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Business Tianjin / May 2013

† Combining Cultural Heritage with Luxury Hospitality: Qing Wang Fu General Manager, Mark Podbesek, Speaks to Business Tianjin

In times gone by it was one of the most prized residential estates. Nowadays, Qing Wang Fu, located in Tianjin's Heping district, is open to the public. The venue combines a unique

% The Compelling Case for Adding Corporate Bonds to Your Portfolio

money manager will tell you that. What however, is that the good old safe haven of US Treasury notes and other government gilts have well and truly lost their shine when it comes to preserving wealth and balancing

% How to Conduct a Trademark Search

Every company, no matter how big or small, has some intellectual property (IP). The most common type of IP right is a producer, distributor or service provider, as it allows clients to distinguish you from your competitors and builds the image and reputation of your brand. See P46

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When living in China it becomes quite evident goods is exploding and so is demand on a worldwide scale. The growth of the luxury sector worldwide has been growing from a value of USD 20 billion in 1985 to more than USD 180 billion worth today. See P50

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Dear Readers,

Spring time is upon us and we can feel the energy emanating through the city and its people. But as you know, the broad economic picture continues to cast a dark cloud of uncertainty over us. Our Economy Report highlights the fact that although the Chinese economy is still growing, the first quarter of 2013 was a difficult one for the country's business sector. Despite the recent economic circumstances, however, foreign and local business leaders need to remain optimistic and re-evaluate their organisation's model for the long term. With conditions improving in the US and other parts of the world, analysts and policy makers in China are still projecting that the economy and general trading environment will pick up as the year goes on.

In this month's Cover Story we are proud to offer our readers an insight into the hospitality aspects of Qing Wang Fu- Tianjin's finest and, perhaps, most prolific cultural location. This iconic estate was designed by Zhang Lande, Chief Eunuch of the Qing Dynasty, and was built in 1926. Since then it has served as a royal residency and is now one of the city's most exclusive hotel, leisure and dining spots. Our editorial team spoke to Mr. Mark Podbesek, Qing Wang Fu's General Manager, whose duty it is to uphold both the excellent service and historical heritage which the venue exhibits.

Our Feature Story looks at Tianjin's dynamically evolving tourism industry. Those of us who live and work within this city's vibrant commercial and service sectors are prone to overlooking the many great sites, parks, museums and other cultural attractions which Tianjin has to offer. In an effort to boost the locality's reputation as a popular tourist destination, the Tianjin Tourism Bureau (TTB) has been working hard to enhance the city's leisure and cultural 'infrastructure'. Our investigation analyses and highlights some of the exciting new projects that will put Tianjin well and truly on the map as a Chinese tourist destination.

The other sections of this month's edition are also very interesting and highly informative for our readership. Our Management column is entitled Peak Profitability through Value-based Leadership. Managers at every level and in all departments of a given company will benefit significantly from the practical advice that is put forward by our specialist contributors.

The Real Estate column outlines some of the key policy measures which are being implemented in order to stabilise Hong Kong's booming property sector and to curb speculative buying. These issues have been prominent talking points in recent years and are central to the Chinese government's efforts to make the country's economic growth sustainable for the future.

China's appetite for luxury brands has gone through the roof over the last decade or so, and it isn't showing signs of slowing down any time soon. In our Marketing section this month we discuss the nature of Chinese demand for high end products and look at some of the implications this may have on your company's marketing strategy. This month's article is not to be missed.

For more information, please don't hesitate to go to our website www.businesstianjin.com.

Best regards,

J. Hernan

Managing Director | Business Tianjin Magazine

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FINANCE

China's IPR suits see spike in 2012
China Daily, 22 April

Courts across China handled 83,850 civil lawsuits over intellectual property rights in 2012, up 44.1 percent year-on-year, according to an IPR white paper that the country's top court released on Monday. Because of the rising awareness about IPR issues, courts in China also saw a sharp rise in the number of related civil lawsuits they received last year, said Sun Jungong, spokesman for the Supreme People's Court. Also in 2012, courts across the country received about 87,420 new civil lawsuits over IPR issues, a year-on-year jump of 46 percent. More than 60,000 suspects were detained for IPR infringement and producing and selling substandard commodities in 43,000 cases in 2012, with a total value of 11.3 billion yuan (\$1.83 billion), according to the white paper.

Lenovo may acquire IBM server unit
China Daily, 22 April

Lenovo Group Ltd, the world's second-largest personal computer manufacturer, said on Friday it is in "preliminary negotiations" about an acquisition following reports that the Chinese company may purchase International Business Machines Corp's server unit to beef up its enterprise hardware sector. Lenovo acquired IBM's PC unit in 2005 in a \$1.25 billion stock and cash deal. Lenovo has been vigorously exploring the enterprise market as worldwide PC sales turn sluggish amid the global economic downturn. Lenovo is slowly shifting its focus from PCs to mobile devices such as smartphones and tablets. In the meantime, it is also seeking new frontiers in enterprise-level products and services because of higher profit margins. Most of the products released were mid- and low-end entry-level products, but the companies pledged to develop more high-end servers as their research capabilities strengthen. Acquiring IBM's server unit will increase Lenovo's R&D capabilities. IBM was the world's top server vendor in terms of revenue by the end of last year.

China's top TV producer expanding UAE market
China Daily, 22 April

Changhong, one of China's top consumer electronics producers, said Saturday it has appointed Al-Futtaim Electronics as the exclusive distributor for the United Arab Emirates. Out of Mianyang, Sichuan province, Changhong is ranked globally among the top 10 TV brands and it is one of world's top 500 brands. Dubai-based Al-Futtaim Group, founded in the 1930s, is a multi-industry conglomerate, which runs some of the biggest shopping malls in the UAE. Steven Pan, the managing director of Changhong Electric Middle East said that Changhong will take advantage of Al-Futtaim's sophisticated retail and distribution network and further consolidate and strengthen the company's share of the UAE television market. Dawood Bin Ozair, senior managing director electronics at Al Futtaim Group, said the Al-Futtaim group prides itself in bringing some of the finest and leading electronics brands in the world to the Gulf Arab region. Changhong has by now expanded its overseas markets 110 countries and regions, which entered UAE market in 2005.

Turkish Airlines recorded 1,133 PLCRQ/EWSURWVLO
Business Tianjin, 9 April

Turkish Airlines' 2012 consolidated financial statements were recently reported to Istanbul Stock Exchange. Turkish Airlines' sales revenue increased by 26 percent to 14.9 billion TL, operating profit increased by 192 percent to 1,048 million and net profit increased from 19 million TL in 2011 TL to 1,133 million TL in 2012. During 2012 Turkish Airlines carried 39 million passengers, which indicates a 20 percent increase compared to 2011. With this performance, Turkish Airlines ranked number 3 in passengers carried among AEA members. In 2012, compared to previous year, available seat kilometre (ASK) and revenue per kilometre (RPK) increased by 18 percent and 26 percent, respectively. Despite the increase in ASK, the passenger load factor went up by 4.8 points to 77.4 percent.

Ascott expands into thriving city of Nanjing in China
Business Tianjin, 9 April

CapitaLand's wholly-owned serviced residence business unit, The Ascott Limited (Ascott), has secured a contract to manage its first serviced residence in Nanjing. The contract was awarded by Nanjing Lek Yuen Property Development Company Limited, a major property developer in Nanjing. Citadines Baijia Lake Nanjing, which will have approximately 290 apartment units, is slated to open in the second half of 2014. The latest addition has reinforced Ascott's leadership position as the largest international serviced residence owner-operator in China with more than 8,300 apartment units in 46 properties across 18 cities.

Beijing, Shanghai announce detailed property curbs
Xinhua, 1 April

The municipal governments of Chinese capital Beijing and business hub Shanghai spelled out detailed rules aimed at cooling the property market following the central government's fresh regulatory plan earlier this month. Single adults with a permanent Beijing residence registration, who have not made purchases in the city before, are allowed to buy only one apartment, according to the announcement. Shanghai said banks will be banned from giving loans to local residents who are buying a third apartment or more, according to a government announcement. Meanwhile, the two cities will raise down payments for second-home buyers. The two mega-cities both vow to strictly implement the 20-percent tax on capital gains from property sales. Beijing said that the tax will be exempt if the property is the seller's only one and they have RZQHGLWIRUYHHDUVRUPRUH

LAW & POLICY

New rules for Macao gambling trips

People's Daily, 12 April

People who organise trips with more than 10 mainland citizens to go gambling in Macao and profit from it will be charged with the crime of gambling in line with the Chinese Criminal Law, said the Ministry of Public Security on 12 April. As the Macao Special Administrative Region has an independent jurisdiction, the decision of whether mainland citizens gambling in Macao are doing something illegal or not will be decided case by case, the ministry's petition office said at People.com.cn, a website owned by the People's Daily.

LOGISTICS

China's logistics sector rebounds in March

Xinhua, 8 April

The performance of China's logistical industry rebounded in March after declining for three consecutive months, according to an index released Monday. The China Federation of Logistics and Purchasing said in a statement that the Logistics Performance Index, or LPI, for March rose 5.5 percentage points from the previous month to 55.9 percent. A reading above 50 percent indicates expansion from the previous month, while a reading below 50 percent indicates contraction. "The declines in January and February were mainly due to seasonal factors," the statement said. As the weather became warmer last month, industrial production and construction got back on track, driving up demands in the logistics sector, the statement said.

Korean Air begins direct flights to Sri Lanka and the Maldives

Skynews.co.kr, 24 March

Starting 9 March, Korean Air has ODXQFKHGDGLUHFVWVHUYLFHAAQJIURP6L Lanka and the Maldives to Seoul Incheon, expanding its network to countries in the Indian Ocean. Korean Air's new three times weekly direct service flies from Male in the Maldives to Colombo in Sri DQNDJUVWDQGWKHQRQWR6RXXO,QFKHRQ LQ .RUHD 7KH 0DOH &RORPER 6RXXO Incheon flights operate every Tuesday, Thursday and Sunday. Flight KE 474 departs from Male at 15:30 and arrives in &RORPERDW WKHAKWKKHGHSDUWV from Colombo at 18:50 and arrives in 6RXXO,QFKHRQDW WKHQH\GD2Q WKHUHWXUQIOLJKW.(GHSDUWV 6RXXO Incheon at 22:40 and arrives in Colombo at 04:10 the next day. The flight then continues its journey departing from Colombo at 05:40, arriving in Male at WKH VDPHGD\,RUHDQ\U\ QHZ 0DOH&RORPER 6RXXO,QFKHRQURXWHLV operated with an Airbus 330-300, seating SDVVHQJHUVQDQHTLSSHGZWK.RUHDQ Air's premium seats. First Class has six Sleeper Seats-the 180 degree full-flat beds with an 83-inch pitch and a 21-inch width, guaranteeing comfort and freedom GXULQJWKHAKW

TELECOM

Pudong to build optical network

China Daily, 6 April

The Pudong Telecom Bureau will continue to build its optical network, aiming to achieve a total coverage of 1.8 million households this year. Due to the rapid growth of the mobile Internet, 2013 and 2014 will be a crucial period for the popularisation and maturation of third generation (3G) mobile telecommunications technology. Fourth generation telecom (4G) will also enter its first stage of construction during this time. To achieve full optical network work plan this year. Firstly, to expand the coverage area, the network will try to cover 90 percent of government departments and enterprises this year and QLVKIXOOFRYHUDJHRIQRXUEDQDUHDVLO over the past two years increased by about USD 200 million to exceed about 80 percent. Secondly, to improve the ability to setup and install optical networks in 48 hours, the bureau will improve the efficiency of installation. It will also reform the maintenance model for special customers. It has built a special maintenance team for Pudong's education website. It has established a standard service flow and pattern to ensure HILFLHQW DQG KLJKTXDOLW\PDLQWHDQFH and management.

GENERAL

RMG Selection China Talent-Flow Survey Report 2013

Business Tianjin, 15 April

RMG Selection has reported the result of &KLQD7DOHQWAKUYHLQ0DUFK RQWDOHQWAKZDWHLWVFKDUDFWHULVWLFVDQQ the function of headhunters and recruiters LQ 50&KLQD7DOHQWAKUYH\ was carried out in January and February 2013 and collected over 2000 samples. The survey combined the actual situations in China and cover different region, enterprise type, working experience, education background and gender etc. The result shows that China employment market is still very active, and the phenomena of "job hopping" is becoming more and more popular. The characteristic is more obvious in different groups; the barriers between different regions are becoming lower, and at the same time, headhunters have become an even more important part of the power behind 'talent RZ

CHINA IN THE WORLD

China's investments in Egypt increase by 60%

Xinhua, 22 April

China's Ambassador to Egypt Song Aiguo said Sunday that the Chinese LQYHVWPHQVWLQ (JSWLQFUHDVHGE) percent over the past two years to exceed 80 percent. The Chinese investments in Egypt over the past two years increased by about USD 200 million to exceed about 80 percent. During a tour in an industrial zone in Giza, Egypt, Song said that "the Chinese investments in Egypt by Giza Governor Ali Abdel-Rahman, the Chinese delegation led by Song visited WKH KHDGTXDUWHUV RI WKH LQGXVWULDO DQG investment zone in Abu Rawwash in Giza. The Chinese ambassador described the new industrial zone as a step toward economic development in Egypt, expressing hope for broader relations between Egypt and China as agreed upon between the leaders of both countries.

Sino-Turkish wagon plant starts construction

Xinhua, 15 April

China and Turkey, on 12 April, started the construction of a wagon-manufacturing plant in the Turkish capital of Ankara. The plant was jointly established by China's leading railway car manufacturer, China South Locomotive and Rolling Stock Corporation Ltd. (CSR), and Turkey's MNG Holding. Turkish Transportation Minister Binali Yildirim said at the ceremony that the project will be completed in one year and will bring MREVIRU SHRSOH &KLQD\HSHUWL and rich experience in transportation construction will boost Turkey's GHYHORSPHQWLQWKLVDHOGKHVDLQ

More projects needed to boost Russia-China investment

Xinhua, 15 April

Russia and China need to carry out more demonstration projects to boost bilateral investment cooperation, says a fund director. "The two countries have been devoted to investment cooperation in recent years, yet we have not seen enough successful projects," Kirill Dmitriev, CEO of the Russian Direct Investment Fund (RDIF), said in an interview with Xinhua on Thursday. The RDIF and China Investment Corporation (CIC) established the USD 2-billion Russia-China Investment Fund (RCIF) when President Vladimir Putin visited China last June. The RCIF is a "pioneer and paragon" not only for Russia and China, but for the VLD3DFL\FUHJLRQLWULHYVDLG

China, US to hold 5th S&ED in July

Xinhua, 14 April

China and the United States will hold the fifth China-US Strategic and Economic Dialogue (S&ED) in July in the US, Foreign Ministry spokesman Qin Gang said on 13 April. During the visit of US Secretary of State John Kerry, the two sides reached a consensus on mechanisms of the China-US High-level Consultation on People-to-People Exchange and the S&ED, Qin told in a press release. Chinese Vice Premier Liu Yandong will continue to serve as president for the China-US High-level Consultation on the Strategy-to-People Exchange, he said. Chinese Vice Premier Wang Yang and State Councillor Yang Jiechi will be responsible for the economic dialogue and strategic dialogue respectively as special representatives of the Chinese President, he added. Qin said that the two sides also agreed to hold the fourth China-US High-level Consultation on People-to-People Exchange at an appropriate time after the S&ED.

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NREHV

51

Wu Mart Stores Inc, China's leading retail chain store RSHUDWRUESURWVRSHEG 51 directly owned stores in 2012, according to its annual DEDOUHVWV7KHFRPSDQ DGGHGWKDWLWKDGD SHUFHQBWSURWVPUJLODVW NDU

20%

Lenovo's smart phone business accounts for about 20 percent of the company's UHYHQLQKLD

13%

According to the Louisville, Kentucky-based fast food giant, its same-store sales in March declined an estimated SHUFHQBWSURWVPUJLODVW NDU

10%

Huawei Technologies Co, the Chinese telecom giant, has forecast revenue growth will average 10 percent annually RYHUVKHQVXNDUV Releasing its annual report for 2012 on Monday, it said sales rose 8 percent to CNY 220 billion BLOOLRQDVWVNDU

20

A chef lays out plates of food in a high-end restaurant FDOOHGKQDMLDQKH restaurant offered bargains on dishes including mapo tofu, with the cheapest dishes priced at around CNY 20 to attract consumers from the JHEUDOSXOLF

300

The 30th Weifang International Kite Festival opened on 20 SULO7KHUHZUHYHUAPV that produce kites and related products in the city, and their total sales value reached over &1ELOOLRQBLOOLRQ ODVWVNDU

23.8 BN

China has become one of Apple's major sources of income, with sales last year WRWDOOLQBLOOLRQ which was 15 percent of the company's total global UHYHQLQKLD

100

QOQV said Monday that Iran will call on OPEC to hold an emergency meeting if the crude prices slump below USD DEDUUHO

700

More than 700 troops took SDUWDVDFRIBUDSHGLQKH WLWLKDJDFDUULHGRO horse-drawn gun carriage WRW/3DQV&DWKHGUDO Hundreds of British troops solemnly processed through the streets of London at dawn on Monday in a full military rehearsal for Margaret 7KDWFKHUVIQUDO

2 M

Auto sales and output in China hit new highs for March, with both exceeding 2 million units, the China Association of Automobile Manufacturers &QVLDGRQKIVGD\ reinforcing views that the country's economic recovery LVJDWKHULQVHDP

50 BN

Russian President Vladimir Putin on Friday unveiled a new USD 50 billion drive for Russia to preserve its status as a top space power, including the construction of a brand new cosmodrome from KHUHKRQZQWRVSDFH E\

China Economy Report May

By Tracy Hall

Growth for Q1 weaker than forecast

To the surprise of officials and financial commentators worldwide, China reported weaker growth figures than had previously been anticipated for the first quarter of 2013. According to official figures, the annualised growth rate based on January-March of this year is 7.7%. Figures from the previous quarter comparatively indicated 7.9%, thus the country's rate of economic growth seems to be steadily deteriorating. The reason why this has had such a negative knock on effect in terms of investor confidence is that many analysts had been predicting an annualised growth rate much closer to, or even surpassing 8%.

Key indicators also show that industrial output slowed significantly during this period. According to data from the National Bureau of Statistics of China, the trend for industrial added value output consistently declined throughout the first quarter- averaging 9.5% growth and down by 2.1% from the growth recorded during the first quarter of 2012.

Despite the impact this data has had on global stock markets, most analysts are remaining fairly optimistic for the Chinese economy throughout 2013. Wei Yao of Société Générale told the BBC that "although these figures showed that the economy is in a weak recovery... the Chinese economy is showing soft growth momentum in the first quarter". He also added that "given Beijing's goal of restructuring the economy, a relatively moderate economic growth is not a bad thing in the longer term".

There is certainly a case to be made for a controlled slowdown given the very real and present danger of economic overheating. It remains to be seen, however, whether or not this recent slowdown GDP growth is a symptom of sensible policy measures or indeed

an indication of a prolonged slowdown in aggregate productivity over the course of the year.

Ratings agencies deal further blow to Chinese economic outlook

In April, two of the world's biggest and most respected financial rating agencies, Moody's and Fitch, lowered their outlook on China's credit prospects for 2013. Earlier in the month, analysts at Fitch Ratings slashed China's credit rating from A+ to AA-. Ratings giant Moody's followed suit a week later in downgrading their outlook for Chinese debt on the back of increased fears that over borrowing by the public sector could eventually damage the wider economy. A spokesperson for the agency told CNN that "progress has been less than anticipated in the process of both reducing latent risks by making local government contingent liabilities more transparent and in reining in rapid credit growth; therefore, some of the upward pressure on the Aa3 rating has eased".

