Creating Value with Innovation and Partnership

Interview with
Dr. Björn Lindemann
General Manager
Haver Technologies (Tianjin)

Economic Outlook in 2019
It’s all possible and I’m living proof
The Fastest Adopting & Most E-Savvy People
Smart farms and agrobots
4 Hiring Mistakes Startups Should Avoid
Passion for Wine

Enjoy delicious wine at great prices, with the option to take wine away.

Pomodoro Wine Shop provides a premium selection of wines from all over the world. Select a bottle of wine off the racks and we will prepare it for your table, or purchase wines to take away.

We Love Wine and Food!
Dear Readers,

German Chamber of Commerce in Tianjin will celebrate its 10th Anniversary with a Spring Reception on Friday, February 22nd, the first and major high-level gathering of the year.

This event is also quite memorable for Dr. Björn Lindemann, who has personally witnessed the Tianjin Office’s remarkable development as the former Tianjin Office Head, and presently sits as a Board Member of the German Chamber of Commerce North China. Dr. Lindemann eventually joined Haver Technologies Tianjin in 2015, and Business Tianjin was honoured to talk with him in this important milestone.

In December, economic data of China were weaker than analysts had hoped for. Both exports and imports are declining, and manufacturing activity is slowing down. The government is taking several measures to provide another layer of support over the long term; such as increase the liquidity to People’s bank of China, infrastructure investment, fiscal incentives for households and firms, and more support to small businesses. Despite the current challenges, the economy is still resilient and growing, albeit at a slower rate. The developments in 2019 are yet to be fully seen, and it is too early to predict too pessimistic or optimistic scenario.

The debt rate in China has enormously constructed to approximately 260% to 300% of the size of the GDP. This has raised questions regarding the potential financial scenarios that are looming in front of our site. You can read in our In Depth column an analysis about this important topic.

There are many other interesting articles this month, and I invite you to read them all after having checked our content page. We are sure you will find topics that will help you in your professional and personal life, such as the ways blockchain technology will impact the marketing world, how China is making a huge breakthrough bringing smart technologies into the agricultural sector, and why Chinese have been tagged as the fastest adopting and most e-savvy people in the world.

Visit our website www.businesstianjin.com and follow us on our official Wechat account (ID: business_tianjin) for a complete list of articles and information.

Best Wishes and Successful 2019!

Mary Smith
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Dr. Björn Lindemann
Creating Value with Innovation and Partnership

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REAL ESTATE
Welcome to Prop-Tech

A number of industries have been changed beyond imagination once they were paired with technology. The cinema industry was changed radically when streaming became possible, impacting everyone from movie theaters to cable networks, and the established movie studios.

Technology has changed finance allowing things like online stockbrokers, and even peer to peer networks impacting everyone from movie theaters to cable networks, and the established movie studios.

Climate changes pose a threat to increase in beer prices

Beer drinkers might be paying more for the same quantity of beer in the coming days. A recent study suggests that the shift of saved barley might drastically reduce the second half of the century, hence causing a spike in the cost of barley, a vital ingredient in the preparation of the alcoholic drink.

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Chinese President Xi Jinping inspected Tianjin Municipalca. During his inspection, President Xi went to Nankai University, one of China's top universities. He visited the university's century exhibition, talked with a group of academicians and examined a national chemistry laboratory.

New Daxing International Airport to Tianjin in 36 minutes

Construction of a traffic network surrounding Beijing's new airport on the southern outskirts has gained momentum before the aviation hub is scheduled to start test operations by September next year. A subway linking Beijing's urban districts with the airport, Beijing Daxing International Airport, is under construction, while a high-speed railway will be built to connect the airport with Tianjin, which is 120km east of Beijing. The new airport, located 46km south of downtown Beijing, is designed to take pressure off the overcrowded Beijing Capital International Airport in the north-eastern suburbs. The planned railway will enable a 36-minute ride from the airport to Tianjin. The investment of the project is over $100 million, with registered capital of $40 million, according to the management committee. The new plant aims to become one of the most advanced pet food plants of Mars Inc across the world, producing high-end and diverse pet food for Chinese customers, and also research and develop more high-end products. Covering around 110,000 square meters, the project is expected to produce more than 250,000 tonnes of products every year.

Mars Incorporated, a US global manufacturer of confectionery, pet food and other food products, has recently signed an agreement to set up a pet food plant in Tianjin. The investment of the project is over $100 million, with registered capital of $40 million, according to the management committee. The new plant aims to become one of the most advanced pet food plants of Mars Inc across the world, producing high-end and diverse pet food for Chinese customers, and also research and develop more high-end products. Covering around 110,000 square meters, the project is expected to produce more than 250,000 tonnes of products every year.

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President Xi Jinping inspects Tianjin

Debut on Beijing-Tianjin-Shanghai line of longer bullet trains

A longer Beijing bullet train made its debut on 5th of January 2019, whose 17 cars make room for 90 additional passengers. The train, which carries a maximum of 1,283 passengers and stops in Tianjin (South Railway Station), travels on the Beijing and Shanghai high-speed rail line at a top speed of 350 kilometers per hour. It has 22 business class seats, 148 first-class seats and 1,113 second-class seats. China began using a new national railway schedule on 5th of January 2019 that adds 16 services on the Beijing-Shanghai high-speed rail line, from which 10 of them stop in Tianjin South Railway Station.

US food manufacturer to establish pet food plant in Tianjin

Chinese President Xi Jinping inspected Tianjin Municipality. During his inspection, President Xi went to Nankai University, one of China's top universities. He visited the university's century exhibition, talked with a group of academicians and examined a national chemistry laboratory.

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China’s Car Sales Just Fell for First Time in Over 20 Years

Vehicle sales in China fell for the first time in almost three decades last year, as the end of government tax breaks and a wider economic slowdown reduced consumer demand for new cars in the world's largest market. Sales of passenger vehicles were 23.8m in 2018, down 4.1 per cent from the previous year, according to China’s Association of Automobile Manufacturers (CAAM). The figures underline that a three-decade run of growth, which has made China crucial to the profits of global automakers, may be coming to an end.

China’s overall vehicle sales, including trucks and buses, were down 2.8 per cent to 28.1m last year, CAAM said, the first fall since 1990. December sales fell 13 per cent from the same month last year, it added, the sixth consecutive month of decline.

LAW & POLICY
Permit rules ease for foreign executives of security firms

Foreigners who are legal representatives or managing directors in Shanghai, such as general managers of security firms, no longer have to provide proof of their work experience when the firms apply for business permits. Previously, they had to prove that they have at least five years’ work experience in the security service business as managers. The same exemption also covers Chinese legal representatives or managers of such firms who have at least five years’ work experience working in the army, police or security and justice administrations.

Tibet travel to become easier for foreigners

Overseas tourists will find it easier and faster to apply for a travel permit to Tibet this year, as the regional government makes efforts to boost tourism. The Tibet autonomous region plans to cut the time for issuing travel permits to overseas tourists by half in 2019, said Qi Zhala, the chairman of the regional government. Now, it normally takes at least 15 days to receive the permits after they submit the requested documents.

China will cut the number of climbers attempting to scale Mount Everest from the north by one-third this year as part of plans for a major cleanup on the world’s highest peak. The total number of climbers seeking to summit the world's highest peak at 8,850 meters from the north will be limited to less than 300 and the climbing season restricted to spring. The cleanup efforts will include the recovery of the bodies of climbers who died at more than 8,000 meters up the mountain, they said.

