

# BUSINESS TIANJIN

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JAN

## LDi's Excellent Training Services

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Managing Director of LDi Training **18**

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## ▲ Personal and Corporate Coaching the LDi Way

LDi Training (Leadership Development international Training), which is the longest running and most established international training and coaching organisation in China, leads the way when it comes to helping individuals and companies to develop the 'soft skills' of doing business. [See P18](#)

## ◀ The Chinese Government's Economic Mission for 2013 and Beyond

With the new year comes a new leadership and a new economic era for the People's Republic of China. As President Xi Jinping adjusts to his new role, along with Premier Li Keqiang and the rest of the executive committee, china's economic outlook is looking increasingly bleak. [See P28](#)

## ◀ Developing the Human Capital of Chinese Women

One report about society and culture from UNESCO demonstrates that the whole area in Asia-Pacific has lost USD 12-17 billion because of companies' failure to properly utilise their female talent. How much of the loss is coming from your company? Or put better, how much do you stand to gain, financially and environmentally from better utilisation of the 'fairer sex'?! [See P48](#)

## ◀ Logistics Rentals Record Further Gains; Rate of Growth Slows as Occupiers Become More Cautious

The CBRE Asia Pacific Logistic Rental Index increased by 0.75% q-o-q in Q3 2012 compared to 1.8% q-o-q the previous quarter. Although the Index continued to record growth despite the generally softer industrial data across the region, it is clear that rent prices in many cities in Asia are now approaching their peak after enjoying the upward cycle for almost two years. [See P51](#)

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## Dear Readers,

China is planning a major economic reform and several industries could benefit in the following years, but we don't expect any relevant announcement until the new cabinet take to their positions.

The government will try to narrow China's income gap over the next decade. Chinese consumption levels will also go up and the CNY is likely to appreciate against the USD. Foreign businesses can benefit from these five mega-trends: real estate, natural resources, education, health care and tourism.

The exports growth remained weak during last month and the pace of inflation has moderated for a second month. Keeping a low rate of inflation will provide enough room for regulators to stimulate the economy through fiscal and monetary policy in 2013.

The cover story of our first issue of the year goes to LDi Training, which is the longest running and most established international training and coaching organisation in China. We had the pleasure of meeting Mr. Martin Klopper, a specialist in corporate and personal development, and as Chairman of LDi is an inspirational business leader for top managers across the city.

We also have the opportunity to bring you an exclusive dialogue with Peter Schiller. Peter is the CEO and Chief Strategist at Europacific Capital, one of the world's leading investment brokerages. As an economist and investor he has gained notoriety for his views and is regarded as one of the world's most respected thinkers. He shares his take on the problems faced by the global economy and the kinds of policies that may lead to a solution. His predictions and analysis are contested by many economists and policymakers, but as one of the very few economic analysts who correctly predicted the 2008 financial crisis, you would be well advised to read the reasons why he says that the worst may be yet to come.

In our management section we talk about Wechat, a communications platform which supplies text and voice messaging services and has become the most popular app in the mobile and tablets market.

Marketing trends in 2013 is also a key article to read this month. You still have time to change your plans and budget for this year, and adjust to the tendencies more effectively going forward. "Creating once, publishing everywhere" is the main objective of all marketers. Having more and more content to provide will be critical for most brands.

Our specialist contributor Garrigues addresses some of the legal framework for foreign debt administration in relation to Foreign Invested Enterprises, which will affect the financing strategies of the FIEs and is certainly worthy of more attention from their investors.

And on a lighter note, our Last Word takes a light-hearted and amusing, yet very insightful look into the ever touchy subject of dealing with our in-laws. You will find some good recommendations to survive your encounters with your partner's family.

You can find these articles and our previous editions visiting our web site [www.business Tianjin.com](http://www.business Tianjin.com)

I take the opportunity to wish you a Happy New Year and all the best for 2013!

Best regards,

J. Hernan

Managing Director | Business Tianjin Magazine

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## TIANJIN NEWS

### Tianjin named 16th most expensive Asian city for expats

*China Daily, 17 December*

Tianjin occupied the 16th position in a list of the most expensive Asian cities for expats and was 85th in the global ranking, according to a new survey by the consulting firm ECA International. 18 Chinese cities were cited in the top 50 in the Asian list, including Beijing, Shanghai, Hong Kong, Guangzhou, Shenzhen, Taipei, Shenyang, Qingdao, Dalian, Chongqing, Suzhou, Chengdu, Wuhan, Xiamen, Nanjing and Xi'an.

### The St. Regis Tianjin was named 2012 China's Best New Hotels

*Business Tianjin, 16 December*

On 16 November, The St. Regis Tianjin was named 2012 China's Best New Hotels at the Travel+ Leisure 2012 China Travel Awards. Mr. Paul Cunningham, the General Manager of The St. Regis Hotel accepted the award. As the top brand of the Starwood Group, The St. Regis Hotel is superbly located along the picturesque south bank of the Hai River, in the prestigious Heping district. An exquisite sanctuary of unsurpassed elegance and flawless

service, The St. Regis Tianjin is a most coveted address in the historic and cosmopolitan city. Guests are invited to experience uncompromising and bespoke service, the hallmark traits of the legendary St. Regis brand.

### Tianjin Binhai New Area to be built into national 5A scenic spot

*Binhai New Area, 16 December*

Tianjin's Binhai New Area will be built into a national comprehensive 5A seashore tourism scenic spot consisting of an aircraft carrier, beach, island, ancient town and fishing port by 2013. According to the plans, Binhai New Area will combine scenic spots including Binhai Aircraft Carrier Theme Park, Dongjiang Harbor, Beitang Ancient Town, Sanhe Island, and Tianjin Central Fishing Port and cover an area of about 20 square kilometres, dubbed the "One Park and Four Areas", in order to attract more tourists.

### Wellington College at Yale University

*Business Tianjin, 12 December*

Students at Wellington College will undoubtedly be aiming high in their university choices, none more so than the twelve students who represented the College in the World Scholar's Cup 'Tournament of Champions' at Yale University earlier in December. For three days the twelve students stayed at the world-famous university, the alma mater of Presidents George and George W. Bush. Indeed they lunched together, alongside the current undergraduates, in the Yale dining hall under the watchful gaze of George Bush Senior in his imposing portrait.

### Tianjin takes the lead in attracting high-tech investment from Europe

*China Daily, 11 December*

Over the past 14 years, the Tianjin Economic-Technological Development Area has consecutively topped the list of company destinations in China with the best investment environment and also figures among the top national development zones under the Ministry of Commerce. TEDA's FDI has been growing fast at double-digit rates. The area's FDI in 2012 is expected to reach USD 5 billion (3.81 billion Euros), up 15 percent year-on-year. This year, eight new investors from Europe have joined around 165 other European companies in the area.

### Free Trade Zone to create a platform to help enterprise development, with industrial output value breaking 100 billion

*Binhai New Area, 6 December*

Since 2012, the Tianjin Free Trade Zone has constantly improved the investment strategy and optimized regional investment environment, which has yielded good results. In the first three quarters of this year, the main indicators in the Free Trade Zone continued to grow steadily, having completed a GDP of CNY 78.07 billion, an increase of 22.2%. The industrial output value exceeded CNY one hundred billion, reaching CNY 100.37 billion, a year-on-year growth of 28.5%.

### Binhai high-tech Industrial Development Zone forms star company centre to facilitate growing enterprises to go public

*Binhai New Area, 6 December*

Binhai New Area has recently founded a "Star Company Centre". By virtue of the "Star Company Center", the development zone will make full use of all resources to build three major service platforms--the "Trade and Service Centre of Intellectual Property", the "Industrialisation Base of Intellectual Property" and the "Incubator of Capital Market", so as to accelerate the cultivation of a batch of science-and-technology enterprises with obvious technological advantages, broad development space and high rate of growth, and seek to boost them to grow into technological "Little Giants" within the zone at the time.

### China, Russia in discussion over joint petrochem plant in Tianjin

*Platts.com, 6 December*

Rosneft President Igor Sechin Tuesday met Chinese Vice Premier Wang Qishan to discuss the terms of an intergovernmental agreement to build a petrochemical complex in China's Tianjin, the state-owned Russian oil company said in a statement Wednesday. "The document will set down conditions for partnership in the construction and operation of the refining and petrochemicals facility so that the target internal rate of return can be achieved on this project," Rosneft said. The decision by China's government "drastically raises the efficiency of the facility's operations,"

### China's new VAT trial effective in Tianjin, Zhejiang, Hubei

*China Daily, 3 December*

China expanded the trial of replacing business tax with a value-added tax (VAT) to three more provincial regions (Tianjin, Zhejiang and Hubei), the State Administration of Taxation has announced. The change to a value-added tax from a tax on revenue was applied on Saturday to transportation and services businesses in Tianjin municipality and Zhejiang and Hubei provinces, according to a statement on the administration's website. Shanghai piloted the tax-cutting program on 1 January this year in an effort to decrease the overall tax burden and boost the transportation and service sectors.

## FINANCE

**China invests CNY 577.8b in new western projects**  
*China Daily, 20 December*

China invested CNY 577.8 billion (USD91.91 billion) in new projects designed to support its western development strategy this year, the country's top economic planner said. In 2012, construction started on 22 major projects, including the third west-east natural gas pipeline project and a wind power base in Gansu province, the commission said. A total of CNY 3.68 trillion was invested in 187 major projects between 2000 and 2012. The western development strategy is a policy adopted by the government in January 2000 to help underdeveloped western regions catch up with China's more prosperous eastern regions.

**Tax growth slows for China's central SOEs**  
*Xinhua, 20 December*

The growth of taxes turned over by centrally administered state-owned enterprises (SOEs) has been slowing this year, as profits have dropped amid the economic slowdown. Centrally administered SOEs paid CNY 1.7 trillion (USD 270.27 billion) in taxes from January to November, data released by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) showed on Wednesday. The figure marked an increase of 12.8 percent from a year earlier and was three percentage points higher than the growth of national tax revenues in the same period. A report released from the Ministry of Finance showed that profits at centrally administered SOEs declined 2.7 percent year on year to CNY 1.7 trillion.

**Export quota for rare earths to stay the same**  
*China Daily, 20 December*

The export quota for rare earths will be unchanged next year despite decade-low exports this year, industry leaders said. The prices of rare earth materials should remain stable, and export volumes in 2013 will be similar to those of 2012, Liu Yanan, vice-chairman of the China Chamber of Commerce of Metals, Minerals and Chemicals Importers and Exporters, told China Daily on Wednesday. In the nine months to October, 9,967 metric tons were exported, according to the China Customs Statistics Information Centre. That is just one-third of China's 2012 quota of 30,996 tons. China supplies 90 percent of the world's rare earths, the collective name of 17 elements needed to manufacture various high-tech products. Export volumes dropped 11.5 percent from a year ago, and were valued at USD 702 million, a fall of 61.5 percent. Exports this year are expected to reach about 12,000 tons, Liu said, a 10-year low. Last year, 16,900 tons of rare earths were exported. During the peak in 2003, exports hit 70,000 tons.

**Large cities see home prices rise**  
*People's Daily Online, 19 December*

Property prices continued to rise moderately in November in major cities, but a strong rebound is not likely next year given the rigorous real-estate policies. Of 70 major cities monitored, 18 saw property prices rise year-on-year, compared with 12 in October. But their average growth rate was capped at 4.7 percent, the National Bureau of Statistics said. On a month-on-month basis, 35 major cities saw prices rise at an average rate of just below 0.9 percent. Industry experts said government policies would curb sharp price rises. Major cities are expected to see moderate price growth, while some second- and third-tier cities will experience a decline in 2013, experts said.

**Manufacturing hits 14-month high**  
*People's Daily Online, 17 December*

China's manufacturing activity hit a 14-month high in December, a further sign of a rebound in the country as domestic demand improves despite external weakness, HSBC said on Friday. The preliminary purchasing managers' index released by British banking giant HSBC Holdings PLC stood at 50.9 in December. The reading is 0.4 points higher than that of November and is the highest for 2012. A reading above 50 means economic expansion. HSBC's PMI is widely considered by China watchers as one of the most important economic indicators, sometimes even believed to be more important than the official PMI released by the National Bureau of Statistics.

## LAW & POLICY

**Foreigners to get key rights**  
*China Daily, 12 December*

Foreigners who obtain permanent residency will have the same pension, employment and property rights as Chinese citizens, under new regulations announced on 11 December. Access to schools for their children will also be on par with Chinese citizens the rules endorsed by central government departments in September state. The only rights not afforded to "green card" holders are political rights. Foreigners with permanent residency can participate in all aspects of social insurance and labor law of the benefits. There are five types of social insurance: endowment, medical, unemployment, work-related injury and maternity.

## LOGISTICS

### Chinese choose Korean Air as best airline for fourth year

*Skynews.co.kr, 2 December*

Korean Air has been selected as one of the best airlines serving China for the fourth time in a row. The airline company was named one of the 'Top 10 Best Airlines 2012' in the China Travel Awards, in a ceremony held at the Four Seasons Hotel Shanghai on 16 November. Selecting winners based on the opinions of readers of the magazine, the recommendations of editors, and screening by industry experts and clients, the awards are known for their prestige and authority. Korean Air earned high scores in all categories for its extensive air route network in China, efforts to upgrade passenger services such as the improvement of cabins and employment of Chinese flight attendants, and the "Loving Mind Project," Korean Air's social contribution program in China.

### Argentine Soccer Star Lionel Messi Named Global Brand Ambassador for Turkish Airlines

*Business Tianjin, 12 December*

International soccer superstar Lionel Messi was named Global Brand Ambassador for Turkish Airlines at a ceremony today at the Camp Nou Stadium in Barcelona, Spain, after signing the agreement in September 2012. The FC Barcelona forward joins the ranks of Los Angeles Lakers star Kobe Bryant and professional tennis player Caroline Wozniacki who have been brand ambassadors since 2011 and 2010 respectively. "I would like to thank to Turkish Airlines because it's a great honor for me to be the brand ambassador of such a fast growing among the world's biggest and Europe's Best Airline company" said Messi. "I believe that by joining with a global network company such as Turkish Airlines, we will set to sign many more successful projects. As an Argentinian, I am happy Turkish Airlines is having another destination: Buenos Aires from Istanbul."

## TELECOM

### iPhone 5 hits Chinese mainland

*China Daily, 14 December*

The Chinese mainland's release of its iPhone 5 on Friday should win Apple Inc. some respite from a recent slide in its share of what is likely already the world's biggest smartphone market, but its longer-term hopes may depend on new technology being tested by China's top telecoms carrier. Cupertino, California-based Apple has been in talks about a tie-up with China Mobile for four years. A deal with China's biggest carrier is seen as crucial to improve Apple's distribution in a market of 290 million users - which is forecast to double this year.

## GENERAL

### Staff Annual Awards

*Business Tianjin, 11 December*

RMG Selection is nominated as a finalist at China Staff Annual Awards on 6 December, 2012 for the 'Most Promising HR Service Providers of the Year'. The most prestigious award in China's HR field, the "China Staff Annual Awards" event is organised yearly by China Staff magazine, a bilingual journal belonging to CCH group and dedicated to in-depth analysis of HR management issues in Hong Kong and China. The China Talent Annual Awards aim to recognise the individuals and organisations that have strategically leveraged HR policies and practices to meet the growth objectives of their business.

## CHINA IN THE WORLD

### China eyes WTO panel to settle trade disputes

*Xinhua, 20 December*

China hopes the World Trade Organisation's panel will lead to the proper settlement of its trade disputes with the United States about the latter's countervailing probes into China's exports, the Ministry of Commerce (MOC) said Tuesday. The panel was appointed on Monday by the WTO, after the United States failed to resolve China's concerns in a consultation held between the two countries on 5 November, said Shen Danyang, a spokesman for the MOC. On 17 September, China filed a complaint to the WTO Dispute Settlement Body on the United States' amendment to the Tariff Act of 1930, or the GPX bill, that passed earlier in the year. The bill allows for a retroactive application period that goes back to 2006, when the United States started to launch more than 30 countervailing probes against China without legal support, the MOC said.

### PetroChina buys 49.9% stake in Encana gas project

*Shanghai Daily, 14 December*

PetroChina Co. has agreed to pay Canadian natural gas producer Encana Corp CAD 2.18 billion (USD 2.21 billion) for a 49.9 percent stake in a shale gas project in Alberta. The deal, announced by Encana yesterday, came less than a week after Canada tightened its foreign investment rules for the energy sector. Under the new joint venture agreement, PetroChina will pay CAD 1.18 billion for a 49.9 percent stake in Encana's Duvernay shale assets and another CAD 1.0 billion over the next four years to help fund energy development, Encana said in a statement. Analysts said the latest deal could face less scrutiny because Encana will remain the operator of the Duvernay joint venture, which includes no oil sands.

### ZTE to invest further USD 30m in the US

*People's Daily Online, 14 December*

ZTE Corp, the world's fifth largest telecom equipment vendor by sales, announced on 12 December that it will strengthen its presence in the United States by investing USD 30 million in the country. The plan comes two months after a US congressional investigation accused ZTE, together with Huawei Technologies Co Ltd, of posing a risk to the country's national security. "ZTE is committed to the US market and we are looking forward to continuing our investment and making the most use of local talent to bring innovations to consumers," Cheng Lixin, chief executive officer of ZTE US, said in a statement.

### China calls for new talks between Iran, G6

*China Daily, 14 December*

A Foreign Ministry spokesman encouraged Iran to further strengthen cooperation with the International Atomic Energy Agency (IAEA) and called for a new round of talks between Iran and the G5+1 (Russia, China, Britain, France, the U.S. and Germany). Hong's remarks came after Iran and the IAEA ended their one-day talks on Thursday, with Iran saying the negotiations were constructive and good progress was made. The two sides also agreed to hold another round of talks on 16 January, 2013.

### China seeks to expand trade links with Russia

*Xinhua, 7 December*

China would strengthen economic cooperation with Russia and realise the bilateral trade goal set by leaders of the two countries, Chinese Vice Premier Wang Qishan said in Moscow. Addressing the opening ceremony of the 7th China-Russia Business Summit Forum, Wang hailed the vitality and positive signs in bilateral economic ties. China has become Russia's largest trade partner and bilateral trade volume in 2012 may hit a record high of USD 90 billion, which would double the pre-global financial crisis turnover, he said. China was willing to build on the momentum and further expand the trade scale and optimize trade structure, in a bid to reach the bilateral trade target of USD 100 billion in 2015 and USD 200 billion in 2020 set by the two countries' leaders, :DQJVDLG6LQFHWKHVWUWRIWKHJOREDOQDQFLDOFULVLV&LQD and Russia had worked together to convert challenges into RSSRUWXQLWLHVDQGGZHUHVXFFHVIXOLQYDULRXVHOGVKHVDLG

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# Numbers

## 77

The benchmark Shanghai Composite Index in China shed 1.03 percent, or 20.35 points, to 1,959.77, the lowest since the 1997-98 Asian financial crisis.

## 200

According to Standard Bank's report released on 3 December, Sino-African trade is forecast to exceed USD 200 billion this year, up from USD 166 billion last year despite the bleak economic situation around the globe.

## 80

China ranked 80th place out of 176 countries in the 2012 Perceptions Index, according to Transparency International.

## 90

Barcelona's Lionel Messi has set the record for most goals in a calendar year by scoring his 90th goal of 2012.

## 554.27

Trade between the Chinese mainland and Taiwan grew to USD 554.27 billion in October from December 2008 when the two sides opened direct mail, transport and trade links, according to the Ministry of Commerce.

## 22.9

Power use in China increased by 7.6 percent from a year earlier to 419.3 billion kilowatt-hours last month, the National Energy Administration said. That's the fastest since February when consumption surged 22.9 percent.

## 17

Former Premier Wen Jiabao has returned to Beijing after the 17th regular meeting between Chinese and Russian leaders. The two agreed to increase trade and high-tech cooperation. They will also aim to expand cooperation in infrastructure and energy projects.

## 7

China's state-owned oil giant Sinopec reported a 7 percent increase in its net profit of 2012 despite gains in the second half, according to the Ministry of Finance report yesterday.

## 8

There were 8 births to 8 cubs in Zimbabwe in December. The highest numbers of cubs recorded was in July this year in China, where there were 8 births to 8 cubs.

## 40

Anglo-Dutch petroleum company Shell said it has agreed to invest 40 percent in a new Chinese natural gas project in the north of China, according to the company's website.

## 1.5

Swiss banking giant UBS has agreed to pay some 1.5 percent of its profits to international regulators following a probe into the rigging of a key global interest rate.