Ever since Chinese officials enacted policy measures to stave off the impact of the 2008 financial crisis the country has been awash with relatively cheap and readily available credit. Some analysts have blamed this credit situation for the run up in real estate prices of recent years. But regardless of the nation's financial allocations, there is clearly a need to re-organise both the public and private debt situation in order to secure the sustainability of long term economic growth. China's National Audit Office recently estimated that outstanding government debt was well in excess of 30% of the country's GDP (somewhere between CNY 15-20 trillion). Whilst this is much lower than Japan and most western economies, it is still an unwelcome occurrence for a country which has previously thrived off the back of its superb individual saving rates.

Trade and retail data paints encouraging picture for domestic demand

Data suggests that China ran up a surprise trade deficit in March after imports rose by around 14% from a year earlier. Gross exports which increased by 10% from a year earlier were heavily outweighed by the surge of demand

for imported commodities and consumer goods. Demand for fossil fuels and industrial metals, particularly copper, certainly played an important role in bringing about the dramatic trade deficit. But in terms of the broader context, many commentators are taking this recent trend as a strong indication that measures to divert the Chinese economy away from exports and towards domestic consumption are starting to take effect. Chief Economist at JP Morgan Chase in Hong Kong, Zhu Haibin, has argued that "this cycle is probably coming to a turning point", and furthermore "if domestic demand turns out to be stronger than expected, it is definitely positive for the economic outlook".

Sentiment towards global trading circumstances in 2013 is also quite high. The China Daily recently reported that Chen Deming, the country's Minister of Commerce, affirmed his administration's positive outlook by saying that "generally speaking, foreign trade this year will be slightly better than last year. I am cautiously optimistic about the whole-year prospect". Chen's view is in line with the many economists who are expecting the global economic situation to improve over the coming months. While the economies of Europe and North America remain fragile, the prospect of a sluggish global recovery looks increasingly likely. This will of course have a positive impact on China's own growth prospects.

In addition, although the rate of growth for retail consumption was down compared to the first quarter of 2012, year on year growth within the sector remains substantial and provides further signs that domestic consumption is robust. Figures for Q1 2013 indicate a 12.4% rise from a year earlier- taking the total sales number for the first three month period to CNY 5.54 trillion (USD 887 billion).

Inflation slows down following early year concerns over prices

Figures released earlier in the year caused widespread fears that inflation was surging back towards the unsustainably high rates seen in recent years. The most recent indications, which posted a significant slowdown between February and March from 3.2% to 2.1%, will have come as a huge relief to policymakers and central bankers. These recent figures are around what most economists would consider to be a reasonable rate, and therefore the need to implement anti-inflationary measures, which at this stage in China's economic recovery could be very damaging, will most likely be averted.

According to the CPI (Consumer Price Index), the most significant factors for the slowdown in inflation are food prices and reduced demand for holiday-related products. The spike in February may well have been fuelled to a large degree by seasonal demand and price increases over the Spring Festival period. Now that the holiday season has passed and weather conditions are helping to improve agricultural output, the price growth of staple food products should remain fairly stable over the next few months. **B**

The need to implement anti-inflationary measures which at this stage in China's economic recovery could be very damaging, will most likely be averted.

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btianjin.cn/130501

In times gone by it was one of the most prized residential estates. Nowadays, Qing Wang Fu, located in Tianjin's Heping district, is open to the public. The venue combines a unique cultural experience with service fit for a king. Not only can visitors admire the sites' rich historical characteristics and artefacts, the club's residential and dining facilities make Qing Wang Fu an excellent place to host corporate events and social occasions; or even just to have a quiet glass of wine on a summer afternoon. Mr. Mark Podbesek has recently been appointed as the venue's general manager. We were honoured to speak to him and gain an insight from the man tasked with running what is truly one of Tianjin's most treasured and celebrated cultural locations.

Please can you start by giving us some background information about yourself and tell us what brought you to this position here in Tianjin?

I was born and raised in Cleveland, Ohio where I also studied and began my career in the hospitality industry. I have been in this line of business now for over 22 years- mainly within the area of fine dining and the Private Country Club segment of the industry. For a large part of my professional life I have worked in country clubs, particularly in golf, tennis, and private resorts. Before coming to China I was based in Fort Myers, Florida where I gained a lot of experience in country clubs and hotels.

Last summer I received a phone call from Mr. Joe Sorrels, an old colleague of mine who had hired me as his Food and Beverage Director almost 20 years ago. He asked me if I would be interested in working in China (it shows that it's worth keeping in touch with people even after you have both gone off in different directions!). After I heard everything about Qing Wang Fu, I was fascinated by its antiquity and brilliance. Since November 2012 I have been a proud part of the Qing Wang Fu team, and I believe I can bring a great deal to the job.

So tell us about the challenges you have faced thus far and the kind of things you have to deal with as the GM of such a renowned and culturally significant venue.

It's just not like running the kind of clubs I have done for many years. It involves coming to a foreign country, learning how things are done in Tianjin, China. It is also learning a new language, learning a new culture and respecting its magnificent history. And that to me is the most important thing, the balance of running a business, continuously learning about the history and cultural significance of Qing Wang Fu, and striving for a deep understanding of the culture and history, and how I can better serve this incredible venue.

Most of our international readership will have heard of Qing Wang Fu, but many of them have yet to visit the site. Tell us what this iconic venue is all about.

The culture of Qing Wang Fu is closely connected to with the culture of Tianjin. Qing Wang Fu occupies an area of 4,327 square metres. The simple and lively two-storey wood-and-brick structure provides a usable floor space of 5,922 square metres, with colonnades on both floors, a patio and a basement. The commodious foyer was designed in western style. The building was designed by Zhang Lande, Chief Eunuch of the royal family of the late Qing Dynasty, as his private residence. Construction, also under the direct supervision of Zhang himself, started in 1922 and was completed in the following year. It was then regarded as a top-class residence for the Chinese living in old British Concession. In 1925, Zaizhen,

the 4th Prince Qing bought the house and named it Qing Wang Fu (Prince Qing's Mansion). Now Qing Wang Fu has become the new power behind the development of Tianjin's culture and economy, in the famous Wu Da Dao District.

In brief, why should people come to stay at Qing Wang Fu instead of other luxury hotels in Tianjin?

Our main objectives are preserving the history of the estate and giving our guests an insight into what the land has represented to the people of Tianjin and to this country. We try to show this within the exhibition hall and through the authentically regal and historical feel of the rooms. Visitors can admire the rich historical context behind the venue while also enjoying our mixed Chinese and Western Bistro which is located on the edge of the venue's beautiful garden area.

We also have our residential quarters, which we are currently offering to long term tenants, and our dining hall is a wonderful setting for corporate events, weddings and musical performances. To be able to come and experience the traditional elements of Qing Wang Fu, as well as the superb service we offer, is something that guests cannot get anywhere else in Tianjin!

Qing Wang Fu is clearly a stunning location for corporate events and weddings etc. Give us some ideas about how such events play out at your venue.

The wedding market in particular is an area in which we are looking to attract more clientele. Qing Wang Fu is the perfect location in Tianjin to hold a marriage ceremony and the reception afterwards. We are developing a program which features three different areas of possibility for

weddings. Our grand dining hall or Portico, which has previously been the setting for many royal banquets and other important regal events, is a fantastic room for a relatively small scale wedding reception (maximum 140 guests). Outside, our courtyard area is very picturesque and would be great for spring or summer weddings. Then the third option is the third floor of our mansion building whereby guests can enjoy a wonderful view of the city as they celebrate on the rooftop patio.

Tell us about the dining services on offer at Qing Wang Fu. What culinary styles and options are available at the bistro?

This is the best and personally, the most exciting part of the interview! I really want to share this information with your readers. We are just about to unveil an exciting new menu. It is going to focus on several different regional styles of Chinese cuisine; Hong Kong, Chao Zhou, Cantonese and Hakka style. Our Chinese

Master Head Chef Deng, originally from Hong Kong, shows his amazing culinary skills in these new menus.

So far, we have had a lot of highlights, all of which I'm very proud of. Firstly, we took the lead in Tianjin when we launched the concept of great Cantonese cuisine at our bistro. At this point, Qing Wang Fu perfectly exemplifies the antique food culture of China. Secondly, we have various outdoor events planned during the spring and summer, such as BBQs and live music performances at Bistro Thonet. We also offer private rooms for dinner parties and we are preparing a grand wedding show at the end of April to show Tianjin we are the perfect wedding venue.

Lastly, can you inform our readers about any exciting developments at Qing Wang Fu and tell us what the future holds for you?

Apart from what I've already mentioned, one thing we are very keen to do in the coming months is

put together a very good live music program for the summer months. One of our main priorities this year is developing and utilizing our outdoor garden courtyard area in order to attract more people for the warmer seasons.

There is going to be a lot of emphasis on great events that involve food, such as summer BBQs and we want to see our guests sitting in the courtyard area, enjoying Chinese or western style food perhaps sipping a few cocktails or some tea whilst enjoying some excellent live performances from top class musicians. That is what we are working on and I invite the readers of Business Tianjin to come out to Qing Wang Fu, learn about our fascinating history and enjoy an incredibly made cocktail, while you sit out in our romantic garden! ☺

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Tianjin: One of China's Top Tourist Destinations of the Future?

By Justin Toy

With plenty of historical areas, parks, museums, and other activities and sites, Tianjin is a romantic city with a unique character. Walk around the Hai He at night and you can witness the charm and allure of the city as the bright lights accentuate the 19-20th century European architecture. Unfortunately, many people who come to visit China don't add Tianjin

to their itinerary. Of the 133 million visitors to China during 2012, only 1.6% of them came to visit Tianjin. Figure 1 shows the top 20 destinations for foreign tourists in China in 2011. Surprisingly, Tianjin did not make the cut. This could all change in the future as Tianjin has been investing in high quality tourist attractions that will surely help boost the city's effort to turn into a premier tourist

destination in China. Since 2010, the number of tourists who have come to visit Tianjin has been increasing rapidly. According to Tianjin Tour, the amount of foreign visitors to Tianjin increased by 28.5% from 2010 to 2012. The amount of money generated through tourism in Tianjin during 2012 was USD 2.15 billion, approximately 1% of Tianjin's GDP.

Figure 1: Top 20 Foreign Tourist Destinations-2011

1. Beijing	2. Shanghai	3. Xian	4. Guangzhou	5. Guilin
6. Shenzhen	7. Hangzhou	8. Chongqing	9. Chengdu	10. Kunming
11. Hong Kong	12. Yichang	13. Suzhou	14. Datong	15. Zhuhai
16. Luoyang	17. Huangshan	18. Lhasa	19. Haikou	20. Sanya

will become the largest water park in China. It will be home to a 3 km drive river (or lazy river), the longest in all of China. It will also host speed slides, aqua games for kids, and a water roller coaster. Phase 2 will include a manmade salt lake, spa, and a halotherapy center. The cost of admission will be CNY 200.

Parks and Recreation

In a bid to become a "national landscape garden city" Tianjin plans to build and upgrade 89 parks in the city during the period of the 12th Five Year Plan (2011-2015), upping the total park area in the city by 39.6 million square metres. According to the plan, Tianjin will build 25 new parks in the city by 2015 so that there will be a park every 3 kms in the city. There will also be an additional 17 parks built in Binhai New Area that will cover an area of 15.7 million square metres.

Tianjin Qilihai Wetland Park

The Tianjin Qilihai Wetland Park, which opened at the end of last summer will triple in size from 333 hectares to 1000 hectares by Labour Day this year. The vision of the future is to make this Wetland Park a major holiday resort in northern China for pensioners, sight-seers, and eco-tourists. Currently you can enjoy a number of different activities at Qilihai including sightseeing programs, an aquatic plant exhibition centre, VIP fishing area, and a children's play area. There are also plans to build a recovery area for endangered plants and a fish cultivation area. The park is in the process of obtaining a 4A-level

The Tianjin Tourism Bureau (TTB) has been hard at work finding ways to continue to improve the tourism industry in Tianjin. According to their "33651" project, the TTB will invest CNY 120 billion in 30 different tourist projects through 2015. Also during this time, the number of five-star hotels will increase by almost double to 50. Furthermore, the TTB is promoting "big tourism, big market, big industry" through cooperation with other industries like sports and agriculture. For example, this year the East Asian Games will be held here in Tianjin. Listed below are some projects that will all be completed by the end of the year and will surely help significantly boost Tianjin's tourism industry.

Tianjin Happy Valley

Later this May, Tianjin Happy Valley will be open to the public. Located at Donli Lake, the total amount that has

been invested in the park is estimated at USD 270 million. This is the sixth Happy Valley location in China (there are parks also in Beijing, Shenzhen, Chengdu, Shanghai, and Wuhan). The highlight of Tianjin Happy Valley will be a wooden roller coaster with a 1.2 km loop and a 35m tall descent. When it is completed it will be the longest and tallest in all of Asia. It will also be home to China's first roller coaster in total darkness and Asia's tallest splash mountain. In addition, the park will feature a water amusement park section that will be home to a 5000 square metre wave pool and an underwater roller coaster.

Tianjin Happy Magic Watercube

At the end of May, Phase 1 of the Tianjin Happy Magic Watercube water park will be open in the Binhai New Area. Upon full completion in 2014, the Tianjin Happy Magic Watercube

Feature Story

scenic area status. It would become the 9th location to reach this status in Tianjin.

National Marine Museum

Construction of China's first National Marine Museum will begin in Binhai on 8 June. The museum will cover an area of 300,000 square metres and will cost CNY 2.8 billion. The museum will collect 10,000 items for its marine collection by the end of the year. Upon completion, the National Marine Museum will be a base for research and development, communication, education and tourism.

Helicopter Tours

The Tianjin Municipal Tourism Bureau launched a low-altitude helicopter tour service on 16 March. The larger helicopters can hold up to twelve passengers and for 30 minutes you can get a bird's eye view of the Binhai New Area. The city is planning to open additional routes in the future in order to attract more tourists. Though it may be a high-end tourist product with fares starting at CNY 1000, the service has been

The Tianjin Tourism Bureau (TTB) has been hard at work

continue to improve the tourism industry in Tianjin.

attracting local people of all different backgrounds.

Cruise Ships

Tianjin China International Travel Service is moving forward with five new high-end cruise routes to Northern Europe, America, The Mediterranean, and Australia & New Zealand that will take passengers to cities and ports around the globe. In addition, Royal Caribbean will begin to operate its Voyager of the Sea cruise ship out of Tianjin. The ship has 15 decks and 1,557 guestrooms and includes Asia's largest onboard duty-free store, a skating rink, theatre, a three-cooked restaurant, and many themed cafeterias. Royal Caribbean will also open a new cruise route to

Taiwan. This 8 night/9 day cruise will begin service on 23 July and is scheduled to call at Taiwan's Hualien, Keelung, Taichung ports. During the cruise season from 25 February to 14 October, the port of Tianjin is expected to handle approximately 90 international voyages.

In order to facilitate this anticipated increase in international tourism, the Tianjin Binhai Airport will complete construction of Terminal 2 in June of 2014. Upon completion, the airport will be able to handle 25 million passengers (up from its current capacity of 10 million), 1.7 million tonnes of cargo, and 225,000 flights a year. The airport will also be made more accessible as the line 2 metro and the Beijing-Tianjin Intercity Rail will connect to the airport via the underground traffic hub. With everything happening in Tianjin, expect to see this city climb the ranks and be a top destination for travellers! 

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Company Debt, Investor's Treasure: The Compelling Case for Adding Corporate Bonds to Your Portfolio

By Josh Cooper

Bonds are an important aspect of a well balanced investment portfolio- any serious money manager will tell you that. What financial advisers usually neglect to mention, however, is that the good old safe haven of US Treasury notes and other government gilts have well and truly lost their shine when it comes to preserving wealth and balancing out the risk. These days it is corporate bonds, the IOUs which private companies issue in order to finance expansions and enhance their short term cash flow

positions, which are a more enticing investment proposition. Here are some of the reasons why corporate debt instruments should make up a significant chunk of your overall investment portfolio:

Government debt is past its best

Generally speaking, it is hard to find any economist or financial commentator that will argue against the notion that public debt in Europe, the US, Japan and many other

economically powerful nations has now reached unsustainable levels. Whether you are for or against the measures being taken by most of the world's central banks to stabilise the state issued bond markets, it is beyond doubt that this activity is effectively keeping a lid on the levels of return that investors can expect to receive.

Not only are the yields of government debt artificially low in most parts of the world, the risk element is higher than ever before. In times gone by, casting any serious doubt upon the ability of western governments to

pay off their debts would be almost unthinkable. But as Tom Stevenson, an investment director at Fidelity Worldwide Investment, explains- "the changing risk landscape means that the bonds of companies such as Exxon Mobil, Johnson & Johnson and Microsoft are now deemed to be more secure than those of the country in which they are domiciled".

Sure there are still big returns to be made from government bonds- anyone brave enough to acquire Greek or Cypriot debt instruments, for instance, could potentially make a fortune upon the assets' maturity, though, given recent events, any investment in either of these economies should probably be followed up by a visit to the doctor! The fact remains though that major shifts in the risk to reward ratio of state debt is making government bonds generally less attractive than they used to be compared to corporate debt.

Bond holders often beat shareholders

Many investors favour corporate bonds over corporate equities, and with good reason. One financier with a very strong appetite for corporate debt is Canadian business tycoon and prolific investor Kevin O'Leary. When asked about his preference for corporate bonds over equities and commodities, he stated that he is "a big believer that I will get the same returns out of corporate debt, whilst being paid anywhere from 4-7% yield on these bonds, as I will from owning the equities" He also points out that "a double B or a triple B bond is serviced before companies pay dividends".

Big companies in today's world are well aware of the dangers that debt poses to investor confidence. They are more incentivised than ever before to pay off liabilities before even considering big dividend payouts and expansions or acquisitions. This kind of deleveraging is happening all over the world right now- one example being UK based insurance giant Aviva PLC which has just announced a major dividend cut in 2013 in order to pay off a portion

of the company's debt.

Fulfilling the ultimate objective: Yield

One of the key ways to make money work for you is to put it into the places where it can create a steady stream of income that will compound over time, and perhaps most importantly, shield you from the evil demon that is inflation. When it comes to fixed rate investments such as bonds or even very basic high interest savings accounts, the truth of the matter is that unless the rate of return on your cash is higher than the rate of inflation you are letting your wealth gradually decay.

When it comes to government debt, the typical yield you could expect to get from US Treasuries or UK and European gilts these days is between 1-4% (depending on the duration to maturity and a variety of other factors which influence the rate of return at any given time). In fact, judging by the ECB's actions in recent years, any valuation surges above this range for short-midterm bonds will be met with

measures to bring yields plummeting back down. With inflation rates expected to stay somewhere between 1.5-3% in most European and North American nations, there is a very real chance that in nominal terms, bond yields will fail to return anything to investors.

Corporate bonds, particularly if you can stomach the prospect of putting your money into bonds that are rated below BBB (commonly known as 'junk bonds'), can easily return 5-10% per year; even more in some cases.

Where to put your money?

Bond based investing is no different to investing in stocks when it comes to risk appetite influencing the asset types that one is willing to obtain. There are plenty of blue chip companies who will pay a decent amount of interest to their bond

holders and will certainly offer more peace of mind to their debtors than small cap firms. And of course there are the riskier, more speculative investments that pay a higher yield on their debt but at the same time pose a higher risk of defaulting on their obligations to bond holders.

Acquiring a strong corporate bond portfolio requires a significant amount of technical expertise. The good news for the average individual investor is that there are some superb, well managed bond funds out there which tend to focus on either specific types of bonds (i.e. low or high risk, long or short term maturity etc.), or aim for a solid spread with a good balance of risk and return in mind.