China offers 144-hour visa-free transit in 5 more cities

China began to implement its 144-hour visa-free transit policy in five more cities for travellers from 53 countries. These cities are Qingdao, a major port city in Shandong Province; Xiamen, a coastal city in Fujian Province; Wuhan, capital of Hubei Province; Chengdu, capital of Sichuan Province, and Kunming, capital of Yunnan Province. The visa-free transit policy approved by the State Council, applies to people from 53 countries, including Austria, Belgium, Czech, Denmark, France, Germany, Russia and the United States. Passengers are required to carry effective international travel certificates, and have definite onward travel within 144 hours, when entering those five cities.

China’s population ‘to peak’ in 2029 at 1.44 billion

China’s population will peak in 2029 at 1.44 billion before beginning a period of “unstoppable” decline. The China Academy of Social Sciences (CASS) study says the country must implement policies to handle a smaller workforce and an older population. Both changes combined could cause “very unfavourable social and economic consequences”, the report says. Latest UN estimates say China has a population of 1.41 billion. The study also predicted a rise in the dependency rate, meaning the proportion of non-working people like the elderly and children.

CHINA IN THE WORLD

China plans major cut in number of Everest climbers

China will cut the number of climbers attempting to scale Mount Everest from the north by one-third this year as part of plans for a major cleanup on the world’s highest peak. The total number of climbers seeking to summit the world’s highest peak at 8,850 meters from the north will be limited to less than 300 and the climbing season restricted to spring. The cleanup efforts will include the recovery of the bodies of climbers who died at more than 8,000 meters up the mountain, they said.

1st Ever Landing on Moon’s Mysterious Far Side

Humankind’s lunar exploration history saw the opening of a new chapter on Thursday morning as the world’s first explorer of the moon’s far side landed at its destination after a 26-day space journey. The Chang’ e 4 lunar probe, the latest step in China’s endeavor to explore the silver sphere, landed at 10:26 on the Von Karman crater in the South Pole-Aitken basin, and then sent back a picture of the landing site shot by one of the monitor cameras on the probe’s lander, marking the world’s first image taken on the moon’s far side.

LaW & PoLICy

Foreign companies filed a record number of patent applications in China

Foreign companies filed a record number of patent applications in China last year, which, the government said, reflected an improving business environment for overseas investment. A total of 148,000 patent applications were filed by foreign companies in 2018, according to the National Intellectual Property Administration released on Thursday. This was 9.1 per cent higher than the previous year’s total. Foreign companies also lodged 244,000 trademark applications last year, about 16.5 per cent more than in the previous year.

Tianjin and Beijing Subway to launch One-Day Pass

Subway lines in Tianjin and Beijing will introduce a one-day pass. Tianjin and Beijing now implement a metered fare system for subway rides. Passengers can buy single-ride tickets or use a rechargeable fare card for a ride. But soon, Tianjin and Beijing Subway will offer passengers more ticket options, with the one-day pass the first to be launched. The pass, which will be available in QR code format, will save tourists the trouble of returning their public transport cards before leaving Tianjin and Beijing.

Freelance Writers & Editors needed at Tianjin’s Premier Business Magazine!

We are looking for:
• Native or high level English speakers who also have excellent writing skills
• A good communicator who has the ability to work as part of a diverse and dynamic team
• Basic Chinese language abilities and experience in journalism and/or editing are preferred but not crucial.

If you are interested in contributing to our magazine, please send your CV and a brief cover letter to managingeditor@businesss Tianjin.com
Weaker Trade Performance

The data showed a decline in both Chinese exports and imports in December. This shows that China is starting to feel the pinch of the trade war. According to data from China's General Administration of Customs, total exports fell to US$221.25 billion, down 4.4% per cent from November and 4.4% per cent from the same month in 2017. Total imports, on the other hand, dropped to US$184.19 billion in December, down 7.6%, creating a trade deficit of US$37 billion. This shows that China is starting to feel the pinch of the trade war.

The trade data showed a decline in both Chinese exports and imports. This affects private companies more than state-owned ones, given the current sentiment as indicated by the PMI, which showed that manufacturing activity contracted last month for the first time in 19 months, as inbound and outbound trade with the outside world declines.

It is worth noting that the situation in the US economy is uncertain. According to data from China's National Bureau of Statistics, the US trade deficit with China increased to US$323.32 billion in December, a growth of 17.2%. This number may be even lower than the United States has reached an all-time high, at $323.32 billion.

The final GDP figures for the full year are yet to be seen, but according to predictions by the World Bank, the growth rate of 6.4% is expected in 2019, which is lower than the previous year, whereas the growth of CPI is expected to be 2.0% (0.49% over the previous year). PPI growth is projected at 3.0%, which is a considerable drop from last year.

The growth in retail sales of consumer goods throughout the year is expected to be around 9.3%, which is slightly lower than the previous year, whereas the growth of GDI is expected to be 6.3% (0.49% over the previous year). The World Bank provided an update about the Chinese economy in December, pointing to its resilience, and predicting that the growth rate in 2019 will be 6.2%. In 2019, the export price index declined by 20% and the renminbi lost 6% of its value against the dollar.

Less Optimistic Outlook

Although many economists expect a slowdown in the Chinese economy, one cushion could actually prove to be a useful mechanism to stimulate the economy. The percentage of consumption in China's GDP is quite low in comparison with western economies, and Chinese consumers have higher savings, which they may use in case of economic slowdown. This can help counter economic disruptions and stabilize domestic demand. But effective strategies need to be implemented over the long term.

Conclusion

Data releases regarding economic performance for December were weaker than analysts had hoped for. Both exports and imports are declining, and manufacturing activity is slowing down. However, the savings could provide another layer of support over the long term. Those measures include increasing the liquidity to People's Bank of China, infrastructure investment, fiscal incentives for households and firms, and more support to small businesses. Despite the current challenges, the economy is still resilient and growing, albeit at a slower rate. The developments in 2019 are yet to be fully seen, and it is too early to predict a too pessimistic or optimistic scenario.
How China’s Growth Model is Different from Other Models

By Morgan Brady

It is often said that the growth in western economies began with the industrial revolution ushered by the advent of the steam engine. Some researchers have pointed out that an agricultural revolution preceded the industrial one. Additionally, a scientific revolution preceded both. After all, our ability to add value as humans depends on how well we use natural resources. This ability enables organizations and economies at large to achieve economic growth. But despite the universality of this rule (that efficiency is the main growth driver), there are many different growth models and stark contrasts between each. The western growth model as well as some eastern growth models, such as that of Japan, are highly driven by exports. However, internally, the capabilities and capacities that enabled those economies to achieve impressive growth are strikingly different in different countries. This makes different models, including that of China, unique in nature.

**Eastern Growth Models**

Eastern economies used different advantages to achieve their remarkable growth. Singapore, for example, leveraged its strategic location and became a maritime trade hub, as 40% of global maritime trade passes through its Malacca Strait. The country also managed to attract foreign trade and investment. Japan, on the other hand, built its wealth from having skilled labor, efficient systems, and wise management philosophies, as well as inventions (Japan has a high ranking globally in the number of patents that are registered by its nationals each year). China, our third example, built its success on many factors, among which are its productive labor force, its ability to meet global demand very cost-effectively, and its good structural policy making. Research shows that the structural policies and reforms in agriculture, industry, trade and the financial sector have had a positive effect on economic growth.

