the company.
2. Do only what is right for the company. This is far easier to say than do. It requires a comprehensive and repeated consideration for every problem, from the perspective of every department, in order to prevent any measures that may do harm to any sector of the company.

3. Set the bottom line. Confidential and unreliable messages and information which may have a negative effect, cannot be revealed under any circumstance.

HR can and should have a central role in the business, though the HR department does not create products and carry out sales. Fundamentally, the HR department should not consider itself a supporting or managing sector, but a business-oriented one. It is well known that human resources contains six major components—HR planning, personnel recruitment and allocation, training and development, performance management, salary management and labor management; all of which can be business-oriented. According to this concept, the

primary change for HR is to speak with numbers. Consider the following case: in the sales-focused strategy meeting of an IT company, the sales director made a proposal aiming to achieve 20 million in sales of new software with 20 sales staff. The HRD proposed a training program, and explained its effect, "Every employee will be trained for 20 hours per year, and CNY 500,000 is needed, which will increase the sales to CNY 24-27 million as a whole." The sales director and CEO loved this clear proposal. This is the power of numbers. As an interdependent department, one of the greatest contributions of HR is to act as the bridge between people and numbers during the discussion and decision making process.

Acting as a bridge means that the HR department can communicate with and understand the two sides. Usually, HRDs are just HR specialists and know little about other departments. For example, how other departments operate or how they manage to achieve their goals. HRDs should understand the relationship between staff and business and investigate the key

data points within the relationship. Besides, they should learn more about their own professions and the business of each department, so as to understand their current and future needs. Then combining the needs and the people, HRDs need to reallocate the people into every component of human resources. As for the specific methods, they should get familiar with all kinds of tables used within other departments, mark out the projects which the HR department may have an impact on, and then determine solutions for the relevant projects within the HR department. In addition, they should make full use of current HR tools.

HR departments within companies use a variety of different tools, including those used by other departments, for example those for analysing sales can be used by the HR department. It is also important to collect market information. Most of the time, when HR propose a solution, such as a training plan, it is really hard to imitate or predict the effects. Under such circumstance, the experience of other companies which provide similar plans should

be used as reference. It's hardest to predict people, so experience is an important factor for HR numbers. The earlier you start to accumulate experience, the more exact results you will get.

In the IT example earlier, it is clear that what HRDs are talking about is related to human resource, but to some extent it is not human resources in the traditional sense. For the sales department, numbers are what they are most concerned about and it is useful to present information within the language that they are familiar with. In this sense, HRDs should learn to TALK IN THEIR LANGUAGE. Specifically, communicate with different departments in the language they are familiar with. This is suitable for the multispectral high-end conferences, because other departments usually work independently, focusing on their own targets and are not concerned about human recourse. Nevertheless, as the mainstay of internal communication, the HR department is supposed to cooperate with other departments. How should you make yourself understood by others? The best way is to

understand others in the first place. It is like if the British want to cooperate with the Chinese, the best way is not to teach the Chinese English, but to learn Chinese themselves. Another example. A pharmaceutical company planned to set up a new factory in Dalian. Although the production department and the construction department were mainly responsible for that, so was the HR department. When making proposals, the HRD of the company provided them with numbers: "if the highest salary level in the market is set at 100% and ours is at 60%, the employee turnover is expected to be 30%; but if the highest salary level is set at 80%, the employee turnover may decrease by 10%." That is to say, when the labor cost increases by 30%, the employee turnover will decrease by over 60%. With the use of numbers and professional language, HRDs can pave the way to carry out various projects more smoothly and effectively.

What are CEOs thinking about? What do they want to hear? In general, CEOs pay close attention to the reports of two people, one is the head of the sales department and the other is the head of the finance department.

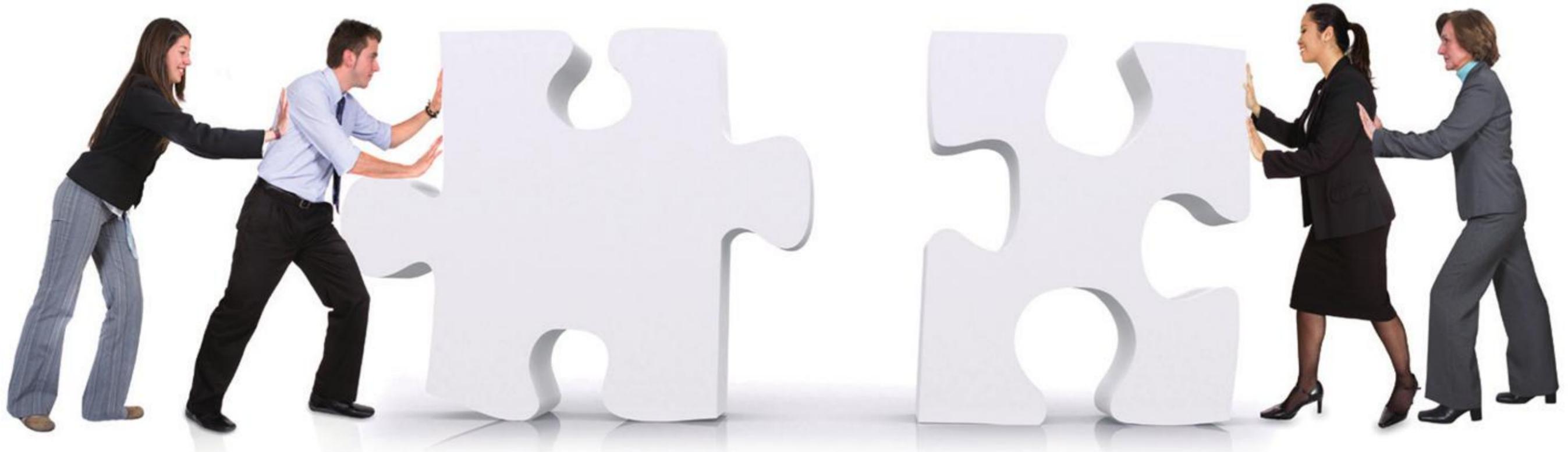
### The HR department should not consider itself a supporting or managing sector, but a business-oriented one.

The former usually tells CEOs what tasks he or she has accomplished so far and what else he or she is striving to achieve. The latter tells the CEOs what the company can do in the future, how the company develops and how much money is needed. All these reports are presented with numbers. As mentioned before, the biggest problem of HROs is that they cannot provide CEOs with quantitative data, so CEOs are not interested in them. Additionally, most CEOs do not come from the HR department, and they don't know what HR is doing every day. This is an interesting paradox: people cannot know what they don't know—how can I know that I don't know that there are elephants? In this sense, HRDs should first tell CEOs what they

don't know; namely, the relationships between HR management and sales, and between HR management and the future development of the company. They should concentrate on the ongoing or future projects of other departments, point out the possible changes and problems of HR management and provide predictable reference information and data. Most importantly, provide the solutions from the perspective of HR.

There is no doubt that the Chinese market will be open in a wider range. Accordingly, every enterprise is facing more and more competition in talent, price, cost, quality, speed and many other aspects. Standing in a unique position where the whole picture of the company is available, HRDs, by acting as consultants for the overall business, are bound to play a unique role in enhancing the leadership and marketing power of the company. **B**

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# Mobile Payments and NFC

By Justin Toy



Over the course of history, money has evolved several times. Early civilisations exchanged commodities and bartered for goods. Later, paper money and coins were introduced by governments as it was inconvenient and dangerous to carry around large, heavy pieces of gold to purchase things. With the introduction of debit and credit cards, we have been able to rely less on cash. Now, we can use our bank cards to buy things online, at the grocery stores, even at McDonald's. Today we could be on the verge of another major monetary evolution - mobile phones.