Editor's picks

Some of the most exciting and historically best performing funds which focus primarily on North American and European corporate

bonds include:

Fidelity Inst UK Long Corporate Bond

M&G Corporate Bond

Vanguard Long Term Corporate Bond Fund

Newton Long Corporate Bond Exempt

Westcore Flexible Income

John Hancock Bond A

Henderson Long Dated Credit

Oppenheimer Core Bond A

Emerging market corporate debt is only just starting to take off, but investors who are interested in this area may wish to look at:

Ashmore Emerging Markets Corporate Debt Fund

PIMCO Emerging Markets Corporate Bond Fund

Invesco Emerging Markets Corporate Debt Fund

Investment News

Stocks and Shares

Apple Inc shares plunge to below USD 400 amid demand concerns

Apple's share price has seen a dramatic turnaround in the last year of trading. Having reached an all time high in its share price and setting all time records for being the world's most valuable publically traded company, the firm's stock has come crashing down in sensational fashion and at this time is trading between USD 380-400. Analysts fear that Apple's dominance may be diminishing as big competitors swarm into the smart phone and tablet computer market.

Bearish signs start to emerge in global stock markets

After a seemingly unstoppable run up of global equities over the last few months, warning signs of a significant correction are starting to appear. While the Dow Jones has stayed more or less flat over the past month, the UK's FTSE 100 index is trading slightly down after several bouts of multi-day aggregate losses. Many investors are starting to feel like the recent success of global stock markets may be unwarranted given the weak data coming from the US, China and Europe.

General Electric announces solid earnings figures, share price rally could come soon

The US conglomerate announced a 16% profit rise in the first quarter of 2013. GE's chairman and CEO, Jeffrey Immelt, stated that "in growth markets, equipment and service orders grew by 17%. We ended the quarter with our biggest backlog in history". The firm's recent sale of NBC Universal is also being seen as a key factor in bolstering the company's revenue position. With GE's share price still well down from historical highs, now could be the time to back this world leading blue chip company.

Dell shares take a hit as buyout saga and competitiveness of the tech sector impact upon investor confidence

The price of Dell Inc's shares fell to a two month low in late April after Blackstone Group LP withdrew their takeover bid. It now looks increasingly likely that the company's founder, Michael Dell, in partnership with Silver Lake Partners Investment, will be able to go ahead with his bid to take the firm back into private ownership. Rival offers are still very much on the table, but the real question for shareholders is whether the struggling company can revive itself in the ever competitive PC market.

Giant mining merger gets approval from China

The long awaited game-changing merger between global mining and commodity giants Glencore and Xstrata moved a step closer to reality this month as Chinese authorities approved their proposal and agreed upon terms in which the newly formed company will supply copper to the nation for an eight year period. If and when the colossal conglomerate is put together, Chinese investors and officials will no doubt be very keen to procure favourable terms with the firm given the country's soaring demand for commodities.

Currencies

[Dollar - Chinese Yuan](#) [GB Pound - Chinese Yuan](#) [Euro - Chinese Yuan](#) [Japanese Yen - Chinese Yuan](#)

The prominent talking point that is the weakening of the yen has raged on throughout April- with further depreciation and more talk of devaluation oriented monetary measures to boost Japan's struggling exports. The pound remains relatively weak following the plummet of its value earlier in the year. Dire economic data and high profile credit rating downgrades are adding to the pressure on forex investors to hedge against sterling.

China's rise to currency superpower status rages on as demand for physical yuan and assets which are denominated in RMB continues to soar. Against the US dollar the yuan has continued to appreciate to record highs in recent weeks and looks set to go even higher later in the year. Foreign residents in mainland China would be well advised to hold a good portion of their earnings and savings in the local currency.

Commodities

Commodity	1 Month Change	1 Year Change
Crude Oil (Petroleum)	-4.70%	-12.89%
Natural Gas	13.62%	13.82%
Wheat	-2.82%	9.18%
Sugar	0.66%	-2.76%
Rice	-1.53%	-2.03%
Aluminium	-6.93%	-6.20%
Copper	-5.07%	-4.98%
Iron Ore	-9.55%	-7.06%
Lead	-8.13%	-6.90%
Nickel	-5.42%	-4.36%
Gold	-8.12%	-4.71%
Silver	-5.07%	-7.31%

The performance of most major commodities has been weak thus far in 2013. Loyal fans of gold will have no doubt been devastated by the last few weeks of trading in which the commodity has been ditched on a mass scale. On 15 April the precious metal shed an astounding 9.3% of its value per ounce, and although it has gained back some ground from bargain

seeking speculators since then, many analysts are now wondering if the great gold super-cycle has finally run its course. The price of crude oil has also been on a downward trend as the economic situation in China and the US continues to impact on demand. In terms of the industrial metals, commentators and speculators are divided on the prospect of further price falls in 2013.

Now may well be a good time to be bullish long term as there are plenty of undervalued stocks in the commodity procurement and production sectors. ☒

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Chinese Legal Regime about Recall of Defective Auto products

Manuel Torres

Grace Ge

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

The recall of defective auto products is an important mechanism for a country to protect the consumer's interest as well as public safety. China, with the rapid development of its auto market in recent years, has also started to build such mechanisms into its legal system. Since 2004, China has promulgated a series of rules in this field, such as the fundamental one *Administration Rule for Recall of Defective Auto products ("Rule No. 60")* which was followed by the issuance of *Administration Rule for Information System for Recall of Defective Auto products and Administration Rule for Establishment and Management of Expert Database for Recall of Defective Auto products*.

With the implementation of those rules, according to the public information, up to 29 October, 2012, accumulatively 8.986 million defective autos have been recalled from the Chinese market.

Nevertheless, compared with other countries as well as considering the quantity of possessed auto in China which approximately reached 114 million, it could be claimed that there is still room for improvement in China's safety mechanisms as well as its implementation.

Given such a background, on 22 October, 2012, China issued a new regulation entitled *Administration Regulation for Recall of Defective Auto products ("Regulation No. 626")* which shall take effect from 1 January, 2013. Compared with *Rule No. 60*, *Regulation No. 626* has higher legal authority, as well as setting up much higher requirements to the obliged, with the purpose of strengthening the recall mechanism.

This article below will briefly outline the Chinese legal protocol with regards to recalling defective auto products, including the latest development brought by *Regulation No. 626*, which may be worthy of the attention of enterprises engaged in the auto products industry.

I. The Obligated Party

According to PRC law, the recall mechanism is applicable to auto and trailer products (Auto products) manufactured or distributed within the territory of mainland China.

Moreover, it is clarified that, auto products manufactured within the territory of mainland China but exported outside, or auto products imported into mainland China by consumers themselves, are not subject to Chinese recall mechanism.

The Obligated Party for Recall

For clarification, *Regulation No. 626* states that the obliged party for recall shall be the "Manufacturer", which includes:

- (1) the manufacturer of Auto products, which shall be an enterprise legally established within the territory of mainland China manufacturing Auto products and issuing product inspection certificate in its name; and
- (2) Chinese import merchants importing Auto products from outside and distributing them within the territory of mainland China.

Consequently, it could be concluded that overseas Auto products producers selling Auto products to Chinese import merchant are not classified as "Manufacturers" under the recall's legal regime, and is not the obliged party. Therefore, from the perspective of Chinese import merchants, they should be very

Currently, the Chinese legal system is undergoing a rapid development with respect to the recall of defective auto products.

cautious about the Chinese recall requirement, as well as prepare sound agreements with the overseas producer to stipulate the liability and compensation to Chinese import merchants in case it suffers any losses or damages arising from the recall of defective Auto products in mainland China.

The Obligated Party for Assisting the Recall

The dealer engaged in selling (excepting Chinese import merchants), leasing or repairing of Auto products is obliged to assist the Manufacturer in carrying out a recall, as well as immediately stop selling, leasing or using defective Auto products.

The Obligated Party for Administration

Currently, the General Administration of Quality Supervisor, Inspection and Quarantine of the People's Republic of China ("AQSIQ") is the authority in charge of national administration of recall of defective

Auto products, which may delegate part of its power to its local branch.

II. Information Administration

As information administration about defects of Auto products is amongst the key elements for recall, the PRC law has specific rules regulating such administration, with further emphasis addressed by *Regulation No. 626*.

Information Management System of AQSIQ

AQSIQ has established the Information Management System for Recall of Defective Auto products to collect, organise, analyse and process information about defective Auto products.

Regulation No. 626 emphasizes the filing requirement of the Manufacturer, according to which it shall file the following information with AQSIQ:

- Basic information about the Manufacturer;
- Information on the technical parameters of Auto products and the initial purchasers of Auto products;
- Information on repair, replacement or return of Auto products which endanger personal or property safety;
- Information on recall of Auto products outside the territory of mainland China;
- Other information required by AQSIQ

With respect to the Dealer, upon be aware of any possible defects in Auto products, it shall report to AQSIQ and notify the Manufacturer of relevant information.

In addition to the information reported by the Manufacturer or Dealer, public complaints or information shared by other authorities are also resources for AQSIQ to supervise the possible defects of Auto products.

Long-term Information Record of Enterprises

In addition to the aforementioned

reporting obligation of relevant information, the Manufacturer and Dealer also have obligations to keep record of certain information in the long term.

With respect to the Manufacturer, the following information shall be kept for no less than ten years:

- Information about the Auto products on designing, manufacturing, labelling and inspection, etc.; and
- Information on initial purchasers of Auto products.

With respect to the Dealer, it shall keep the information required by the rule of AQSIQ for no less than five years. Nevertheless, currently there is no specific rule regulating which information is subject to the said record requirement. According to our anonymous enquiry with AQSIQ, the coming interpretation and implementation rule of *Regulation No. 626* may clarify this issue.

III. Defects investigation

Defects investigation is critical to judging whether the defects exist. As defined by the PRC law, defects of Auto products shall refer to defects which exist “generally in the same lot, model or type of auto products for design, manufacturing, labelling and other reasons.”

The PRC law has set up procedures and requirement for the investigation, mainly as follows:

- Investigation conducted by the Manufacturer
- Upon such an outcome, be aware of any possible defects in its produced/imported Auto products, the Manufacturer shall immediately organise an investigation and will report the result to AQSIQ.
- Investigation conducted by AQSIQ

If AQSIQ notifies the Manufacturer to conduct investigation upon AQSIQ is aware of any possible defects in Auto

products, while the Manufacturer fails to conduct investigation as notified, AQSIQ has the power to conduct the investigation by itself.

Notwithstanding the above, in case AQSIQ deems that a possible defect in Auto products may cause serious consequences, it may directly initiate the investigation without waiting for the Manufacturer’s investigation.

It is notable that, the Manufacturer and Dealer has the obligation to cooperate for AQSIQ’s investigation. Moreover, Regulation No. 626 strengthened AQSIQ’s power, according to which AQSIQ can enter into the business premises of Manufacturer and Dealer, to conduct on-site investigation, consult or copy relevant information and records.

- Test Entity

Test entity may be involved in investigation process. Up to now, based on publicly available information, in total there are 27

test entities recognised by AQSIQ as qualified to conduct test for defective Auto products.

IV. Recall Procedure

- Initiation of Recall

According to the PRC law, recall of defective Auto products can be initiated by the following means:

- Initiated actively by the Manufacturer

In case the result of the investigation conducted by the Manufacturer confirms the existence of defects, the Manufacturer shall immediately initiate the recall.

- Initiated based on AQSIQ’s order

In case the result of the investigation conducted by AQSIQ confirms the existence of defects, AQSIQ shall notify the Manufacturer to initiate the recall.

If the Manufacturer believes that the non-existence of the defects, it may raise objection to AQSIQ within 15 working days after receipt of the notice of recall, as well as provide supporting materials. AQSIQ shall organise experts to deliberate on the supporting materials and, when necessary, conduct technical the testing of Auto products.

Nevertheless, in case the Manufacturer fails to raise objections within the required period, or the deliberation or testing confirms the existence of defects, AQSIQ shall order the Manufacturer to initiate the recall, and the Manufacturer shall follow such orders.

- Filing of Recall Plan

To carry out the recall, the Manufacturer shall make recall plans- as well as file it with AQSIQ. The recall shall be implemented in accordance with the led recall plan.

- Report

The Manufacturer shall submit both an interim report and a final report to AQSIQ summarising the results of the recall. AQSIQ will supervise the implementation, as well as evaluate the effects of the recall.

V. Cost

The PRC law expressly regulates that, with respect to the recall of defective Auto products, the following cost shall be undertaken by the Manufacturer:

- Expenses for the elimination of defects; and
- Necessary expenses for transporting defective Auto products

Nevertheless, in addition to the cost arising from the recall, in case there is any other damage suffered by the consumer due to the defective Auto products, the damage shall also be compensated accordingly.

VI. Punishment

The PRC law sets up punishment to the Manufacturer or Dealer for violating legal requirements with respect to recall of defective Auto products, such as failure to keep record of information, non-cooperation of defects investigation, etc.

It is notable that, compared with *Rule No. 60*, *Regulation No. 626* sets up much severe punishment to the Manufacturer, with imposing a fine from 1% to 10% of the value of defective Auto products, together with confiscating the illegal income,

as well as revoking the relevant license, if the circumstances are serious for the following violation:

- Failing to stop manufacturing, selling or importing defective Auto products; or
- Concealing information on defects; or
- Refusing to implement a recall as ordered.

VII. Conclusion

Currently, the Chinese legal system is undergoing a rapid development with respect to the recall of defective auto products, which can be evidenced by the recent issuance of *Regulation No. 626*, as well as its implementation rule. It could be expected that the legal mechanism will become more and more protective for the consumer, while the other parties, such as the manufacturer, importer, dealer, etc, will bear more liability. Enterprises engaged in auto products industry shall be aware of such development, to be in greater compliance with the PRC law. 

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Employment Management and Occupational Disease under Chinese Labour Laws

Simon Bai
Winners Law Firm

As China is still in its process of industrial development and economic expansion, the number of people who suffer from occupational diseases is increasing gradually. The professional fields which are considered to be associated with occupational diseases generally include mining, railway and so forth, yet now, many other areas and occupations, as well as corporations, are confronted with such issues. As a consequence, occupational health and safety issues are of course a major problem to China. The fact that China has been experiencing dramatic economic and social changes over the past 30 years makes it stand out in terms of its impact on environmental and occupational health.

The Safe Production Law of P. R. China is seen as the main legislation covering occupational health and safety standards. It attempts to cover the broad range of worker-related issues and legal liabilities accordingly. Therefore, corporations as well as enterprises whose operations involve exposure to highly toxic substances are subject to be licensed by governmental health authorities. In statutory terms, the Chinese workers are seen to have protection in various different spheres. In the more recent years, it has been discovered by various studies and investigations concluding that occupational health and safety issue is becoming one of the key problems encountered by migrant workers working in the cities of Southern China. The reasons for such a case may include: the lack of education and training improvements, the risks to the workers in terms of suffering from work accidents and occupational disease, a lack of work safety awareness, undeveloped infrastructure, and loopholes in management as well as in strict supervision; all of which has caused a continuing cycle in terms of a high prevalence of

occupational disease. Great losses to both lives and assets are brought into consideration.

In consideration of such cases aforesaid and various other similar problems, in May 2002, China promulgated and implemented an occupational disease prevention law (*Law of P. R. China on the prevention and Control of Occupational Diseases*). The legislation provides that employers are under a statutory requirement to offer information in relation to occupational health and health supervising and protections when considered to be necessary to aid in facilitating the diagnosis and verification of occupational diseases. So far, under relevant Chinese laws and regulations, employees who suffer from occupational diseases

Some corporations refuse to adopt certain protective measures during business operations due to the high costs they have to bear.

are entitled to compensation, and in the meanwhile, the workers who are exposed to the risk of occupational diseases (such as high prevalence of hazards and harm) are entitled to subsidies accordingly.

Following the laws being implemented as aforementioned, the new Regulation on *Work-Related Injury Insurance* came into effect from

1 January, 2011. Comprehensive rules regarding treatment and benefits for occupational diseases became available. This new law is recognised to focus more on refining the system for occupational diseases diagnosis and appraisal. Besides, employers' responsibilities with respect to their fulfilment of obligations in terms of occupational disease diagnosis and appraisal were further enhanced by the law. Employees are favoured by the legislation since their difficulties in reality are considered to be eased to a certain extent. It is worth posting an example here, in this regulation, the arbitration period for determining employees' professional history or history of exposure to work-related hazards is shortened from 45 days to 30 days. Therefore, it could be said that corporations are recommended to pay close attention to such measures and provisions offered by the laws and regulations, and to make sufficient and effective updates to their internal occupational diseases prevention and control systems in order to ensure a fine compliance to the law promptly.

When we speak of the measures or steps that ought to be taken by corporations or enterprises regarding occupational health and safety issues in relation to occupational diseases and the corresponding prevention and supervisions measures, the writer desires to draw your attention to the points below in consideration of the *Law of P. R. China on the prevention and Control of Occupational Diseases (2011 Amendment)* (hereinafter referred to as "the law"):

I. General provisions

1. Article 9

It has been provided in the law that the state shall apply an occupational health supervision system. The work safety administrative department, health administrative department, and labour and social security administrative department of the State Council shall, according to the functions prescribed by this law and the State Council, supervise and

Policy Explanation

administer the prevention and control of occupational diseases across the country. These measures make it clearer and more certain that not only are corporations or enterprises subject to pay more attention to the issue, the state itself is offering force and power through statutory means in terms of aiding the running of the system in the meantime.

2. Article 13

This section states that any entity or individual shall have the right to report and make accusations regarding violations of this Law. The relevant departments shall handle such reports and accusations in a timely manner after receipt. Entities and individuals which have made remarkable achievements in the prevention and control of occupational diseases shall be rewarded. Such legislation tends to offer the view that, statutorily, the system of occupational diseases management and prevention is to be maintained and improved through the means of a gathered effort, which means that the state is ready to deal with the various problems involving occupational diseases at any time.

II. Early Prevention

3. Article 15

The law states that the formation of an employer with occupational disease hazards shall meet the requirements of laws and administrative regulations, and the employer's work sites shall also statutorily meet the various occupational health requirements, including but not limited to: the intensity or density of occupational disease hazard factors meeting the national occupational health standards, available facilities suitable for protection from occupational disease hazards, the production layout being reasonable and conforming to the principle of separating harmful operations from harmless operations, available and easily accessible health facilities including changing rooms, bathrooms, and lounges for pregnant women, equipment, tools, appliances, and other facilities shall

meet the requirements for protecting the physical and mental health of employees, and so forth. All of these aforesaid prove the point that employers are now under a even stricter statutory obligation to ensure that employees are away or at least further from occupational disease hazards, which on the other hand shows that the state actually has a sincere attitude to protect employees in such cases.

It is never necessary to list out all the provisions in the relevant laws and regulations, the fact that the aforesaid three articles are included here is due to the writer's insistence that the three pieces of legislation are sufficient enough to show how the law is evolving (or developing if you prefer) in order to improve working conditions for workers facing occupational disease hazards, whilst also making sure that corporations and enterprises are thinking better and offering more to their employees. Indeed, if we can present this point of view from another angle, the better working conditions are for workers, the more efficient the business.

However, it is not to be denied that although the laws and regulations are

making sufficient efforts to refine the system and scheme of occupational disease hazard supervision and prevention, in practice there are certain realist problems which might be pulling down the implementation and the execution of such desirable measures. For instance, some corporations refuse to adopt certain protective measures during business operations due to the high costs they have to bear; whilst some others who have establishments in less developed cities or regions in China are not even able to equip themselves as the laws require because of poor general facilities in the area and so forth. Therefore, it is important to recognise the effects imposed by the laws. I consider it to be more important to a certain extent to have the relevant corporations or enterprises to take on their shoulders their rightful responsibilities and obligations. Such outcomes will surely aid our state to better flourish in its industrialisation as well as developments in other fields. 

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What to Do for Employee Retention in 2013?

By Robert Parkinson, CEO and Founder of RMG Selection

According to the *China Talent-Flow Survey Report* conducted from January to March in 2013 by RMG Selection, it is shown that amongst over 2000 respondents, the proportion of job hopping reached 32% in 2012. The proportion of people who increased their demand to change their jobs in 2013 reaches up to 43%. I have to say that the number makes me think of employee retention again, which

is quite a bothersome topic to many other companies too. So what can we do to keep them?