**Components of the Chinese Growth Model**

Unlike western models that may rely on bubbles sometimes to fuel growth, China’s growth has been fueled by productivity. A very large population, production efficiency and intensity, and capital were the three crucial factors behind such growth. In other words, total factor productivity has enabled growth.

Between 2000 and 2012, over half of China’s growth can be attributed to physical capital stock. In earlier periods, the size of the labor force was crucial. And later on, when the gigantic population met with industrialization, its growth was a great revelation. The labor force was vital in different stages as the economy moved from focusing on agriculture to manufacturing and now technology. And as the transition went on, investment in human capital intensified in China.

Many elements appear when analyzing the Chinese growth model. First, the country has become an exports powerhouse with an increasing presence in global supply and value chains. Second, the country has relied on investments to a large extent to fuel its growth, especially in physical capital. Third, higher productivity enabled more people to earn more income and the middle class has grown significantly. This has enabled the country to reach the brink of entirely eradicating poverty.

The first two elements pose some challenges. The third one offers relief. Excessive reliance on exports can render the country vulnerable in the face of global shocks, much like the western world. Luckily, the tariffs imposed by the US on Chinese goods may prompt the country to consider another path, and, indeed, the Chinese government is already doing that. Excessive reliance on investments can also be risky, as investment flows can fluctuate, which can disrupt the growth momentum.

On the other hand, increased productivity and higher wages could usher growth in domestic demand, which can fuel sustainable growth. China is currently becoming a more business-friendly place with the removal of more restrictions. Additionally, the belt road initiative, which involves building projects and a shipping path that crosses through more than 60 countries may prove to be a solid initiative to reinforce China’s position globally.

Together, those factors have been driving China’s growth, which is expected to continue over the medium and long terms. The efforts seem to be paying off. As the economy moved up on the ladder of development, the contribution of the services sector to GDP increased, and that of the agricultural sector decreased.

**Conclusion**

The Chinese people and the Chinese government have shown dedication to becoming the world’s largest economy. China’s growth model is unique in some ways and is similar to other models in others. It contains elements that can protect the country’s growth path in case of potential shocks and is well diversified. More importantly, it is driven by high productivity and innovation, which are cornerstones of growth. Although growth may slow down, it remains sustainable, at least in the short and medium runs, especially as domestic demand contributes more and more to growth.
Alibaba launches ‘A100’ initiative

Alibaba Group Holding on January 11th, 2019 launched a new strategic partnership programme that aims to accelerate the Chinese e-commerce giant's transformation into an integrated technology provider to companies around the world.

New York-traded Alibaba's ‘A100’ initiative will offer enterprises of all sizes a one-stop solution to accelerate their digital transformation, which involves implementation of advanced technologies, processes and practices to fundamentally change and improve how traditional businesses operate.

“We see a much bigger world beyond ‘new retail’, a completely new world brought by the digital economy era in which all companies will need a brand-new way to operate,” said Daniel Zhang Yong, chief executive at Alibaba, referring to the business model pioneered by the firm that integrates online and offline retail activities.

The new initiative by Alibaba reinforces the rapid evolution of China's major internet players, who built their fortune from consumer-based platforms, into technology powerhouses focused on serving more corporate customers through technologies like cloud computing and artificial intelligence.

Alibaba has expanded its activities from e-commerce into digital entertainment and local on-demand services. Its hi-tech infrastructure covers sales, logistics, supply chain optimisation, payments, marketing and a range of supporting services, all powered by cloud-based technologies.

At the Alibaba conference, Zhang said the A100 programme will initially include existing partners in the company's ecosystem. US coffee chain Starbucks, for example, is one of the major brands in that ecosystem, as it collaborates with on-demand food delivery platform Ele.me, FreshShop supermarket, Tmall, Alibabas Marketplace and AliPay. To be sure, digital transformation solutions offer plenty of upside for Alibaba and Tencent. Worldwide spending on technologies and services enabling digital transformation is forecast to reach US$1.97 trillion in 2022, according to research firm IDC.

Coke has led efforts to shape China’s obesity policy

Coca-Cola has spearheaded an effort by American junk food companies, including Pepsi Co, Nestle and McDonald's, to influence China's nutrition policy through a non-profit group called the International Life Sciences Institute, according to a new research. “Through a complex web of institutional, financial, and personal links, Coke has been able to influence China’s health policies,” Harvard Professor, Susan Greenhalgh, said in a report published on Wednesday in the BMJ and Journal of Public Health Policy.

“The company has cleverly manoeuvred itself into a position of behind-the-scenes power that ensures that government policy to fight the growing obesity epidemic does not undermine its interests.” While the U.S. and much of Europe have been emphasising healthier eating by cutting back on soda and unhealthy snacks to fight the global obesity epidemic, multinational junk food companies have targeted rapidly developing countries like China to prop up sales.

Coke spokesman, Ann Moore, said in a statement that company supports current recommendations by the World Health Organization and other health authorities to limit intake of added sugar. “We recognize that too much sugar isn’t good for anyone,” Moore said, adding that the company has listened to prior criticism to understand its role in the fight against obesity. She said that Coke decided in 2017 to stop providing 100 percent of the funding for any research related to well-being, either directly or through a trade group. “We support research efforts by independent and respected research institutions and universities,” she said. “Under our guidelines, we will provide financial support for such research only if a non-Coca-Cola entity funds at least 50 percent of the cost.”

In a statement, the institute's spokeswoman, Kristin DNNickantonio, said that the group does not lobby, conduct lobbying activities or make policy recommendations. “Because of its unique public-private structure, ILSI fills knowledge gaps and serves society in ways that any entity on its own cannot,” spokeswoman, Kristin DNNickantonio, said in a statement. The institute's statement also noted that the group requires that at least three companies fund a project to avoid a single business dominating the agenda and that many experts named in Greenhalgh’s report are no longer employed or affiliated with the organization.

Source: South China Morning Post

Chinese car sales fall for the first time in 20 years

Car sales in China, the world’s biggest vehicle market, have seen their first annual fall in twenty years. Sales fell 6% to 22.7 million units in 2018, according to the China Passenger Car Association (CPCA).

The deceleration came amid a slowdown in China’s economy which has hit performance at car manufacturers around the world. The news come after Apple warned that sales would be hit by slowing iPhone demand in China. Meanwhile, the country’s most successful carmaker, Geely is forecasting flat sales this year. Foreign car makers such as Ford, Volkswagen, Jaguar Land Rover and General Motors have all reported falls in sales over the last few months in China.

The China Association of Automobile Manufacturers (CAAM), a government-backed industry group, last month blamed the sales slowdown on economic shifts and “international reasons”, referring to China’s trade war with the US. Last year, both countries imposed billions of dollars’ worth of tariffs on each other’s goods. CAAM said it expected the market to be unchanged in 2019 and added that, although demand for diesel and petrol cars was falling, rising sales of electric cars would probably help the overall market to avoid another slump.

The China National Development and Reform Commission (NDRC) says it plans to introduce policies to boost consumer spending on cars as well as home appliances. NDRC vice-chairman, Ning Jizhe, told China’s state broadcaster that there was still potential for more car sales and that of the introduction of a rural car purchase programme, or a cut in taxes on car sales could help drive sales.