# Chinese Economy Report January

By Hyuk-tae Kwon

## Chinese domestic economy shows signs of improvement

Chinese industrial output and retail sales in November rose at the fastest annual pace in the past eight months-increasing hopes that the world's second-biggest economy is finally rebounding after a long decline.

Industrial-production growth rose 10.1 percent, up from 9.6 percent in October and compared with the 9.8 percent median estimate of analysts in a Bloomberg survey. Electricity output rose 7.9 percent, the strongest since December 2011.

China's fixed-asset investment, excluding rural households, in the first 11 months of the year rose 20.7 percent, the same pace as in the January-October period.

Annual growth in retail sales hit 14.9 percent, the strongest since March, while the pace of fixed asset investment, or spending in such areas as bridges, factories and housing, was steady at 20.7 percent in the first 11 months.

Caterpillar Inc., the world's biggest construction and mining equipment maker, is seeing signs of recovery in China and expects economic growth to increase next year as the government focuses on rural migration to towns and cities, Chairman and Chief Executive Officer Doug Oberhelman said in an interview with Bloomberg Television on Thursday 6 December.

## External demand still remains sluggish

Despite the fact that the Chinese domestic economy

is improving, the major global importers of Chinese products are still struggling: Europe and Japan are going through prolonged economic recession and the US is experiencing a very sluggish recovery.

China's annual exports growth in November fell to a 2.9 percent year-on-year increase and behind October's 11.6 percent pace, customs announced on Monday 10 December.

"The external sector remains fragile, although recent manufacturing activities have shown convincing signs of stabilisation and a gradual recovery," said Connie Tse, an economist at Forecast Pte in Singapore.

"I expect export growth to pick-up throughout 2013, but this is likely to be gradual and volatile in the absence of a material improvement in the euro zone," said Tse.

Imports were unchanged on the year, off forecasts for a 2.0 percent rise. The relatively subdued reading masked a surge in imports of crude oil, iron ore and copper that analysts said backed the view that domestic activity was picking up, according to Reuters.

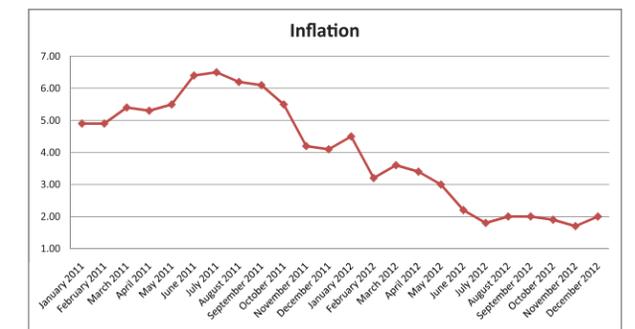
"The export slowdown shows that external demand faces uncertainty due to concerns over the 'fiscal cliff' in the U.S.," said Zhang Zhiwei, chief China economist at Nomura in Hong Kong.

"Nevertheless it does not change our view that growth is on track for a strong recovery in Q4, as (growth) is mostly domestically driven," said Zhang.

In the United States, scheduled tax increases and public spending cuts due to kick in early in 2013 could suck \$600 billion out of the economy, raising fears that a recession could follow unless Congress acts, according to Reuters.

## Inflation remains low and expected to continue to stay low in 2013

Consumer inflation rose by 2 per cent in November from a year earlier compared with 1.7 percent increase in October. Producer prices fell 2.2 percent, the ninth straight drop, while the pace of the decline moderated for a second month.



This marks the 10th straight month below the government's 2012 target of 4 percent. Rising prices is the biggest long-term risk identified by the central bank as China moves from a centrally planned to a market-based economy. Low inflation rates provide sufficient room for regulators to stimulate the economy through monetary and fiscal policy in 2013.

#### Real economic growth or fiscal illusion?

"There isn't any improvement in the real economy, it's all because of the fiscal stimulus," says Bloomberg economist Michael McDonough. The growth is not coming from export sector and domestic consumption is not helping either. The state spending on infrastructure projects are leading the domestic rebound, according to McDonough.

Unlike the stimulus following the Lehman Brothers bankruptcy in 2008, when banks threw money at state-owned companies, this time the spending is more targeted at infrastructure projects, especially trains and subways, according to Bloomberg.

In October, the Railways Ministry announced that it would increase its spending target for the year by CNY 630 billion. That was the second increase in 2012, following an earlier announcement in July. The original target for 2012 was from CNY 411.3 billion. Investment had slowed in 2011 following a corruption scandal

involving the railways minister, as well as a fatal crash on one of the China's new high-speed train lines.

Now that the government is again ramping up investment in rail, the spending is spreading throughout the country. For instance, on 26 November the government announced that it had approved a CNY 25.7 billion rail project for the south eastern province of Fujian and a CNY 31.2 billion project in Urumqi, the capital of the Xinjiang region in the far west of the country. Guangdong province in southern China also plans on spending more than CNY 1 trillion on rail and other transportation projects between 2011 and 2015, the government announced on 16 November. That's more than double of what the province spent in the five years ending in 2010.

As Beijing is selectively pumping money into infrastructure projects, it is important to note that the growth is based on fiscal stimulus rather than real growth. This type of government initiated stimulus plan on economic growth is not sustainable once the investment does not return guaranteed economic value and benefit to the rest of the Chinese economy.

#### Five mega-trends that foreigners should understand going into 2013.

There is a long list of industries that can benefit from China's major economic reform. As Beijing tries to

narrow China's income gap in the next decade, Chinese consumption levels will go up and the CNY is likely to appreciate against the USD. Foreign businesses can benefit from these five mega-trends: real estate, natural resources, education, health care and tourism.

Following from the real-estate column published last month, there are enormous opportunities within the natural resource sector. China's growing consumption has helped push the price of all manner of fuels, metals and grains to new peaks over the past few years.

As Chinese consumption volume and spending habits change, entrepreneurs and investors around the world can benefit from opportunities arising from these trends.

For example, Nebraska, a landlocked state in the middle of the US, has never felt closer to China. As more and more of the state's crops are shipped across the Pacific to meet Chinese demand, Nebraska is on the front line of a structural shift in global grain markets as China is importing more cereals than ever before according to Financial Times report. Nebraska's crop exports to China have doubled over the past five years alone.

Nebraska is not alone in noticing the trend. From Chinese officials to global commodities trading house executives, the industry has started to acknowledge and take advantage of China's structural shift in becoming a net importer of grains.

Until recently, China only imported small amounts of premium-grade rice, minor quantities of wheat and almost no corn, insisting on self-sufficiency. But that is changing. Already the world's biggest importer of

soybeans, China is now adding cereals such as corn, wheat, barley and rice to its shopping list. The shift could have profound implications for global food markets because China's total demand for grains is vast relative to the size of globally traded markets according to the Financial Times.

"For China to lose even a little bit of self-sufficiency means a lot on the trade front," says Jean-Yves Chow, analyst at Rabobank, one of the largest lenders to the agribusiness industry. "Even if China imports 5 per cent of their corn, that is equivalent to one third or one half of the corn trade in the world."

As more Chinese people move to cities and rural parts of the country, the consumption of meat increases the requirement for more animal feed crops. The shift has added to the strain on China's agricultural sector, which is already trying to feed one-fifth of the world's population with scarce farmland and water.

Chinese grain imports have already tripled so far this year, rising to 13.4m tonnes from January to November, up from 4.5m tonnes during the same period of 2011. The buying spree has made Beijing the world's second-largest importer of rice and barley, a top 10 buyer of corn and a top 20 of wheat, according to Financial Times.

Since Chinese agricultural demand started to soar as the economy was developing, Beijing has injected billions of dollars into its agricultural sector to maintain self-sufficiency in three key crops: corn, rice and wheat.

Chen Xiwen, a top Chinese agricultural official, recently acknowledged that higher imports of grains and oilseeds would be inevitable. "Making full use of international resources and international markets has become very necessary," he said at a conference in Beijing. "China's agricultural output has been rising, but demand has been increasing even faster."

As Chinese natural resource appetite grows exponentially beyond its self-sufficiency level, there are many potential risks. As Chinese spending power increases, it will create conflicts with neighbouring countries over control of the natural resources.

"If we take the South China Sea as an example, we can see that oil companies, maritime surveillance authorities and even the military are exerting influence over China's foreign policy there," says Zhu Feng, a professor of international relations at Peking University. **B**

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By Tracy Hall

**L**Di Training (Leadership Development international Training), which is the longest running and most established international training and coaching organisation in China, leads the way when it comes to helping individuals and companies develop the 'soft skills' of doing business. The company's mission statement is

a short but important one: 'Helping individuals and organisations to grow from the inside out'. LDi's multinational team of experts are dedicated to empowering their clients through a range of training programs held across several cities in China. At the head of the organisation is Managing Director Mr. Martin Klopper, an inspirational

business leader with an MBA and decades of experience in upper level management positions. Martin is a specialist in, amongst other things, corporate and personal development. We spoke to him for a greater insight into the work LDi does and to find out firsthand what it takes to lead one of the country's biggest international training companies.

**It is a pleasure to speak to you today Mr. Klopper, please can you start by telling us about your professional background?**

My first degree was in Economics, then later I went on to do an MBA. I also have various professional qualifications in coaching and I am a fellow of the Chartered Management Institute in the UK. Originally I specialised in city and regional planning- in which I have a masters degree. I worked in project management for some time with a consultancy company in London, and through my work there with a multi-disciplinary team and over a wide range of projects, I moved more and more into the management and leadership of organisations. When I first came to China I was working for a non profit organisation called the Jianhua Foundation; firstly as the Director then later as the CEO. During my time there I got to know the executive team at LDi. In 2006

I went to the UK and opened up a company called Knowledge Works. Three years later I was invited to come back to China and work for LDi. I am now the Managing Director of the company.

**Tell us a little bit about what LDi does here in Tianjin and elsewhere in China?**

LDi Training is one of the oldest international training companies in China. The company was first registered in 1983, under a different name, and it has been my privilege to be part of the LDi Group's tremendously successful history. There are two main divisions within our organisation at the moment. One is working with the international schools of China. We operate in six international schools around the country in total- including here in Tianjin. The other division, for which I am responsible, is training and leadership consulting. This

involves coaching and working with individuals and companies in areas such as leadership, business consulting, executive training and even personality assessment. In the latter case we apply the PREP system which is the world's leading, cross-culturally reliable personality profiling tool.

We also do a lot of team building programs and we have a site just outside of Tianjin called 'Spring Rock' which has a world class high ropes course for our experiential development programs. We are currently partnering with Trinity Western University to roll out an MA degree program in Leadership across China. After looking at many such schemes around the globe, we decided that this was the best leadership related program out there because it reflects what we value most- the soft skills of leadership: trust, team building, communication, conflict resolution and so on.

## Which industrial sectors do you provide services for?

As a company which has something to offer all kinds of organisations, our door is open to everybody. In the past we have been fortunate enough to work with Siemens, Microsoft, Airbus, Procter & Gamble and a number of other big firms. But also of course, we serve many small and medium sized Chinese companies. There is a great deal of diversity within our client base.

Because our niche is in the area of soft skills, our services are useful for all kinds of companies, in all

sectors of business. We are not, for example, pigeon-holing ourselves as specialists in marketing or telecommunications. There are many possibilities and as time goes by we are always adapting our approach and services to best suit our client's needs.

## According to your website, one of LDi's main axioms is helping organisations to 'grow from the inside out'. Can you tell us what that means in a practical sense?

Sure, and that is exactly what informs our training programs and corporate development approach.

It means that the foundations for good leadership are based on the values that we hold as a person. It is not about whether someone has the skills to add up a page of numbers etc, it is about how we behave towards the people around us: employees, colleagues, customers, suppliers and everybody we work with when doing business.

I think that around the globe now there is a strong recognition that there needs to be an increased focus on value-based leadership. The 2008 financial scandal and collapse was partly caused by people's

values being directed towards the wrong things. There wasn't just a collapse of the financial system, but also a collapse of leadership; not due to a lack of hard skills, but because of failures to adopt a value driven approach to management and service. When this happens it quickly erodes trust, and a big reason behind the mess we are all in now is a lack of trust across all levels of the global economy and national societies.

## What are the challenges for companies who come to operate within the Chinese market and

## how does LDi prepare Chinese companies to go global?

There are unique challenges to working in China, but many of them are related to globalisation. People now have to think very carefully about how we do business in a global market. There are problems in this regard which apply to companies not just in China, but all around the world. At LDi we very much understand the importance of proper interaction between different members of an organisation. Sometimes companies are so focused on their products and sales that they forget about

one of the most important aspects of doing business- working with people. There have been many examples whereby senior managers who are rising stars within their companies in Europe or elsewhere come to open a new factory or industrial unit in China and they neglect the importance of learning about Chinese culture. The costs of relocating this manager to here could be anything up to 1 million USD with all things included, and yet after several months he or she is on their way back home because they have not managed to rise to the challenge of living here and working effectively with the local people.

This kind of career derailment can be avoided if more time and money is spent on preparing and training people to operate in this completely new environment. And this is where our services are incredibly beneficial to both multinationals here in China and also domestic companies who are expanding abroad. We have an excellent multinational team with a great deal of different experiences to offer.

## From your perspective as the leader of an organisation which provides training in cross cultural relations, what are the key ingredients of creating good CCR practices within the workplace?

One crucial element is an appreciation and a curiosity for other cultures. In conjunction with that, you need to have a willingness to learn and adapt. People's 'teachability' is absolutely essential because the way we do things in our own countries will not always be the same in China or wherever you go abroad. Being adaptable to your new surroundings is about having the mindset that when things are done differently from what you know, it is not right or wrong- just different!

Most people who move to China are determined to succeed and

are often very pioneering in their strategies. However, without improving what we would call your 'intercultural intelligence', frustrations about things being done differently may hold you back. I think if we start out with the right mindset and invest some time into learning about the local culture and language, even if it is just a few sentences, then it will provide a much better foundation for future success.

**Finally, tell us about the future of LDi and your own personal aims.**

In terms of what LDi has lined up for the near future, we are doing

many exciting things. For example, we are in the process of bringing someone into the company who has an enormous amount of expertise in strengths-based leadership. We intend to develop a new service line in this area very soon. And as always, we are constantly trying to make sure that all of our coaches are accredited and we are currently exploring ways for them to obtain new skills through the International Coach Federation in order to improve our overall quality of service.

Another thing that I am personally interested in doing is developing a

premium product for CEOs which is based in all areas of experiential education. I want to get them out of the classroom for a while and give them the opportunity to do some activities which are more outbound and give them a chance to reflect on the nature of their leadership.

So on the whole, there are plenty of opportunities, as well as plenty of challenges, and we will keep pressing on! **B**

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# Maverick Money Mastermind: A Discussion with Investment Guru, Economic Commentator and Prolific Author Peter Schiff

By Josh Cooper

In the early years of the 21st century, Peter Schiff, CEO of brokerage giant Euro Pacific Capital Inc, became a household name. Before the catastrophic crash of 2008, he repeatedly warned that US monetary policy and the drastically over inflated mortgage market would inevitably cause an economic disaster of epic proportions. As compelling as his forecasts for the global economy were, Schiff's predictions fell largely upon deaf ears. Years later, while the world still faces tremendously bleak economic conditions, Schiff's analyses are still contested by many economists and policymakers. In his latest literary work, *The Real Crash: America's Coming Bankruptcy—How to Save Yourself and Your Country*, this incredibly wise commentator insists that the worst may be yet to come. When he is not appearing on primetime financial shows or managing his investment funds, Peter is writing books and hosting his own radio show. We are delighted to speak to one of the world's most respected economic thinkers and to gain an insight, firsthand, into his views on the problems faced by the global economy.

**Throughout your highly successful career as a money manager, author and broadcaster, you have been incredibly passionate in your mission to put your views across to the public. Tell us what motivates you.**

I suppose I hold my convictions very deeply. I am absolutely convinced that I am right. There are so many problems that I can see in the US and

the rest of the world, and I know what the solutions are. So many people are suffering and most of the economic problems in the world are manmade. I can envision the way that the world could be- if only it were freer and if policymakers would stop acting as an obstacle to progress. Knowing how the world should be and how people's lives could be so much better, you have to be passionate about it because the stakes are so high.

**How do you see the current economic situation? Why is the world, particularly the west, in such a bad financial situation?**

I think there are a lot of problems around the world and most of them are the result of failed government policies and over interference of policymakers and central banks in the economy. This has caused an inefficient allocation of resources and it has created bubbles and imbalances in financial markets. The problems that are raging on in America and Europe come from the ineffective micromanagement that has manifested itself through fiscal, monetary and reformatory policy in recent years.

**So how can western societies solve these deep, fundamental economic problems they are facing?**

We need to let markets be efficient so that resources, including labour, can be allocated effectively. The whole purpose of an economy is to try to satisfy as many human desires as possible- with the limited resources that we have. That only happens in a free market. When you understand this basic premise you can see how ineffective policies are in trying to fix the economy. If the government says "let's create some jobs", and they do so by paying one person to dig ditches and another to fill them in, then society is no better off. If you build a garage that doesn't have a door, it has no function or value to anyone. Using

labour to do something that adds no value is a waste. The only way to know if the end result justifies the means in this regard is via a free market system because you will find out if people are willing to buy whatever is being produced. That is the best indicator of economic value.

**Would you say that monetary policies, namely low interest rates and quantitative easing, are just delaying an inevitable 'crash and correction' period?**

Yes, but not only does it delay the inevitable, it makes whatever 'the inevitable' is, even worse! That's because whatever problem the government and central banks are trying to avoid through 'money printing' it doesn't make the problem go away; it makes the bubble bigger. Recently the Federal Reserve announced QE3 and has said that it will print money until the economy recovers. In my view, they will do it until the economy collapses. Their previous QE policies had a finite expiration but this hasn't. It is reckless and is most certainly a sign of desperation.

**Can you give us some comments about the outcome of the US election? What will the aftermath be of Obama's re-election?**

I think that regardless of the outcome, it would have been more of the same. It was always most likely that President Obama would get re-elected and therefore when the next crisis hits, the likelihood is that we will see more big government. Romney may or may not have improved things slightly, we don't know. I think he would have been more likely to learn from some of the mistakes of Obama's previous term as well as that of President Bush and Federal Reserve chairmen Ben Bernanke and Alan Greenspan. Nobody really knows what will happen and it is very difficult to make predictions about politics.

**You have often voiced your opinion that the rise of Asia, particularly China, will shift global economic power significantly in the years to come. What do you see as the main factors behind these changes?**

In China, it began all those years ago when the country set itself up for free trade. Allowing farmers to keep more of what they produced was certainly a very important step. The savings culture is also an important aspect of growth in China and Asia. In the US we used to save a lot of our income but now most people, including policymakers, are convinced that spending is the best way to achieve economic growth. What really drives the economy is saving and investing- which leads to production. Policies need to give people incentives to save money rather than constantly borrowing to consume.

**If the western economic situation is a disaster waiting to happen and the rise of Asia is a safe bet, should investors pile most of their money into assets in this part of the world? What are your investment strategies?**

Well, nothing is a safe bet when money is concerned. In terms of the west, it is an economic disaster that is already happening- it's just going to get worse! Investors shouldn't just pile their money into Asia, they should be more strategic in what assets they buy, but they should definitely be investing a significant portion of their money in the region. We have invested in Asia. In fact, we are overweighting Asia compared to other parts of the

world. I think the Asian markets are particularly attractive now because they have underperformed against American and European stocks in recent years, but in the long term they will do better. When you have a short term period of under-performance, it generally represents a good buying opportunity for investors.

What I try to do when I invest in Asia is to look at the region as a whole and try to find companies that are focused on the emerging market consumer. I believe that there is going to be a big increase in their standards of living; especially as the US implodes and the value of the dollar is allowed to fall. When this happens, the purchasing power will return to the countries that produce the goods. I try to look for companies that will benefit from this realignment of the global pecking order.

**When further economic crises come, how can savers and investors safeguard their financial well being?**

**Do you agree with the view that commodities are going to be the safest play?**

Nobody knows what the safest play will be. Gold may be the safest option because commodities in general could be more volatile. Safety in investing is a relative term because you are always going to get volatility in any asset that you have. There is nothing that you can buy that the price is never going to change. But over the long term, it is clear to me which assets are going to be safer. I define safety as a store of purchasing power; what can you buy today that will get you an equivalent value of goods and services tomorrow, or next year. I am convinced that this will be the case with gold, silver and other precious metals, but currencies will be incredibly volatile in the coming years.