Firstly, I have to clarify that keeping staff members does not equate to keeping everybody. A low turnover rate does not mean that the company is performing well in keeping staff members. In this regard, it can be explained by the Pareto Law that only 20% of people create 80% the value of

a company. Therefore, we should only keep those valuable employees. By improving the professional durability of the valuable and enhancing the mobility of the invaluable, a company can stay healthy and dynamic. According to research conducted by RMG Selection among over 200 long-term clients, the recommended turnover rate of the 20% core staff members is only 4%.

In general, the strategy of keeping staff members should be considered both psychologically and materially. Recently, people have been paying more attention to psychological measures. However, the material measure which plays an important role is somehow neglected. Although the incentive of salary increases merely last for less than half a year, the material strategy is still the base due to its existence and rationality instead of its quantity. In this regard, even if you pay more attention to the psychological needs of your staff members, without proper pay raises it is still difficult to ask them to stay.

Most companies have a salary raise system, but it might not be easy to decide the range. Actually, the range of pay raise reflects, to a large extent, the recognition towards the staff members in the year or in the recent period. Specific assessment and step construction can provide great satisfaction for excellent staff members. Therefore, high pay raises should be issued for the excellent employees, while the unqualified ones should not be rewarded in this case. The amount of salary increase needs to refer to the expectations of employees in job hopping. According to the *China Talent-Flow Survey Report*, the pay raise expectations are listed below.

· 34% employees expect around 20%

By taking some humanized steps, one can get twice the result with half the effort.

to 30% salary increase

· 28% employees expect around 30% to 50% salary increase

· Only 17% employees expect 10% salary increase

Excluding the cost consumed in changing jobs, companies may offer a 30% salary increase for those who rank among the top 5% in the performance appraisal based on their own financial conditions. Following a step-decreasing trend, the 5% at the bottom should be considered to be knocked out.

Additionally, diversified material incentives- including annual bonus, training, traveling, and transportation, communication and house subsidies have become the primary choice of many companies. It is worth mentioning that by taking some humanized steps one can get twice the result with half the effort. Take RMG Selection as an instance; more than 50% of the workforce is female. Last year, one of the female employees was hurt accidentally in a fight on the subway. The human

resource department immediately suggested that any female staff members who wanted to practice self-defense should be able to learn it in a sparring club nearby. What is more, half of the cost should be borne by the company. In this case, whether the employee attended the club or not, the influence was quite positive.

As for the psychological measures, an environment where employees can grow up very fast should be created so that they would like to stay in the company willingly. In order to create such an environment, a company should make it clear to every employee about its expectations in the first place. To be specific, the employee should be clear about the expectation of the company, how to achieve the expectation, as well as what kind of results should be gained. Moreover, once employees meet the expectation, they know that they will be rewarded. In this regard, every employee will reduce the time of doing unnecessary work in such an environment and system. Employees will look forward to a bright future. Additionally, a manager should respect his or her employees by using proper language and behaviour. It is not really difficult to make it if you viewpoints are from two aspects. Firstly, encouragement towards small progress should be enhanced. Secondly, before you want to start a conversation or take actions with your employees you should think about whether your words or behaviour would discourage them. Over time, employees can feel the positive recognition from the company and the leader. Last but not the least, besides the number of conversations specified between the line manager and the employee, cross-level communication channels, especially private meetings should be added so that the communication process becomes so much easier. The human resource department should bear part of the responsibility to communicate with employees. Regular conversations with employees should be arranged, which develops the single-line communication channel to

a multi-line tridimensional system.

As this is a vast country, more attention is paid to the cross-regional employees' retention issue in China. Not only do more and more companies develop branch offices in different cities, but the job hopping choices of people are not limited. According to the *China Talent-Flow Survey Report*, over 70% of people would like to work in other cities if there are good opportunities. Among them, the proportion of males is 10% higher than that of the females. The data is actually good news for nonlocal recruitment, which is also the basis of keeping employees in different cities. Even for those aged around 31 and 40, who are often regarded as the most family-oriented people, 5% of them could work in other cities. According to our research, the reason why some talents would resign is that they hope to return to their hometown or they would like to work in cities like Beijing, Shanghai and Guangzhou. If the human resource department is able to effectively develop the

potential of current staff members, not only could the talent-loss be saved, shortage of manpower in new offices can be solved as well.

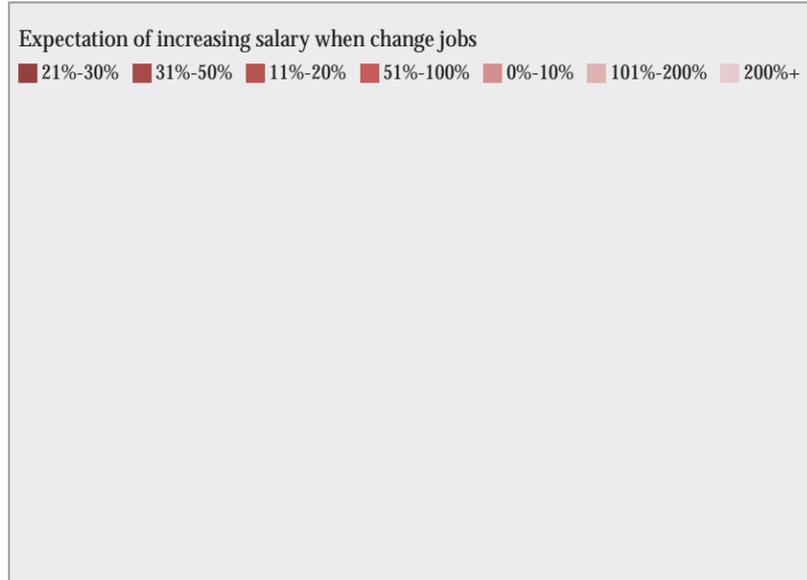
Here's good example could learn something from:

United Technologies Corp (UTC) is one of the largest manufacturing companies all over the globe. In July 2012, the acquisition of Goodrich by UTC was finalized; Goodrich and Hamilton Sundstrand got combined to form UTC Aerospace Systems, a world leader offering integrated technologies and systems for the aerospace and defense industries with more than 40,000 employees around the world. According to Cindy, human resource manager of UTC Aerospace Systems in Tianjin, an internal recruitment net is designed and developed by the human resource department. Internal employees can apply for jobs in different cities or subsidiaries or even abroad positions inside UTC. This system meets the needs of those employees who hope to develop in other regions. The application also will not be noticed

by the people who are not from the human resource department. Only when the recruitment is accepted, will the notice be sent to the line manager. In this way, the enthusiasm of the employee can be guaranteed.

Employee retention is a long-lasting and extensive issue. On the premise of the guaranteed fairness, different measures should be developed towards different classes, regions and functions by the human resource department. For instance, it is indicated in the report from RMG Selection that last year the flow rate gap amongst different functional departments reached 30%. The highest one was government affairs (55%), while the lowest belonged to the IT industry (18%). Therefore, by improving and practicing constantly we can keep those valuable employees. **E**

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Becoming a Digital Nomad: Must-have Travel Tech and Gadgets

By Justin Toy

In this digital age in which we live, more and more people are able to leverage their skills and the latest technologies in order to be able to work remotely. Whether it be from home, the coffee shop or at the beach, location independent professionals (LIPs) or "digital nomads" utilise a number of different functional high-tech gadgets in order to sustain their nomadic lifestyle.

Whether you are a web programmer, jet-setting business executive, or even just a travel enthusiast, these latest technologies will be able to help make your travelling experiences more smooth and enjoyable.

Voltaic Off Grid Solar Power Backpack

The Voltaic Off Grid Solar Backpack

is an extremely functional and versatile backpack that has two solar panels mounted to the back that are waterproof, lightweight, and durable. The solar panel pocket is removable and can be attached to other bags while still charging your devices. 4 to 5 hours in the sun will charge a typical smart phone, while 1 hour in the sun should provide about 3 hours of talk time on your phone.

There is an included battery that will efficiently store the solar energy for use anytime. When you are not in the sun, the battery can also be charged via a USB cable or AC travel charger making this backpack absolutely necessary for your electronics while camping or in remote areas. Besides charging your handheld electronic devices, it has 1,500 cubic inches of storage, a padded laptop sleeve, and a number of functional pockets. The backpack comes with a two year warranty on the bag and panel, and a one year warranty on the battery (USD 229). Also, check out Powerbag for a variety of recharging bags.

<http://www.voltaicsystems.com/off-grid.shtml>

SpareOne Mobile Phone

Chances are that your smart phone can be used in most countries already, but the SpareOne Mobile Phone can be used anywhere in the world and is powered by one AA battery that can stay charged for 15 years! If you are actually using the phone, a single AA battery can give you 10 hours of talk time. Even without a SIM card, this phone will be able to contact emergency services with one push

of a button and it also has a built in flashlight. While the phone might not be able to play Angry Birds, it could save your life. (USD 99)
www.spareone.com

Polaroid iM1836 Android Camera

A lot of people are using their smart phone these days to capture their travel pictures. If you feel that your phone isn't producing high enough quality photos and you don't want to lug around an SLR camera, then check out the new Polaroid iM1836 Android Camera. This 18 megapixel camera will be the first Android-powered "smart camera" with inter-changable lenses and will be capable of professional quality images, 1080p HD video, built in peer to peer Wi-Fi, sharing via social media, and bluetooth connectivity. The lens of the camera will also be inter-changable. The phone was expected to be released in the first quarter of 2013 but has been delayed. No release date has been announced as of yet. (USD 399)

<http://www.polaroid.com/im1836-android-camera>

I'm Watch

Tired of having to take your phone out of your pocket to check e-mail and look at texts? I'm Watch is the perfect solution! The self-proclaimed world's first "smartwatch" helps you to maximize the usage of your smartphone through bluetooth connectivity. Without having anything in your hands, you can look at e-mail and text messages, keep up to date in real time with all of your favourite social media outlets, read the news, check the weather, and much more. The watch is also a great fitness accessory as it can link up to heart rate monitors, pedometers and other sensors. Paired up with health and fitness applications, I'm Watch can help you maintain a healthy lifestyle. (USD 349)

<http://www.imsmart.com/en/i-m-watch/overview>

Trackstick II

Trackstick is a GPS device that keeps records of all your travels and explorations. You can mount it to your belt or anything at all that moves in order to track the exact path and time of your travel itinerary.

It is ideal for all vehicles, cycling, hiking, ATVs, and photo geotagging. Trackstick II data can be uploaded to your computer quickly and easily where you can monitor the results through an integrated Google Earth view. **(USD 149)**

The 150-Country Auto Detecting Travel Adapter and Converter

Try saying that name 10 times fast! This travel adapter and converter automatically detects incoming voltage and converts it to 120-volt AC power. It comes with plug adaptors for over 150 countries and has a built in USB port allowing you to charge two devices simultaneously. **(USD 39)**

<http://www.hammacher.com/publish/73996.asp>

ioSafe Rugged Portable Hard Drive

During your travels, especially for your year-long around the world trips, you are bound to accumulate gigabytes of multimedia. The best storage solution is to have portable external hard drives that you can plug and play into your netbook/laptop. Generally speaking, external hard drives can be delicate machines that aren't built for the rigors of travel. However, the ioSafe Rugged Portable Hard Drive is designed to military specifications and can handle some of the most extreme conditions. Available in aluminium and titanium, this tough hard drive is crush resistant up to 5000 pounds, can be submerged in 30 feet of water for up to three days, and can withstand falls from up to 20 feet. **(Prices starting at USD 249 for 500gbs)**

<https://iosafe.com/home>

SteriPEN

If you fancy yourself the outdoor adventure type, then you might

If you feel that your phone isn't producing high enough quality photos and you don't want to lug around an SLR camera, then check out the new Polaroid iM1836 Android Camera.

often find yourself in remote places looking for a clean source of water. The SteriPEN Traveler Portable UV Water Purifier eliminates 99.9% of bacteria and viruses that cause Traveller's Diarrhea. By sticking the UV pen in a glass of water for approximately 48 seconds, you can turn fresh water into clean purified drinking water. **(Basic travel model USD 49)**

Trackdot Luggage Tracker

Travel with peace of mind by knowing where your luggage is at all times. The Trackdot Luggage Tracker is a small FAA compliant device that you put in your luggage, where it will continuously monitors cell networks to determine its location.

Whilst on the plane, the luggage goes to sleep (while you don't) and wakes up after landing to send you a text/e-mail regarding its location which is hopefully in the same airport as you. **(USD 59 for activation fee and USD 13 annual service fee)**

Trakdot.com

TripIt

One of the highest rated travel applications on the market is TripIt. Available on all major mobile platforms, TripIt helps you to organise all of your itineraries and travel details into a clear and simple master itinerary that syncs with your personal calendar. It also gives you useful information for your travel destinations such as maps and weather. These services are free but if you pay for the Pro version you can get a number of additional features such as mobile/e-mail alerts about flight delays and gate changes, VIP privileges with TripIt partners, and organises all of your frequent flier information in one place. **(regular version is free, Pro version is USD 49 a year)** 

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Stamping out Speculators, Stamping on Occupiers

The Impact on Local HK and Foreign Investors

By Edward Farrelly, Head of Research, CBRE Hong Kong, Taiwan and Macau

SUMMARY

On 22 February 2013, the Hong Kong government announced new measures aimed at cooling demand for property. Stamp duty was increased across all price bands and standardised for both residential and commercial property. The minimum stamp duty, for properties below HKD 2 million, rose from HKD 100 to 1.5% of the purchase price, and the maximum, for properties above HKD 20 million, rose from 4.25% to 8.50%. The only exemptions are for permanent residents who (i) are first

time buyers, or (ii) sell the only property they own to buy another within 6 months. Moreover, the stamp duty for commercial property purchases is to be paid upon agreement, rather than completion of the deal, bringing this sector into line with residential transactions. The Hong Kong Monetary Authority also imposed stricter conditions for banks to apply when assessing mortgage applications and reduced maximum LTV ratios.

Commercial property under scrutiny

The announcement of a further round of cooling measures by the government after the local market closed last Friday was hardly unexpected. Government officials had been at pains to highlight a bubble in the residential sector. Indeed, since the previous round of measures were introduced last October, they had also been very forthright in stressing that they would take further action against rising prices. Moreover, various government spokespeople had, in fact, pointed to commercial property as an area that was being closely scrutinised. Despite the signals, government intervention in the commercial property market was not entirely expected given that Hong Kong promotes itself as a low tax area and free trade environment. However, as CBRE pointed out in a report entitled "Buying time: Residential policy moves in Hong Kong" published following the previous set of measures in October last year, "the consequences and outcomes of policy initiatives are not always predictable and can often bring about some unintended side-effects. If prices continue to rise at the current rate then we may see the introduction of further measures going forward and the market should therefore prepare for further uncertainty."

The market assumes this intervention to be an exception to the norm and that the government will remain committed to a laissez faire management of the commercial property market. Furthermore, these measures are viewed as temporary and will be removed once risks subside. It should be pointed out that if the measures were to prove successful, there is a risk that government would gain an appetite for direct management of the market. While this would indeed be a cause for concern we do not consider it to be a likely scenario.

Why now?

The policy measures introduced last October had the effect of making residential property less attractive for speculative investors. However, as CBRE highlighted in the aforementioned report, "while the aim of the latest measures is to curb speculative activity in the residential market, some investors may now turn their attention to commercial property. As such, we expect to see a rise in investor demand for strata-titled offices and industrial units given their relatively digestible lot sizes for private investors and ease of management". This has undoubtedly come to pass. Such is the demand for property that investment activity has moved beyond the core sectors and

we have seen significant demand for car parking spaces, which have generally been snapped up when released for sale. In recent weeks we have also seen, for the first time in Hong Kong, an existing hotel being sold room by room to private investors (as land lease conditions prior to 2003 permitted this activity).

What can we expect?

The immediate effect of the new policy measures will likely be to limit the purely speculative and short term trading activity that had intensified in recent months. This will impact mostly on strata title investments, which made up over 50% of investment activity in 2012. Across the market as a whole, we may see heightened uncertainty over the coming weeks and greater volatility in investment volumes. However, these short-term effects are likely to dissipate once investors digest the new measures and come to terms with the increased cost of transactions. As we have seen with previous policy measures, and in other jurisdictions, market forces adapt to form a new equilibrium. In fact, in the six most significant

rounds of policy measures aimed at the residential market since October 2009, prices had recovered to pre-policy announcement levels after just one month. With regards to the current measures, while buyers and sellers may take time to adjust, long term commercial property investors will be least affected as immediate capital gain is not a driver of demand and greater focus is placed on property fundamentals. The government's stated objective for the residential market is to increase land supply for development. However, given the lengthy development process, short term policy has been directed towards counteracting strong demand. While there may be some debate regarding the need for new supply, the government has been very clear in its intentions. Unfortunately, there appears to be no plan in relation to commercial real estate.

Hong Kong's long term urban regeneration plans may be laudable but a lack of clarity and urgency is a major concern.

What is the real issue?

Hong Kong has an acute lack of commercial space, whether it is office space, retail shops or industrial units. The overall vacancy rate for the office market is less than 3%, despite demand running at half its long term average. When economic activity picks up, demand for office space will follow suit and the space shortage will intensify. Long term urban regeneration plans may be laudable but a lack of clarity and urgency is a major concern. The lack of commercial space logically feeds through to a lack of available investment grade product on the investment market. It also underpins expensive rental levels in Hong Kong and this generates greater interest among investors. In addition, occupiers unable to find suitable space to lease are increasingly turning to the investment market to satisfy their requirements.

Companies are currently more cost conscious and some large office occupiers from the finance and banking sector find their margins reduced, perhaps permanently, as a result of weaker business and more stringent requirements and regulations following the global financial crisis. Indeed, businesses currently seeking to expand are generally from lower margin sectors. However, the lack of available space is most acute in cost effective areas, such as decentralised Hong Kong Island and Kowloon.

As a result, small, medium and large enterprises compete with investors to secure office space, therefore driving up prices. In the industrial sector, government policy with regards to increasing the supply of residential sites through the revitalisation of industrial space is also squeezing occupiers. This is in a sector which has a vacancy rate of just 1% for warehouse space and where a new 2.4 million sq ft logistics development (Interlink) was 99% pre-let upon completion in 2012. Moreover, space vacated by occupiers moving to Interlink was quickly back-filled due to the strength of demand and lack of alternatives. Of immediate concern to occupiers is security of tenure in existing locations and this is a motivating factor behind some investment deals completed for own-use purposes.

Looking ahead

We agree that measures are needed to address a structural problem in the Hong Kong real estate market. We do not, however, expect the 'knee jerk' policy measures introduced to have any lasting effect beyond reducing short term speculative activity. Furthermore, we do not believe that this intervention will lead to a substantial market correction, but rather a slowdown in overall transaction volumes, in the short term. Of greater and more immediate concern though is the lack of a plan to tackle the shortage of commercial space. Government intervention in the commercial property market may have a short term role but will prove pointless if the issue of undersupply across all sectors is not addressed. Increased supply would lead to an easing in rental levels and make the market less attractive for short term speculation. Capital value growth would then ease in comparison to the rate seen in recent months. 

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How to Conduct a Trademark Search

Philippe Healey,
Project Manager,
China IPR SME
Helpdesk

Every company, no matter how big or small, has some intellectual property (IP). The most common type of IP right is a trademark. A trademark is essential to all kinds of companies, whether you are a producer, distributor or service provider, as it allows clients to distinguish you from your competitors and builds the image and reputation of your brand.

International laws, including Chinese laws, grant legal protection to trademarks providing that they comply with a few basic requirements: the mark must be distinctive, must not have previously been used by others in the same market, and must not describe the product, e.g. you cannot register 'Apple' as a trademark for apples.