Firstly, let's take the time to define what mobile payments are. The term 'Mobile payments' refers to mobile money, mobile banking, mobile money transfers and mobile wallets. In other words, we are talking about using a mobile device to perform payments and financial services. This technology is not new, it has

been around since 1997 when in Helsinki, Finland, a number of Coca-Cola vending machines were set-up to enable users to send an SMS payment to it. The machine instantly processed the payment and vended your beverage. In that same year, a banking institution in Finland, named Merita, used mobile phones to launch a new banking service, which became known as mobile banking. Fast-forward to today and most of us can not use our smart phones or any cell phone with a web browser to login to our bank accounts. From there you can pay bills, transfer money to another bank account - even buy stocks and mutual funds. However, our ability to use mobile devices to purchase things in brick and mortar stores is a long way from being fully developed.

According to Juniper Research, global mobile payment transactions have totalled around USD 240 billion annually. This number is

predicted to grow two to three times over the next five years. Right now, there are a number of major players in this market who are fighting for a dominant market share and trying to get their platforms widely adopted.

## Google Wallet

The search giant launched its Google Wallet service on 19 September of last year. Their mobile payment system allows users to store their credit card information, loyalty cards, gift cards, as well as other things and to redeem promotional and loyalty points. Google Wallet uses NFC technology (Near Field Communication) to make fast and easy payments by simply tapping your mobile device on a PayPass-enabled checkout area. For additional security, once the device has tapped the checkout, you are required to enter a PIN code in order to activate the antenna of the NFC chip. At present there are only a handful of phones on the US service provider Sprint which support this service - including the Galaxy Nexus, Galaxy S III, Nexus 7, LG Viper 4G LTE, and the LG Optimus Elite. Google has stated that their system is quite open and will support non-android phones such as RIM, Apple, and Microsoft. Google doesn't charge merchants for access to Wallet. Their plan is to make money through sponsored ads to their users. At present, Google Wallet works with MasterCard PayPass and Visa Pay Wave locations.

## ISIS

ISIS is a joint venture between AT&T, T-Mobile, and Verizon Wireless - three of the four major US mobile service providers, and will work on any of their phones that have NFC chips. The project was first announced on November 16, 2010. Like Google Wallet, ISIS uses NFC technology to store various types of card information and to make

**Mobile payment transactions have totalled around USD 240 billion annually. This number is predicted to grow two to three times over the next five years.**

quick payments. Right now, ISIS is beginning to test its service in two pilot cities; Salt Lake City, Utah and Austin, Texas. Currently ISIS works with Visa, MasterCard, Discover and American-Express.

## Apple Passbook

During Apple's annual WWDC conference on 11 June, they announced their entrance into the mobile wallet market. However, Apple isn't jumping into the deep end yet. Their Passbook application, which will be available in the new iOS 6 update, will allow any retailer or third party developer to use Passbook in order to store coupons, movie tickets, airline boarding passes, loyalty and gift cards, etc in one place on the iPhone. It will also utilise time and location services so that relevant passes and cards will pop-up on the iPhone's home screen (i.e. you walk by a Starbucks and your unused gift card will alert you). When you are ready to use one of your passes or cards on Passbook, the application will produce a bar-code which can be scanned with current POS (point of sale) scanning systems. Perhaps in the future Apple will fully enter the mobile payments market. If Apple does want to do so, then it would make sense for them to use NFC technology, as opposed to creating a new technology and also having to worry about getting this technology in to the hands of retailers.

## Square

Square was introduced in early 2010 and is an application and plug-in device for Apple products and Android mobile devices. The name 'Square' originates from the square shape of the plug-in device that allows you to securely swipe credit cards. It has become a major success, especially with small businesses, as it allows retailers to use cell phones and iPads as portable registers. Their success has spawned a number of copycats, but Square is still leading the pack in this area. Recently, they released a new mobile application called Pay with Square. This new program allows users to securely store their credit card details on their phone. When the customer goes into a store that uses Square's technology, they don't even need to take their phone out of their pocket. The register detects the customer's phone and the owner's account information populates the register screen. The clerk can confirm the person's identity by looking at the picture before processing the payment. Starbucks has just signed a deal with Square and will begin to use Square to process payments in nearly 7000 US locations. This could help to make Pay with Square an international success.

NFC is a hot technology right now and is picking up steam around the globe. Google predicts that by 2014, 50% of all smart phones in the world will use NFC technology. Some analysts are predicting that by 2015, the value of all mobile money transactions will balloon up to USD 670 billion. At the same time, as NFC becomes more and more integrated into our lives, we will be able to use it for more than just making payments.

As mentioned previously, NFC can also be used for reward and loyalty programs (no more thumbing



through a stack of business cards) and it could be used as a boarding pass for planes, trains and other forms of transportation. Furthermore, NFC could be used for downloading data from NFC enabled tags or 'smart posters'. For example, you could be walking around a museum and want more information about the display you are looking at. So you tap your phone on a nearby NFC sticker which allows you to download information, audio, and images of this museum display.

Another application of NFC is to interact with your smart home. You could potentially use your cell phone to open your front door and to control and lock the thermostat so that the kids don't keep changing the temperature! Finally, NFC could have a major impact on mobile gaming. The uber popular Angry Birds franchise has already released a new game called Angry Birds Magic, exclusively for Nokia phones. The game allows its users to tap certain NFC enabled products (such as an

Angry Birds plush toy) or two NFC enabled phones together in order to unlock new levels, characters, and other content. NFC could have a huge impact on our lives in the near future. But ultimately, the success of this technology hinges on whether or not people will adapt it to make mobile payments. **E**

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**IMC**

[www.intermediachina.com](http://www.intermediachina.com)

# Chamber Report



European Chamber  
中国欧盟商会

## Upcoming events:

### 31 Aug & 1 Sep, 2012

2 days' Training program on Process Management and Process Optimization  
- Application and Methodologies for Process Orientated Management Systems  
Venue: Holiday Inn Tianjin Riverside

### 12 Sep, 2012

China-EU Sustainable Urbanisation Conference  
Venue: WuQing, Tianjin

### 15 Sep, 2012

Concession Tour of Tianjin

### 18 Sep, 2012

InterChamber Networking  
QingWangFu

### 20 Sep, 2012

Workshop: China VAT Reform  
Venue: Tianjin Renaissance Lakeview Hotel

### 22 Sep, 2012

Oktoberfest  
Drei Kronen 1308 Bierhaus

### 12 Oct, 2012

2012 European Business Gala Dinner - A Night of Stars  
Venue: ST. Regis Tianjin Hotel

## Vacant Positions Available!

The Turku Office of European Chamber Tianjin Chapter is looking for "Person in Charge" and an "assistant":

### Main services of the office:

- Quick check / market research of a company's line of business, a list of Tianjin companies of the field
- Organizing visiting program, arranging meetings, interpreters and transportation
- Accompanying the company representatives to meetings if necessary
- Analysis of the visit, go/no-go decisions (in Turku)
- Assistance in drafting a business plan (with Finpro or another consultant)

### Application information:

Please visit our website [www.eurochamber.com.cn](http://www.eurochamber.com.cn) to get the job description and qualification requirement for these two positions.  
And send your CV (in English), motivation letter together with your photo to [tianjin@eurochamber.com.cn](mailto:tianjin@eurochamber.com.cn).  
Include details of your availability and expected salary by 15 September, 2012.



Room15A17, Suite 17, Magnetic Plaza, BinShui Xi Dao, Nankai District, Tianjin 300381.  
Tel: +86 22 2374 1122 Fax: +86 22 2374 1122 Email: [tianjin@euccc.com.cn](mailto:tianjin@euccc.com.cn) Website: [www.eurochamber.com.cn](http://www.eurochamber.com.cn)

## Past event:

### Supersized cities: China's 13 megalopolises

On July 25th BenCham Beijing, along with the EUCCC organized a seminar 'Chinese Megacities: China's 13 Megalopolises'. The presentation was held by Qian Liu, Senior Econometrician at Economist Intelligence Unit (The Economist Group). Dr. Liu shared her expertise on the forecasted development of Chinese cities and the impact it will have on the appearance of a new consumer class. She also enlightened the audience about the impact these changes will have on several core sectors, including healthcare and education.