**Finally, tell us about some projects you have lined up for the near future.**

I am working on a few things at the moment. Of course, I am still working hard on managing my

mutual funds. I am trying to get more outside firms to sell my funds to customers. I also have my offshore business, Euro Pacific Bank, which I'm trying to grow and get more foreign clients. A lot of my efforts right now are going into becoming a pioneer in gold banking. We are offering our customers the ability to choose what they would like their deposits to be held in- for instance in dollars, euros etc. They get a debit card and can hold their wealth in whatever they want- including gold bullion. So basically, I'm trying to reach out to people who want to put themselves on a gold standard- even if their governments don't. If anybody is interested in this kind of banking they can visit our website [www.europacbank.com](http://www.europacbank.com) for more information about our products and services. ☒

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## The Chinese Government's Economic Mission for 2013 and Beyond

By Josh Cooper

With the new year comes a new leadership and a new economic era for the People's Republic of China. As President Xi Jinping adjusts to his new role, along with Premier Li Keqiang and the rest of the executive committee, China's economic outlook is looking increasingly bleak. Although GDP is projected to have grown by 7.6% in 2012, according to the Beijing government's official estimations, economic commentators are worried about a significant slowdown which is increasingly taking its toll on the country's business sector. Since taking the reins of leadership from his predecessor, Hu Jintao, Mr. Xi has stated that his mission as the country's president will be to guide his people through an economic revival and to ensure that his party carries

out necessary economic reforms in order to build a stronger and more sustainable future. Whilst the new administration's message is clear and optimism is high, the President and his team are well aware of the many economic challenges which China faces in the coming years:

### Maintaining growth within the Private Sector and SOEs

One of the new leadership's major tasks will be building upon the reforms of their predecessors in order to encourage growth within China's private sector. Chinese businesses, which have enjoyed years of robust growth in consumer spending and increased prosperity, are increasingly feeling the pressure of the broader economic slowdown. The nation's manufacturing industry in particular,

which has driven private sector growth for decades, has been feeling the effects of weaker demand from both internal and external customers. As the BBC's Asia correspondent Angus Foster points out, Xi's administration must continue to support "small and medium sized companies because these are likely to be the providers of future jobs and growth".

In conjunction with facilitating private sector growth, the government have made it clear that they will not neglect the SOEs (State Owned Enterprises), which collectively account for half of the country's gross domestic product each year. In recent times, the central government has invested significantly in developing publicly owned enterprises, and in order to secure the growth and profitability

of these organisations going forward, it will need to maintain its levels of investment and look at ways to enhance competitiveness against their foreign counterparts.

### Rebalancing the economy: Exports Vs Domestic Consumption

Changing the economic activities of a nation which is composed of 1.4 billion producers, consumers, savers and investors is no easy task. With weaker demand from Europe and North America, rising production costs and increased competition from other emerging economies, China is coming under more pressure by the day to rethink and restructure its economic model. The previous government were well aware of the dangers posed by an over-reliance on exports. As China's economy matures over the coming years, they have already set the wheels in motion to shift the emphasis towards a more domestic consumption-orientated model. Many analysts are warning that the current regime needs to continue to do everything in its power to steer the Chinese economy away from

sectors which are heavily exposed to foreign demand fluctuations and more towards the country's burgeoning consumer base. The rapid growth of China's domestic service sector is certainly encouraging, but more needs to be done in this regard.

And this does not only include services and consumer goods- which are aimed at the growing middle classes. Former Premier, Wen Jiabao, was keen to emphasise that "stable agricultural output makes a stable economy and stable lives for people". If China is to make its economy more sustainable going forward, the new leadership will have to focus on improving the productivity of all sectors and avoid the temptation of relying too much on exports to drive future growth.

### Housing bubbles and 'hard landings'

Two of the big talking points amongst economic commentators at the moment are the possible bursting of a Chinese real estate bubble and the possibility of a 'hard landing' following decades of incredible growth. Whilst the previous leadership's measures

to cool down the housing market have seemingly succeeded thus far, the threat of sizeable and disruptive corrections in real estate remains an ever present danger. In such a rapidly growing nation, especially one in which investors have a strong appetite for real estate assets, there is always going to be a risk that over speculation will occur; particularly in big urban centres such as Beijing, Shanghai and Guangzhou.

In order to avoid the kind of housing sector meltdowns and toxic asset accumulations which crippled the US economy and subsequently triggered the ongoing global financial crisis, the Chinese government will need to keep a very close eye on both bank balance sheets and private investor activities. And to make matters even trickier, the Xi Jinping administration will also be faced with the task of balancing China's demand for foreign capital inflow with the risks of speculative real estate, equity and currency investments from international players. In this regard, whilst the government can control interest rates and utilise

other monetary tools such as the RRR (Reserve Requirement Ratio) in order to reign in domestic borrowing habits, it will need to consider its strategy for managing foreign investment into China very carefully.

## Dealing with the Challenges of Urbanisation

The number of Chinese people who are moving from the countryside to the nation's major urban industrial centres is increasing year on year. Whilst this trend is undoubtedly advantageous for certain sections of the economy and society, it also presents a number of challenges for policymakers. As China's urban populations increase significantly in the coming years, more strain will be put on infrastructure. For the government to develop better urban infrastructure going forward, it will have to work hard to encourage both public and private investment, as well as organising urban planning departments in a way that ensures maximum efficiency. The enormous population shifts may also eventually affect productive capacities within the rural hinterlands. China's new Premier, Li Keqiang, is particularly well known for his support and advocacy of rural development as being a crucial aspect of his party's future economic planning.

## Building a Green Economy

Despite the ongoing efforts to promote environmental awareness amongst both businesses and consumers, it is clear that the Chinese government needs to continue its efforts to build

a greener future. According to the International Energy Agency, China's reliance on fossil fuels, particularly coal, will act as a major obstacle to improving in the country's environmental integrity for years to come unless policymakers and private enterprises invest more heavily in renewable and cleaner energy sources. In addition to the problems faced within the energy sector, there are added environmental pressures coming from the rapid increase in vehicles on inner city roads and the harmful emissions produced by suburban industrial sites. There is also, of course, the ever present danger of water shortages. Joanna Masic, of the Asian Development Bank, suggests that "there are still 480 million people in China without access to sanitation, and nearly 120 million without access to water supplies".

In fairness to the Chinese government, they are already well aware of the environmental problems their country faces and openly acknowledge that more needs to be done over the new leadership team's term in office. There are currently a number of major projects which are aimed at reducing the country's reliance on harmful and non-renewable fuels. Transport networks are also receiving a great deal of investment from the government and there is talk of further measures being implemented, such as the those already in place across Beijing, aiming to reduce the volume of traffic within the big cities.

## Caring for an aging population

As a result of the country's rapidly aging population and relatively low fertility rates, many commentators are worried about how the country will be able to cover the costs of older generations after they pass the working age. It is estimated that by 2015, China's working-age population will actually begin to decline. Therefore, programs such as housing, healthcare and pension provisions for the elderly, as well as maintaining a big enough workforce to drive future economic growth, are important issues for this government to tackle over the course of the next decade. In order to do so, President Xi and his colleagues will undoubtedly have to take bold action and implement reforms which address the demographic imbalances and facilitate the further development of the Chinese welfare system.

In sum, there is no denying that China's new leaders will face a number of difficult economic challenges over the next few years. Given the dire global business circumstances and the historical transformations that are happening within China's internal economy, the next decade may be one of the most economically difficult periods the country has faced for quite some time. The new leadership has undoubtedly come into office at a time whereby level-headedness and bold macroeconomic strategy is absolutely crucial.

Ultimately however, as sizable these obstacles may be, it is important to remember that China is a nation of incredible resilience and its people have a strong drive to overcome socioeconomic problems. Like any great economic nation, there will certainly be some bumps on the road to development. But in the end, sustainable prosperity is achieved when a country's citizens and decision makers make tough decisions and persist through periods of economic doom and gloom. **E**

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# Investing in Energy:

## A Brief Insight into Future Moneymaking Opportunities

By Josh Cooper

Most mutual fund managers out there claim that a moderate exposure to the energy sector is essential for any well balanced investment portfolio. Whether it is oil, gas, nuclear or renewable energy firms that you put your money into, the strategy for many people has been to use equities and commodities futures as a hedge against financial meltdowns and tech bubbles. After all, the logic is fairly straightforward: regardless

of the financial health of the global economy, people still need energy. Moreover it's no myth that whilst global demand for traditional energy sources, namely oil and natural gas is growing year on year, the world's reserves are depleting by the day.

So, if demand for these commodities is increasing but supply is decreasing, doesn't that mean higher prices and excellent returns for investors? The truth is that whilst the opportunities

for huge returns are out there, making big money from energy stocks is certainly not a one way bet and much will depend on long-term stomach rather than brains. Let's look at some of the key areas for investment within the energy sector:

### Oil

Arguably the most valuable commodity on the planet, crude oil and the petroleum products that derive from it look set to remain as

the world's number one source of fuel. There are many factors which influence oil prices in the short term, including supply shocks, wars, political unrest and decisions made by OPEC (the Organisation of Petroleum Exporting Countries). In the long term however, optimism amongst investors for solid profitability in oil firms is rife. As Puru Saxena, CEO of Hong Kong based Saxena Wealth Management, points out, "the theory that the world is running out of crude oil is not really theory- but a geological fact". His advice is that investors should take advantage of the inevitable long term aggregate supply problems over the coming decades. Similarly, legendary commodities investor and author Jim Rogers argues that "the surprise with oil in the next few years is not going to be that prices go higher but how much higher they will go"!

**Editor's pick:** With its incredible reserves, relative political stability and great international trade relations, Canada is probably the most enticing long term setting for growth in oil stocks. **Canadian Oil Sands** is currently trading at a very reasonable price- especially given its attractive 5-6% dividend yield and the enormous upside potential in its share price.

### Natural Gas

For years investment experts have claimed that natural gas is grossly undervalued as a commodity. With supplies being relatively healthy around the globe, energy strategists, certain politicians and power providers are generally supportive of using natural gases as an alternative fossil fuel to crude oil. Industrial price levels are currently attractive for energy providers and will likely continue to entice for many years to come. A recent report by the International Energy Agency suggested that global demand for natural gas is expected to grow by almost 20% from now until 2017. Therefore, there is certainly an opportunity for investors to benefit long term.

**Editor's pick:** In many parts of the world, natural gas is a relatively 'local' commodity, i.e. local suppliers sell to local consumers- particularly in the US. Therefore, investors should look for opportunities with the most exposure to growing global demand. The **iShares Natural Gas Commodity ETF**, which has lost an incredible 94% of its value over the last five years, could earn investors big money if gas prices go through the roof.

### Nuclear

Prior to the Fukushima disaster in 2011, investors around the globe were fairly bullish on nuclear energy related companies- particularly uranium miners. Since then nuclear energy has fallen out of favour with speculators and as a result, share prices and investment fund holdings have sharply declined from their historic highs. Could this present excellent buying opportunities? Many analysts say yes, with Microsoft boss Bill Gates even going as far as to tell the Wall Street Journal that because of "the 'zero CO2' policies of governments around the world and the overall economics of it, nuclear energy will be the future of energy generation".

**Investors should look for opportunities with the most exposure to growing global demand.**

**Editor's pick:** The appetite for nuclear energy in Europe is somewhat mixed right now; likewise in Asia. French nuclear specialists **Areva** are incredibly well positioned within the current global nuclear energy market. Not only do they have a significant position within France's nuclear dependent energy sector, their services are also in high demand from the Chinese who, given their relative lack of oil and gas reserves, will undoubtedly need to utilise nuclear energy on a mass scale in the future. Their current share price is very enticing for value investors.

**Renewable Energy and other sources** Green and renewable energy is constantly being discussed by investors, politicians and media agencies. It seems like everyone is jumping on the green energy bandwagon to some extent. Therefore, whilst the price competitiveness of renewable sources lags behind fossil fuels on today's valuations, there is no doubt that the world will increasingly move towards solar, wind, hydro and geothermal power in the long term. Whichever candidates win governmental elections in the western world in years to come, investors can rest assured that they will pump money into developing renewable energy sources. Many speculators are betting that in the near future, increased spending in green energy and the decreasing availability of oil and other resources will send share prices in the renewable energy sector much higher.

**Editor's pick:** Alternative energy could be one of the big money making sectors going forward, but it will certainly take time for the huge gains to come. Solar firms look unbelievably cheap at the moment. The world's biggest manufacturer of solar panels, **Suntech Power Holdings Ltd.** is just one example of a promising company with a rock bottom share price, and there are many similar opportunities in wind and other renewable energy sectors.

As a final thought, coal is also worth a mention. Not only is coal, in its raw form, being tipped as a potential hot commodity going forward, particularly in Asia, it is also at the centre of groundbreaking new energy production methods such as 'underground coal gasification'. For less risk-averse investors, **Wild Horse Energy** is currently leading the research in this field within the European markets. If the company's colossal Hungarian projects get off the ground within the next couple of years, its share price, which is currently close to being free, should skyrocket and generate massive returns.

# Investment News

## Stocks and Shares

### European and Asian shares get boost on hopes of resolution to US 'Fiscal Cliff' crisis

On the back of optimistic sentiment that the US government will successfully negotiate a solution to the ongoing 'Fiscal Cliff' saga, stock markets around the world saw a significant late year boost to end 2012 a relative high note. Some analysts have suggested that finding a solution to the budget difficulties is the last obstacle preventing a big equities rally in 2013. Investors could be in for a period of significant capital appreciation in the first quarter of the year.

### Japanese stocks continue to strengthen

In what has been an encouraging few months for Japanese equities, following a general election and announcements of easing from the Bank of Japan, investors have continued to see their stocks' value rise. It may well be a good time to invest in Japanese stocks if you haven't done so already. As Hiroichi Nishi, general manager of SMBC Nikko Securities, points out, "although the market is already in overbought territory, investors are increasingly becoming alarmed that there is a risk of not having Japanese equities in their portfolios".

### Analysts suggest a steady comeback in Chinese property prices

After a period of doom and gloom in China's real estate markets, as the central government attempts to ease the risks of a speculative bubble, commentators are suggesting that a recovery is underway. One such firm is Cushman and Wakefield, which said in a recent report that "while the residential market is policy sensitive, a sustainable recovery is projected over the next three years".

### Samsung abandons its attempts to block Apple products

In the ongoing battle of the tech titans, Samsung has withdrawn its lawsuits which aimed to prevent market entry for certain Apple products that the firm believed were violating their patents. The reasoning they gave for this surprising change of direction was their belief that consumers, as opposed to the courts, should decide which products dominate the market. It is thought that Apple Inc. shares, which recently shed a significant chunk of their value, will enjoy a steady rebound following the announcement.

### Troubled security giant begins restructuring to restore investor confidence

Global security services giant G4S has taken its first steps on the long path to recovery after a disastrous second half of 2012. The company's troubles began when it failed miserably in its obligations to provide security staff for the 2012 London Olympic Games. Since then the firm's shares, which have long been fancied by value investors, have been very turbulent. G4S hopes that the appointment of former Royal Mail and ITV executive Adam Crozier to its board will give investors more confidence.

## Currencies

Dollar - Chinese Yuan

Euro - Chinese Yuan

GB Pound - Chinese Yuan

Japanese Yen - Chinese Yuan

December saw a major rally for the euro as market sentiment dramatically improved towards the end of 2012. On 19 December the previously troubled currency hit multi-month highs against the dollar and analysts remain optimistic about further progress going forward. The Indian rupee is also looking set for a long awaited rebound going into 2013 and many speculators are keeping their fingers on the trigger with regards to acquiring Indian assets should a rupee rally ensue. On the flip side, the yen remains pinned down and analysts evaluating major currencies have also identified the Australian dollar as the big underperformer of late 2012, most probably due to long term investors having settled their sentiments on holdings of the up and coming Aussie currency.

## Commodities

Commodity	1 Month Change	1 Year Change
Crude Oil (Petroleum)	-2.15%	3.98%
Natural Gas	6.64%	32.59%
Wheat	0.79%	28.47%
Sugar	-5.30%	-21.25%
Rice	1.02%	-3.01%
Aluminium	-1.29%	-6.31%
Copper	-4.35%	1.72%
Iron Ore	5.62%	-11.21%
Lead	1.87%	9.41%
Nickel	-4.85%	-8.60%
Gold	-1.43%	-0.95%
Silver	-1.25%	-1.48%

Although prices have moved away from their historic highs over the past month, sentiment for gold and silver remains fairly strong going into 2013. Oil prices move towards \$110 per barrel as industry experts sense a pickup in global demand over the next year. The other big commodities story at the end of December was rubber in which futures prices

recently hit a 7 month high. And there was also good news for coal investors following the International Energy Agency's report which claimed that coal will surpass oil as the world's top fuel within a decade. **E**

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# Recent Legal Developments in the Administration of Foreign Debt Raised by FIEs

Manuel Torres

Jessica Cao

by Mr. Manuel Torres (Garrigues' Shanghai Managing Partner) and Mrs. Jessica Cao (Garrigues' Shanghai Associate)

Foreign debts in China refers to the debts denominated in foreign currencies for which the onshore entities are liable to the non-residents, as per the definition thereof under the Tentative Measures on Foreign Debt Administration ("Tentative Measures") promulgated jointly by the State Development Planning Commission (currently named as the National Development and Reform Commission), the Ministry of Finance and the State Administration of Foreign Exchange (SAFE) on 8 January 2003 and effective as of 1 March 2003. According to the Tentative Measures, the 'onshore entities' means that the permanent organisations duly established within the territory of China, including without limitation, governmental organs, financial institutions, enterprises, institutions and social organisations; non-residents means that institutions and natural persons outside China and the non-permanent organizations duly established within the territory of China. The debts raised by a foreign invested enterprise (FIE) from offshore enterprises (including the shareholder's loans), offshore

financial institutions or offshore individuals are categorised as the foreign debts, which shall be mainly subject to the administration of SAFE per relevant Chinese laws and regulations.

In recent years, the legal framework for foreign debt administration in relation to FIEs has undergone several updates, which has affected or will affect the financing strategies for FIEs. This article below will address some of such legal developments which may worth the attention of FIEs as well as their investors.

## 1. Quota for Raising Foreign Debts by an FIE

Among the various restrictions imposed by SAFE on the foreign debts raised by FIEs, it is one of the important ones that the total amount of the foreign debts raised by one FIE is limited, i.e. being subject to certain quota (Quota). The FIEs may pay close attention to the legal developments regarding the calculation method of the Quota for their financing arrangements.

### 1.1 Updates on Quota provided by SAFE on 9 November, 2011

On 9 November, 2011, SAFE issued the *Circular on Issues Concerning Further Clarifying and Regulating the Foreign Exchange Administration under Some Capital Accounts (Circular Huifa [2011] No.45)*, which has strengthened the administration on foreign debts raised by FIEs in certain aspects.

The calculation of the Quota is one of the updates provided in this circular.

#### 1.1.1 Circular Huifa [2011] No.45

Prior to the effectiveness of this circular, the Quota shall be limited to the gap between the said FIE's total investment and registered capital.

According to relevant laws and regulations on FIEs, the concept of Total Investment means all the funds necessary to operate a FIE based on its business scale, which consists of the funds for 'basic construction' and the funds for working capital, while the Registered Capital means the share capital of a FIE, which is contributed by its shareholder(s) and is the extent to which the shareholder(s) is/are liable to the FIE.

Such gaps between the Total Investment and the Registered Capital limit of the amount of foreign debts a FIE can duly raise.

#### 1.1.2 Circular Huifa [2011] No.45

For strengthening the foreign debt administration for FIEs, Circular Huifa [2011] No.45 stipulated that, in order for a FIE to borrow foreign debts, its foreign shareholder(s) shall make the capital contribution to the FIE as scheduled, and the limit for its foreign debt shall be calculated by multiplying the upper limit for borrowing foreign debt (i.e. the gap between Total Investment and Registered Capital) by the percentage of paid-in capital from its foreign shareholder(s).

Therefore, if the foreign shareholder of a FIE does not contribute into the Registered Capital according to the payment schedule as stated in the FIE's articles of association, which is approved by the competent authorities, such FIE is not allowed to raise foreign debts.

Provided that such capital contribution is on schedule, the Quota under the regime established by this circular is not the maximum gap between the Total Investment and Registered Capital, instead, it shall be further subject to the percentage of the Registered Capital already paid up by the foreign shareholder. For example, if a wholly foreign owned enterprise (WFOE) has the Total Investment being EURO 30 million and Registered Capital being EURO 10 million, and its foreign shareholder has contributed EURO 3 million as per the payment schedule, the Quota of the WFOE for borrowing foreign debt upon that time is EURO 6 million, i.e. (EURO 30 million - EURO 10 million) × EURO 3 million / EURO 10 million = EURO 6 million.