Source: BBC

Chinese Phone Makers Outpace Apple in Much of the World

An Apple store in Beijing. The iPhone maker is facing fierce competition in China, and elsewhere.

To the most Americans, the names are unfamiliar, maybe a little hard to pronounce: Huawei, Xiaomi, Oppo, Vivo. They are China’s biggest smartphone brands. Around the world — although not in the United States — they are making the handset business brutally competitive. This week, after Apple warned of disappointing iPhone sales in China, industry observers said that devices from the Chinese brands were a major culprit. As the phone market in China reaches saturation and sales shrink overall, all the country’s hardware makers are pushing hard, and increasingly winning fans, in places like Germany, India and Southeast Asia, where consumers find that the phones can do just about everything an iPhone can do at a fraction of the cost.

Apple sits comfortably at the top of the market in many countries, including China, for the highest-end handsets. But companies like Huawei have started to do elsewhere what they have done in China, competing with the iPhone on experience and value, and luring customers with price comparisons that make them rethink buying Apple’s signature product. The cost difference is notable: In China, an iPhone XR starts at around $950, while Huawei’s top-end handsets start at about $600, and Xiaomi’s comparable models start at even less. The iPhone XS starts at around $1,250. Companies like Huawei and Oppo have made improvements in features and overall quality that are enticing many wealthy Chinese people, said Mo Ji, an analyst in Shanghai for the technology research firm Canalys. Chinese brands’ aggressive marketing and sales campaigns in Europe indicate that the companies believe consumers there who have traditionally used iPhones will do the same thing. Apple still has a hold on customers in many places. Announcing the sales slump in China this week, the company’s chief executive, Timothy D. Cook, said Apple expected to set revenue records in the first quarter of 2019. Sales have traditionally used iPhones will do the same thing.

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Source: The New York Times
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General Manager
Haver Technologies (Tianjin)

By Mary Liu

Haver Technologies Tianjin (HTT) is a subsidiary of the family-owned company Haver&Boecker, with over 130 years of experience with chemicals, minerals and food industry. We are a leader of fully-automated and ‘green’ packaging systems, in what way can your company contribute in meeting China’s 2020 environmental protection targets?

With Haver Technologies being the leader of fully-automated and ‘green’ packaging systems, in what way can your company contribute in meeting China’s 2020 environmental protection targets?

I can see the Chinese market rapidly changing. Rising labor costs, environmental concerns and technological development result in advancements towards more efficient and automated solutions. Our company help China meets its 2020 environmental protection targets by establishing the “Pack-Plant of Tomorrow”, whereby we offer fully-automated, intelligent, clean and profitable packing solutions to our customers.

Our current “Blue Planet” campaign leverages on two technologies: SEAL and ADAMS. The SEAL technology leverages on two technologies: SEAL and ADAMS. The SEAL technology guarantees closed bags and a dust-free packing process, which is more profitable as you don’t lose any of the product during packing and transportation. With the ADAMS technology we pack products into plastic bags that are sealed and waterproof, which accounts for cleaner packing and longer storage time.

China is more than just a market for us and we are geared to contribute to both economic development and sustainability.

What have attracted you so much from China to be around for long time?

I started coming to China as an exchange student in Hong Kong in 2005. At that time, I wanted to experience a new culture and learn a new language. After Hong Kong, I went to mainland China for several projects and spent 3 years in Taiwan researching on my PhD thesis. I call Tianjin my “home” for the past 6.5 years.

Until now, I am still drawn to the dynamism and diversity of China. What I particularly like is the optimism that the Chinese show every day, as they work hard to create a better future for themselves and their country. China has given me a lot of opportunities for development as well and I am really thankful for that.

Can you describe HTT and what your company is doing?

Haver Technologies Tianjin (HTT) is the market leader for high-quality packing and filling solutions for customers in the cement, building materials, mining, chemicals, minerals and food industry. We are a subsidiary of the family-owned and managed company Haver&Boecker, with over 130 years of experience with regard to the storing, mixing, packing and dispatching of bulk material. Haver&Boecker stands for highly efficient, dust-free, green and maintenance-friendly packing solutions.

In Tianjin, we are aiming to combine the strength of Germany and China – the German engineering, quality standards and attention to detail with the Chinese market know-how, flexibility and optimism. Our experience is one of our biggest advantages: we offer knowledge about the full range of packing machines, bags and products and how they work together. Through our know-how and the testing procedure in our local R&D Centers, we can offer the perfectly customized machine to every customer.

What three important factors were very crucial in this achievement?

I think the most important factor is having the technology that is needed and demanded in the Chinese market and appreciated by the government. Secondly, we look for long-term partnerships and provide premium service to all our customers and partners. As a proof, we got the market leaders and major players in the industry as our key customers - and many Chinese customers look at the market leaders and follow them.

Thirdly is the leadership that is demonstrated by our employees when they take proactive roles to address our customers’ and colleagues’ needs. You can only be successful with a strong team of leaders.

The German Chamber of Commerce in Tianjin will celebrate its 10 Years Anniversary with a Spring Reception on Friday, February 22nd, 2019, the first and major high-level gathering of the year.

This event is also quite memorable for Dr. Björn Lindemann, who has personally witnessed the Tianjin Office’s remarkable development as the former Tianjin Office Head and presently sits as a Board Member of the German Chamber of Commerce North China. Dr. Lindemann eventually joined Haver Technologies Tianjin to manage the company in September, 2015.

Business Tianjin was honored to hear from Dr. Lindemann on his company’s strong rapid growth, the thriving German-China collaboration and his strong interest in corporate mindfulness programs as an approach to improve employee well-being and performance.

Business Tianjin有幸采访到了 Lindemann 博士, 就其管理理念与管理方法以及对中德未来合作的展望展开了生动而有趣的交流。其中，Lindemann 博士关于运用正念提高员工舒适度的理论引发了我们极大的兴趣。
How big is your existing production/servicing capacity? How much more do you foresee it to expand in the next 5 years?

We are foreseeing a strong demand. In fact, we estimate a 50% increase in local production this year and we have already increased the number of employees by another 20%, with an extension of our workshop space in the works. We anticipate the upgrade of hundreds of lines to meet the needs of the cement industry, while other industries are also looking very optimistic in the coming years.

For your Executive MBA thesis, you chose to present the effectiveness of mindfulness trainings on company performance. Can you share why you chose this topic?

The world is full of changes and I am very interested in how the work of the future will look like. In a few years, most of us will not have a 9-to-5 job anymore and the modern business environment will have increasingly flat hierarchies, more job flexibility and remote employees. Hence, there's a greater need for emotional intelligence to handle conflict and challenges.

Given the fast-paced and digitalized world, many employees feel increasingly distracted and stressful when multitasking or facing deadlines. Empirical studies show that practicing mindfulness – which means the awareness of the present moment – can help you cope with these challenges. Mindfulness can help you to go from “autopilot” to being consciously present, thereby increasing your ability to focus, your well-being, your emotional intelligence, and, eventually, also your job performance.

In my thesis I looked at mindfulness from a business perspective, researched how companies are introducing and scaling mindfulness programs in their workplace, and presented best practices.

Based on your study and your experience, how can mindfulness-based interventions be practically integrated in the day-to-day workplace?