## Future events:

### BenCham Heineken Regatta

31 August 2012 - 02 September 2012  
Venue: Beijing Sailing Centre - Qinhuangdao

### China Market Access

- A Maze You Can Conquer

04 September 2012 8:00 AM - 10:00 AM  
Venue: Hilton Beijing

### Van Thiel & Co BenCham

Welcome Back BBQ

22 September 2012 4:30 PM - 9:00 PM  
Venue: Van Thiel & Co Showroom

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



European Chamber  
中国欧盟商会

# 2012 EUROPEAN BUSINESS GALA DINNER A NIGHT OF STARS

18:30-22:30 onwards, Friday, 12 Oct., 2012

Venue: ST. Regis Tianjin Hotel



Every October since 2006, members of the European business community will have converged at the European Chamber Gala Ball in Tianjin to enjoy an abundance of typical European food, beverages and performances. Drawing in many of the Fortune 500 CEOs and senior Chinese government officials, this event has grown into one of the paramount gatherings on the Tianjin social scene.

2012 European Business Gala Dinner – A Night of Stars is coming soon, we welcome you to dress up for this special occasion and join us in celebrating the annual success of the European Chamber and enjoying a quality networking opportunity with our members and invited guests!



**Rmb450 for individual ticket, Rmb4000 for whole table (10 tickets)**

Special offer for Member: Rmb400 for individual ticket, Rmb3500 for whole table (10 tickets).

Seats will run out fast, so please call 022-23741122 or email [tianjin@eurochamber.com.cn](mailto:tianjin@eurochamber.com.cn) to book your tickets now!

## Major Sponsors



## Media Sponsor



# Chamber Report

## Past event:

### Singapore's 47th National Day Celebration

On the 10 Aug 2012 (Friday), the Singapore Chamber of Commerce (Tianjin Chapter) organised its first Singapore's National Day Dinner to commemorate our Nation's 47th birthday, which fell on 9 Aug 2012.

Close to 140 guests gathered at the Tianjin Airport Crowne Plaza Hotel where everyone enjoyed the good spread of food, quaffed down Singapore's well-known Tiger Beer as well as understanding more of Singapore's multi-cultural and multi-racial society. The joyous occasion also provided a perfect platform for social networking, as new acquaintances were made whilst existing friendships were strengthened.

To make the celebration memorable, there were 49 lucky draw winners who took home prizes from generous sponsors, including the international hotels, fine wines and a pair of return-trip tickets between Tianjin and Singapore, courtesy of Scoot. The Organising Committee would like to thank all the sponsors and guests for having been part of the inaugural Dinner and we look forward to their ongoing support for upcoming events to be organized by the Chamber.



Address: Unit 2003, Level 20, The Exchange Tower 2, No. 189 Nanjing Road, Heping District, Tianjin 300051 China  
Tel: +86 22 8319 5055 Fax: +86 22 8319 5056  
Email: [tianjin@singcham.com.cn](mailto:tianjin@singcham.com.cn) Website: [www.singcham.com.cn](http://www.singcham.com.cn)

## Past event:

### Monthly Tianjin Women's Professional Committee Executive Lunch Thursday, 2 August, Qing Wang Fu

The Tianjin Women's Professional Committee (WPC) held its fourth networking event on Thursday, 2 August at Qing Wang Fu.

The event kicked off with refreshments and a meet-and-greet of nearly twenty female professionals from a variety of industries. Qing Wang Fu's General Manager, Nicola Green, gave a warm welcome to all of the attendees which was followed by an presentation introducing Tianjin City by Lai Mengchen, Marketing Director of Newclub Life Tianjin. Her presentation covered the most interesting tourist sites, shopping places, hospitals and clinics, schools in Tianjin.

Everybody enjoyed the fantastic western business lunch at Qing Wang Fu and learnt more about Tianjin!

## AmCham China T I A N J I N 中国美国商会·天津



## Upcoming Events:

**14 September: Company Tour to Seagull Watch, Caterpillar, Kingway Beer and BBQ Dinner at Crowne Plaza**

**18 September: Inter Chamber Networking Event at Qing Wang Fu**

**20 September: Monthly Executive Breakfast Briefing at the Westin Tianjin**

**27 September: Monthly Tianjin Women's Professional Committee Executive Lunch (Venue TBD)**

### Tianjin 2012 Fall Classic Golf Tournament

10:00 AM – 8:30 PM, Saturday, 13 October – Tianjin Warner International Golf Club  
Summer will soon be over and that means that AmCham China's Tianjin 2012 Fall Classic Golf Tournament is right around the corner. This year our host golf course will be the Tianjin Warner Golf Club at TEDA. It was the first international standard 18-hole Par 72 world-class championship course in Tianjin and was designed by the United States golfer and designer Ronald Fream. The golf course has wide, undulating fairways that are surrounded by beautiful manicured bunkers, glistening lakes and scenic landscaped areas.

In addition to an excellent day of golf, the event will also feature all-day free flow drinks, a buffet dinner, and lucky draw prizes. The rule will be two-person best ball. Awards will be given for the following: top three teams, longest drive, most accurate longest drive, nearest to pin, and best putter. Don't miss your chance to take home your trophy and bragging rights.



### Venue:

Tianjin Warner Golf Club No. 1 Nanhai Road, TEDA, Tianjin 天津华纳高尔夫俱乐部 天津市经济技术开发区南海路一号

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

## Upcoming events:

### German Chamber 3rd Oktoberfest in Tianjin

The German Chamber of Commerce Tianjin has the great pleasure of inviting you as our member, business partner and friend to celebrate our Oktoberfest on **Saturday, 22 September**.

Our 1st and 2nd Oktoberfest experienced astounding success. All guests immersed themselves in the unique German festival. Let's create another fantastic Oktoberfest this year, together with the band 'Alpenrock & Igor' which will bring us non-stop entertainment throughout the night, whilst enjoying mouth-watering authentic German delicacies and special beer. So party with us! We will ensure that you, together with your business partners and friends, have a night filled with laughter and unforgettable memories

### Preis:

- Member: 300 RMB (Kids<16: CNY100)
- Non-Member: 400 RMB (Kids<16: CNY200)
- Group > 9 P.
  - CNY300 /P.
  - Advertisement in Oktoberfest Booklet
  - Logo on Backdrop
  - Logo in media publication

### Venue:

Drei Kronen 1308 Brauhaus  
路德维格1308啤酒坊西餐厅  
Heping District, Jiefang Bei Lu, Jin Wan Plaza Building 5, Floor 1  
和平区解放北路津湾广场5号楼1层



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

## Past event:

### 21 Aug, 2012 Protecting Your Company's Intellectual Property in China, Landmark Tower 2, Beijing

Although general awareness about the importance of **Intellectual Property** protection is increasing, it may be difficult to determine which of your company's assets can be considered as Intellectual Property. If you have a brand name or logo, a database of contacts, technology, graphics, a website or a catalogue promoting your products, then this workshop helps you to determine the value of these assets. The workshop gave a thorough understanding of how you can protect your company's Intellectual Property and addressed recent changes in the **Chinese Intellectual Property law**.

- Discover China's Intellectual Property landscape and learn how to protect your company's IP
- Find out which of your company's assets can be considered as IP
- Get updated on recent developments in the Chinese IP law
- Receive practical and business-focused advice from a China IPR expert

### 30 Aug, 2012 All-Chamber Welcome Back Networking Night, Pine Garden, 6th floor, China World Summit Wing, Beijing - One of the city's biggest Interchamber Networking events

The China Italy Chamber of Commerce along with the 16 leading foreign Chambers in Beijing prepared for the early revival of the business community after the summer break, inviting guests to the All - Chamber Welcome Back Networking Night at Pine Garden in the World Summit Wing Hotel.

Last year, our annual All - Chamber networking attracted more than 700 guests and this year we received more participants. It was a fantastic opportunity to meet with business professionals from a wide range of industries and sectors. And it was a great opportunity to network, exchange contacts, meet Chamber staff and learn more about the Chambers' services and activities.

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



## Yi Boutique Luxury Hotel Tianjin Opened

**Y**i Boutique Luxury Hotel Tianjin was opened on 29 July. Situated in the famous Italian Style Town, Yi Boutique Luxury Hotel Tianjin was refurbished from the former residence of Yi Zhaoyun, which was built a century ago. Its unique position gives the hotel an exotic flavor.