Trademarks are territorial in nature and therefore must be registered in every country. A trademark registered in Spain, for example, is not automatically valid in China. If you want to obtain protection in China you must register with the China Trademark Office (CTMO) either by directly filing a domestic application or by filing an international extension through the Madrid System.

More information on registering and enforcing your trademark in China, including information on bad-faith registrations and the file-to-file system, can be found on our website <http://www.china-iprhelpdesk.eu> in the China IPR SME Helpdesk publication, *Guide to Trademark Protection in China*.

Why conduct a trademark search?

Before you apply to register your trademark in China you should check that it is available and has not been previously registered by another company (known as a 'bad-faith' registration),

or is too similar to any other registered trademark. This step will prevent you from spending resources on an application which will be rejected and could delay your business operations in China.

Trademark agents can conduct a trademark search on your behalf but you can conduct an initial search by yourself on the CTMO online database which records all trademarks applied for and registered in China. The database is available in English and is free to use. Please note that there may be a delay of up to several weeks between some applications being filed and appearing on the CTMO database.

Step-by-step guide

The CTMO online database can be used to search for all trademarks registered or currently in the application process in China. The database is available in both Chinese and English.

The CTMO recommends using Internet Explorer 6.0 to conduct the search as other browsers do not display the information correctly.

Before you begin please accept the **disclaimer** in order to continue with the search. As the disclaimer states, the information available on the database may not be 100% up to date and therefore can only be considered

Early registration of trademarks in China should be considered key to protecting your business even if China is not your primary market.

a preliminary search.

To begin you need to choose one database :

- For a basic search - SGTMI
- For an advanced search for identical or similar trademarks - SISTM
- For trademark application status - STMAS

Basic search for identical trademarks

The SGTMI database allows you to make a basic trademark search to show whether any identical or almost identical trademark has already been registered in China. This search is particularly useful to check for 'bad-faith' registrations in China.

The SGTMI is a simple search engine which allows browsing by entering information into one or more fields. No field is compulsory but the more information you

provide the better the results:

to use the search engine you need to enter the registration number of a trademark which has already been registered in China.

It is also possible to search for trademarks which are **identical** to the search term, which **begin with** certain letters, or which **include** the searched term. The selection of searching alternatives may be particularly useful for different types of marks, for example:

- Use the **'begins with'** search field for trademarks where the first element is the most distinguishing and the other elements are generic, e.g. Apple Inc., Dell Inc., Google Inc.

- You can use the search for **'identical marks'** if the name is short.

- The **'includes'** field may be useful in order to find all the marks which contain some popular prefix or suffix e.g. -ex, -extra, -natural.

By clicking on the result from your search you can see the full trademark information: The trademark information contains the following data:

By clicking on the result from your search you can see the full trademark information: The trademark information contains the following data:

1. Registration no./application no.

– every mark in each class of goods in China has a separate number. For example, the trademark ‘European Chamber’ is registered as two separate trademarks, 8758425 in class 41 and 8758426 in class 35.

This differs from most European countries where a trademark is registered only once and the same registration can cover a number of classes. Numbers starting with the letter ‘G’, indicate that the trademark was first registered in another country and has been extended to China.

2. International classification number – every trademark must be registered in one of the 45 classes of goods and services.

3. Application date – this refers to the date on which the CTMO received the trademark application.

4. Name and address of the registrant – in English and/or Chinese.

5. Representation of the mark – the image may sometimes appear upside down due to a technical problem.

6. List of goods and services – lists all the goods and services covered by the trademark. Information in this field is only available in Chinese.

7. Similar group – includes the International Classification number and the subclass number, e.g. 4101 indicates international class 41 and subclass 01.

8. Trademark Gazette Publication – the Trademark Gazette is an official

publication of CTMO including all trademark related matters such as preliminary approval, approval, renewal, modification and so on. In addition to the printed Gazette it is available online in Chinese only. The date of Preliminary Publication and Registration Publication are important if you find that your trademark has been registered in bad-faith by another company.

a. Preliminary publication – following preliminary publication an opposition can be filed with the CTMO within three months. This may mean you can prevent a potential bad faith registration.

b. Publication of registration – this date indicates that the trademark has been successfully registered by the CTMO.

9. Effective Period of Exclusive Right – trademarks can be perpetual but must be renewed every ten years in China.

10. Other information including:

a. Date of subsequent designation – relevant for international registrations.

b. International registration date – relevant for international registrations.

c. Priority date – the date of the first filing abroad.

d. Agent name – name of the legal representative if applicable.

If the trademark remains under examination, i.e. it is still in the application process and has not yet been published in the Trademark Gazette, most fields will be empty and

will contain the following information on the examination process:

The ‘Trademark Process’ field indicates the current stage of the registration process. This field may include no information or the following in Chinese only. Click on the field to link to the next page which contains more detailed information in Chinese:

PG² = refusal

– È = modification

À, = dispute

NZÈ = territory extension

Ò, = opposition

4À = renewal

Ⓢ Ⓜ = no renewal after expiration

PGÀ = refusal and review

E@A} = transfer

Advanced search for similar trademarks

If you want to search for trademarks which may be considered similar to your trademark, you can use the SISTM database. This is recommended because trademarks which are too similar to existing

trademarks will not be granted by the CTMO.

The process is similar to the basic search, but you must input the International Class No. and a minimum of one other search term.

The database can search marks in Chinese characters, Chinese pinyin, English letters, numbers, and acronyms, and by graphic elements.

After the search: next steps

If your trademark is not in the database:

This probably means that your trademark is available and therefore we advise you to begin the process of registration with the CTMO as soon as possible. If you do not have residency or a place of business in China you must apply through a local trademark agent. A list of qualified trademark agents can be found on the CTMO website http://www.saic.gov.cn/sbjEnglish/sbdl_1/zmd. If you are planning to register the trademark in Europe you can extend the registration to China through the Madrid Protocol. For more detailed information

on trademark registration please see the China IPR SME Helpdesk publication ‘Guide to Trademark Protection in China’.

Please note that it is possible that a trademark application has been filed but the information is not yet available online as per the disclaimer mentioned above.

If your trademark is in the database:

This may mean that your trademark has been registered in ‘bad-faith’ and is now effectively owned in China by someone else. At this point your options include:

t %VSJOH UIF UISFF NPOUI QFSJPE between the bad-faith registration of your trademark being published in the Trademark Gazette and the trademark being granted, you can file an opposition with CTMO.

t © UIF USBEFNBSL IBT BMSFBZCFFO registered, you may be able to have the registration invalidated by filing a case with the Trademark Review and Adjudication Board (TRAB). The chance of success will depend on the specifics of the case.

t Ⓜ NBZ CF QPTTJCMF UP CVZ UIF trademark through an online ‘supermarket’ or by negotiating directly with the trademark owner, or through an intermediary such as a lawyer or trademark agent.

Take-away message:

Early registration of trademarks in China should be considered key to protecting your business even if China is not your primary market. Consulting the CTMO database is a relatively simple way of establishing if your trademark is already owned by someone else or assessing if a trademark that you wish to register is too similar to one that already exists; taking such actions can save your business time and resources. **3**

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Luxury Brands

By Heidi Skovhus

When living in China it becomes quite evident why it is interesting to talk about the brand management and marketing aspects of luxury brands. China's domestic market for luxury goods is exploding and so is demand on a worldwide scale. The growth of the luxury sector worldwide has been growing from a value of USD 20 billion in 1985 to more than USD 180 billion worth today. This growth is a consequence of globalisation, wealth creation opportunities, digital communications, international travel and culture convergence, and new market segments such as China, Russia, India, the Middle East, Brazil and Mexico.

China is the world's second largest consumer of all luxury goods worldwide, next only to Japan, and having surpassed the United States in 2009. China accounts today for approximately 30% of the world's luxury goods sales.

Luxury brand management

There is actually no more pure form of marketing than luxury brand marketing. This is an industry where

customers' perceptions drive everything. One false step and the fall from shoppers' most-desired lists can be swift and brutal.

Luxury products—clothes, handbags, shoes, and jewelry—might be well made, but they're not difficult to make. The entirety of the business' success rests on keeping shoppers convinced that the brand name alone is worth paying extra for.

When managing a luxury brand, the four P's of traditional marketing are still important: product, price, promotion and place, but further complexity is added. Successful luxury brand management demands substantially different considerations like experience, exclusivity, engagement and emotion.

Experience: Today luxury consumers are still buying. However they are becoming increasingly more selective about where they spend. So today it is not just about the luxury good itself, it is also very much the experience given to the consumer when buying and after the purchase. One can say that the experience a luxury brand provides is a product unto itself.

Exclusivity: The traditional marketing paradigm treats exclusivity as secondary, as a derivative of the second P: price. But to luxury brands, exclusivity is far too dear to be viewed so casually. Exclusivity has forever been a linchpin in luxury brand success, and in this increasingly democratic digital world, no aspect of luxury marketing has been more vehemently protected.

Engagement: No matter what, engagement relies on one thing: storytelling. A narrative that makes a participant feels something. When it comes to luxury brands, engagement is synonymous with a story and the story sells. Tiffany & Co. reported a 20% uptick in sales after the public and press alike lauded the company's What Makes Love True microsite and Engagement Ring Finder mobile app, two digital marketing elements that communicate Tiffany's powerful brand story about realizing true love.

In today's luxury marketplace, convincing consumers to buy isn't enough. Convincing them to join a brand on a journey is the key, and that's what stories do.

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Emotion: The first three E's combine to form the fourth and final imperative element of luxury marketing. Luxury brands cater to a consumer that can buy almost any material thing he or she wants. A luxury brand's physical product, therefore, is secondary. Like an experience, an exclusive insider's view or an engaging story, a particular emotion is what luxury consumers are really after.

However, with that said, it is a given that the performance of a luxury product must be outstanding and

the quality of design excellent. Ingredients like craftsmanship, precision, materials, unique design, extraordinary product capabilities, technology and innovation are must haves for a luxury brand. And only when these elements are in place, the story telling can begin.

The top 10 luxury brands

Each year market research company Millward Brown ranks the top 10 luxury brands globally based on brand value, which takes into account the brand's dollar earnings, its potential future earnings and the quality of the brand in the mind of the consumer.

1) **Louis Vuitton.** Brand value: USD 25.9 billion. LV's strategy is to only associate itself with classic, iconic celebrities. Its new campaign will feature Muhammad Ali, for instance and the one just ended starred Angelina Jolie. The real growth of LV comes from Asia, Japan and South America, and sales are actually

stagnant in Europe and the US.

2) **Hermes.** Brand value: USD 19.2 billion. The company sees itself as a guardian of creativity and craftsmanship, but is also a financially disciplined company. The chain has only 328 stores worldwide.

3) **Rolex.** Brand value: USD 7.2 billion. Rolex associates itself closely with gold, motor sports, skiing, tennis and yachting, all of which are activities that are typically favoured by the super-rich, and furthermore, Rolex is the most popular watch manufacturer amongst very rich people worldwide. Rolex relies on print ads and sponsorship of tennis players.

4) **Chanel.** Brand value: USD 6.7 billion. After the death of Coco Chanel, the brand rescued itself by cutting the list of distributors selling Chanel No. 5 from 18,000 to 12,000—and thus making it more difficult and more desirable to find. Chanel—and its head designer Karl Lagerfeld—have worked hard to retain this air of exclusivity (it doesn't sell certain products online, for instance), but it has actually extended its brands to become more mass-market again, for instance with the Coco Mademoiselle sub-brand for younger women. Like a lot of luxury brands, Chanel has also opened new stores in Asia.

5) **Gucci.** Brand value: USD 6.4 billion. Unlike the other luxury brands, which operate in an almost obsessive culture of secrecy about themselves (to maintain that elusive chic), Gucci is rather more down-to-earth about how it intends to operate. Gucci is rolling out an extravagant re-design of its major stores and the mother company of Gucci is constantly fussing over its factory-to-store chain, which it completely owns and controls.

6) **Prada.** Brand value: USD 5.8 billion. A huge part of Prada's success comes from a massive expansion in the number of its stores. It opened 65 of them between April 2011 and April 2012. Most of the openings will be Prada brand stores, reflecting a general trend among luxury brands to assert tighter brand control by shifting

away from licensing and franchising.

7) **Cartier.** Brand value: USD 4.8 billion. The CEO of Cartier said the following last year about Prada and China: "I feel like I'm having a black tie dinner on top of a volcano. Okay? At volcano is China, but that's what I feel like. I go, in the morning we put on our ties and our watches and we go, and the food's better, and the wine's better, and the weather is great, but let's not kid ourselves. There is a volcano somewhere, whether it's this year, in ten years' time, or in twenty years' time. We are exposed to China. I think they're going to travel more. I think they're going to survive. I think all of these things, but we are now a 'China play', and it suits us if the euro gets weaker".

8) **Hennessy.** Brand value: USD 4.6 billion. The Hennessy story is all about the barriers to competition that can be erected after you've established a dominant market position—assuming you did that more than a century ago. Hennessy has been the top cognac brand since 1890 and now has a 41.1 percent share of the market.

9) **Moët & Chandon.** Brand value: USD 4.2 billion. The owner of Moët (LVMH) controls 1,697 hectares of the Champagne growing region in France. Its champagne brands include Moët, Dom Pérignon, Veuve Clicquot and Krug, and together they hold 18.3 % of the global market. Good luck competing with Moët –

the French regulatory agency that controls Champagne places annual caps on its production. It's a classic barriers-to-competition situation created by government regulation.

10) **Burberry.** Brand value: USD 4 billion. Burberry managed to reinvent itself with a full range of clothes, all trimmed in the Burberry plaid. The company has continued to expand its range, now also offering fragrances. Burberry's recent growth report for China shows that it is slowing down.

So there are the top 10 luxury brands in the world today and a small note about each of them.

The luxury market in China

The luxury market in China is dominated by luxury products which are status symbols, and so are things that can be shown to others: bags, clothes, watches, jewelries, cars, gadgets and the like. The top three luxury brands in China in 2010 were Louis Vuitton, Chanel and Gucci. In 2010 and 2011, watches and bags led the growth of the luxury market in China. China has a long history of gift-giving and so this is also one of the drivers behind the growth in the luxury goods market here.

Chinese luxury goods consumers are younger than in Europe and are in the age group 18-50 years old, compared to the European luxury goods consumers who are in the

over 40 age group. For this reason, China's luxury market is expected to grow faster than that of Europe's. Many of the young luxury goods buyers in China are self-employed or professionals. Chinese luxury consumers can be generally categorized into three groups: First is the nouveau riche (ultra-rich) group who acquired their wealth over the past decades. These consumers and their families are purchasing luxury goods within mainland China and are not sensitive to the dramatic price differences (many luxury goods costs 30-80% more to purchase in China compared to Europe, because of import taxes etc). A majority of this nouveau riche group reside in 1st to 3rd tier cities. Second is the gifting group; consumers in this group are generally buying luxury goods within mainland China for gifting (mainly for business or government-related purposes). They are not sensitive to price differences because costs will be covered by their corporations. The third group, and by far the biggest in population, is the Chinese

middle class consumers who are brand-conscious. These consumers are price sensitive. They often work and reside in 1st or 2nd tier cities.

It comes as a surprise to many that there are not so many Chinese luxury brands on the market, even though this is a big market in China, but the explanation is rather simple. A long history and strong traditions are often key components in a luxury brand. A lot of what distinguishes a luxury brand is its history – just look at the top 10 list. And this is one thing that many Chinese brands do not have. Chinese companies that made cosmetics, luxury clothing and jewelry – all unwelcomed symbols of decadence – shuttered their doors between 1950s and the late 1970s. Yet a few Chinese luxury products survived the period between communist takeover and the country's reform and opening up. One is Moutai, a strong spirit known as baijiu. Moutai is the market leader for sales of baijiu and is one of the most valued companies on the Shanghai Stock Exchange. Only a few

other legacy Chinese brands have been ushered into the present. Panda cigarettes, which became famous between the fingers of late Chinese reformer Deng Xiaoping, often accompany small glasses of baijiu at the banquet table. The brand's luxury line now sells for more than USD 600 a carton and aficionados know to expect long waiting lists for the product.

Beside these few strong local luxury brands, many of the international luxury brands are doing relatively well from a marketing point of view in China. Some have made mistakes in the past but this market is maturing rather quickly and international advertising agencies and brand advisers help these big global companies that breathe life into their brand every day to stir through the tough waters of China. **E**

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Value-Based Leadership

Stan Remple
MSW; MPH; DMHA; Ph.D

Awarded the Governor General's Award for his contribution to communities, citizens, and Canada, Dr. Remple has served as Deputy Minister and Assistant Deputy Minister in two provinces, Executive Director of Treasury Board Staff in British Columbia, President of Leadership Strategies consulting company, Director of the M.A. in Leadership program at Trinity Western University (TWU), and Director of the MA in Business Leadership (China) Program. Dr. Remple has sat on numerous boards, worked on four continents, given many presentations at international conferences and workshops, and has taught at graduate level at TWU for over ten years. TWU is partnering with LDi Training to bring the M.A. in Leadership to China.

Introduction

If you want to lead your company to peak performance and maximum profitability, pay attention!

The purpose of this article is to highlight the importance of 'people values', identify what the values are that you need to be effective as a leader, and show how they link to the hard technical skills of management. Without these values being practiced, excellent knowledge of hard skills will not be enough to lead the way to maximum profitability.

Business practitioners (SAS, Southwest Airlines, TD Industries, etc.) and researchers (Jim Collins, Dave Ulrich, Gallup, etc.) in the West have stated that the most profitable businesses are those that treat employees, customers and partners as the most valuable business asset. It is the single most important net profit factor. This requires your paying attention to 'people values' as the foundation to your leadership practice—something most businesses do not do well.

Chinese business leaders are especially challenged by limited employee, customer and partner loyalty and trust. Business productivity, competitiveness and profitability suffer as a result. Business failure rates are high. Management development programs hardly address these critical issues.

Many management development programs today focus on the development of hard technical skills associated with accounting, planning, marketing, strategy execution, etc.; all of which are essential, but lacking attention to how 'people values' pre-determine what hard skills are needed and how they are used in ways that protect the human capital asset for best return on investment (ROI).

'People Values' are Foundational

Instead of using positional authority to accumulate personal power and control action in your business, leaders need to commit to practicing 'people values' and developing a skilled and committed network of relationships with/between employees, partners and customers.

Four categories of 'people values' should guide the business leader's thinking, decision-making and behaviours:

1. **Build relationship values:** The most successful business executives will practice at least five core values that produce loyalty and trust:
 - a. **Personal humility:** The business leader must practice humility, not pride. Humility is achieved through

Instead of using positional authority to accumulate personal power and control action in your business, leaders need to commit to practicing 'people values'.

self-awareness, authenticity, and identification with others.

- b. **Empathy for others:** The business leader must care for others as much as they care for themselves, by valuing them, accepting them and correcting them for mistakes made in a context of grace.

- c. **Employee development:** The business leader's role is one of stewardship of the company's assets, the most valuable of which is its people, so will necessarily view himself/herself as the one responsible for ensuring that employees are given opportunities to develop their potential in order to improve productivity. This means showing understanding, encouragement, and sometimes sacrifices as resources are diverted to make this happen.

- d. **Collaborative work:** The business leader must collaborate with employees, partners and customers for best results, by working independently, inter-dependently, and as teams.

- e. **Performance excellence:** Good managers must commit to excellence for best results, by being accountable, responsive and results focused.

As a business leader you must demonstrate an ability to motivate your staff—recognising that each member of your team is a unique individual. This means seeing everyone as being equally valuable through the adoption of fair treatment embedded in clear and accessible policies and practices. It also means recognising that whilst all are equally valuable aspects, each team member may require a different style of leadership and will have different developmental needs. Good managers ensure that secure work arrangements are in place and provide for safe work conditions. It means knowing how employees, partners or customers contribute to your business success; encouraging your team members to take personal responsibility for their area of work and for the overall success of the company; creating an environment where staff feel like they belong socially (this is especially important in a society where "group culture" is very strong); it means giving opportunities and encouragement for people to learn and innovate and also importantly, get recognition for quality work.