Can you recommend some best practices of companies who have adopted the mindfulness approach?

The most famous example is probably by Google, which developed their own mindfulness course based on emotional intelligence, neuroscience and mindfulness. This course has been taken by thousands of Google employees and remains as the most popular training offered in the company. In Germany, SAP has offered mindfulness practices to more than 7,500 employees with another 5,000 on the waiting list. In China, Didi Chuxing is probably the most advanced company with regard to mindfulness, providing guided mindfulness sessions through their app to employees and drivers.

In my study I looked at these 3 case studies. Interestingly, these companies often start with a so-called “minute to arrive” – starting meetings with a minute in which participants focus their attention on their breath. These companies also offer rooms of silence for employees to practice mindfulness. Reinforcing these are mindfulness talks or mindful lunches. I strongly believe that in a few years, practicing mindfulness will become as common as going to the gym.

You are a very active member of the board of German Chamber of Commerce in North China. In what way do you continue to bridge and flourish Sino-German relations in terms of trade and investment?

In times of rising international tensions and a threatening trade war between China and the US, the role of the Chamber becomes even more important. The German Chamber represents the Chamber members in China and is a platform for cooperation of the Sino-German business community. My aim is to support the German companies actively in China, but also to bring Chinese and German businesses together to develop a better understanding about each other.

The Sino-German economic relations actually look good even in the current times of global uncertainty. Germany's
FDI in China made a historical high in 2018 according to the recently released official data from MOFCOM, amounting to USD 3.68bn in 2018, more than doubling the 2017’s USD 1.54bn. I am convinced that only by frequent exchanges and contacts through the German Chamber and other platforms we can create common business opportunities and develop our Sino-German relationship in terms of trade and investment.

The 10th year anniversary of the German Chamber of Commerce North China-Tianjin is fast approaching. Having been part of the accomplishments in the past decade, what milestones do you consider most memorable?

There are a lot of accomplishments to be proud of. Our members in Tianjin increased by more than 50% in the last 6 years and there’s a strong support for business activities, in fact events are organized every week. Our members also find the big social events (such as the German Chamber Soccer Cup, The New Years’ Reception, the German Oktoberfest or the German Christmas Market) to be highly memorable.

With the 10 years anniversary, we celebrate our achievements and the strong position of the Chamber in Tianjin today. Our Board of Directors North China will also join the celebration and I am looking forward to meeting the CEOs and Managers of our member companies.

What do you consider as your greatest achievement?

One of my greatest achievements was finishing my PhD successfully, particularly because it took more than 3 years of perseverance to start from zero and get all research data by conducting numerous interviews with experts and officials up to the ranks of ministers and ambassadors. In the end, it was a great honor to be recognized by the University for all my effort.

How do you wind off at the end of the day?

Sport has always been my passion since I was a child. I was a tennis coach during my time in high school and university and I still like to play, however, I end up in the gym after work. My mindfulness practice is also a great tool to unwind, relax, and focus attention on the important things. Moreover, I enjoy meeting up with friends for dinner. Tianjin, especially in the Wudadao area, currently has a lot of new and interesting restaurants to try.

Wanda Hotels & Resorts is pleased to announce the appointment of Mr Alexander Paul as General Manager of Wanda Vista Tianjin, effective from January 2019, starting his another journey at Wanda Hotels & Resorts. He will be fully in charge of the hotel’s operations and management.

Alexander Paul is from Germany, with over 20 years of experience in the top-end food and beverage, and luxury hospitality industry. He has held numerous senior management positions in international hotel groups, such as Shangri-La, The Ritz-Carlton and Kempinski, with his footprints spread across Europe, the Middle East, America and Asia. Prior to this new appointment, Mr Alexander Paul was the General Manager of Wanda Reign on the Bund.

As a professional hotelier and mentor, Mr Alexander Paul is strongly focusing on guests’ caring and innovative aspects of the business. We believe that under Mr Alexander Paul’s leadership, Wanda Vista Tianjin will go further and create many success in Tianjin.

“I am honored to be entrusted with the role of General Manager at Wanda Vista Tianjin and proud to continue my career journey with such a professional and energetic team” said Alexander Paul. “I am confident that we have a talented group of associates in place to ensure uplifting experience for our guests and bring Wanda Vista Tianjin to new heights.”
Economic Outlook in 2019

By Elisabeth Dong

In 2018, China’s growth slowed down to some extent and economy faced pressures. It was a year of internal and external challenges. In order to make assumptions about economic trends in 2019, it is necessary to briefly review the data from the year behind us.

**Gross Domestic Product**

The graph depicts China’s GDP growth in 2017 and 2018 on quarterly basis in percentage terms. In the first quarter of 2017 GDP growth was 6.9% and downward slope in Q2 indicates decline to 6.8% by the beginning of the third quarter of 2017. There were no changes until the first quarter of 2018, when another decline occurred and became even more severe, dropping the GDP growth rate to 6.5% by the third quarter of 2018. Data showed natural course of events, given the fact that in Q3 of 2018, frictions escalated between two trade giants - China and the US, and it is expected in 2019 due to trade war, Chinese GDP will continue its slow decline in 2019. According to the latest economic survey by Nikkei, China’s GDP will drop to 6.2% in the current year.

**Factors Affecting Decline in GDP Growth**

There are numerous reasons which led to decrease in the growth rate of Chinese GDP. One of the most influential factors behind the slowdown were frictions with USA, which resulted in increased tariffs on Chinese exports. Auto industry was severely affected and that resulted in weak auto sales. Moreover, technology sector has lost its fast pace and China was accordingly affected as one of the world’s top electronic devices exporter. For the first time in two years, China’s manufacturing sector contracted in December 2018, signaling that it requires more policy support to deal with current trends in the world economy and growing pressures.

This contraction signals the loss of economic momentum and poses challenges for not only Chinese, but also the world economy. In case trade war continues after the expiration of deadline on March 1th, 2019 even stronger negative economic effects can be expected. There is reasonable uncertainty whether China and US can overcome issues during the trade war ceasefire. Furthermore, trade war aroused suspicions among international investors, who might be driven away from investing in China. But Government was prepared for that possibility and is trying to offset possible issues with Negative List reform, which arrived at the very end of 2018.

The graph depicts new export orders PMI in China for the period January 2017 - November 2018. There is an overall decline in 2018 in comparison to 2017, and the major decline started in July, 2018. Critical level which separates growth and contraction is 50 and after May, 2018, PMI remained under 50, indicating contraction throughout the second half of 2018. Data for November and December show weakening imports and exports, which indicate softening global demand.

In addition to external pressures, internal China also had to deal with internal challenges. Weakened domestic demand was a major problem, given its combined effect with tariff increases. Therefore, China raised minimum threshold for personal income tax and cut corporate tax in order to stimulate consumption. Debt at local level was another issue, which Government tried to solve by cutting back on spending.

**Recovery of Infrastructure and Private Investments**

Relaxation of funding constraints on local governments are expected to enhance infrastructure investments in 2019 and credit support is expected to help private sector to recover. The graph above depicts fixed asset investment by the private sector in 2010 and ending in 2018. It seems that momentum gained in the end of 2017 begins to lose its strength. The introduction of “six stabilizations” is expected to boost the growth, especially in finance sector. In 2019, China will maintain active fiscal policy and continue investing in transport, infrastructure, agriculture, energy conservation and technological R&D, which is expected to promote growth in infrastructure investments.