Yi Boutique Luxury Hotel is a branch of Small Luxury Hotels (SLH) in Britain. It has eleven deluxe rooms that are equipped with HYPNOS mattress, FRETTE beddings, FERRAGMO bathroom supplies, DURAVIT bathroom equipment and LUTRON light control systems. These high-end products will make its customers feel noble and distinguished.

Yi Boutique Luxury Hotel Tianjin provides a variety of services. All dishes in VENETO are prepared by a three-star Michelin chef, who aims to offer his customers superb French cuisine. The quiet book bar is an ideal place to relax. Positioned on the roof and bathed in music, Cloud Gallery bar can create a good mood to business negotiations, a friendly get-together, or just a relaxing night out by yourself. The terrace bar in the evening presents a perfect view of the Italian Style Town, which's beauty is bound to linger in one's mind.

Yi Boutique Luxury Hotel Tianjin provides attentive butler service which is available 24 hours a day. In this hotel customers can truly enjoy themselves as if they were royalty!



## Tianjin Kerry Centre – Tianjin Arcadia Court Product Seminar & Showsuite Launch Ceremony

**T**ianjin Kerry Centre– Tianjin Arcadia Court Product Seminar & Showsuite Launch Ceremony was successfully held at The Astor Hotel Tianjin on 28 July, 2012. About 300 potential member buyers attended the ceremony. Mr. Lawrence H. Lam, the L&O Director of International Architectural Agency, and Mr. Brian Chan, the famous senior designer of HLA introduced an international master plan standard and distinctive layouts of the finely-decorated apartment, and released detailed and attentive property services provided by Tianjin Arcadia Court. Customers also took the opportunity to visit the showsuite. After the event, the sales and marketing manager said, “There are more customers visiting the showsuite than we had expected, and we hope to get more attention and support from our customers.”

Tianjin Arcadia Court provides a variety of unit options for the customers. The standard units consist of three types - one bedroom, 80 to 90 square meters; two bedrooms, 130 to 150 square meters; and three bedrooms, 180 to 190 square meters. The finely-decorated units are spacious and bright with two or three bedrooms, which satisfy the demands of different people. The upgraded part has been given careful consideration, including the operating platform in the kitchen, the position and height of plug base, the design of kitchen, and bathroom, all of which show their customer-oriented responsibility.

Tianjin Arcadia Court is located in centre of downtown, by the east bank of Haihe River. Sitting in the first row of CBD, Tianjin Arcadia Court possess a fantastic view of the river and the city. With the area composed of Tianjin Arcadia Court, Tianjin Kerry Mall (80,000 square metres), Shangri-La Hotel, Tianjin (90,000 square metres), the future-planned second-phase Grade-A office building and serviced apartments, the area also has social activities, and many entertainment, dining, leisure and shopping facilities. Residents in Tianjin Arcadia Court will be spoiled for choice as it has something for everybody!



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

**02** **SUN**  
星期日

**NHK Symphony Orchestra Concert**  
中日邦交正常化40周年纪念活动  
日本NHK交响乐团天津音乐会  
⌚ Concert Hall, Tianjin Grand Theatre  
天津大剧院音乐厅  
⌚ 19:30  
¥ 180-1680  
☎ +86 22 8388 2000 / 8388 2002 / 2332 0068

**10** **MON**  
星期一

**China International Chemical Industry Fair**  
国际化工展  
⌚ Binhai International Convention & Exhibition Centre  
滨海国际会展中心  
Sep 10-12

**04** **TUE**  
星期二

**China (Beijing) International Glass Art & Decoration Expo**  
国际玻璃艺术、装饰展览会  
⌚ China International Exhibition Center, 6 East Beisanhuan Road, Chaoyang District  
中国国际展览中心(朝阳区北三环东路6号)  
⌚ 09:30-17:30  
☎ +86-10-6863 9549  
Sep 4-6

**11** **TUE**  
星期二

**Summer Davos 2012**  
夏季达沃斯论坛  
⌚ Tianjin Meijiang Convention Centre  
梅江会展中心  
Sep 11-13

*Editor's pick*

**06** **THU**  
星期四

**The 3rd China - Tianjin Yachting Show & New Idea Life Show**  
第三届中国(天津)游艇暨名品展  
⌚ Tianjin Jinwan Plaza 津湾广场  
¥ 200  
☎ +86 22 5811 2915

*Editor's pick*

**12** **WED**  
星期三

**China Incentive Business Travel & Meeting Exhibition**  
国际商务及会奖旅游展览会  
⌚ China National Convention Center, No.7 Tianchen East Road, Chaoyang District, Beijing  
国家会议中心(朝阳区天辰东路7号)  
☎ +86-10-5933 9308  
🌐 [www.cibtm.com/en/Home/](http://www.cibtm.com/en/Home/)  
Sep 12-14

**06** **THU**  
星期四

**China International Resources Recycling Industry Exhibition**  
资源再生产业展览会  
⌚ Shanghai International Exhibition Center  
☎ +86-21-5155 0838  
Sep 6-7

**14** **FRI**  
星期五

**Ivor Bolton and Salzburg Mozarteum Orchestra Concert**  
艾沃博尔顿与萨尔茨堡国立莫扎特交响乐团音乐会  
⌚ Concert Hall of Tianjin Cultural Centre Grand Theatre  
天津大剧院音乐厅  
⌚ 19:30  
¥ 120 / 180 / 280 / 480 / 680



**07** **FRI**  
星期五

**Sh Contemporary 2012**  
上海艺术博览会国际当代艺术展  
⌚ Shanghai Exhibition Center  
No.1000 Yanan Road Mid, Jingan District  
静安区延安中路1000号上海会展中心  
⌚ 11:00-18:00  
☎ +86-21 3222 0381  
🌐 [www.shcontemporary.info/en/](http://www.shcontemporary.info/en/)  
Sep 7-9

*Editor's pick*

**Whisky Live Shanghai**  
威士忌时尚生活国际烈酒展  
⌚ Shanghai Le Royal Meridien  
上海世茂皇家艾美酒店  
☎ +86-136 -11601491  
🌐 [www.whiskylive.com/china/23/shanghai-2012](http://www.whiskylive.com/china/23/shanghai-2012)  
Sep 14-15



**Expat Show Shanghai**  
⌚ Shanghai Exhibition Center  
No.1000 Yanan Road Mid, Jingan District  
静安区延安中路1000号上海会展中心  
⌚ 10:00-17:00  
☎ +86-21-5196 1180  
Sep 14-16




**Special Days**  
7 September Bái Lù (White Dew)  
10 September Teacher's Day  
22 September Qiū Fēn (Autumnal Equinox)  
28 September Confucius' Birthday  
30 September Mid-Autumn Festival

**15** **SAT**  
星期六

**Drama The Vanishing Horizon**  
话剧《消失的地平线》  
⌚ Tianjin Cultural Centre Grand Theatre  
天津大剧院小剧场  
⌚ 19:30  
¥ 100 / 150  
Sep 15-16



**Lin Zhaohua's Drama Ivanov**  
林兆华戏剧作品《伊凡诺夫》  
⌚ Opera House of Tianjin Cultural Centre Grand Theatre  
天津大剧院歌剧厅  
⌚ 19:30  
¥ 120 / 220 / 380 / 580  
Sep 15-16



**24** **MON**  
星期一

**China Pharm**  
中国国际医药工业展览会暨技术交流会  
⌚ China National Convention Center, No.7 Tianchen East Road, Chaoyang District, Beijing  
国家会议中心(朝阳区天辰东路7号)  
⌚ 10:00-18:00  
🌐 [www.china-pharm.net](http://www.china-pharm.net)  
Sep 24-27



**18** **TUE**  
星期二

**China International Occupational Health & Safety Exhibition**  
国际安全生产及职业健康展览会  
⌚ China National Convention Center, No.7 Tianchen East Road, Chaoyang District, Beijing  
国家会议中心(朝阳区天辰东路7号)  
⌚ 09:00-16:30  
🌐 [www.sino-safework.org.cn](http://www.sino-safework.org.cn)  
Sep 18-20