### 1.2 Updates on Quota provided by MOFCOM on 22 October, 2012

Ministry of Commerce (MOFCOM) has recently issued the Interim Regulations on Equity Contribution of FIEs (Interim Regulations) which took effective on 22 October, 2012. According to the Interim Regulations, a new FIE could be incorporated with maximum 70% of its Registered Capital being contributed by its investor(s) in the form of equities held by such investor(s) in other onshore companies. However, the Quota of such FIEs shall be calculated based on its Total Investment corresponding to its Registered Capital, which excludes the part contributed in the form of equities.

Therefore, the Quota has been further limited for such FIEs with equity contributions. However, as the Interim Regulations were issued by MOFCOM, the implementation in terms of the Quota is further subject to the coordination by SAFE.

## 2. Short Term Foreign Debt vs. Medium and Long-term Foreign Debt

Apart from the above stricter calculation method for the Quota, Circular Huifa [2011] No.45 also stipulated the circumstances whereby a short term foreign debt of a FIE will be deemed as a medium and long-term foreign debt.

### - Short term foreign debt

The short-term foreign debt refers to the foreign debtor whose term is one year or less.

For analysing the available Quota, such foreign debt already repaid by the FIE will be disregarded from the Quota, i.e. it will be released from the Quota, and only the balance thereof will comprise the Quota.

### - Medium and long-term foreign debt

The medium and long-term foreign debt refers to the foreign debt which has a term of more than one year.

In order to assess the available Quota, the total amount borrowed for such foreign debts shall be taken into account and the Quota occupied by such foreign debt could not be released even after its repayment.

Circular *Huifa [2011] 45* required that if a foreign debt raised

by a FIE is overdue and the FIE fails to apply before the competent counterpart of SAFE for foreign debt modification registration formalities, SAFE shall suspend the acceptance of this FIE's application for raising any new foreign debt.

In addition, where any short term foreign debt of a FIE is overdue or renewed and the actual term of such foreign debt exceeds one year, this foreign debt will be deemed as the medium and long-term foreign debt. In another words, after the repayment of such foreign debt, the Quota occupied by such debt could not be released.

Therefore, for a FIE borrowing short term foreign debts, in order to remain within its Quota, such debt shall be duly repaid before the maturity date; otherwise a relevant portion of the Quota occupied by such debt could not be released even after repayment, and thus such a portion of the Quota could not be utilised for borrowing foreign debt again.

### 3. Simplified Formalities by SAFE for Debt-for-Equity Swap

When a foreign shareholder of a FIE may convert the principal of a loan granted by the FIE together with the accrued interests (i.e. a shareholder's loan, one type of foreign debts raised by a FIE), which has been duly registered by the competent counterpart of SAFE in advance, into the equities of such FIE and thus increases the Registered Capital of the FIE (collectively, 'Debt-for-Equity Swap').

According to the *Circular on Relevant Issues Concerning the Improvement of Foreign Exchange Administration of Direct Investments by Foreign Investors (Circular Huifa [2003] No.30)*<sup>1</sup> promulgated by the SAFE and effective as of 3 March, 2003, such Debt-for-Equity Swap shall be approved by the competent counterpart of SAFE in advance. Without such approval, a certified public accounting firm shall not issue a capital verification report for such swaps.

However, SAFE has recently abolished such approval formalities under its *Circular on Further Improving and Adjusting the Foreign Exchange Administration Policies for Direct Investments (Circular Huifa [2012] No.59)* promulgated on 19 November 2012 and effective as of 17 December 2012. According to this circular, a certified public accounting firm could perform the capital verification for such a swap based on a relevant foreign exchange registration information of the FIE without an approval of SAFE in this regard.

Although SAFE has simplified the formalities for the Debt-for-Equity Swap, please note that the implementation of such swaps shall still be subject to the approval and registration by other governmental authorities such as the competent counterparts of

MOFCOM and State Administration for Industry and Commerce (SAIC), etc.

### 3. Simplified Formalities by SAFE for Debt-for-Equity Swap

According to the Tentative Measures in 2003, the foreign debts are denominated in foreign currencies. However, with the gradual internationalisation of the Chinese Yuan (CNY) in recent years, SAFE and the People's Bank of China (PBOC) have gradually allowed FIEs to borrow foreign debts denominated in CNY from abroad.

In November 2010, the Fujian Branch of SAFE issued its circular allowing companies duly registered in the Fujian Province to borrow foreign debts in CNY, subject to relevant requirements; and later in January 2011, the Shanghai Branch of SAFE also issued its circular adopting similar practices for companies in Shanghai. With these trial implementations in certain provinces and municipalities, on 7 April 2011, SAFE adopted such practices on a nationwide scale by promulgating its *Circular on Relevant Issues on Regulating the Operational Procedures of Cross-border CNY Capital Account Item Business (Circular Huizongfa*

*[2011] No.38*). According to this circular, the onshore entities (including financial institutions) borrowing foreign debts in CNY shall be handled as per the current administration regime for foreign debt in principal, and it is not necessary to apply before the competent counterpart of SAFE to open special foreign exchange accounts to deposit such CNY funds from abroad.

Apart from the above Circular *Huizongfa [2011] No.38* issued by SAFE, PBOC also indicated in its *Measures on Administration of CNY Settlement in Foreign Direct Investment* effective as of 13 October 2011 that the debts denominated in both CNY and foreign currencies borrowed by FIEs from their onshore shareholders or affiliated companies, as well as from the offshore financial institutions, shall be calculated together for the total scale of their foreign debts. The FIEs shall duly open CNY deposit accounts to deposit the funds denominated in CNY as borrowed from abroad.

Raising foreign debts by FIEs is one of their important financing options, and the awareness of the latest administration policies in this regard may help FIEs and their investors to optimise their financing portfolios in advance. It is recommended that FIEs and investors to pay close attention to the further development of the Chinese legal framework for foreign debt administration. 

**In recent years, the legal framework for foreign debt administration in relation to FIEs has undergone several updates, which has affected or will affect strategies for FIEs.**

# Policy Explanation

## Legal Countermeasures Concerning the Management of Employees' Medical Treatment Periods

Simon Bai  
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'Medical Treatment Period' has always been one of the core subject matters which Human Resource managers are concerned with, and it is a popular topic for both employers and employees at the same time. The following passage is produced based on the laws and policies concerning medical treatment periods which are currently in force. It is introducing you to the system of medical treatment period from a corporation's angle, hence in order to offer measures that can be adopted by corporations for management accordingly, it aims to provide a guidance on the practice of Human Resource management.

### What is a 'medical treatment period'?

Article 2 in the "Regulation of Medical Treatment Periods concerning Employees who Suffer from Illness or with Non-work Related Injuries" (hereinafter referred to as "Medical Treatment Period Regulation"), which was promulgated by the former Ministry of Labour in 1994, clarifies that medical treatment period refers to the

time period within which the concerned employees who suffer from illness or with non-work related injuries are entitled to suspend working for rest and whose employment contracts shall not be dissolved within such a period.

In practice, employers tend to confuse the definition of a medical treatment period with the one of sick leaves: the latter is a biological concept whilst the former is a legal perception. Sick leave refers to the actual period during which an employee who is suffering from an illness or with non-work related injuries receives treatments; whilst the length of a medical treatment period is determined based on statutory conditions, and unless an employee's statutory condition(s) changes, the length shall not be altered. As a consequence, there will be situations whereby an employee's sick leave period exceeds his/her length of medical treatment period, and on this point, a lot of corporations have mistakenly considered that for those employees who request sick leave

1. Circular Huifa [2003] No.30 is abolished upon the effectiveness of Circular Huifa [2012] No.59 mentioned below.

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upon the completion of a medical treatment period, such requests may be declined. Actually, it has only been stated by relevant regulations and policies that a corporation shall be entitled to dissolve the employment contract with an employee after the completion of his/her medical treatment period. However, if a corporation chooses to maintain the concerned labour relationship, and the employee has submitted the application materials for sick leave in accordance with the corporation's rules, then the employee's request for sick leaves shall be settled.

### Calculating medical treatment periods

A medical treatment period is generally granted for 3-24 months based on both the employee's entire length of working and his/her the length of service at the current employer. For an employee who suffers from specific diseases such as cancer, psychosis, paralysis, etc. and not able to fully recover within 24 months, his/her medical treatment period may be reasonably extended provided that such has been approved by the corporation and the relevant labour bureau.

One's medical treatment period should be calculated starting from the first day of his/her sick leaves, and regardless of whether such sick leaves are enjoyed consecutively or intermittently, they are calculated in an accumulated manner within the medical treatment period until its expiry. Meanwhile, the calculation of the rest period includes public

holidays, vacations and statutory holidays.

On the other hand, employers should pay specific attention to the fact that medical treatment periods can be calculated in a recurrent manner. For instance, if the medical treatment period for an employee is 3 months, and the accumulated resting period within 6 months did not reach 3 months, then his/her medical treatment period shall be recalculated from the beginning from the 7th month. In practical terms, there are employees who abuse such systems and intentionally request for sick leaves recurrently. Considering such factors, it is recommended that employers may unilaterally improve and perfect the procedures in relation to sick leaves applications, requiring employees to provide complete medical records besides diagnosis certificates issued by a hospital which has been designated by the corporation. The provision of complete medical records shall include registration forms, clinical history, test results, payment receipts or invoices, etc. hence, the possibility of an employee providing false medical records will be significantly reduced accordingly. Furthermore, it should be clarified in an employee handbook and/or an employment contract that any behaviour involving applications for unnecessary sick leave shall be deemed as a serious violation of regulations and rules, and therefore, the organisation is entitled to dissolve the employment contract of the concerned employee if the case is severe.

### Payment during one's medical treatment period

When an employee has fulfilled all prescribed procedures concerning an application for sick leave, in accordance with the corporation's rules and regulations, and hence has started to enjoy his/her period of rest, such employees are then entitled to enjoy his/her medical pay within the medical treatment period.

According to Article 59 in the "Opinions concerning Issues regarding the Implementation of 'Labour Law of People's Republic of China" (hereinafter referred to as "Opinions on Labour Law") which was promulgated by the former Ministry of Labour, it stated that the standard of sick-leave wage payment can be determined by the corporation itself, and if an employee has not been able to provide regular labour during his/her sick period, his/her sick-leave wage can be lower than the minimum wage in the locality. However, in order to preserve such rights from being abused by corporations, it is also stipulated that the sick-leave payments made by an employer to an employee shall not be lower than 80% of the minimum wage in the locality.

### Dissolution of an employment contract

At present, there are a number of employers who hold mistaken concepts and consider that an employee's employment contract cannot be dissolved during his/her medical treatment period. However in fact, an employment contract may

be dissolved if an employee applies to resign during his/her medical treatment period or the parties mutually agree upon negotiation. On the other hand, if there are situations whereby an employee severely violates disciplinary procedures, or commits serious dereliction of duties or practices graft or corruption, or any other statutory reasons during his/her medical treatment period, then the employer is also entitled to dissolve the employment contract unilaterally and immediately.

### Conclusion

It is inevitable that employers will come across various problems or disputes concerning the issue of medical treatment periods, and since the laws and regulations regarding medical treatment periods issued in our country were promulgated quite long ago, it is indeed the case

## The Amendment aims to better facilitate the judiciary and parties in litigation in UHODWLRWRHIFLHF effectiveness and the due process of civil proceedings.

that they have, to a certain extent, separated themselves from the needs by the modern concepts of corporate management. As a result, there is a considerable number of corporations who do not know what course to take in dealing with disputes concerning medical treatment periods. In fact, the existence of countermeasures

is not that mysterious. On the one hand, employers should pay attention in terms of improving and perfecting their internal regulations and rules; whilst on the other, employers should strengthen the bridge of communication with the employees who suffer from illness or injuries in a timely manner whenever disputes concerning medical treatment periods arise in order to avoid any intensification or sharpening of the employee and his/her family's emotions. Employers should deal with such matters in a humanised manner whilst insisting a firm dependence on the law, making every effort to solve the problem by means of harmonious conversations. 

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# Windows 8: A Touching New Experience

By Justin Toy

**W**indows 8 is a complete overhaul of the Windows operating system; a visual, philosophical, and systematic 'rebirth' of Windows. You will notice striking differences not just on the surface (excuse the pun), but also in functionality and system design. Microsoft has seen the growing success of Apple's iPad, iPhone and iOS ecosystem, and has opted to head in the same direction. The result is a hip new system inspired by the Windows Phone operating system which marks a giant leap for Microsoft in a new direction.

## Getting Started

When you turn on your Windows 8 computer, you will notice that the new operating system is blazingly fast. Depending on the speed of your computer, the whole process might only take as little as 20 seconds to boot up. If it is your first time configuring Windows 8, you will be asked to link your Windows

log-in with your Microsoft Account. If you do accept, this means that every time you log-in to another computer, your system settings and preferences will follow you to your new device. In addition, your Microsoft account will be linked with SkyDrive. For those of you who don't know what SkyDrive is, it is a similar service to Google Drive or Dropbox. SkyDrive allows you to upload and sync files to a cloud storage and then access the files from a web browser or local device. You can get 7GB of storage for free. Office 2013 will automatically back up any file you edit to SkyDrive, which means that any document you edit on your Windows 8 device will be available to you on the cloud whenever and wherever you are. These settings are also customisable between your different devices, so you can turn the sync features on and off.

## User Interface

Windows 8 has been developed to

be part of an ecosystem that will function seamlessly with Windows Phone and Windows RT tablets. The traditional Windows desktop, icons and start menu have given way to the Windows Phone inspired colourful array of tiles. The new Start Screen for Windows 8 is a still just a launch pad for applications, just with a whole new look and feel. If you click on one of the tiles, it will open the application in a new window, although you will not be able to re-size the window or minimise it like in the past. Some of the tiles are dynamic, and will push updates to the Start Screen in real-time. For example, you can see news headlines, Twitter feeds, and Facebook updates as they happen without actually opening the corresponding application. However, not all applications will appear on the Start Screen but you will be able to easily customise your desktop by right-clicking on and then clicking on

Pin to Start. In order to find Apps that are not already on your Start Screen you can access them on your touch devices by sweeping your finger to the right. This will reveal the new Charms menu which consists of five icons of the most used functions in Windows 8. This includes Search, Share, Start, Devices and Settings and the Charms menu will also host key data such as network status, battery level, and other important info. The new Charms are all 'context aware', meaning that when you open the Charms menu, it will search the application that you have opened or you can trigger it to search across the OS.

## Desktop

The new mobile inspired Start Screen will definitely take time to get used to but for the most part it is quite visually intuitive and easy to get the hang of. You can also access the traditional Windows desktop view quite easily by launching the desktop tile or launching an older app that is not compatible with Windows 8. The traditional desktop mode is basically Windows 7 with some slight enhancements and changes.

The biggest change you will notice is that the Start Menu doesn't appear automatically. You must drag your mouse to the bottom left corner or use a gesture enabled mouse to get the menu to pop up. Some other notable changes to the desktop version is a cleaner and improved version of Windows Explorer (now named File Explorer) and an updated Task Manager that is easier to use and provides even more system performance metrics than before.

## Windows Store

Windows 8 is facilitating a new breed of apps for Windows by switching to this new OS format. Taking a page from Apple's playbook, Microsoft is taking a big gamble that developers will go along and create new good-looking applications for the Windows ecosystem in a centralised Microsoft Store. At the moment there are only

around 5,000 apps available on the Windows Store, which means that Microsoft has a long way to go to catch up with the likes of Apple and Google in terms of volume of content available on their Application store. Of course, you can expect all the big names, such as Facebook, Dropbox, Evernote, etc. to build a Windows app as quickly as possible, if they haven't done so already.

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**The future of Microsoft's success will be tied directly to their new cross-platform touch strategy.**

## Built-in apps

In addition to the Microsoft Store, there are several applications made by Microsoft that are quite polished. The Mail app is easy to setup and syncs with not just Hotmail, but also Gmail, Outlook.com, Yahoo, and other providers as well. It will also give you the option to import all of your contacts, folders, and labels. There is also a built in Calendar which will allow you to import your calendar from Google, Hotmail, Outlook.com, or Exchange. The People app is a social networking hub and contacts Rolodex all in one. You can link all your social networking sites like Twitter, LinkedIn, Facebook, Yelp, etc. together and view them from one centralised place. Each contact will have their own contact card within your 'People Hub' and all their shared information will populate from their various social networking sites that you are linked to them with. Windows 8 also comes pre-loaded with two versions of Internet Explorer 10; one for the desktop, and one for touch-friendly devices. Both will support HTML 5 and the touch version will have limited support for Flash;

don't worry, YouTube is supported! Messaging is a built-in instant messaging system that links with MS Messenger and Facebook chat (sorry, no Google Talk integration).

The Xbox Games app provides access to the Xbox Live system, where games that support Windows 8's implementation are listed and achievements are recorded. Unfortunately however, there are no Windows Phone games in Windows 8. Unlike with Apple, which shares common apps between iPhone and iPads, Microsoft's upcoming Windows Phone 8 operating system is only just beginning to share the core parts of Windows 8. The future for this integration looks bright; you should be able to play games across Xbox, PC, and phone but it's not ready just yet which is a disappointment from a gaming perspective. Despite this, the Xbox Live integration is quite solid in Windows 8.

## Bottom Line

Microsoft is betting the house that the future of computing is in touch enabled devices. They have simultaneously launched their impressive tablet with their touch friendly Windows 8 OS and are getting ready to roll out their new Windows Phone update. The future of Microsoft's success will be tied directly to their new cross-platform touch strategy and if there are enough unique and useful applications available in the Windows Store. With the tablet market eating up more and more of the traditional PC market, it is only a matter of time before tablets outsell PCs. Microsoft is making a leap in the right direction but will the implementation be done effectively? And will Microsoft's late entry to the application market be their Achilles heel? Only time will tell. **E**

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# Research and Development in China for European Businesses: Part 1

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**M**any European businesses may not conduct any R&D in China because they do not have a laboratory or research facility there, but in reality, a high proportion of these companies engage in activities which fall under at least one of the terms: research or development. Some examples of R&D might include a Small or Medium-sized Enterprise (SME) that enters into a contract with a local company to use their engineers to develop a prototype into a commercial product or application; or an SME that works with local researchers from a Chinese university to design a digital database that is to be accessible via the Internet to users in Europe.

Intellectual property (IP) is a critical consideration for European SMEs that come to China wishing to tap into the market potential for business growth, or the talent pool for technology development. When engaging in R&D in China, new intellectual property is being created, the rights to which need to be clearly defined from the outset to avoid disagreements later on.

This first instalment of a two-part article series on important issues to consider when researching and developing in China highlights development of your R&D strategy, structuring of IP ownership and important considerations to keep in mind when licensing IP. It is worth pointing out that the legal practices described here should be considered in the context of specific business models and specific methods of technology development.

## Develop your R&D strategy

When addressing Intellectual Property Rights (IPR) and issues related to R&D, people often quickly jump to questions of IPR ownership, licensing, enforcement etc. All of these issues are important. However, it is very helpful to examine the following questions before discussing legal structures with your counsel.

### (1) Where is your market in your current business model?

If you focus on the market in China, your business partners in China might want to ask a lot more from you, including sharing the ownership of IPR, in exchange for helping you to develop the product and the market.

### (2) Who will be the inventors?

If the primary inventors are non-Chinese citizens, you will have much more leverage in deciding how to control the IPR. If however, the Chinese team is expected to make key contributions, IPR ownership will be a more sensitive issue when negotiating the terms of your agreement. To retain the innovators, you will need to include a sufficient amount of rewards and incentives for them as individuals if the ownership of the innovation will not be granted to them.

Additionally, you will need to consider the legal status of the Chinese individual inventors. If the inventor is an employee of another party, for example a researcher at a local university, the inventor may be under contractual duty to assign his/her IP rights to that employer. Ignoring the inventor's existing legal duties can cause serious problems.

### (3) Is the technology going to be useful for other areas?

Very often SMEs bring in a promising technology to develop applications or products to suit the Chinese market. People often focus on the IPR related to the particular applications or products which are being developed. However, the underlying technology may be useful for other sectors. Control over the IPR for the underlying technology, and the outcome of your R&D operations, often have much greater stakes.

### (4) Are you willing to give away your IPR in exchange for equity?

The Chinese parties you are working with may be equally IP conscientious. Are you willing to give away your IPR in exchange for shares, stock options or other equity interests in their enterprises in China? The answers to this question may help you open up some doors to creative solutions in China.