2. **Role modelling new thinking.** As a business leader you must ensure

that these values and principles impact how you think about issues and how things are done in your factory or company. As leader you will only have credibility if you walk the talk.

3. Ethical decision-making. The business leader must ensure that 'people values' are implemented consistently through personal and organisational decision-making and action. This is a moral imperative.

4. Shared core values. Part of being an effective leader means you constantly need to educate your team in the organisation's values and then link these to the employee's values. Where this is achieved, increased work productivity is the outcome.

Of course, none of us have achieved all of these things in the way we run our companies. However, if we commit our leadership practices to increasingly follow these values and principles, not only will we experience personal transformation in the process but we will impact others in the same way. We also need to recognise that there are some values and principles that are universal and apply in all cultures. For example, treat others in the

way you yourself would like to be treated is probably universal, but the behaviours that give evidence of how this is practiced are likely to vary from one culture to another.

Practicing Value-Based Leadership

Where such leadership values and principles are adopted this will influence management practice over who participates in the problem-solving or service improvement processes, which hard technical skills will be used, and how they will be implemented. The litmus test for the effective application of 'people centred' leadership includes attention to the development of a 'people culture', leading for absolute results, clarity of strategy and its execution, building a responsive authority structure, and developing and keeping a highly competent work force. For each of these things to be put in place, it will require an aligned leadership system.

An opportunity to study Value-Based Leadership in China

Trinity Western University (TWU), Vancouver, Canada, in partnership

with Leadership Development International Training (LDi Training), Tianjin, China have developed a graduate level value-based business leadership Master of Arts degree for middle to senior level business leader in China. TWU's program was launched two years ago. Of the more than 50 students currently enrolled in the programme, the first cohort of students will graduate in the autumn of 2013. The next intake of new students will be into either an English cohort or a Mandarin cohort with the programme starting in November 2013.

To expand your business leadership understanding and skills, so that you can build a successful and profitable business in China, please email Lydia.Liu@twu.ca at TWU or peng@ldichina.com at LDi Training for additional information.

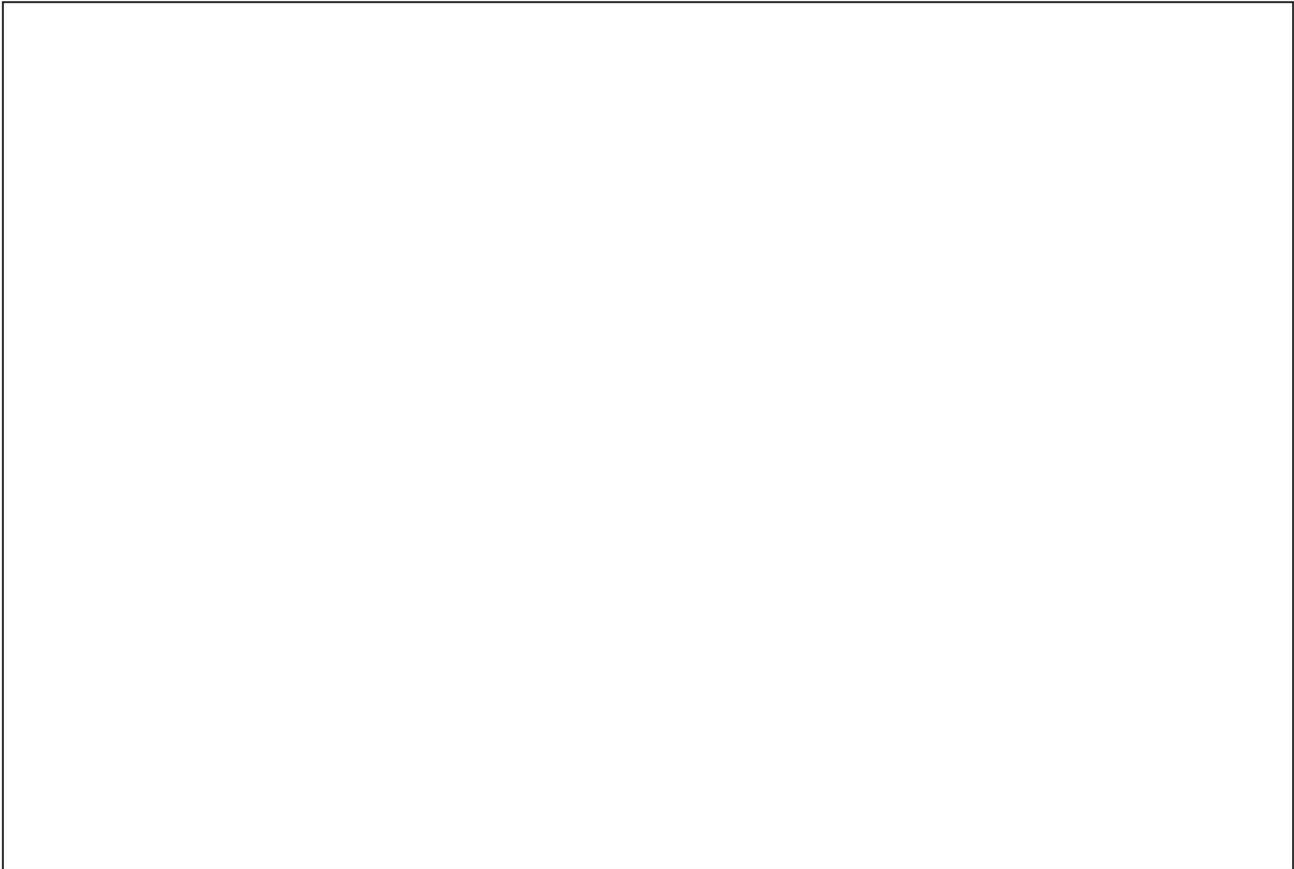
Please also visit www.twu.ca/maleadership_china for more detailed information. 

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Yann Barbaux Appointed Chief Innovation Officer by Airbus

Airbus announced that Yann Barbaux would be appointed Chief Innovation Officer since 1st, May. The Chief Innovation Officer is set up as an unprecedented position. Barbaux will lead his team to improve the network of Airbus with centralized management. The Chief Innovation Officer will report his work directly to Fabrice Brégier, the CEO of Airbus.

Barbaux is mainly responsible for promoting the innovative culture in the company. He will encourage the innovative ideas from all other departments and supervise the process of the research and the decision about those ideas.



Julio Iglesias Receives Well-Deserved Recognition Award in Beijing

By Cathy Perez

In 1995, Julio Iglesias became the only foreign artist to have officially sold the most records in China and then became the first and only artist to ever receive an award from China's Ministry of Culture. His music crosses borders as it touches the hearts of people from all walks of life, people from different cultures and generations. Julio Iglesias is indeed one of the music industry's living legends and his return trip to Beijing on 1 April, 2013 to receive two other awards was a memorable one.

Selling over 300 million records worldwide, in 14 languages with 80 albums, and more than 2,600 gold and platinum records, Julio Iglesias is considered as one of the top five best-selling Hispanic music artists of all times. He returned to Beijing to receive two historic awards honouring his extraordinary career in music marked by global number one hits. The two awards are *China's First and Most Popular International Artist of All Time Award* (presented by China's world-renowned artist *Lang Lang*) and *Guinness World Records' Best-Selling Male Latin Artist*.

Upon receiving the first award, Iglesias, who is turning 70 this year, thanked *Lang Lang* and China for the special recognition. "Lang Lang, I have to thank you and this beautiful country and the Sony Music family for giving me this opportunity to be back. To be back in China means so much to me and my family and my people. I will never forget this honour. I'm proud of this special situation today because it comes from the people and it comes from a country that is in my heart. So thank you so much, thank you to the people of China!"

World-renowned Chinese artist *Lang Lang* was the perfect person to present the award to Iglesias as he himself is internationally acclaimed and considered the most influential young artist in the world, receiving praises worldwide for his record of sold out concerts, prestigious awards and innumerable achievements. The event witnessed the first meeting of two music champions from two generations, who both have incredible impact on music throughout the world.

When asked whether there is a possible collaboration between himself and *Lang Lang*, Iglesias smiled and said, "you know, *Lang Lang* and myself, we have a very different situation. *Lang Lang* is an avid fan of Barcelona, and I'm for Real Madrid so to put together Barcelona and Real Madrid is not very easy. But you know, *Lang Lang* has a lot of obligations now and I don't want to add more into that. I feel that the love and friendship we have together is more important than anything else."

The award ceremony kicked off Julio Iglesias's 3-show tour in China and further promotes the release of his already worldwide multiplatinum compilation CD, *Julio Iglesias 1*. On the album, the singer-songwriter returns to performing many of the tracks that made him one of the most outstanding artists of our time, and proves once again why he is listed among the names of eternal stars like Elvis Presley, the Beatles, Frank Sinatra and Michael Jackson as one of the best-selling artists worldwide of all time.

One of the secrets to Julio Iglesias' unique global success over the generations is his ability to sing in more than 14 languages and connect with so many different cultures around the world. Even today, no one else can boast a discography of 80 albums in so many languages. "I don't believe in frontiers. Musicians like *Lang Lang* and I, when we play, we play for the souls, for the passion of people. It doesn't matter what race, we love people naturally."

"Top of the Romance – Julio Iglesias China Live Tour" last month happened on 14 April in Shanghai Grand Stage, 18th in Shenzhen Concert Hall, and 21st in Beijing Exhibition Centre theatre. These live tours are Julio Iglesias' gifts to his Chinese fans as he sang his well-known songs including "La Paloma", "Wo Bist Du", "Hey" and many other world hits.

Aside from China, Iglesias also held concerts in the Philippines, South Korea and Singapore to complete his Asian tour.

Harley-Davidson Comes to Tianjin

By Matthew Baum

Harley-Davidson rolled into Tianjin with a bang on 16 April. A searing blast of rock and roll, high-speed bikes and plenty of attitude blew attendees away at the recent Harley Davidson opening ceremony. The new dealership burst onto the world's stage as the latest of the Harley Davidson dealerships in China. The Tianjin dealership is the twelfth shop in China and was graced with the heavy-hitting presence of Wisconsin governor Scott Walker to usher in the new store. The Harley-Davidson brand is growing in China as biking culture is slowly starting to find its way on to the mainland. 2012 sales were up in China, as well as the Asia Pacific region as a whole. This is not only the result of a long process of lobbying by American officials to open up China to freer motorcycle usage, it is a drive by Wisconsin to get one of its most famous brands up and running in China. Walker also introduced the gathered crowd to a Wisconsin brand of Ginseng. Although none was on sale at the event, it shows the continued interest of American states in turning China into a market for American goods.

The local HOG (Harley Owners Group) chapter was out in force with riders sporting their leathers and pristine bikes. The dealership, located in Hexi district, has over 2000m² and not only sells bikes like the Sportster and Dyna models, but also sells rider accessories, like the eternally fashionable leather biker's jacket.

On the evening, a lot of motorcycle fans from all over the world arrived and gathered at Sheraton Tianjin Hotel to enjoy a fascinating opening ceremony evening banquet.

Wanda Vista Tianjin Launches Mass Recruitment

Wanda Vista Tianjin launched its mass recruitment campaign from 20 to 21 April 2013 aiming at attracting the best talents through this recruiting drive in preparation of its opening on 30 August 2013.

Through this recruitment campaign, Wanda Vista Tianjin expected to fill more than 200 different positions and 400 job opportunities ranging from entry level to senior management. During the Wanda Vista Tianjin Recruitment Days, interested candidates attended several presentations about the Wanda Hotels and Resorts Corporate Culture, Wanda Vista brand features and hotel introduction followed by media interviews with the Vice President of Sales & Marketing of Wanda Hotels and Resorts Mr. Ilja Poepper and the hotel's General Manager Mr. Maged Louis. At the end of the event, Wanda Vista Tianjin received more than 1600 job applications and interviewed almost 1000 candidates.

Located on the banks of the great Hai He river; Wanda Vista Tianjin emerges into the beautiful city. Enjoying magnificent views of the river, the hotel will open on 30 August 2013.

"Delivering exclusive service to the global elite travellers requires not only a greatly built hotel- it also requires highly spirited associates that are well trained" said General Manager Mr. Maged Louis. "We are very delighted to see that there is so much interest for our opening positions, many of the candidates are interested in joining our five-star plus brand for the fast growth of Wanda Hotels and Resorts, high standards and plenty of career development opportunities. I am confident that we will be able to fill in all the vacant positions after this recruitment campaign."

PPG Opens Automotive Coatings Development and Application Centre in Tianjin

New waterborne coatings manufacturing facility starts operation

PPG Industries (NYSE: PPG) held a ceremony on 23 April to celebrate the opening of its new automotive OEM (original equipment manufacturer) coatings development and application centre in Tianjin, China. This facility is the first of its kind locally, and it will focus on the development of automotive coatings in China.

The ceremony also celebrated the opening of PPG Coatings (Tianjin) Co Ltd's new waterborne coatings manufacturing facility. The Tianjin plant is PPG's largest coatings manufacturing facility globally, and the expansion significantly increases the plant's production capacity for waterborne coatings.

"We are pleased to celebrate the completion of this critical expansion project in China," said Cynthia Niekamp, PPG's Senior Vice President of automotive OEM coatings. "China's automotive manufacturing industry is experiencing dramatic growth, and in light of new environmental protection regulations, the increased demand for eco-friendly waterborne automotive coatings continues to drive the expansion of PPG's business here."

Last year, the Regulation on the Access Management of Passenger Vehicle Manufacturers and Products went into effect, requiring that all automotive basecoats and topcoats used in manufacturing have waterborne formulas, setting a new entry threshold for automakers. As a result, PPG's waterborne coatings technologies – with their low VOC (volatile organic compound) emissions and high cost-efficiency – have become increasingly popular with automakers in China.

"Following the environmental protection policies stipulated by the Chinese government, we estimate that waterborne coatings use on newly built vehicles in China will increase from 40 percent of new builds to more than 60 percent within the next five years," said Vincent Robin, PPG Vice President of automotive coatings, Asia Pacific. "PPG is well positioned to help automakers in China to increase their use of waterborne coatings products and technologies. For example, the B1:B2 premium compact process is an innovative waterborne coatings technology that enables our customers to eliminate the primer layer and reduce the total cost of painting a car, as well as the total weight of the vehicle for fuel efficiency."

In addition to the capacity expansion, the new development and application centre is equipped with advanced, state-of-the-art equipment to simulate the automatic car painting processes in a shop, which is another example of introducing PPG's best practices to China, Robin added.

"Innovation, sustainability and colour expertise have long been strengths at PPG," said Mike Horton, PPG President, Asia Pacific. "The expansion of our capacity to manufacture waterborne coatings marks a crucial step towards our sustainable development. We will continue to capitalise on the favourable investment climate and geographic advantages of the Tianjin Binhai New Area and to develop and produce more premium technologies and sustainable products for the Chinese and global automotive markets."

With automotive coatings plants in Tianjin and Wuhu and a resin plant in Zhangjiagang, PPG serves a wide range of automotive coatings customers in China including well-known global automakers and leading domestic manufacturers.

2012 Annual Corporate Income Tax Filing Key Points Update, 22 March

As the tax filing deadline (i.e. May 31, 2013) of the Corporate Income Tax (CIT) Annual Filing for the year 2012 is approaching, various state tax bureaus at district level in Tianjin have issued notices for the CIT Annual Filing arrangement and tax treatment on some common items. Tax professionals from PwC shared their knowledge and thoughts on the 2012 CIT Annual Filing and answered specific questions during the F&T workshop conducted for Chamber members and PwC clients on 22 March.

What's in a name? - Branding and Trademark Protection in China, 26 March

The European Chamber Tianjin Chapter supported by the China IPR SME Helpdesk successfully hosted an interactive seminar on Branding and Trademark Protection in China, which addressed the issues of: Why it is crucial to register your trade mark in China as soon as possible to avoid future problems; How to register a trademark in different product- and service classes, a system unique to China; How to license a trademark in China and Different methods to legally enforce your trademark in the case of infringement.

Get lay off/ termination jobs done, whilst gaining a good reputation amongst management and employees! 10 April

The European Chamber Tianjin Chapter conducted the survey on “Economic Downturn” related issues by end of 2012. One of the questions was “Is your company planning to lay off staff in China?” Among 40 top executives from member companies, 28% of them replied with “There will be VLJQLFDQWODRIIVRUDVPDOOQXPEHURIODRIIVWKLVDU:LWKWKLVTXHVWLRQLPLQGWKH(XURSHDQ&KDPEHU7LDQMLQ&KDSWHULQYLWHGOLFKHOOH)HQJ HR Director of Gamesa China who successfully implemented the employee layoffs and company restructuring in the past couple of months, to share their best practices with other member companies.

Her more than four hours long presentation covered the issues of: How to lay off under current economic circumstances? How to make a good lay off plan? How to communicate with management teams? How to communicate with all employees? How to design a leaving process? What is the key point during termination negotiations? What training should be provided to line managers? How to leverage the most functionality from line managers? What are the roles designed between Line managers and HR? Almost 40 HR leaders participated in this workshop and it was a great success.

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Tianjin Historic Walking Tour

Saturday, 13 April, 2013

On Saturday, 13 April, AmCham China, Tianjin’s Vice Chairman Douglas Red, a long time resident of Tianjin and an enthusiast of local history, led a YHULQWHUHVWLQJDQGLQIRUPDWLYHZDONLQJWRXURIWKHROG)UHQFKDQG%ULWLWYKWRQFEMOQHDQKERSHLKRRGDDWKSEUHD 0U5HGH\$RVHGOLWWOHNQRZQIDFWVDERXW7LDQMLQVFRQFHVVLQRHUDSDVWLQWURGXFHGWKHNHJXUHVZKROLYHGDQGGZRUNHGLQ unique buildings along the way.

A lunch break was taken at Qing Wang Fu, a historic mansion constructed in 1922 as a private residence for the last head eunuch of the Forbidden City in the old English neighbourhood.

If you missed out on this event be sure to join us next time! Check our website or join our mailing list to keep an eye out for other upcoming cultural events hosted by AmCham. We look forward to seeing you at our next event!

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7:15-9:00 AM, Thursday, 16 May – The Westin Tianjin Hotel

AmCham China Tianjin and BT Eagle Group Twelfth Annual Charity Golf Tournament

10:00 AM - 8:30 PM, Saturday, 18 May

Tianjin Binhai Lake Golf Course and Tianjin Renaissance Lakeview Hotel

Inter-Chamber Business Networking Event in Tianjin

7:00-10:00 PM, Tuesday, 21 May – Renaissance Tianjin Lakeview Hotel

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Latest Information on Visa and Residence Permits Policy

2:30 AM - 4:30 PM, Thursday, 23 May – the St. Regis Tianjin

)RUPRUHLRUPDWLROOKLQHLVWUDWLQRUHQVSOHDVHFRQDFWPEKLD7LDQMLQFDW)hamchina.org or call (8622) 23185072.

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

Kammerstammtisch Binhai

Wednesday, April 10, 2013

Our new "Kammerstammtisch Binhai" – the social gathering for the German Community in the Binhai area – regularly provides the chance to meet Chamber members as well as friends from TEDA, Binhai and the Tianjin community to share experiences, information and ideas. Mr. Uwe Birnbaum, General Manager of Jean Mueller Electrical Systems (Tianjin) Co., Ltd., and Mr. Joachim Heussmann, General Manager of Siemens Mechanical Drive Systems (Tianjin) Co., Ltd., as members of our Advisory Council attended the gathering to welcome questions and engage in dialogue with the participants. You are welcome to join our next Kammerstammtisch in Binhai – on 8 May at 5.30pm at the Delights Bar and Restaurant in TEDA.