Furthermore, China released already mentioned Market Access Negative List on Christmas in 2018 aiming at making it easier for foreign investors to invest in China. The list was released by the National Development and Reform Commission and the Ministry of Commerce. It is comprised of 151 items and 581 specific rules, down by 177 and 288, respectively, compared with the previous draft version, for investors’ easier orientation. Industries that are not listed are available and open for investments worldwide.

**What to Expect in 2019?**

Inevitably, China will shape economic trends in Asia in 2019, as the largest economic force of the region and ripple effects can be expected, because China is major trading partner to the most Asian countries. In 2019, it is expected that the growth will be present, however, slower in comparison to 2018, and that tensions with the US will continue to affect Chinese and other Asian economies, as well as supply chains worldwide.

Chinese Government is determined in aiming for quality and stable development instead of quick expansion, which so far turned out to be successful policy for this country. It is expected that China will aim at inducing domestic demand in order to boost consumption, which is important factor in its GDP, given its vast domestic market.

However, it is also expected that China will deal with supply side as well, by implementing structural reforms, upgrading industries and introducing new business models, as well as attracting foreign investors. In addition, Chinese government will continue working on employment stabilization and finding ways to fight pollution. In conclusion, analysis predict that the economy will continue moderate growth in 2019, at the rate of 6.2%, which is only 0.3% less than in 2018. Accordingly, consumption is expected to stabilize in the current year.
The Hexi Corridor
Sedative Ancient China Triggers Your Curiosity

By Nikita Jaeger

When you are looking for a hidden travel attraction in China, Hexi Corridor can be a favorite destination, because of its historical importance. It was known to be the only western passage that linked in and out during the Han Dynasty to the Yuan Dynasty. Hexi corridor has played a phenomenal role in Chinese civilization since the past few generations.

Taking a trip to such places shall let you explore the historical relics, engage with ethnic groups and other archeological discoveries that are known for portraying the culture and tradition of China. Reading further, you shall get to know more details about this mysterious land and the untapped wild beauties of this mystical world. Explore the hidden beauty of the Hexi corridor at least once in your lifetime, and carry with you lifelong memories.

Location of Hexi Corridor

The 1000 kilometers long Hexi Corridor starts from Lanzhou, which is on the valley of steep Wushaolin and the corridor extends to the Jade Gate, taking you to the border city of Gansu and Xinjiang.

Hexi corridor holidays shall always embalm you with memorable time, as it is famous for Silk Road Tours. It is the northwest granary and there are lots of natural resources and holds a treasure of cultural heritage. You can find a lot of relics of yesteryears, tempered by rough climates, lay like a chain of wonder. Let us explore the must-see destinations along the Hexi Corridor.

MOGAO GROTTOES - THE HIDDEN GEM

The Mogao Grottoes is known for holding important collections of Buddhist artifacts procured from all over the world. It is one of the three famous Grottoes in China, and during 1987, it declared as World Cultural Heritage by UNESCO.

As of today, there are 492 grottoes and more than 2,800 sculptures and 45,000 square meter murals, which you can find here. By hiring tour guides, things would be easy for you, which will help you know more about this place, as they are well versed about the history and the role of this particular place in Tang dynasty.

Never miss the opportunity to explore the hidden library cave and the two big Buddha's, during your visit to his historical place. The entry tickets can be used for about two hours of tour, and make sure to plan the things with your guide before entering into the caves, because there is a lot more to see.

Location: Mogao Grottoes are 25 kilometers from Dunhuang, located on the eastern valley of Mingsha Shan (Echoing-Sand Mountain).

Visiting: Restricted to 6,000 people per day, hence it would be better to make the advance booking.

JIAYUGUAN FORT - NATURE AT ITS BEST

Any Hexi corridor tour shall turn incomplete without visiting the Jiayuguan Fort. It holds some breath-taking view of China and beautiful mountains. The purpose of the fort was to trap any invading armies, and you can still see the historical footprints of horse lanes.

Nearly is the Jiayuguan museum exhibiting lots of relics showcasing the historical significance of this place.

The fort is open for the public from 8:30 AM to 8 PM. The view of rising Sun is something marvelous and, hence, make sure to visit the museum during the early hours of the day, so that you can watch the exhilarating moments of rising Sun within the background of the cloudy mountains.

Location: Located 180 kilometers northwest of Dunhuang City.

How to reach there?: From Dunhuang city by minibus, or rickshaws can take you to the spot. You can put your option on rented bicycles, too.

ZA HAN YADA NATION - THE NATURALLY BUILT PARK

Yadan National Park is one among the hidden tourist spots in China, spread about 388 square kilometers towards Dunhuang, along Hexi Corridor and famous for its weird and eroded landscape.

It has many strange rock formations, like animals, temples, pagodas, humanoids, etc., that together act as a backdrop to the park, and has got numerous photographs stop to make your visit a delightful one.

The landscape around the park shall look way more dramatic, and you will definitely get a feel like you are standing at the edge of the Earth. If you are bored by the weekend, and looking for a getaway, then you should visit this park and spend some good time with Mother Nature.

Location: Yadan National Park is located 180 kilometers northwest of Dunhuang City.

How to reach there?: From Dunhuang city by minibus, or rickshaws can take you to the spot. You can put your option on rented bicycles, too.

Zhangye City

The Zhangye City is the largest Danxia landscape in various landforms with fiery multicolor ridges converting the park into amazing visual of rolling fire waves instrumental in crowning the mountain as the Rainbow Mountains.

Because of the very reason, it has been selected as one of the top ten Geographical Wonders of the World, as per National Geographic.

When planning a trip to the low profile tourist destinations in China, it would be better to go with the best tour operator who can offer you economical tour packages, and tailor-made packages which can meet your tour preferences.

Visit us online: btianjin.cn/190205
Controlling the Debt

By Sophie Adkins

The debt rate in China has enormously constructed to approximately 260% to 300% of the size of the GDP. This has raised questions regarding the potential financial scenarios that are looming in front of our site. There are people who have embossed arguments that the world faces imminent threats due to the rapid accumulation of the debt endorsed by the country rather than the actual debt rate. The soaring threats it can pose to the financial stability of China and the potential outbursts that might embrace the world if the monstrous debt that encircles the country is not fixed, are to ponder upon.

Experience has shown that the countries who have garnered such increasing debts at this rapid rate have brought themselves at a place which has, most frequently, resulted in a crisis in their financial systems and eventually, an economic breakdown.

But the question that makes the world wonder is how the country’s economic stability, in such a short amount of time, has come to shackle and why? Does it pose any threat to the financial situation of the country? And if so, then how is the state and the government trying to handle the situation? Is it even manageable?

Breaking the debt situation in China, we find three main factors contributing to the source; household debt referring to the personal loans provided to the locals by the financial companies. It has raised the bar to 43% as of 2018, but it closely resembles the rate of other developing countries marking it relatively moderate.

Secondly, the government debt is the amount of money owed by the state government or the local government presiding over the country. This form of debt has risen dramatically due to higher accumulation by the local government at the time of financial crisis. Some policies permitted financial banking in state banks eventually resulting in an increase in the debt situation.