### (5) What if your business fails in China?

IPR may be the only asset you are left with in the case of your business venture failing in China. For example, if your current business venture is closed down, can you securely use the IP you have developed somewhere else, or in

other fields, or with other partners? Thinking about the worst case scenario will give you some insight as to what your fall-back options are.

### Who owns the IP?

IP ownership is less of an issue if you simply set up your own entity in China to conduct all R&D activities. You can choose to file patent applications under the name of the Chinese entity, or its affiliates outside China. Placing the IPR under an overseas entity may provide greater flexibilities to suit the future needs of your business operations and financing. However, companies increasingly apply for IPR under their Chinese entities in order to qualify for the incentive plans offered by local Chinese governments.

If you rely on your business partner to some extent, IPR ownership may be more complicated. Some common choices can be seen below:

- Sole ownership of all the IPR by the foreign SME
- Sole ownership of all the IPR by the Chinese business partners
- Co-ownership, shared between the foreign SME and the Chinese business partner. Terms of the co-ownership can be largely defined by contracts.

The ownership issue can be sensitive between foreign SMEs and Chinese business partners. Excessive fighting over ownership will produce risks for future business co-operation. It is therefore advisable to keep revisiting the business models you have in place, and to always sign mutually agreed contracts on ownership, licensing and other legal tools to support your shared business interests, so that ownership is clearly defined from the start. For example, if you realise that the software tool you have developed can be used for another business model, to which your Chinese business partner has no relation, you may need to carefully craft the agreement in a way that will

allow you the freedom to use the technology in other fields. Failure to do this will most likely lead to disputes in the future.

#### Secure your licenses

An IP licence is a contract to permit where, when, and how your IP can be used by another party, for free, for royalties, or in exchange for other services. In most R&D contracts, licensing is a key aspect. The greater leverage the business partner in China has in terms of knowledge about the market and execution ability, the more consideration is likely to be given to licensing options.

In practice, licensing is probably one of the most important legal tools that SMEs often overlook. Part of the reason is that SMEs are not always confident about the effectiveness and enforceability of the contracts they enter into with Chinese partners. For example, people may be afraid of unfair court rulings and difficulties with the enforcement of judgments. While such considerations may be justified in some cases, SMEs should not overlook the importance of using contracts, as the lack of an agreement in writing will inevitably lead to disaster. IP licensing options should be well thought out prior to negotiations.

In China, common types of licences such as exclusive and non-exclusive licences are permitted. The laws and regulations are designed to give a large amount of autonomy for the parties to decide what to do with their IP licences. Parties can negotiate and reach a mutual agreement on the following key terms:

- **Territory of the licence:** Does the licence cover China or is it applicable worldwide? Is it better to have a licence that covers a certain specified geographical area in China?
- **Duration of the licence:** When does the licence expire? How should it be renewed? Can the licence be

terminated under certain clearly-defined circumstances?

- **Licensed IP:** Are you only going to license your patents? What about copyrights and trademarks? How about less familiar types of IP such as graphic user interfaces, sensitive client information, special skills? Some innovations may not be fully protected by the patent, trademark or copyright laws, but you may use the contract to protect yourself. To obtain more information about the protection of trade secrets, please refer to the Helpdesk guide for Protecting Trade Secrets in China and the Helpdesk guide to Using Contracts in China.

### The ownership issue can be sensitive between foreign SMEs and Chinese business partners. **FHVVLVYHJKWUJ over ownership will produce risks for future business co-operation.**

- **Licensed products covered by the licence:** You need to define clearly what types of products/services are covered by the licence.
- **Royalties:** You can choose a lump-sum payment, running royalties, etc., or even operate royalty-free for a certain period of time and then start charging. Issues like tax and auditing should be addressed as well.
- **Limitations of the licence:** Do you have to give warranty or indemnify everything asked for by your Chinese partner? Think of ways to limit your exposure to liabilities.
- **Other key terms:** Every licence is different; do not imagine that one

template can fit all your needs. Work with your counsel and think about your business interests, and come up with mutual agreements with your business partners.

**Important note:** In the context of joint IP development, keep in mind that Chinese laws do not allow foreign companies to retain ownership of improvements that are made by Chinese parties, unless the Chinese parties are being remunerated in some way for these inventions. This remuneration could be in the form of cash, shared profits, equity interest, or other types of property rights. Chinese laws also require the foreign company providing the technologies to authorise the quality and usefulness of the technologies, and to bear the liabilities if the technologies turn out to have infringed others' legal rights. Therefore, through discussions, European SMEs and their Chinese business partners should decide on fair and workable solutions before proceeding with a deal.

#### Take-away messages

1. **Define your business strategy,** and ask yourself the following questions: who are you doing the deal with, what is the potential of your technologies under the R&D, what are the worst case scenarios?

2. **Consider the legal aspects** of the deal. IP rights are probably the most important considerations in structuring your R&D agreement. In particular, the licensing options may offer you a great deal of flexibility to fulfil the business interest for both sides and avoid potential conflicts between parties.

3. **Look out for part 2 next month** which will describe the steps required for building valuable IP portfolios and will feature a business case study. **▶**

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#### Ivan Poon Appointed President of CBRE in China

CBRE, the world's leading commercial real estate services company, announced that Ivan Poon will join the company as President, China, with effect from 1 January 2013. In this capacity, Ivan will have responsibility for the operational performance of the company across all regions in China. He will work in partnership with the Chairman & CEO of China in setting the strategic direction of the business and will be directly responsible for the implementation of corporate initiatives and action plans associated with the enhancement of both the business platform and service delivery model operated by CBRE in China.

Mr. Poon is a seasoned business management executive and has served in senior leadership roles at a number of major multi-national corporations such as DHL, Compaq and Kodak. Mr. Poon holds a MBA from Stanford University and a BBA from the Chinese University of Hong Kong.

#### The Ritz-Carlton, Tianjin appoints Yakin Gerardus as Director of Rooms

The Ritz-Carlton, Tianjin has announced the appointment of Mr. Yakin Gerardus as Director of Rooms. He will take charge of leading, coordinating and supervising the entire operational activities of room division in the hotel including Front Office, Guestrooms, Spa and Loss Prevention.

Prior to joining The Ritz-Carlton, Tianjin, Yakin held the position of Senior Director of Rooms with the Hotel Mulia Senayan, Jakarta where he was awarded The Leader of The Quarter. With his invaluable professional experiences, he will guide the development of room division team members to create warm, relaxed yet refined ambience and provide the finest personal service and facilities.

#### Wessel Z. Krauss joins Hotel Éclat Beijing

Mr. Wessel Z. Krauss was recently appointed as General Manager of Hotel Éclat Beijing, the newest, soon to be opened Small Luxury Hotel of the World™ in Beijing's Central Business District, within close proximity to the commercial and diplomatic centres, as well as the Sanlitun shopping & entertainment area.

Travelling, art, golf and sailing are Mr. Krauss's hobbies. He is an ambitious, detail oriented, dynamic and level-headed leader. His solid European and Asian hospitality experience enables him to bring a wealth of knowledge and expertise to the hospitality industry. Mr. Krauss plans to lead Hotel Éclat Beijing in becoming an excellent place of lifestyle for travellers and visitors alike.

# Developing the Human Capital of Chinese Women

By Robert Parkinson, CEO and Founder of RMG Selection

It's already more than half a century since Chairman Mao said "women should hold half of the sky". However, recent research by the international accounting group Grant Thornton, which was based on over 6,000 interviews with business leaders between November 2011 and February 2012, found only a quarter of senior management positions in China (25%) are held by women. Meanwhile, Russia emerges as the country with the highest proportion of women in senior management positions at a much higher 46%.

Based on RMG's consulting cases, we have found that female leadership could increase the creativity and stability of the corporate organisation. Another study, 'The Bottom Line: Corporate Performance and Women's Representation on Boards' (Lois Joy and others, 2007), found that businesses with a greater proportion of women on their boards outperformed rivals in terms of returns on invested capital (66% higher), returns on equity (53% higher) and sales (42% higher). Therefore women in

China may have a very large and unrecognised potential to make even greater contributions to the society's tremendous economic achievement so far.

Also of note is that women in China make up more than half of the University student population. In this regard, the female proportion of regular University places was 37% in 1997, 40.9% in 2000, 44% in 2003, 46% in 2005, 48% in 2007, 50.2% in 2009 and 50.8% in 2010. That means the number of female university graduates is increasing

by a remarkable 1% per year. These reports and statistics show that the necessity and urgency to hire and develop female staff in your company can be inferred as being self-evident. In other words, if you don't start developing the 'She-Power' now, you will face a more and more serious situation of talent shortage because other companies are hiring more women, i.e. here's a resource: use it!

It's hard to find a Chinese woman, or a woman anywhere for that matter, who exhibits the Thatcherite demeanour of Britain's 'Iron Lady'. However, if you scratch beneath the surface you might find an iron hand in a velvet glove. Also, when we compare communications between Chinese men and women, we find men tend to lead the conversation in a strong way and women tend to listen and have more interactions. Chinese women are very good at staying focused on their goals with laser-like precision. In particular, the female's performance will be resolute when they have to make tough decisions.

The notable second aspect of having female managers is that they are great multi-taskers with high procedural ability to execute. Scientists say that women have an ability to think in a three-

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**Research suggests that female executives with high potential are less incentivised to achieve promotion and career development than their male counterparts.**

dimensional way and their brains can easily deal with many different tasks at the same time. On the other hand, it is said that, men have a 'lateral' way of thinking to deal with one problem at a time but with a greater degree of focus. There is another set of data from Grant Thornton's report that may prove these characteristics even better: Of the executive management positions occupied by women in China, most are COO (Chief Operating Officer) or other types of organisational roles with 45% of the positions and the least occupied role (by women) is that of the CEO occupying only 9% of those surveyed.

Most Chinese women are natural team workers with a high 'EQ'

(Emotional Intelligence). As well as the inherent female genetic aspects of EQ, Chinese society and the local systems of family and education have encouraged this aspect of Chinese females because traditionally, girls in the family are trained to be the helper, supporter and backbone of the family unit. Therefore, they feel very comfortable when being involved deeply with other team members. In addition, the Chinese lady is known to be very humble and modest. Namely, they are taught to control their emotions very well in different situations as a woman. 'Emotional Intelligence' is the ability to identify, assess and control the emotions of oneself, of others, and of groups. Women in China are often educated more than men on this subject by their parents.

Indeed it's amazing that the above features of women match the modern business needs so well. In fact, not enough effort is placed on promoting and developing the unique contribution women have to make in the modern Chinese business world and the preciousness of the male still overflows into the corporate world.

Every coin has two sides. Your biggest advantage could be a disadvantage to you as well. The stereotypical education of the Chinese lady is also about training women not to be pleased by external gains and not be saddened by personal losses. This concept makes most Chinese women unable to understand their own advantages and position themselves properly within the social or corporate situations. Female leaders who have succeeded still have to be faced with social consensus of the criticisms and accusation for what they have done. Those who are unable to undertake these pressures tend to escape easily. As a result, females sometimes encounter a career bottleneck. In response to

this, the HR practitioner could create a special training system for female staff to help explain their unique position and how to get use this to their greatest advantage- both in their careers and in the management of their business. Some successful women in their companies could be the best candidates for a coach, for example, this is might also be a way to build self-confidence for shy Chinese women. It may be a useful thing to do (for an HR Manager for example) to invite the CEO or equivalent to express encouragement towards female executives openly and regularly, (in a form of 'positive' discrimination!) Women also tend to be more sensitive (in particular to language according to the G.T. study) than men and these small gestures could help build small eco-systems whereby women have a greater level of equality than in the overall society, which is of course very good for their sense of self-worth.

Secondly, HR departments may take family-related factors into consideration when helping female staff to plan their career paths and setting-up job goals, because men tend to have a greater sense of mission and responsibility- whilst females may be more concerned with family issues. Influenced by the traditional thought that men work for living and the women must balance their work and life, and this directly leads to the reality that females have to play various social roles. Also, research suggests that female executives with high potential are less incentivised to achieve promotion and career development than their male counterparts. This mentality is more obvious in the later period of their career development curve. A way to alleviate this problem is to improve women's welfare and working conditions. Examples include flexible working hours (so they can take their children

to school, for instance). Another example is from one of our clients: They schedule a Parents-Children Day for all mums within their company. On that day, the company invites the husbands and children to work with the mums together. In this way, the family could understand the pressure and world load of their mums better and consequently reduce stress from the family side.

Last but not least, it's very important to train the male leaders on communicating with women staff appropriately, considerately and with respect. There are many men who are excellent business leaders but struggle when it comes

to the niceties of 'small talk' with female colleagues.

One report about society and culture from UNESCO demonstrates that the whole area in Asia-Pacific has lost USD 12-17 billion because of companies' failure to properly utilise their female talent. How much of the loss is coming from your company? Or put better, how much do you stand to gain, financially and environmentally from better utilisation of the 'fairer sex'?! 

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## Logistics Rentals Record Further Gains; Rate of Growth Slows as Occupiers Become More Cautious

The CBRE Asia Pacific Logistic Rental Index increased by 0.75% q-o-q in Q3 2012 compared to 1.8% q-o-q the previous quarter. Although the Index continued to record growth despite the generally softer industrial data across the region, it is clear that rent prices in many cities in Asia are now approaching their peak after enjoying the upward cycle for almost two years.



The lack of supply in several markets – particularly in China – further inhibited leasing transactions. Weaker industrial production and declining exports also negatively impacted upon occupier demand for factory space. Demand for industrial and logistics space looks set to weaken further in the months ahead as occupiers

turn more cautious in the face of the deteriorating regional economic environment. Retailers, which have been one of the main drivers of demand for logistics space during 2012- particularly in Asia, are expected to become less aggressive in taking up new space as retail sales and consumer confidence around the region are anticipated to decline further.

commentators to conclude that China may be close to turning the corner – but it is too early to tell at present.

Most production-oriented economies, including China, Japan, Malaysia, and Philippines, have been negatively affected by the deteriorating global trade cycle. Reduced new export orders have hit manufacturing output and in turn have weakened demand for industrial space.

### Logistic Rentals

Rentals in Guangzhou rebounded slightly after experiencing a minor correction in Q2 2012 thanks to the completion of a new high quality distribution centre that was able to command higher prices. Leasing demand for logistics and warehouse space weakened slightly across the region in Q3 2012 as occupiers, particularly those in Australia, turned more cautious and took longer to complete leasing decisions amid the weaker regional economic outlook. At the same time, the lack of supply in several markets – particularly in China – further inhibited leasing transactions. New completions during Q3 2012 included the 20,000 sq. m ProLogis Guangzhou Development Zone Distribution Centre Phase II; the partial completion of a new 257,000 sq. m DHL / Agasia development in Chengdu and the ProLogis Park Zama 2 building in Greater Tokyo.

Forthcoming supply diverges across the region. Shanghai, Beijing, Guangzhou and Tokyo have several large projects in the pipeline, whilst Shenzhen, Singapore and markets in the Pacific region are expected to see the completion of a few smaller to medium sized schemes.

The ongoing lack of high quality prime logistic stock in many key markets means that occupier demand for this asset class will remain healthy, especially from Third Party Logistics (TPL) firms and transport and logistics companies. Rental prices are expected to remain flat in the short term. A major rental correction is unlikely unless there is either a sudden spike of new supply or a prolonged global recession.

### Growth in Asia Pacific weakens further amid concerns over a China slowdown

Concern over the economic slowdown in China and its possible impact on the rest of the Asia Pacific region continued to grow during the period, with China's GDP growth expected to average around 7%-8% in 2012- its second lowest figure for a decade. Some positive signs are evident in certain indicators and have led some

### Demand for space set to weaken further as occupiers become more cautious

Weaker industrial production and declining exports

growth for logistic facilities is expected to ease in forthcoming quarters due to the lack of leasing deals.

In Shanghai the supply of prime factory space available for lease remained tight and the consequent lack of leasing transactions ensured factory rents remained stable, although the period did see a number of MNCs release industrial space as they scaled back production. Rents for logistics space continued to record growth, edging up by 0.3% q-o-q, thanks to steady demand from TPL companies. A significant volume of new logistical space, including several projects developed by GLP, is expected to be completed over the next two years and should adequately meet demand.

Logistics rents in Guangzhou recorded growth of 1.0% q-o-q as high quality warehouses raised their asking rents. The limited choice of high quality warehouse space in the market means that the demand is unlikely to be sufficiently catered for and rents are expected to continue to rise. Nansha is expected to emerge as a hotspot for industrial development thanks to a new preferential government policy.

Logistics space in Tianjin remained the subject of strong demand and rents increased by 2.1% q-o-q. E-commerce firms, retailers and TPL companies accounted for the bulk of enquiries. The supply of modern logistic facilities will remain tight with the majority of new completions set to be built-to-suit projects meaning that the leasing market will see strong competition for prime space in forthcoming quarters. 

negatively impacted occupier demand for factory space in Q3 2012, particularly in export-sensitive markets such as Shenzhen, Guangzhou and Manila. Rental growth slowed and even declined in several cities in China. A number of such companies which had previously set up plants in China were looking to shift production to Southeast Asia due to the current political tensions. Other foreign manufacturers in China are also reducing the scale of their operations and moving to other regional markets with lower labour costs.

### Market Summaries

Rentals for logistics space in Beijing recorded a minor uptick of 1.0% q-o-q in Q3 2012 as the lack of prime space continued to drive up costs, although the rate of growth has slowed since the beginning of the year. Demand was led by TPL firms and new supply coming onto the market has been quickly absorbed. Rental

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# Wechat: A Rising Star of Mobile Internet

Oscar Ramos  
CEO, DaD Asia Seed Capital

What is the most popular instant messaging software in China? Undoubtedly, it's QQ, which has acquired 721 million active users. In January 2011, Tencent launched its new product Wechat (Chinese name: Weixin), which supplies text and voice messaging communication services. It has become the most popular app on the mobile and Tablet PC, and the number one player which has acquired 200 million users, while its largest competitor, Momo, 'only' has 20 million users.

### Mobile Internet Market

To begin with the analysis of Wechat, I want to share some interesting data to get a comprehensive view about China's Mobile Internet Market. *Picture 2.*

*Picture1: 2011Q1-2012Q3, China's Mobile Internet Market Size*  
Source: iResearch

By the end of June, 2012, the total number of Chinese netizens had reached 538 million, and the number of mobile netizens has reached 388 million. By the third quarter of 2012, China's mobile internet market has reached CNY 14.78 billion, with a stable growth rate going forward.

There are 5 main aspects of this market: mobile value-added services, mobile shopping, mobile game, mobile marketing and mobile searching. Detailed information in *Picture 2*

*Picture2: 2011Q1-2012Q3, Constitutes of China's Mobile Internet*  
Source: iResearch

Traditional mobile value added services like SP services declined slowly because of the popularisation of the communication

Apps such as Wechat and Momo, which are very convenient to contact friends and family with super low cost.

Mobile shopping exhibited fast growth potential. Many companies like Taobao, Meilishuo and Mogujie have started their e-commerce on mobile terminals. Besides, some big companies have transferred their focuses to the variety of mobile payments.

Mobile marketing has been followed with interest by the market. More and more brands are working on it, because of the precision in terms of grasping the target customers.

Many web game companies and online gaming companies have also transferred their focuses to mobile games (or 'hand-held' games).

At the China Internet conference 2012, Pony Ma, CEO of Tencent, said: "Tencent has done many Location Based Services based on Mobile QQ and Wechat. The interface of the LBS service was called 700 times per day, and that is very typical of O2O services. Meanwhile, the QR code is the key bridge between online and offline".

### The role that Wechat has played in Mobile Internet Wechat in Value Added Service

Wechat is a very useful and effective tool to keep in contact with friends and families. The only fee cost is the internet traffic fee and the electricity charges. There is a product named Whatsapp in foreign countries which is very similar to Wechat.

Wechat has the capability to have one-to-one conversations and group conversations in order to share text, audio, pictures and videos. Another wonderful function is that it allows you to talk easily 'walkie-talkie' style by just pressing one button. What's more, in order to have conversations in an even funnier way, they provide the app with several emoticons from Tencent and some others from the well-known Emoji.

If you want to communicate with others and can get access to the internet, Wechat should be your first choice!

### Wechat in Mobile shopping

Tencent do value e-commerce a lot also. It has a B2C e-commerce platform named Paipai, and also involves in group-buying, Gaopeng (powered by Goupon, and Tencent is a shareholder) and QQ group-buying navigation.