**26** **WED**  
星期三

**International Exhibition on Electric Power Automation Equipment & Technology**  
中国国际电力展  
⌚ China International Exhibition Center, 6 East Beisanhuan Road, Chaoyang District  
中国国际展览中心(朝阳区北三环东路6号)  
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🌐 [www.epchinashow.com](http://www.epchinashow.com)  
Sep 26-28

*Editor's pick*



**20** **THU**  
星期四

**Tourism Industry Exhibition**  
旅游产业节  
⌚ Tianjin Meijiang Convention Centre  
梅江会展中心  
Sep 20-22

**Beijing Overseas Property & Investment Show**  
北京海外地产投资置业博览会  
⌚ China World Trade Center No.1 JianGuoMenWai Avenue  
+86-10-8248 3031  
Sep 20-23

**China International Press and Publication Equipment Exposition**  
中国国际新闻出版装备博览会  
⌚ Tianjin Meijiang Convention Centre  
梅江会展中心  
Sep 26-28

# 明天我要去南京开会

I will be going to Nanjing tomorrow for a meeting.



jīng jì cāng    shāng wù cāng    tóu dēng cāng  
经济舱    商务舱    头等舱  
economy class    business class    first class

sān xīng jī jiǔ diàn    wǔ xīng jī jiǔ diàn  
三星级酒店    五星级酒店  
three star hotel    five star hotel



shǒu tí xíng lí    tuō yùn xíng lí    jǐn jí chū kǒu  
手提行李    托运行李    紧急出口  
hand luggage    unaccompanied luggage    emergency exit

kōng jiě    chéng kè    jī shī  
空姐    乘客    机师  
Stewardess    passenger    pilot

dìng piào dìng jiǔ diàn  
订票/订酒店  
Book the Ticket and Hotel

- jīng lǐ, jīng jì cāng mài wán le, zhǐ yǒu shāng wù cāng le.  
经理, 经济舱卖完了, 只有商务舱了。
- méi wèn tí, jiù dìng shāng wù cāng ba. jǐ diǎn de fēi jī?  
没问题, 就订商务舱吧。几点的飞机?
- shàng wǔ jiǔ diǎn.  
上午九点。
- kě yǐ jiǔ diàn dìng hǎo le ma?  
可以。酒店订好了吗?
- dìng hǎo le, jīn líng fàn diàn kě yǐ ma?  
订好了, 金陵饭店, 可以吗?
- shì wǔ xīng jī jiǔ diàn hěn hǎo.  
是五星级酒店, 很好。
- wǒ gěi nǐ men dìng le xià xīng qī èr xià wǔ de gāo tiě piào.  
我给你们订了下个星期二下午的高铁票。
- zuò gāo tiě huí lái yào jǐ gè xiǎo shí?  
坐高铁回来要几个小时?
- sān gè xiǎo shí.  
三个小时。
- nà me kuài tài hǎo le!  
那么快? 太好了!

- Boss, the economy class is sold out. There is only business class.
- No problem, then just choose business class. When will the flight be?
- 9 o'clock in the morning.
- That's fine. Have you booked the hotel?
- Yes, Jin Ling Hotel, is it ok?
- Oh, it is a five star hotel, pretty good.
- I booked next Tuesday's return ticket by high speed rail.
- How long will it take to come back by high speed rail?
- Three hours.
- That is very fast, that's great.

dēng jī  
登机  
Boarding a plane

- nǐ hǎo, qǐng wèn nǐ yào qù nǎ lǐ?  
你好, 请问你要去哪里?
- wǒ yào qù rì běn dōng jīng.  
我要去日本东京。
- qǐng bǎ hù zhào gěi wǒ, nǐ yǒu xíng lí yào tuō yùn ma?  
请把护照给我, 你有行李要托运吗?
- yǒu yí gè xiǎo xiāng zi, kě yǐ dài shàng fēi jī ma?  
有一个小箱子, 可以带上飞机吗?
- bù xíng, zhè gè xiāng zi tài dà, yào tuō yùn.  
不行, 这个箱子太大, 要托运。
- hǎo ba.  
好吧。
- nǐ yào kào chuāng de wèi zi huán shì kào zǒu láng de wèi zi?  
你要靠窗的位子还是靠走廊的位子?
- kào chuāng de.  
靠窗的。
- hǎo de, zhè shì nǐ de dēng jī pái, dēng jī kǒu zài 25 hào mén, shí diǎn bàn dēng jī.  
好的, 这是你的登机牌。登机口在 25 号门, 十点半登机。
- xiè xiè.  
谢谢。

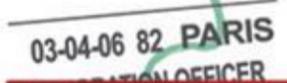
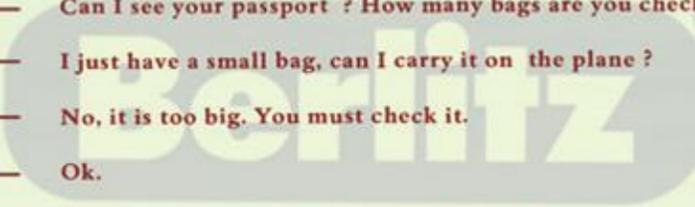


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- Hello, where will you go?
- I will go to Tokyo, Japan.
- Can I see your passport? How many bags are you checking in?
- I just have a small bag, can I carry it on the plane?
- No, it is too big. You must check it.
- Ok.
- Do you want an aisle seat or window seat?
- Window seat please.
- Here is your ticket. The gate number is 25. Boarding will begin at 10:30.
- Thank you.



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# Selected INTERNATIONAL FLIGHTS

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

## From Tianjin

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

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

## From Seoul

DEST	DEP	ARR	Flight No	Days
	11:10	09:25	KE001	1234567
Los Angeles	15:15	11:00	KE017	1234567
	20:00	15:20	KE011	1234567
	21:35	17:10	KE061	1.3.5..
Las Vegas	20:50	16:40	KE005	1.3.5..
San Francisco	17:05	11:50	KE023	1234567
Seattle	18:15	12:25	KE019	.234.67
Dallas	11:00	09:55	KE031	.234.67
Chicago	11:40	10:35	KE037	1234567
Atlanta	10:30	11:00	KE035	1234567
	18:00	18:50	KE033	.2.4.6.
Washington, D.C.	10:30	11:20	KE093	1234567
New York	10:20	11:20	KE081	1234567
	19:30	20:40	KE085	1234567
Honolulu	19:00	09:10	KE051	1234567
	21:00	10:40	KE053	1234567
Vancouver	18:50	12:50	KE071	1234567
Toronto	10:00	10:15	KE073	.23.567
Sao Paulo	21:35	10:45	KE061	1.3.5..

## To Tianjin

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

## To Seoul

ORIGIN	DEP	ARR	Flight No	Days
	11:30	19:25+1	KE002	1234567
Los Angeles	13:00	17:50+1	KE018	1234567
	23:30	03:50+2	KE012	1234567
	23:50	04:25+2	KE062	.2.4.6.
Las Vegas	23:00	04:15+2	KE006	1.3.5..
San Francisco	13:50	18:00+1	KE024	1234567
Seattle	14:15	17:35+1	KE020	.234.67
Dallas	12:10	16:30+1	KE032	.234.67
Chicago	12:45	16:15+1	KE038	1234567
Atlanta	00:30	04:05+1	KE034	..3.5.7
	13:10	16:55+1	KE036	1234567
Washington, D.C.	13:35	16:55+1	KE094	1234567
New York	00:50	04:00+1	KE086	1234567
	14:00	17:20+1	KE082	1234567
Honolulu	11:00	15:40+1	KE052	1234567
	13:00	17:30+1	KE054	1234567
Vancouver	14:35	17:50+1	KE072	123.56.
Toronto	12:15	15:00	KE074	.23.567
Sao Paulo	12:45	04:25+2	KE062	.2.4.6.