Lastly, corporate debt is the primary bank loan taken to help the financial situation incorporates. It is the main contributing factor to the gigantic debt that surrounds the country rising to a peak as high as 166.3% of the GDP.

WHAT ARE THE REASONS THAT OPENED THESE FACTORS UP?

The booming economic growth that brought the country to become the world’s major superpowers was partly because of its investment in the industrializing sector. The domestic infrastructure that blossoms the cities of China and huge impacts made on the economy of the world by spending rather fondly on the global market, and such greater investments made overseas were a result of impressive loans and borrowed money that eventually paved the way for this crisis in the country’s financial system.

China comprises a huge number of ghost cities that were supposed to accommodate the dreams of families moving to reside in the cities from the countryside. The cities were established before the financial crisis took upon China, as a result of spending hugely on the borrowed money swallowed by the country. These cities, however, are comparatively abandoned considering the number of families that currently populate the area. Only 10% of what was expected of the whole population lives in these ghost towns.

Shadow banking has greatly affected the situation that China currently resides in. Shadow banking refers to the kind of marketing and banking that is carried out under the traditional set of rules followed by local banks, but are refrained from the acts and regulations that otherwise embrace the traditional banks. This form of banking is set up in many developed countries due to its effective benefaction to that global economy, but it also serves a great disadvantage with its potential pursuit of directing the economy rates higher; it greatly offers a financial leverage and indirectly raising the ratio of debts in the local area.

Many Chinese companies have taken a huge amount of debts. These debts are taken in the local sector and shadowed the exhibition of their actual repayments to cover impending debts. This is done as a source to increase the economy of China and for the potential recognition in their promotion upon pressure from the various policies enforced by the government. As the worst outcome possible because of the accumulation of debts, but the following decline in earnings, analysts have referred to this being a heavy contributor scaling up to 2/3 of the resulting situation in China.

Controlling the Debt

In Depth
Inspiration

A philanthropist, business executive and famous fashion designer, who grew up in Bronx, had a huge dream about his future. As of 2018, Forbes estimates his wealth at $7.2 billion, which makes him the 91st richest person in America. He is Ralph Lauren. He was born in Bronx, New York City, but by nationality he is Jewish. When he turned sixteen, his last name Lifshitz was changed to Lauren. The reason for this change was the fact that he was being teased by other children in school.

I AM NOT DESIGNING CLOTHES, I'M CREATING A WORLD

While he was working for Beau Brummel in 1967, Ralph began designing his own men’s neckties with a wider cut, branding them under the name Polo. Only one year later, he created a full menswear line, and soon enough he began creating women’s line too. Soon after that, his lines were sold in the department store Bloomingdale’s in Manhattan. Until then, Bloomingdale’s has never given a designer their own in-store boutique. The clothes that he was creating were a mix of English and American style, which was worn by the upper class. Since his brand was rapidly growing, beside neckties and underwear, his company started creating many different products such as apparel, accessories, home furnishing and other licensed product categories.

EVERY TEAM HAS ITS COLOR - POLO HAS SEVENTEEN

Ralph Lauren’s brand Polo was growing rapidly, which meant that he had to keep up with new trends that were famous at the time. In 1972, Lauren released a short-sleeve cotton shirt in 24 colors. One of the most famous tennis pro players of that time was René Lacoste, who wore this shirt during his match, automatically becoming the brand’s signature look. Beside sport players, his collection was worn in many movies, such as The Great Gatsby (1974), starring Robert Redford and Mia Farrow. He also received credit for helping to outfit the cast of The Wild Party (1975), starring James Coco and Raquel Welch.

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Negative List Reform

By Diane Grant

China continues to open up its market to foreign investors and it made another very important step on the 23rd of December, 2018, when a reform of Negative List was created by the National Development and Reform Commission (NDRC). The latest Negative List was released on the 40th anniversary of China’s economic reform and liberalization, and can be considered as demonstrating China’s sustained willingness to gradually open up its market to foreign investors.

This document is in essence an institutional innovation, which is meant to override local regulations and to be applied across the entire country, in comparison to the previous list which was limited to certain areas. Negative list is meant to further simplify and make it easier to invest in China. It elaborates which sectors are restricted or unavailable for investment. This measure is intended as a step to standardize rules for all interested parties.

According to the 83 pages long document, there are 151 sectors listed. Four of them are prohibited and they are focused on the following: the illegal financing, harmful internet activities, industries where Chinese law prohibits the participation and projects explicitly banned under the Catalogue for Guiding Industry Restructuring. Analysts assume that prohibition list was updated as a government’s response to scandals in 2018, where peer-to-peer internet platforms were involved as well as illegal financial activities.

There are 18 sectors that require approval of the Government, including agriculture, construction, transportation, utilities, whole and retail trade, warehousing and postal services, financial, accommodation, information technology and software.

CONCLUSION

The release of the new, updated List enhances the influence of the market in resource allocation, while at the same time enabling more stable and transparent environment for everyone. This new Negative List aims at encouraging investors, especially foreign ones, to carefully study new items and rules, which should help them decide whether investing in China is viable business decision.

For companies and investors that are interested in investing into restricted markets, negative list sums up important procedures, standards and necessary approvals in order to be granted access to desired market. However, it remains to be seen in the current and upcoming years how things will go in practice and how foreigners will cope with industry specific laws and regulations.

The latest efforts by the government in making it more attractive for foreign investors to invest in China clearly demonstrate their willingness to make the treatment for foreign and domestic firms be more fair.
Tips for protecting your IP in China and South-East Asia

China and the majority of South-East Asian countries have recently shown considerable efforts in creating stronger intellectual property rights (IPR) protection systems, and in bringing their existing intellectual property laws in line with, or closer to, international standards. However, counterfeiting, trade mark infringements, and other IPR infringements, remain one of the major issues in South-East Asia. When European SMEs enter these markets, there are some key points they need to look out for in order to ensure their IPR is effectively protected.

IP LAWS ARE TERRITORIAL.
REGISTER YOUR IP

European SMEs should be aware that IP laws are territorial (and this applies in both South-East Asia and China), meaning that IPR are only enforceable upon valid domestic registration. SMEs planning to enter the South-East Asian and Chinese markets are faced with the question of when to register their trademark, patents or designs. The answer is as soon as a company considers internationalizing its sales and activities, they should take steps to register their trademark and other IPR in the countries of destination. Obtaining the relevant information and taking advance action is the key to effective protection.

TRADE MARKS ARE GRANTED UNDER 'FIRST-TO-FILE SYSTEM'

The key point is that trade mark regimes in China and South-East Asia generally use a 'first-to-file' system, meaning that the first person to file for trade mark registration in China or South-East Asian countries will own that right in the country once the registra-tion is granted, irrespective of 'first use'. Few exceptions on the protection of unregistered trade marks are possible for Malaysia and Singapore, however, registrations are always recommended. Thus, if an owner does not apply for protection on time, others may do so first and subsequently reap the benefits – free riding the reputation of another's brand or registering a trade mark in 'bad faith' in order to sell it back to, or even sue the rightful owner. Registering in 'bad faith' with the intention of making money from it is one of the main causes of IPR infringements in China, Indonesia and Thailand.

In the case of 'trade mark hijacking' (someone registered the SME’s trade mark first), SMEs may consider buying back the trade mark. Generally, using a locally based lawyer may allow the SME to purchase it back cheaper than by going directly to the seller themselves, because such lawyers can combine the negotiation with administrative filings based on local practice.