Third Culture Kids in Tianjin – School Counselling Services and the German Mother Tongue Programme at IST

Friday, 12 April, 2013

The relocation to China presents challenges to families and children who have to adjust to a new city, a new culture and a new school. Third culture children and develop a pre-emptive strategy that is right for your business. and develop a pre-emptive strategy that is right for your business. this seminar to advise on how to help children to get accustomed to the new surroundings in Tianjin and how to deal with culture shocks. In the presence of the Chamber's Tianjin Advisory Council Members, the Director of the IST, Steve Moody, and the School Counsellors offered insights into how to address these issues, and also presented the school's IB Diploma and the German mother tongue programmes. This school meeting is part of a series of Chamber events to inform the German community about important institutions in Tianjin and provide essential information about the living environment for expats.

May 8, 2013: Kammerstammtisch Binhai – Delights Bar and Restaurant TEDA

May 17, 2013: Breakfast seminar-Hot issues in labour contract law, Beijing

May 18, 2013: German Night, Drei Kronen 1308 Brauhaus Tianjin

May 20, 2013: Interchamber Communication Workshop - Impactful Communication using the Meyers-Briggs Type Indicator (MBTI®)

May 29, 2013: Kammerstammtisch Tianjin, Drei Kronen 1308 Brauhaus Tianjin

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

26 March 2013, Seminar, What's in a Name? Branding and Trade Mark Protection in China, Tianjin

Your brand is your company's identity. Public perception plays an important role in how your products or services are perceived, especially in as vast a market as China. Because you invest time and money in building a strong brand and reputation, counterfeiting could be very damaging to your business. If you have a brand name or logo which is used in China or if you work with franchising agreements, it is important to know how you should protect these IP assets.

28 March 2013, Networking, Ladies After Work, Beijing

The China Italy Chamber of Commerce together with the French Chamber, Danish Chamber, German Chamber, Swedish Chamber and Swiss Chamber invites you to an Inter-chamber Ladies After Work.

Whether through online social networking or face-to-face contact, women are meeting, sharing and connecting in very different ways than men. For this reason, and because sometimes it's nice to be among ourselves, we invite all the women to join us for this Inter-chamber Ladies After work.

11 April 2013, Seminar, Online business for SMEs in China – Trends, strategies and safeguard, Beijing

The fast growth of E-commerce presents an attractive opportunity for European SMEs to access Chinese markets, allowing them to promote their goods to a vast market spread across a large geographic area, for relatively little cost. As the growth of online selling in China continues to reach remarkable levels, it is essential to keep track of the latest trends, safeguard your brand against the risks of pirated and counterfeited products online and develop a pre-emptive strategy that is right for your business.

17 April 2013, Breakfast seminar-Hot issues in labour contract law, Beijing

The seminar will cover the following topics: Hiring and employment rules in China (Contract form and kinds, working time and leave, pregnancy leave, bonus, statutory minimum benefits, termination etc.), Compensation issues, General framework of the litigation law, The scenario of the legislative framework after the end of agency workers.

18 April 2013, Outlook 2010 Training, Beijing

Let IPS help you to increase your personal productivity with Microsoft Outlook training and courses.

Many people have used Microsoft Outlook for years but do not take full advantage of Outlook's powerful features. IPS Outlook instructors can help you get the most out of Outlook.

18 April 2013, Hiring for Success: Behavioural Interview techniques, Beijing

Published research studies and practical applications have proven the effectiveness of behavioural interviewing techniques. However, very few organisations do it to an expert level. This program is based on Dr. Janz's widely distributed book on Behaviour Description Interviewing and provides a set of behavioural interviewing skills as well as various kinds of skill practices.

8 May 2013, Essential IP Knowledge to protect your Technology in China, Beijing

Protecting your technology and know-how is a major concern for companies operating in China. This training workshop will introduce the risks and a range of strategies to protect your competitive advantage. You will learn how to prevent your trade secrets from becoming public knowledge through SKVLFDO WHFKQLFDO DQG FRQWUDFWXDO EDUULHU V ROORZLQJ WKL V HYHQWRX ZLOOEHEOH WR FRQGHQWO\$ODQRXU WHFKQRORJYH competitiveness and market share.

8 May 2013, OSPITALITA' ITALIANA Shanghai Awarding Ceremony, Shanghai

Cultural Heritage, Economic Development) with ENIT and FIPE – Italian Federation of Public Practices- and the administrative support of the National Institute for Tourism Research (IS.NA.R.T.), and was created in 1997 with the objective to unite all those Italian Restaurants that are willing to respect certain norms in protection of the image of Italy. she will be able to enjoy the authenticity of the Italian cuisine, thus discovering the tastes of the Bel Paese, in their own backyard.

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

Include your event
email to editor@businesstianjin.com

1 May Labour Day
4 May &KLQDRXWK'D\

12 May Mother's Day

01
WED
Drama Onegin - Chernous
Opera House, Tianjin Grand Theatre
19:30
¥ 1880/1280/980/780/580/380/180/80
+86 22 8388 2000
ODU

10
FRI
The 20th China Tianjin Investment & Trade Fair
Tianjin Meijiang International Convention & Exhibition Center
+86 22 2353 7159; 8352 1091
http://www.tjqth.cn
ODU

08
WED
China International NGV And Gas Station Equipment Expo
+86 10 8586 1238; 6501 8877
ODU

11
SAT
String in Summer-Dragon Quartet Music Concert First Time in Tianjin
Concert Hall, Tianjin Grand Theatre
19:30
¥ 380/280/180/120/80/50
+86 22 8388 2000; 8388 2002; 2332 0068

11
SAT
TICC Spring Ball 2013 "James Bond" Theme
TICC 2013
The St. Regis
ticc_09@hotmail.com
Editor's pick

09
THU
China International Logistics Expo
China International Exhibition Center
+86 10 6815 8795
ODU

13
MON
International Photovoltaic Power Generation Conference & Expo 2013
Shanghai New International Expo Centre
+86 10 6335 6966
ODU

22
WED
China Beijing International Exhibition on Buses, Trucks & Components
China National Convention Center
+86 10 5827 8080; 5827 8080
ODU

18
SAT
Tougan Seok Chiev and French Toulouse State Owned String Orchestra Concert
Concert Hall, Tianjin Grand Theatre
19:30
¥ 880/580/380/280/180/120/50
+86 22 8388 2000

25
SAT
Beijing Bus Trip - Ya Show Indoor Market Sanlitun
+86 10 6461 1104
ticc_09@hotmail.com
Editor's pick

22
WED
Top Music Dialogue-Kramer Dirvanauskaite and Chen Sa Trio Concert
Concert Hall, Tianjin Grand Theatre
19:30
¥ 580/380/280/180/120/80
+86 22 8388 2000; 8388 2002; 2332 0068
Editor's pick

28
TUE
International Building & Construction Trade Fair
Shanghai World Expo Exhibition & Convention Center
+86 21 6255 6060; 3222 4777
ODU

31
FRI
Beethoven The Symphonies - Tianjin Symphony Orchestra of Tiannjin Opera Theatre: Concert 7
Concert Hall, Tianjin Grand Theatre
19:30
¥ 280/180/150/120/80/50
+86 22 8388 2000; 8388 2002; 2332 0068

Inspection from the Tax Authority

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VKXuZMMLQFKi

Volume 60

A: The tax authority inspected my company yesterday.

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 KXuZMkyWLGXuzPHQJòJMuo{QJOHKXuZMLQFKi

They told me that they would impose a penalties and surcharges on my company, plus the payment of the overdue taxes.

"â ?U" à 95 !ó /â J x \$4Q¥ (3) ` 5.! (4)£
 MLQFKiKzXRTLZPHQEMLRTLIQTkXuNXQEuQJMLRkUQjMQKpliNXQ

I do not agree on their decisions, but what can I do?

à È à £
 ZPHQEWyQJuQPHEjQ"

B: Well, in this case, you have three choices, namely ask for a hearing, apply for reexamination, or bring suit against the tax authority.

ü E/ì Ì Æ Y /ì r"© o Eñ G A• (5)È (6) ` A (7)Ä
 jLkqKQTtQJNXjQJLjNkKQJEjQjzQJKQpMtWQJkqQJluKpKQJ

A: What do you mean by a hearing?

" A"
 VKtPHVKuWQJKqQJ"

%,WLVQRHRIRXUULJKWVZKHQWKHQHLVDWDFHUWDLQWKUHVKROG

E- 4,X ÒM ý (8)È @ GMq EW È
 KqKuQòHljQJTXiQOuJLfkHMqPEMLjRGjkt

Within 3 days after receiving the notice of the punishment, you can apply for the right to a hearing.

4 Ä ü y @ Eì ,X Y +AÈ AÄ
 QNjLMLGjRFKkHWQJKGHUuQqLVKQTQJWQJKqQJ

7KHWDpXWKRULWVKRXOGQDPHDQLPSDUWLDORIFLDODVVKHFKDLUSHUVQRIRIWKHWHVWLPRQ\

/â î f â È G,XŽ . Aî ,X Ò (9)Ä
 KXuZMKXuQSiLjQMLjQZJXQGHUpQ KzWQJKqQJKXuGHKFKtUpQ

A: I do think it is too late for it, and the scope of the testimony just limited to the case of punishments case.

)ü 9ă (10) È)%o A ,X 8È E\$ (11) ÒÄ
 LjQJLOiLEMtWQJkqQJOHKpNXjQJWQJkqQJGHijQZpLMQJjQFKi

What about the reexamination?

Fw A, óÜ
 QjIhQH"

B: That is another right. You can ask the superior tax authority to reexamine the case.

E- # ÒM à, AÈ P4{ (12) /â G G; u)Ä
 KqKqMtGjROuQJLjQJTXiQOuJkUjTLJRMtKXuZMJXQKzQJQKQOy

Its scope includes the arguments arising in process of both the tax payment and the punishment.

J 8È ¶ Ì Ò A, (13) 3 Ì 4â Ä
 TtjQZpLMuERNXzFKkKQJUERNXzQjKXuKQJu

But the requirements for the two kinds of cases are quite different.

Í óÜ ,X ?ñ à
 GjQGXuOLQJKGHJXGuQJEWyQJ

A: Can you explain it in detail?

óN Aq\$ (14) o È
 QpQJLiQJfLPD"

B: If you disagree on the punishment decisions, you may apply for the reexamination, or you can bring a suit against the tax authority directly.

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 GXuFKkMXpGuQJEUqQWyQJGHNYQTQJlNkKtMLLjQJjQJQTY

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(1) /â	tax authority	shuì wù jú	(9) Ò	chairperson	KFKtUpQ
(2) ¶	inspect	MLQFKi	(10) 9ă	be too late for	OiLEMt
(3) \$¥	penalty	KuQjMQ	(11) E\$	limited to	MQLjQ-
(4) 5.!	surcharge	liNXQ	(12) P4{	superior	JRMt
(5) A	hearing testimony	WQJKqQJ	(13) A	argument	KQJu
(6) à	reexamination	fù yì	(14) A\$	in detail	LjQJf
(7) A	suit	VvzQJ	(15) à	disagree	EUqQWyQJ
(8) ý	right	TXiQOu	(16) CKA	bring a suit	Ty•

If you encounter any problems learning Chinese, please send us an email at bizclass@businesstianjin.com
 We'll do our best to help you. See you next month.

DINING

TIANJIN

Chinese

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1R:LQNDL/X+HGRQJ/LWULFW
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☎ 66
☎ 2ā

Fortune Restaurant
A: &URZQH3ODP7LDQMLQ%LQKDL
No. 55, Zhongxin Da Dao
SUSRUW,QGXWULDO3DUN
T: +86 22 5867 8888 ext. 2355

☎ 55ā
☎ 2ā



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Heping District
T: +86 22 8713 5555
+86 22 5835 2555
E: info@qingwangfu.com
W: qingwangfu.com

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Riverside Chinese Restaurant
A: 3F, Holiday Inn Tianjin Riverside
Phoenix Shopping Mall
East Haihe Road, Hebei District
T: +86 22 2627 8888 ext. 2211

☎ 3ā

Shui An
A: &DLKH:LQJ7KHWRU
RWHO&KU&ROOHFWLRQRWHO
Tianjin No. 33, Tai'er Zhuang Lu
Heping District
T: +86 22 2331 1688 ext. 8920

☎ 3ā

Tao Li Chinese Restaurant
A: &RWHO1LNNR7LDQMLQ
No. 189, Nanjing Lu, Heping District
T: +86 22 8319 8888 ext. 3561

☎ 189ā
☎ 6ā

Yan Ting Chinese Restaurant
A: 2F, The St. Regis Tianjin, No. 158
Zhang Zizhong Lu, Heping District
T: +86 22 5830 9999

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☎ 2ā

Japanese

Benkay Japanese Dining
A: &RWHO1LNNR7LDQMLQ1R
Nanjing Lu, Heping District
T: +86 22 8319 8888 ext. 3558

☎ 18ā
☎ 5ā

Kasumi
A: &URZQH3ODP7LDQMLQ%LQKDL
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SUSRUW,QGXWULDO3DUN
T: +86 22 5867 8888 ext. 2322

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Kushi Grill
A: &DGLVVRQ%OXGODRWHO7LDQMLQ
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Seitaro
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SóU
A: 49F, Tangla Hotel Tianjin, No.219
Nanjing Road, Heping District
T: +86 22 2321 5888 ext.5106

☎ 219ā
☎ 49ā

Thai

YY Beer House
A: &HKLQG,QWHUQDWLRQDO%XLQGLQJ
A: 1R:PHQ/X+HSLQJ/LWULFW
T: +86 22 2339 9634

☎ 3ā

Western

Café@66
A: &DGLVVRQ%XCBOJRWHO7LDQMLQ
1RLQNDL/XHGRQJ/LWULFW
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☎ 1ā

Aulare Latin Restaurant
A: 0DJQHWF3ODP%XLQGLQJ%
%LQVKXLLDR
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T: +86 187 2229 0691
E: tianjin@aulare.com

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☎ 1ā

Texas BBQ Saloon
A: Units 115 and 128, Central
RQXH%XLQGLQJ&ODJQHWF
3ODP1DQNDL/LWULFW
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+86 182 0258 9904 (English)
+86 182 0258 9924 (Chinese)

☎ 7ā
☎ 115128

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E: info@qingwangfu.com
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T: +86 22 2662 6688

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&KU&ROOHFWLRQRWHO7LDQMLQ
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District
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☎ 1863ā
☎ 8ā

Café Majestic
A: &DLKH:LQJ7KHWRURWHO
&KU&ROOHFWLRQRWHO7LDQMLQ1R
33, Tai'er Zhuang Lu, Heping District
T: +86 22 2331 1688 ext. 8910

☎ 33ā

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

Glass House
Hyatt Regency Jing Jin City
Resort & Spa
A: No. 8, Zhujiang Da Dao
KRXOLDQJ%KXDJ%DRGL/LWULFW
T: +86 22 5921 1234

☎ 8ā

Pan Shan Grill & Wine
A: &DLQ%XLQGLQJ
Sheraton Hotel Tianjin
Zi Jin Shan Lu, Hexi District
T: +86 22 2731 3388 ext.1820

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Promenade Restaurant
A: 1F, The St. Regis Tianjin
No. 158, Zhang Zizhong Road
Heping District
T: +86 22 5830 9959

☎ 158ā

Spectrum All-Day Dining
A: &RWHO1LNNR7LDQMLQ
No. 189, Nanjing Lu, Heping District
T: +86 22 8319 8888 ext. 3570

☎ 189ā
☎ 7ā

Mighty Deli (South Park Store)
A: &F6KXLVKDJRQJXKDJ
:HVW51DQNDL7LDQMLQRSSRVLWH
WR1DQFXLSLQJ3DUN
T: +86 22 8783 9683
(Somerset Store)

☎ 85ā

A6RPHUHVWRXL3LQJMLDQJ
A: &RWHO2OPSLF
1DQNDL/LWULFW7LDQMLQ
Dao, Hexi District
T: +86 22 2382 1666/2233
(Somerset Store)

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Inasia Restaurant
(Olympic Stadium Store)
A: &RWHO2OPSLF
1DQNDL/LWULFW7LDQMLQ
T: +86 22 2382 1666/2233
(Somerset Store)

☎ 5ā

Riviera Restaurant
A: 1F, The St. Regis Tianjin.
No. 158, Zhang Zizhong Road
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☎ 158ā

DINING

Wine

The St. Regis Bar
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Accounting

7LDQMLQ2IEH
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Heping District
T: +86 22 2318 5056
F: +86 22 2318 5001
E: tianjin@lehmanbrown.com

☎ 9A
☎ 298901104ā

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%XLOGLQJ
No. 23, Dongzhimenwai Dajie
%HMLLQJ
T: +86 10 8532 1720
F: +86 10 85322746
E: beijing@lehmanbrown.com

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☎ 02

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A: Room 1501 & 1504, WanTai
,QWHUQDWLRQDO%XLQGLQJ
No.480, North Urumqi Lu
LQJ%LWULFW
T: +86 21 6249 0055
F: +86 21 6288 1636
E: shanghai@lehmanbrown.com

☎ 80
☎ 501&1504

Bars

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☎ 219ā
☎ 50ā

O'Hara's
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&KU&ROOHFWLRQRWHO7LDQMLQ1R
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T: +86 22 2331 0236/0636
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☎ 3ā

International Schools

International School of Tianjin
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T: +86 22 2859 2001

☎ 37ā

SERVICES

Hotels & Apartments

★★★★★ Hotels



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,QWHUQDWLRQDO2IEH%XLQGLQJ
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☎ 4308/309

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No.314 Jiefang South Road,
Hexi District, 300202, Tianjin
T: +86 22 8832 8888
F: +86 22 8832 6868

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A: 1R6LVKXLDRLVWULFW
T: +86 22 8371 0900 ext. 311

☎ 4ā 1

Holiday Inn Tianjin Riverside
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Haihe Dong Lu, Hebei District
T: +86 22 2627 8888

☎ 189ā

Wellington College International Tianjin
A: 1R6HDFRQJTLDRVWULFW
T: +86 22 8758 7199 ext. 8001
Mobile: +86 187 2248 7836
E: DGPLVLRQV%HOOLQJWRQWLDRMLQJ%RKO Tianjin
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☎ 80
☎ 501&1504

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KRXOLDQJ%KXDJ%DRGL/LWULFW
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☎ 8ā

Radisson Blu Plaza Hotel Tianjin
A: 1RLQNDL/XHGRQJ/LWULFW
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☎ 66ā

Catering Solutions

Flo Prestige
A: No.37, Guangfu Road
Italian Style Town, Hebei District
T: +86 22 2662 6688

☎ 37ā

Yi Boutique Luxury Hotel Tianjin
A: 1RLQVSRDGHMLVWULFW
T: +86 22 2445 5511

☎ ā

SERVICES

Renaissance Tianjin Lakeview Hotel

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T: +86 22 5822 3388

16A

Sheraton Tianjin Hotel

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



The St. Regis Tianjin

A: No. 158, Zhangzizhong Road Heping District
T: +86 22 5830 9999

158A

The Astor Hotel, A Luxury Collection Hotel, Tianjin

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33A

Apartment

Astor Apartment
A: No. 32, Tai'er Zhuang Lu Heping District
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Sheraton Apartment

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

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26A

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5A



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16A

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2 42A

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Regus Tianjin Centre

A: 8th Tianjin Centre, No.219 Nanjing Road, Heping District T: +86 22 2317 0333

Regus Golden Valley Centre

A: 11th ORRU%ORFN2QI-ROGHQ 9DOOH&HQWUH+HSLQLJLWULFW T: +86 22 5890 5188 W: www.regus.cn

9 2A

HEALTH

Travel Agencies

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

Spas

Green Bamboo Well Being Resort

A: EOGJDDJQHWF&DSLWDO %LQKXL:L'DR1DQNDL'LVWULFW T: +86 22 8378 8397 (English)