*Picture3: Paipai*

*Picture4: QQtuan*

*Picture5: Gaopeng*

Tencent is also, of course, interested in payment. That's why Tenpay (payment tool) came into being. Currently, Tenpay cooperates with wechat to start the mobile payments. Tenpay will develop several ways of payment to support the function of Wechat, such as Scan, to realise integration online payment and offline business.

Wechat also cooperates with physical shops for the platform. In many shops, if customers scan the QR code they will get a coupon or become a VIP of the shop. In this way, the shop can communicate with customers and get feedback. It means that we can view Wechat as a CRM system now.

### Wechat in Social Media Marketing

In China, if a company wants to start social media marketing, the first platform that will be considered is Microblog (Twitter in China). The advantage of Microblog is that it can send out the information among people in a very short period of time. But the high exposure doesn't necessarily mean higher conversion rates to the target customers. Actually, the conversion rates from the audience to the final purchasers is pretty low.

What will lead the Microblog sphere going forward? Wechat could be a candidate, at least on mobile terminals. As mentioned before, Wechat has established cooperation with shops. Customers can choose to follow some companies and receive regular updates.

### Wechat in Mobile Gaming

Wechat has acquired 200 million users, and the number is growing steadily. Based on the huge database, Wechat could become an open platform to develop and operate more games. It's like Facebook; developers launch games on the platform and share the benefits with Facebook.

Investors are keeping an eye on it. It recently hit the news that there is a new fund named Golden Seed Venture Capital which is focusing on investing in Wechat related projects. DaD Asia Seed Capital also value the Wechat platform a lot, we are trying to find more efforts on mobile internet. 

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# Marketing Trends in 2013

By Heidi Skovhus

Entering 2013, it is appropriate to look at some of the marketing trends that experts are foreseeing will be dominating the coming year. At the end of 2012, most of the strategic planning and budgeting has been done for 2013, but it is not too late to look more specifically at some of the shifts and tendencies that marketers should be aware of the coming year – and maybe adjust your planning and budgeting accordingly.

Many articles and blogs are giving their take on 2013, and this article is describing the four most dominating predictions for the coming year made by marketing experts across the world.

## Content continues to be King

Content marketing is no longer a marketing buzzword, it is a huge and growing area of just about every successful brand's marketing effort. The demand for content is huge and having more and more content to provide is critical for most brands, and so curating content from partners, and even competitors, will be necessary. Furthermore, "creating once, publishing everywhere" will be a mantra for 2013. This means creating highly adaptable modular copy and image formats that can help make the expensive practice of winning content creation more efficient. Content management systems will begin to adapt to this broader need and marketing teams and budgets will too.

So what kind of content? Well, to build trust and loyalty, brands will be uncovering stories within their overarching story. One buyer might be looking for eco-savvy products or services, while another one might be looking for premium quality. If the same product or service can serve both these needs, then both kinds of audiences need to find your brand – and they will need micro stories to relate their specific buyer persona to your brand. So a 360 degree view of the company will reveal many useful facets for essential storytelling. As the need for quality, originality and storytelling increases, marketers are hard pressed to come up with enough content and this may lead to more content creation being outsourced as

in-house resources become exhausted or do not meet the quality standard. Furthermore, more and more content needs to be easily digested by the consumers and so it has to come as visual content such as video, image, custom illustrations, illustrative animation and info graphics.

How is the content consumed? To a large extent, gaming and 'gamification' is how content is deployed and used. The emphasis on the stickiness of content through its entertainment, reward and learning qualities will become more important and will be a competitive differentiator. Social networks are expanding faster than anyone can really quantify and mobile technology is illuminating the problem of content hopping and short attention spans. This will increase the demand for content that engages in near real-time, with relevant content to keep the audience interested. The concept of 'SoLoMo' (social, local, and mobile) has come true in how consumers want content.

Why are companies doing this? Top goals for content marketing in 2013 will be sales and retention. B2B content marketing tends to be more oriented towards generating leads and sales, and B2C brands tend to be more oriented toward goals of retention

and creating word of mouth. Today, most marketers use traffic as their main measurement criteria, but since content marketing is maturing as a marketing tactic, it is foreseen that more and more marketers will begin to measure in more tangible terms such as sales and leads.

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**There are still many consumers who prefer to use a call centre or deal with people in real life.**

As brands embrace social media and its potential to engage in meaningful conversations with their loyal fan base and potential clients alike, the new mantra is now that brands need to act as publishers. In fact, some say that content marketing is the new advertising. So this is not a complete new trend, but it will be a new way of working with it and the importance of it will increase significantly.

## Strategic social media – not just social media

Social media is not a new trend either, and you can argue that this trend for 2013 is a very natural next step

within the concept of social media. Today, brands are now realising and structuring themselves in order to better reflect the fact that social media is not a marketing function; it is a business function. Therefore, many companies engage their marketing, customer service, human resource, communication, sales, research, IT, legal etc. in-line with social media.

Many brands have set up accounts or pages on Twitter, Facebook, Google+, Pinterest and LinkedIn and now what? Well, trial and error is fine up until a certain point. Moving forward brands need to take a few steps back and make sure resources are allocated according to priorities and corporate objectives. In other words, what is the strategy? While this should have come in the first place, it is never too late to reassess the situation and tweak tactics according to a revisited strategy. Do not just be represented in social media, because you have to and everybody else is doing the same – be there with a plan and a purpose!

Social crowd-sourcing is also important to mention when talking about 2013 and social media. Crowd-sourcing through social media platforms is nothing new but remains very much under-utilised. Many organisations still conduct expensive focus groups on a regular basis when they could seek out equally relevant insights from Facebook fans or newsletter subscribers etc. Starbucks has been a leading brand in doing this with its MyStarbucksIdea.com site seeking feedback from its customers.

## Technological advancements

The technology keeps evolving and this will have a direct effect on how to do marketing and therefore it is worth mentioning when looking at marketing trends for 2013.

First of all, the tablets. It will be a more and more profound way of consuming marketing messages and it will continue to boom in 2013. It is no coincidence that Apple

in this field. 2013 will be a year with continued focus on this and on the Expectation Economy in particular.

To illustrate this, one of the growing expectations among customers is 'buying green'. Producing, selling and shopping based on environmentally green production and design, fair-trade and socially conscious consumption is on the rise. But given the ease of consumer outreach and their ability to pull back the brand curtain, watch for significant increases in total sustainability and corporate responsibility in the consumers' decision making process. This expectation is being taken to another level by the consumers but not by the brands (generally speaking) and so this illustrates one of the gaps in the Expectation Economy.

#### Not always online

is is not a trend for 2013, but more a closing remark. When looking at the predictions for 2013, most marketing trends are to be found in the online sphere. However, remember that there are still many consumers who prefer to use a call centre or deal with people in real life. Furthermore, television advertising is far from dead. This is true everywhere, and very true in China. Television ads will begin to incorporate more and more social integration. Television advertising will also incorporate 'second screen experiences' whereby a TV programme's tablet app, mobile app and discussions will be promoted and encouraged on social media platforms. Content creators will need to create assets that can live across multiple screens seamlessly. So television advertising will continue to be important, just in another way than before.

This is some of the dominating marketing trends for 2013. It will be exciting to see what else arises during the year. 

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recently launched the iPad Mini, while Samsung keeps coming up with variations of its popular Galaxy models in this device category. Google competes with its Nexus 7 while even Microsoft also decided to join the party with its highly anticipated Surface. Customer behaviours with these devices have everything to appeal to most marketers – more time spent on web pages, higher conversion rates and so on.

Another growing technological possibility is mobile payment. At the moment, it is a bit of a Wild West and it seems that every retailer is doing their own thing, with different mobile payment solutions available, such as Google Wallet, PayPal etc. Maybe 2013 will tell us who will be the market leader within this sector. However, no matter who will be winning the game this is a significant

technological advancement for marketers since online buying on-the-go is getting easier and more common.

#### The Expectation Economy

Over the past decade, customer expectations have increased by 28%, but brands in all categories overall have kept up by only 8%, which anyone at the check-out counter can tell you is a very big gap between what brands offer and what customers desire. Accurate measures of real – and often hidden – expectations provide significant advantages to brands that understand their value and point to how to satisfy customers. So even though we have talked for many years about the importance of consumer insights and many research companies are appearing and being very professional, it seems like marketers are still missing out

# Chamber Reports



November 29th, 2012

7KH(XURSHDQ&DPEHU7LDQMLQ&DSWHUZHOFPHGDVSHFLDOVSHDNHVDQGXHVWIURP(XURSHIRU1RYHPEHU0%ULHQJHYHQWWKH6XVWDLQD Mr. Robert Swan.

5REHUW6ZDQ2%(RQHRIWKHZRUGV7SUHHPLQHQSRODUH\$ORUHUVDQGHQYLURQPHQWDOOHDGHUVLVWKHJUVWVSHUVRQLQKLVWRUWRZDQ 6RXWK3ROHV,QRQFRPSOHWLRQRIRWKHZDONVWRERWKSROHV5REHUW6ZDQZDVFKDOOHQJHGEZRUOGOHDPGHUVDWWKHJUVW7RUOG6XPPLWIRU Development' to undertake a ten year global and local environmental mission involving industry, business and young people. Upon the successful completion of the missions, Swan reported back to world leaders at the second World Summit in 2002. Here he committed to a further ten-year mission to inspire youth to become sustainable leaders and promote the use of renewable energy for a sustainable future.

Robert's gave a presentation to more than 30 GMs in house, it focuses on his mission to honour his life-long commitment to preserve Antarctica by engaging, inspiring, and educating young people, educators, and business leaders across the globe to make informed and sustainable decisions for the future. The dramatic story of success, failure, and leadership that evolved out of his expeditions and subsequent transition to global motivator has the power to inspire and uplift any audience. His presentation not only highlights the key elements of successful leadership and what it takes to achieve the impossible, but also raises awareness on the issue of climate change and the importance of people and businesses around the world adopting sustainable, renewable energy practices so that Antarctica will never be exploited for its resources.

#### 2012 China Tax Seminar: The Risk Less Taken - Managing Change and Complexity

Dec.12th, 2012

With the support from PwC, the European Chamber Tianjin Chapter hosted the 2012 tax seminar: "The Risk Less Taken: Managing Change and Complexity" on 13 December 2012. The business environment has become more uncertain and volatile than last year's. Thus, we will dive deeper into WKH VWUDWHJLF QDQFLDODQG RSHUDWLRQDOLVVXHV FRPSDQLHVDUHIDFLQJ DQG WKH opportunities to mitigate the risks.

Leading professionals from PwC shared their insights on the trends and GHYHORSPHQWVLPDFWLQJWKHWDPWLRQRILQDQWKHVLQRURIFLDOIURPRRGV Service Section, Tianjin Municipal State Tax Bureau also attended and gave a presentation on the updated policies.

#### Highlights of this seminar:

- Equity Transfer and Valuation
- Mastering the Transfer Pricing Life Cycle
- Overview of Customs New Developments in year 2012
- Preferential Tax Calculations Applicable to Annual Bonus, Employee Equity Plan Income and Severance Payment
- Managing Indirect Taxes in Tianjin

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**Dialogue with the Tianjin Government &  
2012 AmCham China Tianjin Annual Appreciation Dinner**  
30:HGQGDHFHPEHEQLMCHDNLHZDMLQWHO



ORUWDPE&DPPPUORIFLDORIZLDMRYUPWEDPWJWUUEWOIRUWDOSSUELDWLRUURWQ  
AmCham China, Tianjin at Renaissance Lakeview Tianjin Hotel on December 12th.

AmCham China President Christian Murck opened the event by appreciating Tianjin government's support to AmCham over the past years and the attention to AmCham China's White Paper on the government meetings or events. He also highlighted that the member companies' operations are well supported by the local government in 2012.

Mr. He Ronglin, Vice President of Chinese People's Political Consultative Conference acknowledged the efforts from both the government and the business community, and he is pleased by the increasing investment from foreign countries, and particularly from the U.S., and their contribution to the city's economic development. He also emphasized that the American business community and Tianjin government have much to gain from cooperation.

Michael Hart, Chairman of Tianjin Chapter Executive Committee addressed AmCham's willingness to contribute to Tianjin's economic development and transition, including AmCham members' investment in Tianjin and local companies' investment in the US. He also thanked all of the corporate sponsors, which are Alcan Cable (China), Jones Lang LaSalle, Leadership Development International Inc., Tianjin International School, Motorola Solutions (China) Co., Ltd., Cintas (Tianjin) Enterprise Services Co., Ltd., Taylor Printing Company (Tianjin) Limited, PPG Coatings (Tianjin) Co., Ltd. and United Family Hospital.  
PKDPKLD7LDQMLQKDSWHUYQXDOSSUHFLDWLRQLQHQHJLYHVDWWHQGHVWVKHFQKDFHWRFHQHEUDWHWKPXWXDOO\EHQHFLDOFRRSHUDWLRQHWZHQ  
the American business community and Tianjin government.

**Clean Technologies Seminar: Green Building Market in China**

Corporate Social Responsibility (CSR) is very important to the Benelux Chamber of Commerce (BenCham). BenCham, partner in the Sino-Dutch CSR platform, supported by the Dutch embassy, organises several events each year from information sessions to interactive round table discussions.

On Wednesday 28 November, BenCham organised a Clean Technologies Seminar: Green Building Market in China. China's building market is full of exciting opportunities, yet at the same time knows faces a number of interesting challenges. In light of recent government decisions in this area, this is especially true for the Green Building Market and the clean tech companies.

For new buildings, the Chinese government has already made a decision to achieve 65% energy consumption reduction versus existing building stock. The JRYHUQPHQWKDVVHOHFWHGFLWLHVWRXQGHUJRDPLQLXPRIPLOOLRQVTXDUHPHWUHVRIHQHUIHIFLHQF\UHWUR\WVWKDWFRVWEHWZHHQKQKDUHHOLJLEOHWRUHFHLYHDVXEVLGRIHQHIIHFWFUHDWLQJDPDUNHWZRUKLLOOLRQ.QWKLVG\QDPLFFRQWHWRXUWZRJXHVVSHDNHUVVW the opportunities and challenges of international clean tech companies in China.

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M8SLipMD%+h 6- .c12 1601, 78 -F1Fü5L.7 : 100027  
7HO)D[  
Email: [cpeere@bencham.org](mailto:cpeere@bencham.org) - Website: [www.bencham.org](http://www.bencham.org)

**German Christmas Market Tianjin**

Saturday, December 8, 2012

More than 170 people gathered at the Christmas celebration of the German Chamber of Commerce on December 8. The terrace of the historic Astor Hotel provided the festive ambience for our Christmas Market with Christmas music and culinary delicacies such as the mulled wine (Gluehwein) and the buffet with German sausages, waffles and stollen. Kids took joy in the children's program with their parents and crafts and, of course, in the visit of Santa Claus. Despite freezing temperatures below minus 5 degrees, the participants enjoyed the traditional German Christmas atmosphere with beloved ones, friends and colleagues.

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)

Room 1502, Global Center, No. 309 Nanjing Road, Nankai District  
7HO)D[ +86 22 8787 9249 **Email:** [tianjin@bj.china.ahk.de](mailto:tianjin@bj.china.ahk.de) **Website:** [www.china.ahk.de](http://www.china.ahk.de)

## Tianjin's Christmas Tree Lighting Ceremonies



### The St. Regis Tianjin

Salute the richness of St. Regis history with friends and family at The St. Regis Tianjin, the prestigious new landmark on the city's dynamic skyline. The St. Regis Tianjin successfully launched their annual tree lighting ceremony on Friday, November 30th from 6:00 – 9:00 p.m., kicking weeks of festive celebrations and packages to commemorate the holiday season. The St. Regis Tianjin will also be offering a host of Christmas and New Year specials and celebrations.

### Sheraton Tianjin Hotel

This December, Sheraton Tianjin Hotel is hosted a Christmas Lighting Ceremony together with a heartfelt charity dinner. Sheraton Tianjin Hotel provides a warm and scenic lobby with a Christmas tree decorated with colorful ornaments and a majestic Ginger Bread House to welcome the merry greetings of Christmas. In the exhibition of cheers of audiences, was a symbol of hope and blessings as the Christmas tree lit up.

### Sheraton Tianjin Binhai Hotel

On 7 December 2012, Sheraton Tianjin Binhai Hotel held its Christmas lighting ceremony in the main hall. A beautifully decorated ten-meter high Christmas tree was on display for all to see. A ginger house and Santa Claus with Christmas angels created a strong Christmas spirit. This ceremony symbolises peoples' best wishes for Christmas. The lighting ceremony also marked the beginning of the Sheraton's Christmas and New Year's activities.

### Holiday Inn Tianjin Aqua City

On December 7th, 2012, 100 guests gathered at Holiday Inn Tianjin Aqua City to welcome the advent of Christmas with a Christmas lighting ceremony. This is the second ceremony since the hotel started its business, so the lighting ceremony also represented Holiday Inn Hotel's gratitude for people's support. After the lighting ceremony, the managers of the hotel invited all the guests to enjoy a fabulous cocktail event in the wine hall.

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

The Astor Hotel held an annual Christmas Lighting ceremony and dinner on 29 November. Guests were invited to enjoy students from the Tianjin International School singing Christmas carols, as well as watch the Christmas tree lighting ceremony in the main hall of the Astor. The event was held in conjunction with a local Chinese charity - Tianjin Volunteer Service Group. After the lighting ceremony, guests were treated to a delicious all-you-can-eat buffet cooked by the Astor's top chefs.

### The Westin Tianjin

The Westin Tianjin held a fabulous Christmas tree lighting ceremony on November 30, 2012. The hotel was full of Christmas Spirit: Sparkling Christmas silver balls and delicate red bows decorated the 5 metre high Christmas tree. Gingerbread houses in the hotel were the highlight of the ceremony. The General Manager Gao Yan said "This is the third tree lighting ceremony since we opened the hotel. Thank all of you for your support during 2012. I sincerely wish you had a wonderful night here."

### Tianjin TEDA International Hotel

Tianjin TEDA International Hotel held a Christmas Lighting Ceremony from 5:45pm to 6:30pm on 7 December 2012 at Lobby Bar, unveiling the melodious prelude for the Christmas bells to be rung soon. The hotel Christmas choir brought traditional Christmas songs, which ensured it a memorable night. GM Mr. Lai Wenjin expressed appreciation and thanks to the attendant guests and media, who witnessed this pleasant moment together.

### Renaissance Tianjin Lakeview Hotel

On the 6th December, Renaissance Tianjin Lakeview Hotel held its annual Christmas Tree Lighting Ceremony to celebrate the holiday season of caring, sharing and loving under the theme of "A Sparking Night full of fun and colours". Guests were wearing colourful scarves prepared by the hotel in order to add more festival atmosphere. The Christmas Tree Lighting Ceremony is not only an annual tradition, but is also an opportunity for the hotel to express its best wishes to distinguished guests for the New Year.

### Crowne Plaza Tianjin Binhai Hotel

Christmas is coming soon, and the holiday atmosphere added warmth this cold winter. On November 28, 2012, Crowne Plaza Tianjin Binhai Hotel placed a big Christmas tree and a crystal ball in the hotel hall which will mark the lighting ceremony. The whole tree lighting ceremony was not only ornamental, but also expressed the hotel staff's best wishes to colleagues and guests. With the rising and falling sound of the piano, the choir performed some classic Christmas songs.

### Hotel Nikko Tianjin

on November 23, 2012 Hotel Nikko Tianjin is proudly present "Go Green" Christmas Tree theme. The tree is 4.5meters height and 3.5meters width and built with more than 1000 recycled mineral water bottles, Christmas garland, cottons and some other decorative items. It is a great honor to take this opportunity to encourage more people to go green and recycle possible resources. Together we can protect the environment, save the planet and make the world a better place to live in.

### Indigo Hotel Tianjin Haihe River

Tianjin Haihe River Indigo Hotel, a branch of the IHG Group, has opened in spectacular fashion with its Blue Angel, the first fancy beer house of its kind in Tianjin. Recently, the House has filled with Christmas cheer, where the nutcracker decorations bring you to a fantasy land. In the upcoming party which will take place in the House, we'll have famous hosts and sports stars with us and enjoy a wide variety of fine beers and cuisines together!

## Christmas at Wellington

No sooner was Wellington's musical extravaganza, *Bugsy Malone*, over, than pupils were busy preparing for the Christmas Concert and Christmas Show. The Junior School's production of *Christmas Around The World* took place on Monday, 10 December. The story revolved around a group of passengers on board a holiday cruise ship who found themselves shipwrecked on a desert island the week before Christmas. They are losing hope of being rescued in time for Christmas and talk to each other about what Christmas in their home country means to them. Each year group, dressed in national costume, presented a song or dance from the country of one of the stranded passengers, with one of the most entertaining being the Year 2 pupils performing a Russian folk dance, complete with matryoshka dolls and Cossack leg kicking. Other treats included the human Christmas tree and gingerbread house. In an international school with nearly 30 nationalities of pupils, this was a wonderful way to celebrate the diversity of the school and the different ways various nationalities celebrate the festive season. After the show, pupils and their families were treated to a range of Christmas goodies, including mince pies, and each pupil was given a Christmas memento from Jane Robinson, Head of the Junior School.