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

## Introducing our new flight schedule to Nairobi Kenya

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

ORIGIN	DESTINATION	FLIGHT	DEPARTURE	ARRIVAL	DAY
Incheon	Nairobi	KE959	21:55	05:30+1	2.4.6
Nairobi	Incheon	KE960	10:30	04:50+1	3.5.7



## Introducing our new flight schedule to Gatwick London

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

ORIGIN	DESTINATION	FLIGHT	DEPARTURE	ARRIVAL	DAY
Incheon	Gatwick	KE909	18:55	22:55	2.4.6
Gatwick	Incheon	KE910	10:30	05:25+1	3.5.7



## Changes to Korean Air Baggage Regulations

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

Changes to Korean Air baggage regulations are as follows:

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

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

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

## From Beijing

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



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

## To Beijing

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

## From Tianjin

DEST	DEP	ARR	Flight No	Days
Singapore	09:15	15:05	TZ089	1.45.7

## To Tianjin

ORIGIN	DEP	ARR	Flight No	Days
Singapore	01:30	07:30	TZ088	1.45.7

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

**Tianjin - Beijing Airport Terminals 2/3**  
04:00-18:00, runs every hour. Tian Huan Distance Bus Passenger Station The junction of Hongqi Lu and Anshan Xi Dao. Tel: +86 2305 0530

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

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

**TEDA - Beijing Airport Terminals 2/3**  
06:45, 08:45, 14:45, 17:15. 1st Avenue, TEDA. Tel: +86 22 6620 5188

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

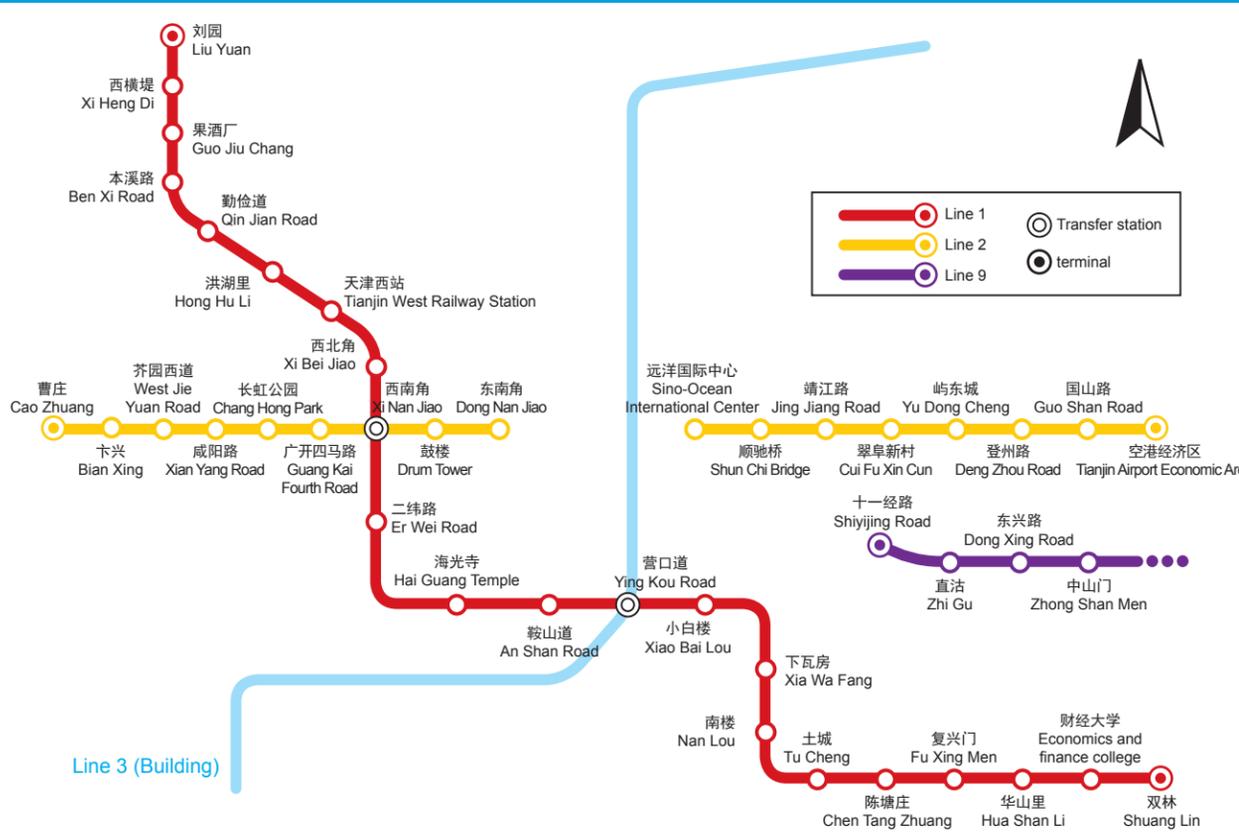
## BULLET (C) TRAIN

TJ ~ BJS (¥55 - ¥66)			BJS ~ TJ (¥55 - ¥66)		
Train	Tianjin	Beijing	Train	Beijing	Tianjin
C2002	06:25	06:55	C2001	06:35	07:05
C2094	22:45	23:15	C2093	23:00	23:30

TG ~ BJS (¥66 - ¥80)			BJS ~ TG (¥66 - ¥80)		
Train	Tanggu	Beijing	Train	Beijing	Tanggu
C2274	12:40	13:10	C2273	10:45	11:15
C2280	20:25	20:55	C2279	18:50	19:20

Wuqing ~ BJS (¥39 - ¥46)			BJS ~ Wuqing (¥39 - ¥46)		
Train	Wuqing	Beijing	Train	Beijing	Wuqing
C2202	06:53	07:18	C2201	06:45	07:07
C2232	20:43	21:08	C2231	21:15	21:37

## TIANJIN SUBWAY



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[info@chinabustravel.com](mailto:info@chinabustravel.com)

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号天津天诚丽笙世嘉酒店2层

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

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



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

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

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

**Tao Li Chinese Restaurant**  
A: 6F, Hotel Nikko Tianjin  
No. 189, Nanjing Lu, Heping District  
T: +86 22 8319 8888 ext. 3561  
桃李中餐厅  
和平区南京路189号  
天津日航酒店6层

**Yan Ting Chinese Restaurant**  
A: 2F, The St. Regis Tianjin, No. 158  
Zhang Zizhong Lu, Heping District  
T: +86 22 5830 9999  
宴庭中餐厅  
和平区张自忠路158号天津瑞吉金融街酒店2楼  
(津塔旁, 哈密道正对面)

Japanese

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

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

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

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

**SôU**  
A: 49F, 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)

Western



**Aulare**  
A: Magnetic Plaza, Building A4  
2-16, Binshui Xi Dao  
Nankai District  
T: +86 187 2229 0691  
E: tianjin@aulare.com  
艾伊莎贝西餐厅  
南开区滨水西道时代奥城A4座2-16号



**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



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

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

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

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

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

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



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



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

**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



DINING

Wine

**MILAN WINES 米兰酒业**  
We now have 9 stores in Tianjin including these popular locations:  
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天津市和平区小白楼街开封道津吧街  
Tel:022-23393500  
Hours:10:00-02:00  
**TEDA Wine Shop**  
No.8 Eastern Apartment, 2nd Avenue, TEDA  
天津市开发区第二大街二号东方名品底商8号  
Tel:022-65399899  
Hours:9:00-20:00  
**Bin Xi Wine Shop**  
No.187 Binshui West Rd., Nankai District, Tianjin  
天津市南开区滨水西道187号  
Tel:022-23372116  
Hours:10:00-22:00  
**Rong Ye Wine Shop**  
No.175 Rongye Avenue, Heping District, Tianjin  
天津市和平区荣业大街175乙  
Tel:022-27231269  
Hours:9:00-20:00  
All shops open 7 days  
**4006-199-159**  
www.mwines.com.cn

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

**O'Hara's**  
A: 1F, The Astor Hotel Tianjin  
No. 33, Tai'er Zhuang Lu  
Heping District  
T: +86 22 2331 1688 ext. 8919  
海维林  
和平区台儿庄路33号天津利顺德大饭店豪华精选酒店1层