17A 6A 17A

Hospitals

Tianjin International SOS Clinic

A: 1F, Sheraton Hotel, Zi Jin Shan Lu, Hexi District T: +86 22 2352 0143 SOS 1A

Tianjin United Family Hospital

A: 1R7LDQ[DRXQQ Tanjiang Dao, Hexi District T: +86 22 5856 8500 (Reception) 24 Hour Emergency: T: +86 22 5856 8555 W: ufh.com.cn 22A

Gyms

Astor Fitness & Health Club

A: DLKH:LQJ7KHWRURWHO XUX&ROOHFWLRQRWHO7LDQMLQ No. 33, Tai'er Zhuang Lu Heping District T: +86 22 2331 1688 ext. 8876

Powerhouse Gym

A: %LQMLDQJ&KRSSLQ&HQWUHDIHQJ Dao, ;LDR%DL/RX6WUHHW Hexi District T: +86 22 2302 2008

SERVICES

HEALTH

DINING

TEDA & TANGGU

Brazilian

Salsa Churrasco
A: %ROLGDQQ%LQKDL7LDQMLQ 1RQGXH7(\$ T: +86 22 6628 3388 ext. 2740

86 11A

Chinese

Wan Li Chinese Restaurant

A: %HQDLVVDQFH7LDQMLQ7(\$ Hotel & Convention Centre 1RQGXH7(\$ T: +86 22 6621 8888 ext. 6750

Yue Chinese Restaurant

A: 2F, Sheraton Tianjin %LQKDL+RWHO 1RQGXH7(\$ T: +86 22 6528 8888 ext. 6220/6222

Japanese

Sake n Sushi Bar

A: %ROLGDQQ%LQKDL7LDQMLQ 1RVW\$HGXH7(\$ T: +86 22 6628 3388 ext. 2730

11A

Italian

Bene Italian Kitchen

A: %KHUWRQ7LDQMLQ%LQKDL+RWHO 1RQGXH7(\$ T: +86 22 6528 8888 ext. 6230/6232

50A 2A

Western

Brasserie Restaurant

A: %HQDLVVDQFH7LDQMLQ7(\$ Hotel & Convention Centre 1RQGXH7(\$ T: +86 22 6621 8888 ext. 3711

29A

Feast All Day Dining Restaurant

A: %KHUWRQ7LDQMLQ%LQKDLRWHO 1RQGXH7(\$ T: +86 22 6528 8888 ext. 6210

BARS

Happy Soho Live Music & Dance BAR

(Opposite of Central Hotel) A: No. 16, Fortune Plaza, 7KLUGGXH7(\$ T: +86 22 2532 2078



Education

GEMS World Academy

Tianjin Eco City, China A: 8QLW7(86%ORFN &VW\$HGXH7(\$ T: +86 22 6622 7888

79A 06& 3A 307A

TEDA International School

A: 1RUG\$HGXH7(\$ T: +86 22 6622 6158

2A

Tianjin TEDA Maple Leaf International School

A: 1RUG\$HGXH7(\$ T: +86 22 6200 1920

2A

Hotels

Holiday Inn Binhai Tianjin

A: 1RVW\$HGXH7(\$ T: +86 22 6628 3388

29A

Renaissance Tianjin TEDA Convention Centre Hotel

A: 1RQGXHGXH7(\$ T: +86 22 6621 8888

29A

Sheraton Tianjin Binhai Hotel

A: 1RQGXHGXH7(\$ T: +86 22 6528 8888 F: +86 22 6528 8899

50A

http://sheraton.com/tianjinbinhai

Crowne Plaza Tianjin Binhai

A: 1RQRQLQ\$HGXH7\$USRUW (FRQRPLFH7LDQMLQ T: +86 22 5867 8888

2A

Spas

Touch Spa

A: %HQDLVVDQFH7LDQMLQ7(\$ Hotel & Convention Centre 1RQGXH7(\$ T: +86 22 6570 9504

29A

Yue Spa

A: %ROLGDQQ%LQKDL7LDQMLQ 1RVW\$HGXH7(\$ T: +86 22 6628 3388

86A 15A

Hospitals

Tianjin TEDA International SOS Clinic

A: %061R VW\$HGXH7(8LDQMLQ T: +86 22 6537 7616

79A

06& 2A 102A

Gyms

Champs Elysees

A: %HQDLVVDQFH7LDQMLQ7(\$ Hotel & Convention Centre 1RQGXH7(\$ T: +86 22 6621 8888

29A 2A

Holiday Inn Binhai Hotel Fitness Centre

A: %ROLGDQQ%LQKDL7LDQMLQ 1RVW\$HGXH7(\$ T: +86 22 6628 3388 ext. 2960

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Transportation

TIANJIN-BEIJING AIRPORT Shuttle Bus ¥83 one way

Tianjin - Beijing Airport Terminals 2/3

USHMURK7LDDJWDQF%3DVVH0HU6WDWLRQ
7KHMLWLRQRRL/BGQKDCDR7HO

Beijing Airport Terminals 2/3 - Tianjin

WKHEMURLWVHVLO
(LWRQKHVWWRUDWDWH7HUPLODQGDWH7HUPLODQ
7HO

TEDA-BEIJING AIRPORT Shuttle Bus ¥90 one way

TEDA - Beijing Airport Terminals 2/3

VW7('S
7HO

Beijing Airport Terminals 2/3 - TEDA

(LWRQKHVWWRUDWDWH7HUPLODQ
DGDWH7HUPLODQ7HO

BULLET (C) TRAIN

TJ ~ BJS (¥55 - ¥66)

Train	Tianjin	Beijing
C2002	06:25	06:55
C2094	22:45	23:15

BJS ~ TJ (¥55 - ¥66)

Train	Beijing	Tianjin
C2001	06:35	07:05
C2093	23:00	23:30

TG ~ BJS (¥66 - ¥80)

Train	Tanggu	Beijing
C2274	12:40	13:10
C2280	20:25	20:55

BJS ~ TG (¥66 - ¥80)

Train	Beijing	Tanggu
C2273	10:45	11:15
C2279	18:50	19:20

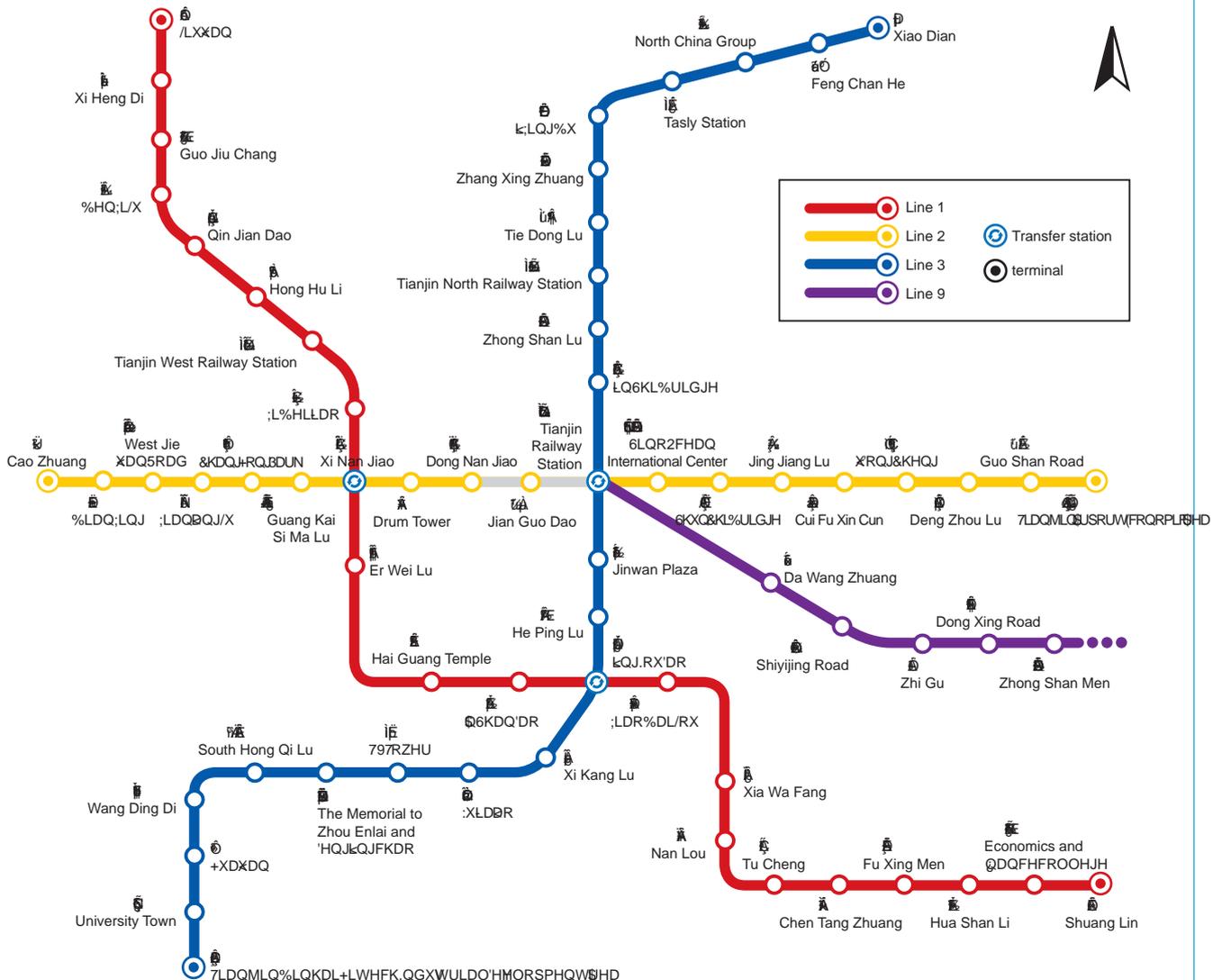
Wuqing ~ BJS (¥39 - ¥46)

Train	Wuqing	Beijing
C2202	06:53	07:18
C2232	20:43	21:08

BJS ~ Wuqing (¥39 - ¥46)

Train	Beijing	Wuqing
C2201	06:45	07:07
C2231	21:15	21:37

TIANJIN SUBWAY



International SOS provides health advice in response to new H7N9 Bird Flu outbreak in China

International SOS is providing medical advice and support to member organisations, travellers and expatriates in response to the new bird flu virus (H7N9) outbreak in China. A team of physicians and pandemic experts at International SOS' 27 Assistance Centres, led by its Beijing and Hong Kong facilities, is monitoring the situation 24/7 and updating its pandemic resources. At its clinics in Beijing, Nanjing, Tianjin and Shenzhen, International SOS is providing advice to members and reviewing pandemic preparedness plans.

Since 31 March, International SOS has issued over 30 updates to its medical alerts. Its Pandemic Preparedness website and has seen a 30-fold increase in visits. In 2012, according to recent analysis of over 4.6m travellers in its TravelTracker platform, China was a top destination for business travellers with over 180,000 individual journeys recorded.

The threat of bird flu H5N1 has not diminished. In addition, another new threat, the novel coronavirus, has emerged in the Middle East. If any of these three viruses were to become easily transmitted from one person to another they could cause a pandemic.

Current Bird Flu (H7N9) Situation

As of April 16th, at least sixty people in several provinces in China have been infected with the new H7N9 virus. Most have developed a very severe respiratory illness and so far at least fourteen patients have died. As yet it does not appear to spread easily between people. It is currently unclear how these people contracted the H7N9 virus, although it may have been through direct contact with infected birds.

Unlike bird flu H5N1, birds with H7N9 may not become sick, making it harder to determine how widely the virus has spread. Antiviral medications Tamiflu and Relenza might be effective if given early in the illness. There is no vaccine available.

Advice for Companies, Travellers and Expatriates

At this time, International SOS advises that there is little risk to people residing in or travelling to China and no need to alter travel plans if appropriate precautions are taken. People travelling to or residing in China are advised to:

1. Avoid contact with live birds and their droppings.

2. Avoid contact with people who have symptoms of H7N9.

3. Avoid eating raw poultry and duck, especially in street markets.

4. Avoid eating undercooked meat, especially poultry.

5. Avoid eating raw shellfish, especially oysters.

6. Avoid visiting live animal markets, especially those selling poultry, in Shanghai or other affected areas.

Comprehensive information on H7N9 and H5N1 bird flu and novel coronavirus can be found on the International SOS Pandemic Preparedness website, <http://www.internationalsos.com/pandemicpreparedness/>. This website has different levels of information available to the general public, International SOS members and subscriber companies.

The health content in this article is vetted by International SOS.

Many individuals and companies have come to China with big dreams about getting rich quickly by selling to a market with over 1.3 billion people. As expats living in China, we all know too well that these dreams can often end in disappointment and/or tears. *The China Twist* follows the misadventures of two MBAs from the University of Pennsylvania's Wharton School who try to launch Auntie Anne's pretzels (A famous US brand of soft pretzels that operates stalls usually found in malls) in Beijing prior to the start of the 2008 Olympics. The book follows the two Chinese-American entrepreneurs as they deal with a customs official who appears to be busy but is actually playing World of Warcraft, corrupt bureaucrats, lawyers and gangsters as they try to navigate the complexities of doing business in China. This is surely a must read for anyone who is considering open a business in China!

Language: English
Hardcover: 274 pages
Price: USD 13.99

What makes something popular? Is it advertising, quality or price? While all these things contribute to the success of a product, the key ingredient to popularity, according to Berger, is social influence and word-of-mouth. Word-of-mouth is the primary factor behind a whopping 20-50% of all purchasing decisions. Social influence can effectively be seen as a five-star review on Amazon or a friend recommending a brand of tomato sauce. In either case, without excited users spreading their experiences and reviews amongst their peers, a product is doomed to a life cycle of mediocrity.

Berger, a marketing professor at Wharton, has spent the past decade researching about what makes some content go viral and become wildly popular. In *Contagious* he outlines how six basic principles can drive everything from consumer products to Youtube videos and workplace rumours into becoming an infectious phenomena. He also explains how to leverage these concepts in order to build your own contagious content. No matter if you are a marketing manager, an entrepreneur, or a politician, *Contagious* can help you to effectively spread your idea or product.

Language: English
Hardcover: 256 pages
3ULFH86'RQ#DRQ
Publisher: Simon & Schuster
(March 5, 2013)

QUOTATIONS OF THE MONTH

Life's failures and reverses which await men - and one after another sadden the brow of youth - add a dignity to the prospect of human life, which no Arcadian success would do.

— *Henry David Thoreau*

A man can fail many times, but he isn't a failure until he begins to blame somebody else.

— *J. Burroughs*

Towering genius disdains a beaten path. It seeks regions hitherto unexplored.

— *Lincoln*

An aim in life is the only fortune worth finding.

— *Robert Louis Stevenson*

China's Love / Hate Relationship with Apple

By Christopher Ribeiro

Every year on 15 March the CPC honours World Consumer Rights Day with a nationally broadcasted program on CCTV that aims to expose negligence or wrong doing by both Chinese and foreign companies operating in the mainland.

The event is heavily publicised by the Party and captures an audience of several million. Past run-ups to the event have seen communities organise controlled burns of fake cigarettes and merchandise; in at least one instance a village enlisted the help of flame-thrower wielding firefighters to start the blaze.

Publicity stunts such as these, along with the generally sensational coverage of the event gives outsiders (namely me) the impression that the whole ordeal is a “dog and pony” show- solely intended to smear the names of a handful of companies and consequently, pass responsibility from government to the consumers.

On the surface, it appears the desired result of the program is to dissuade consumers from purchasing goods or services from these companies, thus violators are punished by market forces and the government is free from the burden of taking specific action.

Presumably because of often tense Sino/US relations, a few US companies are predictably targeted for malpractice; this year the CPC went after Apple in previously unparalleled fashion.

Apple was among several companies mentioned on the broadcast but the true opening salvo was launched the next day; State-media run People's Daily dedicated a half-page to re-hashing the supposed wrong doings of the California based tech giant.

The criticism was focused mostly on poor warranty service but then the fight was taken a step further when they dubbed Apple as “incomparably arrogant” and threatening “severe repercussions” if customer service wasn't improved.

The onslaught continued for several days and Chinese celebrities joined the fray by voicing their disapproval via Weibo, the Chinese version of Twitter. The outcry on Weibo was later theorised to have been orchestrated by a third-party as one celeb posted his attack followed by what appeared to be specific instructions on what time to post the comment. Several other prominent voices posted their criticism at or around the same time, making “8:20” a meme in the Chinese blogosphere.

Finally, the independent Beijing-based financial magazine Caijing posted a survey to its online readers: “As a

consumer, which arrogant company or companies do you want to smash? Please give specific names so that we can announce a top 10." The phrasing of the question was clearly inspired by the title of the People's Daily article, "Smash Apple's Incomparable Arrogance", but the ploy backfired.

It is not new for western companies to come under attack during this annual exposé.

Paul Mozur, a contributor for the Wall Street Journal reported that, "By Wednesday evening the poll had more than 600 comments, but Apple wasn't a top mention. Instead, hundreds of users repeatedly named (...) China's three largest oil companies, its three major telecom-service providers, and its four major banks, along with other government-run services like railways, electricity and water..."

It's not new for western companies to come under attack during this annual exposé- Volkswagen, KFC, Subway, McDonalds and others have been targeted - but the extent of this particular instance was unique.

Why did the CPC double-down on Apple and why now? Many theories have been discussed - in an excerpt taken directly from CNN Money, Philip Elmer-DeWitt recaps what he believes to be the most likely scenarios:

"It's possible that the company does in fact discriminate against Chinese users with second-rate return and warranty policies. We don't really know because Apple has done such a bad job explaining what those policies are.

"It's possible, although when he visited Beijing last year, CEO Tim Cook made a point of meeting Li Keqiang, and Mr. Li is now China's premier.

"It's true that there are a number of Chinese manufacturers fighting for a share of the domestic Smartphone business, but none of them really compete directly with Apple's high-end phones.

"China's **state-owned mobile phone operators**. China Unicom (CHU) and China Telecom (CHA) already sell iPhones, so the most likely beneficiary would be China Mobile (CHL), the world's largest carrier and the only major Chinese operator that still hasn't cut a deal with Apple.

"The House of Representatives' Intelligence Committee issued a report labelling China's two flagship telecom companies a security risk and urged U.S. firms not to do business with them. This would be payback.

The real motivation will likely never materialise. However, it's clear that, aside from the first theory, these all seem to fit under the umbrella of unrestrained economic nationalism.

Apple was slow to respond directly to the attacks. In the days following, Apple posted clarification of the company's warranty policy on its Chinese website saying it fixes phones with new components but reattaches the original back case. They also reminded customers that they offer a 90-day guarantee on repairs which is longer than the 30-days required by Chinese law. Per the Apple website: "Apple's Chinese warranty is more or less the same as in the US and all over the world."

Side-by-side examination of Apple's US and Chinese warranty policies reveals that the company hasn't done anything nearly as egregious as suggested - in fact, they appear to be mostly equal. Both offer the same return period on newly purchased products, a full refund on returns by cash or credit card, a one-year warranty on defective hardware (which can be done with new or refurbished parts), and a 90-day warranty on repairs.

At said, China isn't the first country to pick a fight with Apple over its warranty policies - Italy has taken Apple to the mat for not adhering to EU law pertaining to consumer electronics. Apple doesn't meet the statutory minimum coverage time of two years; instead they offer a one year warranty with Apple Care extended for a year at an additional cost. If Italy prevails, the consequences will likely affect Apple in all 27 Euro Zone countries.

For now, it appears that this fight will end in a stalemate; Apple maintains that they give a superior user experience and thus have developed a cult-like following in China. The CPC is grappling with thorny issues like IP laws and doesn't have the mechanisms in place to properly protect their citizens from fraud and poor service.

Likewise, the concept of customer service and consumer rights is still relatively new to Chinese citizens. As is a common occurrence in developing economies - as people rise from poverty into the middle class they tend to demand more - often companies and government bodies cannot react quickly enough to meet rapidly changing consumer demands and trends. Ideally, true reforms will take hold and consumers won't have to wait until 15 March every year to voice their opinions. [E]



Europe's
Best Airline



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