On Wednesday 12 December, the Seldon Theatre was the venue for the whole school Christmas concert which featured over 70 pupils and staff. The programme included a variety of instrumental and vocal items. The wind band played a selection of well known tunes including *Can You Feel The Love Tonight*, while the String Ensemble entertained the audience with a piece by Mozart. The Junior and Senior Choirs performed a number of carols and Christmas classics including the ever popular *Jingle Bell Rock* and the *Angel Carol*. There was also an opportunity to hear from some of the College's talented young instrumental soloists during the concert, together with a rendition of *The Three Kings*, by baritone, Gudmundur Jonsson, Head of Geography. The audience themselves were also able to join in by singing a couple of well-known Christmas carols. After the concert, the audience enjoyed a drinks reception as the snow started falling outside, further adding to the festive spirit.

## TIS High School Christmas Concert

On December 15 the Tianjin International School held a celebration of Christmas with performance by their very own High School Concord Choir, Concert Band, Jazz Band, and Percussion Ensemble. The 73 piece student band delighted the packed audience by opening with a magical rendition of *Frosty the Snowman* and closing with *Handel's Hallelujah Chorus*.

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

**01**  
TUE  
UUÅ

**Moscow State Orchestra New Year's Concert**  
 莫斯科新年音乐会  
 天津音乐厅  
 19:30  
 ¥ 880 / 580 / 380 / 280 / 180 / 120  
 +86 22 8388 2299

**05**  
SAT  
UU£

**Prague Philharmonic Orchestra New Year's Concert**  
 布拉格爱乐乐团新年音乐会  
 天津音乐厅  
 19:30  
 ¥ 580 / 380 / 280 / 180 / 120 / 80  
 +86 22 8388 2299

**01**  
TUE  
UUÅ

**Beijing Red New Year's Commodity Fair**  
 北京年货大集  
 北京中国国际展览中心  
 1月1-5日  
 +86 20 6663 6185

**06**  
SUN  
UU

**2013 Beijing New Year's Commodity Fair**  
 2013北京年货大集  
 北京世界贸易中心  
 +86 10 5269 1893 / 6333 2354 / 5269 1892  
 www.jfchina.net.cn  
 1月6-25日

**03**  
THU  
UU

**Royal Scottish National Orchestra New Year's Concert**  
 苏格兰皇家国家交响乐团新年音乐会  
 天津音乐厅  
 19:30  
 ¥ 1280 / 880 / 680 / 480 / 280 / 120  
 +86 22 8388 2299  
 1月6-8日

**10**  
THU  
UU

**TICC Monthly Lunch TICC**  
 TICC午餐  
 Texas BBQ Saloon  
 11:30  
 ¥ 120-150  
 +86 22 8792 4661

*Editor's pick*

**10**  
THU  
UU

**IT & Consumer Technology Electronics Exhibition COMEX**  
 消费电子展  
 北京展览中心  
 +86 20 8216 2493  
 1月10-13日

**11**  
FRI  
UU£

**2013 Beijing Book Fair**  
 2013北京国际图书博览会  
 北京中国国际展览中心(老馆)  
 1月11-13日  
 www.bbf.org.cn/Pages/Home.aspx

**15**  
TUE  
UUÅ

**China Wedding Expo**  
 中国婚博会  
 上海世界博览展览馆  
 1月15-18日  
 www.chinaweddingexpo.com.cn

**18**  
FRI  
UU£

**Wanlong Weekend Ski Tour**  
 万龙周末滑雪之旅  
 万龙滑雪场  
 ¥ 300-400  
 +86 400 6822 999 / 135 0207 0987

*Editor's pick*

**25**  
FRI  
UU£

**Swing Jazz Classic Concert**  
 摇摆爵士经典音乐会  
 西岸艺术中心  
 20:00  
 ¥ 100  
 +86 22 2326 3505

**26**  
SAT  
UU£

**2013 HG Spring Festival Food Fair 2013**  
 2013年货大集  
 上海世博展览馆  
 1月26-31日  
 +86 21 6299 0137-812 / 807

**26**  
SAT  
UU£

**Snow Polo World Cup 2013**  
 世界马球杯  
 天津金鹰马球俱乐部  
 12:15-16:30  
 +86 22 8372 8888  
 1月26-31日

*Editor's pick*

**27**  
SUN  
UU

**2013 The 5th Beijing International Jewellery Exhibition**  
 2013北京国际珠宝展  
 中国国际展览中心  
 +86 136 8331 5366  
 1月27-30日

1 Jan New Year's Day  
5 Jan Slight Cold (xiǎo hán)

19 Jan Laba Festival  
20 Jan Great Cold (dà hán)

# Purchasing Products I

会话  
gòu mǎi shāng pǐn

Volume 56

A: Good morning, Miss. Glad to meet you.

早上好 小姐 很高兴 见到您  
zǎo shàng hǎo xiǎo jiě hěn gāo xìng jiàn dào nǐ

B: Good morning, sir. Glad to have the opportunity of visiting your company and I hope to conclude some business with you.

早上好 先生 很高兴 有机会 拜访 贵公司。 希望 能与您 公司 达成 交易。  
hěn xīng fèn néng yǒu jī huì bài fǎng guì gōng sī. xī wàng néng yǔ nǐ men zuò chéng jiāo yì.

A: I think so.

我想 是的。  
wǒ yě zhè yàng xiǎng

B: Our company will buy in a batch of computers, I want to get to know your product.

我们公司 将 购买 一批 电脑 我想 了解 一下 你们 的 产品  
wǒ men gōng sī yào gòu jìn yì pī diàn nǎo wǒ xiǎng liǎo jiě yí xià nǐ men de chǎn pǐn

A: We have imported a latest development. I wonder if you would like to have a look?

我们 已经 进口 了 最新 的 产品 您 想 不想 看看 呢  
Wǒ men jìn kǒu le yī zhǒng xīn chǎn pǐn wǒ xiǎng zhī dào nín shì fǒu kě yǐ kàn kan huò

B: Of course. Ah, yes, this is the model I was interested in.

当然 啊 是的 这就是 我 感兴趣的 那个 型号  
Dāng rán à shì de zhè jiù shì wǒ suǒ gǎn xìng qù de nà zhǒng yàng shì

A: I should be very happy to give you any further information you need on it.

我很 乐意 提供 您 需要 的 任何 进一步 的 信息  
wǒ hěn lè yì tí gōng nín suǒ xū yào de guān yú tā de jìn yí bù de xìn xī

B: Yes, what are the specifications

好的 请 告诉我 规格 吧

A: We have a wide selection of colors and designs.

我们有 很多 颜色 和 款式  
wǒ men yǒu hěn duō shì yàng hé yán sè kě gōng xuǎn zé

If I may refer you to page eight of the brochure you'll find all the specifications there.

如果您 能 翻到 宣传册 的 第八 页 您 会 找到 所有 的 规格

B: Ah, looks nice. I care about the quality of the goods. Now what about product life?

噢 看起来 不错 我 关心 商品 的 质量 现在 产品 的 寿命 是 多长  
òh hǎo de wǒ guān xīn de shì huò wù de zhì liàng guān yú shǐ yòng shòu mìng ne

A: Our tests indicate that this model has a life of at least 50,000 hours, about 10 years.

我们的 测试 显示 这个 型号 的 寿命 至少 有 50,000 小时 大约 10 年  
wǒ men de shí yàn biǎo míng zhè zhǒng yàng shì zhì shǎo kě yǐ shǐ yòng wǔ wàn xiǎo shí dà yuē shí nián

B: Is that an average figure for this type of equipment

这是 不是 这个 类型 的 设备 的 平均 寿命 呢

A: Oh, no, far from it. That's about 10,000 hours longer than any other made in its price range.

不是 的 相差 很远  
bú shì de, xiāng chà hái hěn yuǎn

这个 比 同类 的 其他 设备 的 寿命 要 长 10,000 小时 左右

B: Really? That's impressive.

真的 吗 这 很 令人 印象深刻  
zhēn de zhè yì diǎn gěi wǒ yìn xiàng pō shēn

A: Of course. Our product is the best seller and it is really competitive in the word market.

当然 我们的 产品 是 畅销 的 而且 在 市场 上 很有 竞争力  
wǒ men de chǎn pǐn zuì chàng xiǎo wǒ men de chǎn pǐn zài guó jì shì chǎng shàng hěn yǒu jìng zhēng lì

Vocabulary						
(1)	访问	visit	bàifǎng	(9)	宣传册	shǒucè
(2)	生意	business	jiāoyì	(10)	关心	guānxīn
(3)	买	buy	gòu jìn	(11)	货物	huòwù
(4)	一批	a batch of	yì pī	(12)	质量	zhìliàng
(5)	进口	import	jìnkǒu	(13)	使用寿命	shǐyòngshòumìng
(6)	型号	model	yàngshì	(14)	测试	shíyàn
(7)	进一步	further	jìnyí bù	(15)	至少	zhìshǎo
(8)	VSHFLFDWLRQ		guīgé	(16)	关于	dàyuē

If you meet any problems in learning Chinese, please send us an email at [bizclass@businesstianjin.com](mailto:bizclass@businesstianjin.com)  
We'll do our best to help you. See you next month.

TIANJIN

Chinese

China Station

A: 2F, Radisson Plaza Hotel Tianjin  
No. 66, Xinkai Lu, Hedong District  
T: +86 22 2457 8888  
c31  
R p 0D% 66- B s1OL  
?Gf 2x

Fortune Restaurant

A: 2F, Crowne Plaza Tianjin Binhai  
No. 55, Zhongxin Da Dao  
Airport Industrial Park  
T: +86 22 5867 8888 ext. 2355  
R p 0D% 66- B s1OL  
?Gf 2x



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  
R p 0D% 66- B s1OL  
?Gf 2x

Riverside Chinese Restaurant

A: 3F, Holiday Inn Tianjin Riverside  
Phoenix Shopping Mall  
East Haihe Road, Hebei District  
T: +86 22 2627 8888 ext. 2211  
R p 0D% 66- B s1OL  
?Gf 2x

Shui An

A: 1F, The Astor Hotel Tianjin  
No. 33, Tai'er Zhuang Lu  
Heping District  
T: +86 22 2331 1688 ext. 8920  
R p 0D% 66- B s1OL  
?Gf 2x

Tao Li Chinese Restaurant

A: 6F, Hotel Nikko Tianjin  
No. 189, Nanjing Lu, Heping District  
T: +86 22 8319 8888 ext. 3561  
R p 0D% 66- B s1OL  
?Gf 2x

Yan Ting Chinese Restaurant

A: 2F, The St. Regis Tianjin, No. 158  
Zhang Zizhong Lu, Heping District  
T: +86 22 5830 9999  
R p 0D% 66- B s1OL  
?Gf 2x

Japanese

Benkay Japanese Dining

A: 5F, Hotel Nikko Tianjin, No. 189  
Nanjing Lu, Heping District  
T: +86 22 8319 8888 ext. 3558  
R p 0D% 66- B s1OL  
?Gf 2x

Kasumi

A: 1F, Crowne Plaza Tianjin Binhai  
No. 55, Zhongxin Da Dao  
Airport Industrial Park  
T: +86 22 5867 8888 ext. 2322  
R p 0D% 66- B s1OL  
?Gf 2x

Kushi Grill

A: 2F, Radisson Blu Plaza Hotel Tianjin  
No. 66, Xinkai Lu, Hedong District  
T: +86 22 2457 8888  
R p 0D% 66- B s1OL  
?Gf 2x

Seitaro

A: Sheraton Hotel Tianjin  
Zi Jin Shan Lu, Hexi District  
T: +86 22 2731 0909  
R p 0D% 66- B s1OL  
?Gf 2x

SóU

A: 49F, Tangla Hotel Tianjin, No.219  
Nanjing Road, Heping District  
T: +86 22 2321 5888 ext.5106  
R p 0D% 66- B s1OL  
?Gf 2x

Thai

YY Beer House

(Behind International Building)  
A: No. 3, Aomen Lu  
Heping District  
T: +86 22 2339 9634  
R p 0D% 66- B s1OL  
?Gf 2x

Western

Café @ 66

A: 1F, Radisson Blu Plaza Hotel Tianjin  
No. 66, Xinkai Lu, Hedong District  
T: +86 22 2457 8888  
R p 0D% 66- B s1OL  
?Gf 2x

Aulare Latin Restaurant

A: Magnetic Plaza, Building A4  
2-16, Binshui Xi Dao  
Nankai District  
T: +86 187 2229 0691  
E: tianjin@aulare.com  
R p 0D% 66- B s1OL  
?Gf 2x

Texas BBQ Saloon

A: Units 115 and 128, Central  
Avenue, Building C7, Magnetic  
Plaza, Nankai District  
T: +86 22 8713 5555  
T: +86 182 0258 9904 (English)  
+86 182 0258 9924 (Chinese)  
R p 0D% 66- B s1OL  
?Gf 2x

Bistro Thonet

A: No.55 Chongqing Road,  
Heping District  
T: +86 22 8713 5555  
E: info@qingwangfu.com  
W: qingwangfu.com  
R p 0D% 66- B s1OL  
?Gf 2x

Brasserie Flo Tianjin

A: No.37, Guangfu Road  
Italian Style Town, Hebei District  
T: +86 22 2662 6688  
R p 0D% 66- B s1OL  
?Gf 2x

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  
R p 0D% 66- B s1OL  
?Gf 2x

Café Majestic

A: 1F, The Astor Hotel Tianjin  
No. 33, Tai'er Zhuang Lu  
T: +86 22 2331 1688 ext. 8910  
R p 0D% 66- B s1OL  
?Gf 2x

Café Venice

A: 2F, Holiday Inn Tianjin Riverside  
Phoenix Shopping Mall  
East Haihe Road, Hebei District  
T: +86 22 2627 8888 ext. 2271  
R p 0D% 66- B s1OL  
?Gf 2x

Glass House

Hyatt Regency Jing Jin City  
Resort & Spa  
A: No. 8, Zhujiang Da Dao  
Zhouliang Zhuang, Baodi District  
T: +86 22 5921 1234  
R p 0D% 66- B s1OL  
?Gf 2x

Pan Shan Grill & Wine

A: 2F, Main Building  
Sheraton Hotel Tianjin  
Zi Jin Shan Lu, Hexi District  
T: +86 22 2731 3388 ext.1820  
R p 0D% 66- B s1OL  
?Gf 2x

Promenade Restaurant

A: 1F, The St. Regis Tianjin  
No. 158, Zhang Zizhong Road  
Heping District  
T: +86 22 5830 9959  
R p 0D% 66- B s1OL  
?Gf 2x

Spectrum All-Day Dining

A: 7F, Hotel Nikko Tianjin  
No. 189, Nanjing Lu, Heping District  
T: +86 22 8319 8888 ext. 3570  
R p 0D% 66- B s1OL  
?Gf 2x

Riviera Restaurant

A: 1F, The St. Regis Tianjin.  
No. 158, Zhang Zizhong Road  
Heping District  
T: +86 22 5830 9962  
R p 0D% 66- B s1OL  
?Gf 2x

Wine

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A: The St. Regis Tianjin, No.158,  
Zhang Zi Zhong Lu, Heping District  
T: +86 22 5830 9999  
W: stregis.com/tianjin  
R p 0D% 66- B s1OL  
?Gf 2x

The St. Regis Bar

A: 1F, The St. Regis Tianjin. No. 158  
Zhang Zizhong Road, Heping District  
T: +86 22 5830 9958  
R p 0D% 66- B s1OL  
?Gf 2x

Accounting

7LDQMLQ2IEH

A: Unit 2901 - 104  
The Exchange Tower 2  
No.189, Nanjing Lu  
Heping District  
T: +86 22 2318 5056  
F: +86 22 2318 5001  
E: tianjin@lehmanbrown.com  
R p 0D% 66- B s1OL  
?Gf 2x

%HMLQJ2IEH

A: 6/F, Dongwai Diplomatic  
Building  
No. 23, Dongzhimenwai Dajie  
Beijing  
T: +86 10 8532 1720  
F: +86 10 85322746  
E: beijing@lehmanbrown.com  
R p 0D% 66- B s1OL  
?Gf 2x

6KDQJKDL2IEH

A: Room 1501 & 1504, WanTai  
International Urumq  
Jing An District  
T: +86 21 6249 0055  
F: +86 21 6288 1636  
E: shanghai@lehmanbrown.com  
R p 0D% 66- B s1OL  
?Gf 2x

Bars

China Bleu

A: 50F, Tangla Hotel Tianjin, No. 219  
Nanjing Lu, Heping District  
T: +86 22 2321 5888  
R p 0D% 66- B s1OL  
?Gf 2x

O'Hara's

A: 1F, The Astor Hotel Tianjin  
No. 33, Tai'er Zhuang Lu  
Heping District  
T: +86 22 2331 1688 ext. 8919  
R p 0D% 66- B s1OL  
?Gf 2x

Education

International Schools

International School of Tianjin

A: Weishan Lu, Jinnan District  
T: +86 22 2859 2001  
R p 0D% 66- B s1OL  
?Gf 2x

Tianjin International School

A: No.4-1, Sishui Dao, Hexi District  
T: +86 22 8371 0900 ext. 311  
R p 0D% 66- B s1OL  
?Gf 2x

Hotel Indigo Tianjin Haihe

No.314 Jiefang South Road,  
Hexi District, 300202, Tianjin,  
China  
T: +86 22 8832 7686  
F: +86 22 8832 7623  
R p 0D% 66- B s1OL  
?Gf 2x

Wellington College  
International Tianjin

A: No. 1, Yide Dao, Hongqiao District  
T: +86 22 8758 7199 ext. 8001  
Mobile: +86 187 2248 7836  
E: admissions@wellington-tianjin.cn  
W: wellington-tianjin.cn  
R p 0D% 66- B s1OL  
?Gf 2x

Holiday Inn Tianjin Riverside

A: Phoenix Shopping Mall  
Haihe Dong Lu, Hebei District  
T: +86 22 2627 8888  
R p 0D% 66- B s1OL  
?Gf 2x

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and promotion.  
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• Selecting and reserving the event site  
• Transportation and parking  
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Hotel Nikko Tianjin

A: No. 189, Nanjing Lu, Heping District  
T: +86 22 8319 8888  
R p 0D% 66- B s1OL  
?Gf 2x

Hyatt Regency Jing Jin City  
Resort & Spa

A: No. 8, Zhujiang Da Dao  
Zhouliang Zhuang, Baodi District  
T: +86 22 5921 1234  
R p 0D% 66- B s1OL  
?Gf 2x

Catering Solutions

Flo Prestige

A: No.37, Guangfu Road  
Italian Style Town, Hebei District  
T: +86 22 2662 6688  
R p 0D% 66- B s1OL  
?Gf 2x

Tangla Hotel Tianjin

A: No. 219, Nanjing Lu, Heping District  
T: +86 22 2321 5888  
R p 0D% 66- B s1OL  
?Gf 2x

Hotels & Apartments

★★★★★ Hotels

Radisson Blu Plaza Hotel Tianjin

A: No. 66, Xinkai Lu, Hedong District  
T: +86 22 2457 8888  
R p 0D% 66- B s1OL  
?Gf 2x

Renaissance Tianjin Lakeview  
Hotel

A: No. 16, Binshui Dao, Hexi District  
T: +86 22 5822 3388  
R p 0D% 66- B s1OL  
?Gf 2x

SERVICES

**Sheraton Tianjin Hotel**  
 A: Zi Jin Shan Lu, Hexi District  
 T: +86 22 2731 3388



**ST REGIS**

TIANJIN  
 天津瑞吉金融街酒店

**The St. Regis Tianjin**  
 A: No. 158, Zhangzizhong Road  
 Heping District  
 T: +86 22 5830 9999

**The Astor Hotel Tianjin**  
 A Luxury Collection Hotel  
 A: No. 33, Tai'er Zhuang Lu,  
 Heping District  
 T: +86 22 2331 1688

**Apartment**  
**Sheraton Apartment**  
 A: Zi Jin Shan Lu, Hexi District  
 T: +86 22 2731 3388

**Qing Wang Fu Club Suites & Serviced Residences**  
 A: No.55 Chongqing Road,  
 Heping District  
 T: +86 22 8713 5555  
 E: info@qingwangfu.com  
 W: qingwangfu.com