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T: +86 22 5830 9958  
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F: +86 22 2318 5001  
E: tianjin@lehmanbrown.com  
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T: +86 10 8532 1720  
F: +86 10 85322746  
E: beijing@lehmanbrown.com  
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T: +86 21 6249 0055  
F: +86 21 6288 1636  
E: shanghai@lehmanbrown.com  
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**Wellington College International Tianjin**  
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Mobile: +86 187 2248 7836  
E: admissions@wellington-tianjin.cn  
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**hotel nikko tianjin 天津日航酒店**  
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 宝坻区周良庄珠江大道8号



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 和平区南京路219号



**Renaissance Tianjin Lakeview Hotel**  
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**T:** +86 22 5822 3388  
 万丽天津宾馆  
 河西区滨水道16号



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**T:** +86 22 2731 3388  
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 河西区紫金山路



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



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 A Luxury Collection Hotel  
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 Heping District  
**T:** +86 22 2331 1688  
 天津利顺德大饭店豪华精选酒店  
 和平区台儿庄路33号

**Apartment**

**Astor Apartment**  
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 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  
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 喜来登公寓  
 河西区紫金山路

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 Heping District  
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**Somerset Olympic Tower Tianjin**  
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 Heping District  
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 河西区友谊路35号

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**E:** info@qingwangfu.com  
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 和平区重庆道55号

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**A:** No.55 Chongqing Road,  
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**T:** +86 22 8713 5555  
**E:** info@qingwangfu.com  
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**W:** [cbre.com.cn](http://cbre.com.cn)  
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 和平区大沽北路2号天津环球金融中心津塔写字楼41层

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

**Hospitals**

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

**HEALTH**

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 Tanjiang Dao, Hexi District  
**T:** +86 22 5856 8500 (Reception)  
 24 Hour Emergency:  
 +86 22 5856 8555  
**W:** [ufh.com.cn](http://ufh.com.cn)  
 天津和睦家医院  
 河西区潭江道天满园22号

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 河西区小白楼滨江购物中心

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 海河假日室内游泳池  
 河北区海河东路凤凰商贸广场天津海河假日酒店4层

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**Brazilian**

**Salsa Churrasco**  
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**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**  
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**T:** +86 22 6621 8888 ext. 6750  
 万丽轩中餐厅  
 开发区第二大街29号天津万丽泰达酒店及会议中心2层

**Yue Chinese Restaurant**  
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**T:** +86 6528 8888 ext. 6220/6222  
 采悦轩中餐厅  
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 班妮意大利餐厅  
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 万丽西餐厅  
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**Feast All Day Dining Restaurant**  
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**T:** +86 6528 8888 ext. 6210  
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**T:** +86 22 6200 1920  
 天津泰达枫叶国际学校  
 开发区第三大街71号

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**T:** +86 22 6628 3388  
 开发区第一大街86号天津滨海假日酒店15层

**Hospitals**

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

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**Holiday Inn Binhai Hotel Fitness Centre**  
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**T:** +86 22 6628 3388 ext. 2960  
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Host: T.I.C.C. Tianjin International Community Center	Date: Friday 19th, October 6:30 Cocktails 7:30 Dinner	Where: The Westin Tianjin 101 Nanjing Lu Heping District
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# Castello Banfi

Wine Notes

Hello, I trust you have all enjoyed some great Zinfandel paired with the most amazing Chinese cuisine?

For the month of September, I would like to introduce you to one of my favorite Tuscan winemakers, namely Castello Banfi.

On the 3rd Friday of August we had the pleasure of tasting these delicate pieces of art, or as the Asia Manager for Castello Banfi, Mr. Paolo Fassina aptly describes it - 'magic potion', over a 6 course dinner in the Riviera Restaurant. It was a memorable soiree with great wines, great food and great company.

Castello Banfi was established in New York by an Italian-American family hailing from Connecticut and in honor of the matriarchs of the family. Its roots however are engraved in the slopes of Tuscany. It produces an enticing array of wines that include Le Rime, Col di Sasso, Cum Laude, Brunello di Montalcino & Rosa

Regale, to name but a few.

Le Rime is the utmost interpretation of a young, round and crisp white wine with the perfect blending of Pinot Grigio and Chardonnay with a straw-yellow color that makes it an easy to drink wine, as an aperitif or with light courses.

Col di Sasso is a Cabernet Sauvignon and Sangiovese blend with a ruby-red colour that is easy to drink with its balanced, spicy taste.

Cum Laude is a perfect blend of Cabernet Sauvignon, Merlot, Sangiovese and Shiraz, a true 'Super Tuscan' with a powerful body and soft tannins perfectly paired with the most incredible cut, be it Angus or Wagyu.

Brunello di Montalcino is a timeless wine with a long aging potential. Made 100% from Sangiovese, it is best paired with red meats and game due to its perfect notes of vanilla on the nose, liquorice on the palate and a deep ruby colour on the eyes.



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

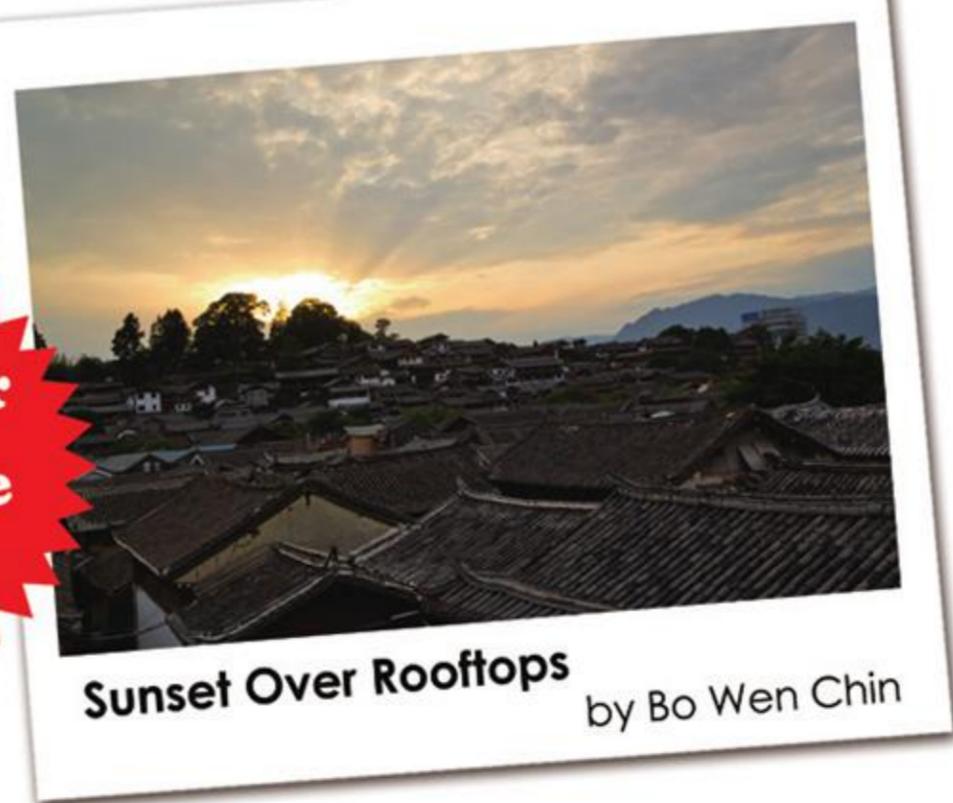
Rosa Regale came as a surprise to me, having heard the name but not the opportunity to taste it until our wine dinner; it was paired with an exquisite chocolate soufflé that was a match made in heaven. Made from Brachetto, a varietal with over 2000 years history that spans back to early Roman settlements, this red spumante with a story is a sweet symphony of tastes in anyone's palate with hints of berries and almonds and incredible light red or dark pink colour. A truly delectable experience in all senses.