**Yi Boutique Luxury Hotel Tianjin**  
 No. 52-54, Min Zu Road, Hebei  
 District, Tianjin,  
 T: +86 22 2445 5511

**Somerset International Building Tianjin**  
 A: No 75, Nanjing Lu  
 Heping District  
 T: +86 22 2330 6666

**Somerset Olympic Tower Tianjin**  
 A: No. 126, Chengdu Dao  
 Heping District  
 T: +86 22 2335 5888

**Somerset Youyi Tianjin**  
 A: No. 35, Youyi Lu, Hexi District  
 T: +86 22 2810 7888



EXECUTIVE APARTMENTS  
 THE LAKEVIEW - TIANJIN  
 天津万豪行政公寓

**The Lakeview, Tianjin-Marriott Executive Apartments**  
 A: No. 16, Binshui Dao, Hexi District  
 T: +86 22 5822 3322

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 • Customs clearance  
 • Inspection and quarantine declaration  
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 For further details, please send e-mail to E: gm@promotianjin.com

Real Estate

**CBRE Tianjin**  
 A: 42F, Units 12 & 13, Tianjin World Financial Centre Office Tower, No. 2 Dagubei Road, Heping District.  
 T: +86 22 5832 0188  
 W: cbre.com.cn

Rentals

**CAR/BUS Rental Services in Tianjin and Beijing with reasonable rates.**  
 To make a reservation or enquiry, please send e-mail to E: info@chinabustravel.com  
 T: +86 135 0207 0987

6HUYLFGH2IFH

**The Executive Centre**  
 Asia-Pacific's Premium Serviced Office Provider  
 A: 41F, Tianjin World Financial Center  
 2 Dagubei Road, Heping District  
 Tianjin  
 T: +86 22 2318 5111  
 W: executivecentre.com

**Tianjin United Family Hospital**  
 A: No.22, Tianxiao Yuan  
 Tanjiang Dao, Hexi District  
 T: +86 22 5856 8500 (Reception)  
 24 Hour Emergency:  
 +86 22 5856 8555  
 W: ufh.com.cn

HEALTH

**Regus Tianjin Center**  
 A: 8F, Tianjin Centre, No.219  
 Nanjing Road, Heping District  
 T: 400 120 1205  
 W: www.regus.cn

Travel Agencies

Tianjin's travel agency specialising in tourism for foreigners  
 T: +86 159 2200 0555  
 E: info@thestarstravel.com

Spas

**Green Bamboo Well Being Resort**  
 A: 6-17, bldg. 17, Magnetic Capital Binshui Xi Dao, Nankai District  
 T: +86 22 8378 8397 (English)  
 +86 136 0205 9458 (Attn: Elsa)  
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Hospitals

**Tianjin International SOS Clinic**  
 A: 1F, Sheraton Hotel,  
 Zi Jin Shan Lu, Hexi District  
 T: +86 22 2352 0143  
 SOS  
 3aH5P 1x

**Tianjin United Family Hospital**  
 A: No.22, Tianxiao Yuan  
 Tanjiang Dao, Hexi District  
 T: +86 22 5856 8500 (Reception)  
 24 Hour Emergency:  
 +86 22 5856 8555  
 W: ufh.com.cn

Gyms

**Powerhouse Gym**  
 A: Binjiang Shopping Center, Kaifeng  
 Dao, Xiao Bai Lou (1902 Street)  
 Hexi District  
 T: +86 22 2302 2008  
 22-

SERVICES

Hotels

**Holiday Inn Binhai Tianjin**  
 A: No. 86, 1st Avenue, TEDA  
 T: +86 22 6628 3388

**RENAISSANCE TIANJIN TEDA CONVENTION CENTRE HOTEL**  
 A: No. 29, 2nd Avenue, TEDA  
 T: +86 22 6621 8888

**Sheraton Tianjin Binhai Hotel**  
 A: No. 50, 2nd Avenue, TEDA  
 T: +86 22 6528 8888  
 F: +86 22 6528 8899  
 http://sheraton.com/tianjinbinhai

**Crowne Plaza Tianjin Binhai**  
 A: No.55 Zhongxin Avenue Airport  
 Economic Area Tianjin  
 T: +86 22 5867 8888

**TEDA International School**  
 A: No. 72, 3rd Avenue, TEDA  
 T: +86 22 6622 6158

**Tianjin TEDA Maple Leaf International School**  
 A: No. 71, 3rd Avenue, TEDA  
 T: +86 22 6200 1920

HEALTH

Spas

**Touch Spa**  
 A: 2F, Renaissance Tianjin TEDA  
 Hotel & Convention Centre  
 No. 29, 2nd Avenue, TEDA  
 T: +86 22 6570 9504

**Yue Spa**  
 A: 15F, Holiday Inn Binhai Tianjin  
 No. 86, 1st Avenue, TEDA  
 T: +86 22 6628 3388

Hospitals

**Tianjin TEDA International SOS Clinic**  
 A: 102-C2 MSD, No.79  
 1st Avenue, TEDA, Tianjin  
 T: +86 22 6537 7616

**Champs Elysees**  
 A: 2F, Renaissance Tianjin TEDA  
 Hotel & Convention Centre  
 No. 29, 2nd Avenue, TEDA  
 T: +86 22 6621 8888

**Holiday Inn Binhai Hotel Fitness Centrer**  
 A: 15F, Holiday Inn Binhai Tianjin  
 No. 86, 1st Avenue, TEDA  
 T: +86 22 6628 3388 ext. 2960

DINING

TEDA & TANGGU

Brazilian

**Salsa Churrasco**  
 A: 11F, Holiday Inn Binhai Tianjin  
 No. 86, 1st Avenue, TEDA  
 T: +86 22 6628 3388 ext. 2740

Chinese

**Wan Li Chinese Restaurant**  
 A: 2F, Renaissance Tianjin TEDA  
 Hotel & Convention Centre  
 No. 29, 2nd Avenue, TEDA  
 T: +86 22 6621 8888 ext. 6750

Japanese

**Yue Chinese Restaurant**  
 A: 2F, Sheraton Tianjin  
 Binhai Hotel  
 No. 50, 2nd Avenue, TEDA  
 T: +86 6528 8888  
 ext. 6220/6222

Italian

**Sake n Sushi Bar**  
 A: 11F, Holiday Inn Binhai Tianjin  
 No. 86, 1st Avenue, TEDA  
 T: +86 22 6628 3388 ext. 2730

Western

**Bene Italian Kitchen**  
 A: 2F, Sheraton Tianjin Binhai Hotel  
 No. 50, 2nd Avenue, TEDA  
 T: +86 22 6528 8888 ext. 6230/6232

**TEDA International School**  
 A: No. 72, 3rd Avenue, TEDA  
 T: +86 22 6622 6158

Brasserie Restaurant

**Brasserie Restaurant**  
 A: Renaissance Tianjin TEDA  
 Hotel & Convention Centre  
 No. 29, 2nd Avenue, TEDA  
 T: +86 22 6621 8888 ext. 3711

**Feast All Day Dining Restaurant**  
 A: 1F, Sheraton Tianjin Binhai Hotel  
 No. 50, 2nd Avenue, TEDA  
 T: +86 22 6528 8888 ext. 6210

BARS

Happy Soho Live Music & Dance BAR

(Opposite of Central Hotel)  
 A: No. 16, Fortune Plaza,  
 Third Avenue, TEDA  
 T: +86 22 2532 2078

Education

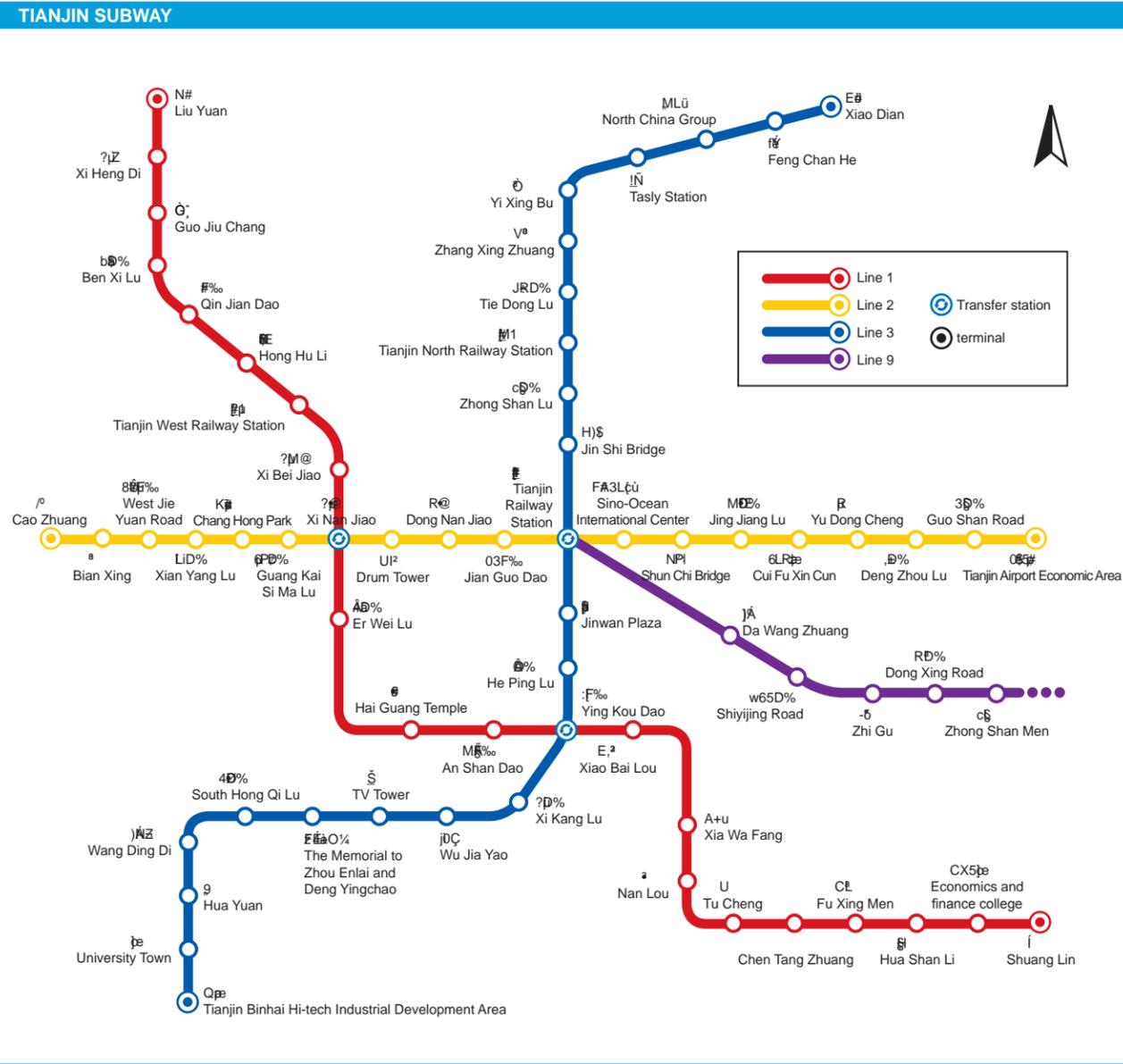
**GEMS World Academy Tianjin Eco City, China**  
 A: Unit 3-307, TEDA MSD Block  
 C 79 1st Avenue, TEDA  
 T: +86 22 6622 7888

**TEDA International School**  
 A: No. 72, 3rd Avenue, TEDA  
 T: +86 22 6622 6158

**Tianjin TEDA Maple Leaf International School**  
 A: No. 71, 3rd Avenue, TEDA  
 T: +86 22 6200 1920

<p><b>Tianjin - Beijing Airport Terminals 2/3</b></p> <p>WYHUKRUZLDLVWDFHVS3DVVHJHU6WDWLR 7KHMEWLRRLRJTLDGKDLDRZHO</p>	¥83 one way
<p><b>Beijing Airport Terminals 2/3 - Tianjin</b></p> <p>WKHBYHULPLWHVWLO LWRWKHWRWRUDWDWHZHUPLODGDWHZHUPLOD ZHO</p>	
<p><b>TEDA - Beijing Airport Terminals 2/3</b></p> <p>MWYHHZ ZHO</p>	¥90 one way
<p><b>Beijing Airport Terminals 2/3 - TEDA</b></p> <p>LWRWKHWRWRUDWDWHZHUPLOD DGDWHZHUPLODZHO</p>	

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



# Argentina's Finest Wines for 2013

Happy New Year to all the wine lovers out there! It can be assumed with great confidence that you have all enjoyed a few of your favourite tipples over the festive season. Now it is time to look forward to 2013, which would certainly get off to a fantastic start if you had chance to sample some of Argentina's finest red wines. Argentine wine makers, along with their South American neighbours in Chile, have certainly raised their game in recent years. The country is now the world's fifth largest producer of fine wines- many of which are luxury brands rivalling even Europe's finest vintages. This wine loving nation boasts some of the best vines in the world and its wine makers are keen to show the

world just how skilled they are. On top of the list for must try Argentine wines this year is Cheval Des Andes 2007. This wonderful red, which comes from a joint venture between French and Argentine producers, is a unique blend of 60% Cabernet Sauvignon, 35% Malbec, 4% Merlot and 1% Petit Verdot. Aged for 18 months in oak, this spectacular wine is well balanced and fleshy with a delicate taste of vanilla, strawberry, raspberry and cedar. If you are looking for a classy Argentine Malbec to celebrate the New Year with in style, try the Trapiche Gran Medalla 2003. This dry selection is certainly intense but at the time offers a distinguishable bitter character. There are notes of

leather and dried fruit to this dark violet sensation which should be an essential selection when it comes to Argentine wines in 2013. Lastly, but definitely not least, we have the remarkable vintage Achával-Ferrer Quimera Mendoza 2001. This stunning vino is a perfect choice for dinner parties or intimate occasions. It is streamlined wine with a focused violet, raspberry, cassis and mineral flavouring. It has a particularly long finish and exemplifies the Argentine tradition of dense, ripe fruitiness.

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Stephen Johnson latest book, the *Future Perfect: The Case for Progress in a Networked Age* is at the cross sections of science, politics, and technology with insight about how a political storm is brewing. This political storm is influenced by the internet and is changing everything from local government, to classrooms, to healthcare.

With his multi-disciplined style of writing, Johnson really paints a vivid big picture that encompasses not only science and technology, but also thought provoking social and political commentary. Though, many people today feel political systems are littered with old ideas, bureaucracy, and red tape, Johnson imagines a future that is inspiring and hopeful. If you haven't already read some of Johnson's previous work, then you must check out his last book *Where Good Ideas Come From: The Natural History of Innovation*.

Language: English  
Hardcover: 272 pages  
Price: USD 12.99



Language: English  
Hardcover: 134 pages  
Price: USD 19.95 + Shipping

This book by international business specialist Rosemary Coates is absolutely essential reading for anyone who is thinking about starting a business or who is already engaged in commercial activity here in China. This well set out little masterpiece offers practical advice on everything from sourcing to trade agreements, managing quality control, drawing up contracts and taking care of the logistical side. Coates discusses various options for manufacturing operations throughout China and relates her advice to recent developments in the country's legal and financial systems. Although at times she covers these areas with broader brush strokes than other authors in this field, this book's value comes more from its breadth than its depth.

# Playing Nice with the In-Laws

By Christopher Ribeiro

“Never rely on the glory of the morning, nor the smiles of your mother-in-law”. This Japanese proverb illustrates a simple truth: mother-in-laws have maligned men in all corners of the world for a very long time. Perhaps this is why they're often targeted by comedians and are frequently the punch-line of jokes. English comedian Les Dawson once quipped, “I saw six men kicking and punching the mother-in-law. My neighbour said ‘Are you going to help?’ I said ‘No, six should be enough’.”

Father-in-laws are hardly immune from attack as well – the hit movie franchise “Meet the Parents” parodies the futile attempts of Ben Stiller's character to win the favour of his prickly father-in-law, played by Robert DeNiro.

Contrary to what my opening might suggest, the purpose of this column isn't to criticise my in-laws. In the two years I've known my wife's parents I can say that they are among the

warmest and most sincere people I've met. That said, (you should've known there would be strings attached), it definitely took some time for us to find our comfort zone. After all, some aspects of the relationship between a man and his in-laws are universal – they are able to transcend language and cultural barriers.

To illustrate this point, I'll offer you an exciting glimpse into my personal life: this past week I bought an entryway coat rack for my apartment; the day after I put it together my mother-in-law happened to stop over our place to cook dinner for my wife and I. Not a moment after I walked in the door I became the recipient of a ten minute lecture about my free-wheeling spending habits. Apparently, between the coat rack and other luxury purchases such as the microwave stand for the kitchen and the new mop for the bathroom, it was determined that I was being a little too loose with my money.

## QUOTATIONS OF THE MONTH

**The winner is the chef who takes the same ingredients as everyone else and produces the best results.**

By Edward de Bono

**Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion.**

By Jack Welch

**Define your business goals clearly so that others can see them as you do.**

By George Burns

**The most successful businessman is the man who holds onto the old just as long as it is good, and grabs the new just as soon as it is better.**

By Lee Iacocca

**Whenever you see a successful business, someone once made a courageous decision.**

By Peter Drucker

# Last Word

Last week's topic was the apparent poor quality of my winter coat. The week before my choice of breakfast food was on trial; wheat toast with peanut butter, banana and honey probably seemed very exotic and strange compared with traditional Chinese staples.

Whether it's the food I eat, the clothes I wear or the way I spend my money, my mother-in-law's opinion will always be voiced. And like the Japanese proverb, she's reluctant to show any type of satisfaction with me. Once, while I was present she was asked by another family member, "Do you think Christopher is good?" She glanced at me, gathered her thoughts for a moment and replied, "He's alright – his work habits are good."

Not exactly an enthusiastic endorsement – not that I need to be showered in praise by her – she knows that her daughter and I love each other and that I'll do my best to be a good husband a provider for our family. These are probably enough to make her happy, but if not, she also probably realises that she's stuck with me.

The point is that dealing with in-laws is rarely easy – and adding a language barrier and cultural gap into the recipe only complicates things.

As a case in point, when Jenny and I started dating two years ago, I could barely speak or understand Chinese – now, although I'm far from fluent, I can generally keep up with the conversations. Up until about a year ago I never knew how much Jenny shielded me – now, I can understand most of what's being discussed but I have the advantage of being able to play "dumb like a fox" if I want to avoid a particular topic. There are some subjects (like the tattoo on my left arm) that I know they'll never be able to compromise on.

Overall, however, I can honestly say that having Chinese in-laws has been a net-positive. I've come to feel that most of what may seem like criticism is actually nothing more than tough love. I try to view everything with them through the same lens as I do with my grandparents, who were born in the "Silent Generation" – often characterised as being overly cautious and frugal as a result of having parents that suffered the Great Depression.

My in-laws were born during turbulent times in China – the new Republic had just been formed and the country was still recovering from the ravages of World War II and civil war.

These two concurrent events left the country in shambles; people grew up learning the virtue of hard work and delayed

gratification. The mentality of people in today's world is much different and my in-laws are understandably slow at adapting to the times.

I come from a generation that seems to have everything right at its fingertips, and from a society – the US – in which the people (and government for that matter) often live beyond their means. Frankly, I can learn a lot from their habits.

As I've gotten to know them better, I've come to appreciate and admire their thriftiness. Jenny's father has worked blue collar jobs his entire life and his daily habits demonstrate his unwavering dedication to saving every last bit of money he earns. He would happily eat bland food and wear old clothes everyday in exchange for the future security of his wife and daughter. Likewise, although her mother is quick to criticise me if I pay too much for a kilo of bananas, I know her heart is in the right place.

When I first started considering the possibility that I would marry a Chinese girl and have Chinese in-laws, I began thinking about the short and long term impacts it would have. I'd say the verdict is still out, as it seems to be advantageous at times and an obstacle at others, depending on the situation.

In as much as I've had to learn how to successfully co-exist with my Chinese wife, I've also had to learn how to interact properly with her parents. A marriage always requires compromise and understanding of your partners' views, but the importance of this skill is magnified in a mixed-race family. I've built a good relationship with both of my in-laws and feel that our communication has improved dramatically. That said, when I know that we're too far apart to agree on something or when I just don't feel like "facing the music", I've always got one silver bullet to fall back on: "Ting bu dong". ☑

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**A marriage always requires compromise and understanding of your partners' views, but the importance of this skill is magnified in a mixed-race family.**

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