I invite you to enjoy these and many other wines paired with exquisite French cuisine at Riviera, a leisurely Italian buffet at Promenade and over a family or business gathering in Yan Ting. For those looking to sit back and enjoy the view, River Lounge presents the perfect opportunity as the summer heat subsides in Tianjin's only river lounge.

I look forward then to welcoming you this month to experience the perfect pairing of our signature dishes and Castello Banfi wines.

Salud. **B**

Visit us online:  
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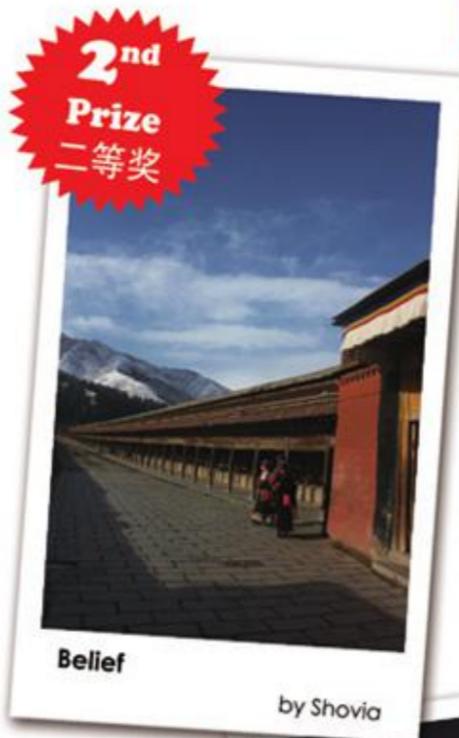


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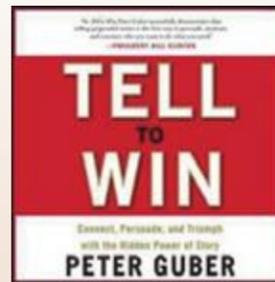


## Tell to Win – Peter Gruber

By Robert Watt

Peter Gruber convincingly describes how stories can be used to galvanise others to action, as well as how the internalised story of one's self unconsciously shapes one's own actions. He does this, fittingly, through a pageant of personal yarns peopled by super star 'heroes' from his background in the entertainment business. For those not impressed by his celebrity cast, he throws in enough narrative and names from academia to add an impression of scientific credibility.

What is convincing about this book is that you already know the main message, about the power of story telling, to be true. What you gain is a confidence in knowing it together with practical ways to use that knowledge effectively. Stories are powerful, and the central story of this book is empowering.



Language: English  
Paperback: 272 pages  
Price: \$15.29+shipping

## Innocent – John Simmons

By Robert Watt

This book, about the brand legend 'Innocent', was first published when the company was the fastest growing food and drinks business in the UK. Innocent was achieving incredible success with a seemingly unorthodox business view - the book was a best seller.

This new edition carries on where the last book finished with an additional section showing how much has changed seven years later. The new section starts with the crisis which the business found itself in. It defends the controversial decisions made to survive and explains how the changes fit with the company's famous ethos and principles. As it convinces, using sound business arguments, so the business sounds increasingly orthodox. The new section isn't very long, but it feels like another age, a more mature, more conventional age, but also less innocent.



Language: English  
Paperback: 192 pages  
Price: \$12.36+ shipping

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

## QUOTATIONS OF THE MONTH

The only limit to our realisation of tomorrow will be our doubts of today.

By Franklin Roosevelt

Progress is the activity of today and the assurance of tomorrow.

By Emerson

I succeeded because I willed it ; I never hesitated.

By Bonaparte Napoleon

A light heart lives long.

By William Shakespeare

# A Day in the Life

By C. Foser



How many Americans or Europeans, even in today's sour economy, would be willing to leave their family behind and stand on a crowded train for eighteen hours just for a job? How many would want to share a forty square-foot room with eleven other people and would be willing to work six to seven days a week, pulling ten to twelve-hour shifts? What if I told you this was all for a job that paid about USD 320 per month? Not very enticing, is it? Yet, these are the conditions that migrant workers in China face as they flock from the countryside and head for the coastal cities in search of a better life.

This year I started a job with a Japanese manufacturing company based in Beichen district in the north of Tianjin. I spend half of the year on the road, supervising the installation of industrial machinery which we've put in over one hundred factories spread out over 13 countries on five continents. I serve as a project manager and translator and am often sent abroad with several of our Chinese laborers. My Chinese is far from fluent, but it's good enough to liaise between the workers and the staff at the factories, and it's certainly good enough to listen in and chat during break and meal times. I've had a rare glimpse

into the lives of these men and may have learned more in a month on the road with them than I have in my previous three years in China.

If you've never visited Beichen district, I can't say that I blame you - it's a side of Tianjin best seen from a rear view mirror. That having been said, the area is fascinating for the speed of its development alone. Gravel, dust and huge chunks of earth are perpetually being excavated, tossed about, smashed, burned and flattened - I ride my bicycle to the factory daily and have watched an 8km stretch of road get completely repaved section by section - I've also watched the construction of Tianjin's Metro Line 3 from start to (nearly) finish.

The company I work for is one of hundreds in the area, but is small when compared to giants like LG and Dynasty. We employ a dozen workers - all male - most are in the age range of 20-30. Of those twelve, none are from Tianjin and only two have married and started families in the city. As for the others, I'm not sure of their lives outside of work, but I can't imagine there's much time for socialising, let alone dating.

The better part of their prime years is spent roomed



together with eleven other men - they wake-up, eat, work, shower and sleep together - every day, for years on end. The incredible thing is, in my eight months with the company and long stretches of time on the road with these men, I have never once seen the slightest bit of animosity between them. Never a quarrel or a cold shoulder - like they have all come to realise and accept the slow and steady slog of their day-to-day lives and have chosen to ignore the highs and lows that most others (including myself) obsess over.

Regarding their living quarters, they're far from spectacular but I wouldn't describe the conditions as bleak or inhuman. From the sounds of things, their flat isn't very different to a typical Chinese university dormitory.

They sleep on bunk-beds, the food they eat isn't scarce and doesn't appear to be bland, they have hot water for showers, heat in the winter and air-conditioning in the summer. But the isolation from their families and the apparent lack of female companionship is what strikes me the most. Although I admire their stoicism, it's clear that a few of these men will be part of an alarming statistic: 18-30 million Chinese men won't be able to find wives.

In spite of these hardships, when traveling abroad it's incredible to hear their criticisms of other countries as compared to China. The CCP has done a fine job of promoting Chinese exceptionalism and this idea has clearly been internalised by the citizens.

We stayed in Busan, South Korea for a month. Busan is famous in Korea for its gorgeous beaches (and women). Our factory was a stone's throw from the East China Sea, surrounded by gentle hills and lush farmland. I asked a lot of questions - especially to the workers that were on their first

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international trip - "Isn't the scenery nice and the air clean?", "How about Korean women, aren't they beautiful?", "What do you think of the food?" The responses were, "It's not bad" and "No - they wear too much make-up.", respectively. The criticisms of the food were too various to list here, but every meal was either, "Too salty", or "Not enough vegetables/meat/flavor/all of the above." Nearly every aspect of Korean life drew a disparaging remark and I heard similar comments during our trips to the US and South Africa. Just when I thought the fevered nationalistic pitch couldn't get any higher, the London Olympics started. A friendly rivalry developed as we compared the US/China medal counts every morning, but the unfavorable comparisons between the 2012 Olympics versus the '08 Beijing games were discussed often.

It's strange to me that they maintain such fierce reverence for a country that seems to have given them so little. The communist symbol of the hammer and sickle is something they can relate to all too well, as a lifetime of hard labour is probably the fate of each and every one of them. That's not to imply that they don't have a lot to be proud of - the history of the country is as rich as that of any other and China's rise following the 'Century of Humiliation' is nothing short of remarkable.

Perhaps they see themselves as nothing more than a small cog in the machine that is China's return to prominence, but it's possible they don't think in such vast terms. They, like people in the West, simply dream of providing their family with a better life than they had, just as their parents did for them. But, in contrast to those in the US and Europe, they may be willing to endure more hardship to do so. **B**

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