GET A LOCAL NAME FOR YOUR TRADE MARK

Additionally, a business should consider how its trade mark would translate into local languages. The registration of a trade mark in original Roman characters does not automatically protect the trade mark against the use or registration of the same or similar trade mark written in local scripts. If a local equivalent is not chosen, consumers will almost certainly choose their own, which might affect the reputation of the company. Choosing a Chinese trade mark equivalent is particularly important because not only the meaning, but also the sound, tone and even look of the Chinese characters chosen for a trade mark name can affect the brand’s reputation. If this local name is not registered, companies also run the risk of another company freely copying, or registering the local trade mark themselves. In particular, in South-East Asian countries SMEs are highly advised to register their trade marks in local script version such as Vietnamese, Tamil, Thai, Lao, Burmese or Khmer.

IT IS HIGHLY RECOMMENDED TO REGISTER A COPYRIGHT

Although copyright is an automatic right established upon creation, China and most of South-East Asian countries, allow a voluntarily recordal of copyright. This can provide useful proof of ownership in settling disputes efficiently. Registering a copyright is not expensive, averaging approximately EUR 30, and most IPR enforcement authorities require local copyright registration to start handling company’s IPR infringement cases. European SMEs are recommended to register their valuable assets as copyrights. Furthermore, a registered copyright can be useful for backing-up other IPR in enforcement cases. SMEs must be able to prove, that an obligation of confidence was clearly stated during their business arrangements with third parties. Non-disclosure and confidentiality agreements can help SMEs ensure that measures have been taken to preserve secrecy. Employees can be contractually bound to confidentiality, and creations made by employees in the course of business can be duly assigned to the employer. Such clauses protect the company’s existing and future IP and ensures that the company maintains IP rights to an employee’s work product created for the company.

NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENTS ARE ESSENTIAL TO PROTECT TRADE SECRETS

How can EU SMEs protect their technical information in China and South-East Asia? China and most of the South-East Asian countries provide a legal framework for the protection of trade secrets, and the laws generally provide for remedies in the event that trade secrets are unlawfully disclosed. However, in order to deal with trade secret infringement cases, SMEs should be aware that trade secrets are usually only protected if they meet the criteria of being a trade secret. SMEs ensure that measures have been taken to preserve secrecy. Employees can be contractually bound to confidentiality, and creations made by employees in the course of business can be duly assigned to the employer. Such clauses protect the company’s existing and future IP and ensures that the company maintains IP rights to an employee’s work product created for the company.
In China, as well as in most South-East Asian countries, trade secrets are granted protection as long as they are kept secret. However, note that in Thailand, even though trade secrets are automatically protected under Thai law without registration (under specific criteria), recordal with the Thai Department of Intellectual property could be advantageous, as it can be used as fundamental evidence in the instance of legal disputes.

**PATENTS FUNCTION UNDER FIRST-TO-FILE AND ABSOLUTE NOVELTY SYSTEM**

A Europe-registered patent has no automatic legal effect in China and South-East Asia. It is crucial to apply for patent protection in China and South-East Asia for each and every innovation, even if the launch of the product in the international market is not yet scheduled. European SMEs should remember that most countries operate an “absolute novelty” (innovation is not known anywhere) or that their IP right has been infringed by a third party. This means that European SMEs should be prepared to collect evidence and proactively work closely with the authorities in the enforcement process.

**BE ACTIVE IN ENFORCING YOUR RIGHTS**

Entering a new market and protecting IPR also means being ready to enforce or defend rights, in order to ensure that business objectives are met and, therefore, a budget planning for enforcement is key. In most cases, when European SMEs identify infringement, they should actively enforce their rights. If SMEs manage to build a reputation for ‘being litigious’ then companies will be less likely to infringe their rights in the future. The resources required to achieve such a reputation depend on the extent of the infringement.

Strategy is highly important when enforcing IP rights in China and in South-East Asia, as IP enforcement is still undeveloped in many countries. Multiple avenues of IP enforcement are generally available in both China and the majority of countries in South-East Asia. In China, administrative action may be advisable over civil litigation or criminal prosecution. Administrative enforcement is filed before specialized administrations and is generally fast, cheap and reasonably efficient. Companies can obtain confiscation and/or destruction of the infringing goods as well as fines, but no damages are awarded. At the same time, in certain South-East Asian countries, like Malaysia and Thailand, criminal actions are more effective at ending infringement because civil actions are lengthy and entail only negligible fines. It is advisable to seek professional advice, when trying to create the most cost effective IP enforcement strategy.

SMEs should also bear in mind that no matter which enforcement route they take, they will need to prepare and collect proper evidence to prove their ownership of IPR in respective countries (this is why IP registration in advance is very important) or that their IP right has been infringed by a third party. This means that European SMEs should be prepared to collect evidence and proactively work closely with the authorities in the enforcement process.

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**CHINA IPR SME HELPDESK**

**SOUTH-EAST ASIA IPR SME HELPDESK**

The China and South-East Asia SME Helpdesk are European Union-funded projects that provide free and practical business advice relating to IP issues in China, including Hong Kong, Macau and Taiwan, and South-East Asia. To learn about any aspect of intellectual property rights in China or South-East Asia, including protecting your copyrights in the creative sector, visit our online portal at helpdesk.btianjin.cn. For expert advice on China and South-East Asia IPR for your business, or a quick answer to an IPR-related query, e-mail us at helpdesk@btianjin.cn. You also can contact us by phone at +86 (0) 022 2740 3191. We aim to provide a reply from any of the Helpdesk experts within three working days.
The Fastest Adopting & Most E-Savvy People
By Rose Salas

Today’s modern living paved the way for the innovation of so many highly-improved gadgets. Technology is undeniably the gateway of success to many people, not only in the development of many jobs, but moreover, in the entrepreneurial area. Everyone nowadays get to live with mobile phones as a necessity; something one can’t live without.

More than the practical know-how of technology that is present nowadays, China is second to none in global retailing business. Brands all over the world are persistent in targeting our younger generations, because they believe that they are more sophisticated in terms of quality, taste and product expectations.

In this regard, we’ve been tagged as the fastest adopting and most e-savvy people in the world. Here’s why:

- **Increasing number of luxury good consumers**
  The world recognized us as one of the top countries who has the most affluent households in the world.
  In a global luxury spending survey, Chinese consumers have a proven track record as the largest contributors to have purchased luxury goods both here and abroad. From flight bookings, hotel reservations, and online purchases and after sale support-consumers are very savvy using international apps and sales platforms to communicate to vendors. Unlike in the past, consumers think twice of purchasing goods online from abroad due to language barrier. But with technological enhancements, communication became more adaptable and easier for us.

- **Smart and tech-savvy youth or “millennials”**
  The knowledge and wisdom acquired through education allowed even the youngest of this generation to be curious about the world. To become competitive and the best among their field, advancing their knowledge in technology makes them believe that this is an edge among their peers. As a result, mobile phone has become a daily must-have in any lifestyle. Computer applications and software, that used to be complicated before, became just as facile as playing a mobile game! They are almost equal to big celebrities. They are now shaping the future of E-commerce by influencing the majority to follow them and sometimes, copy their lifestyle.
  As a result, consumers are becoming more e-savvy, because they are incorporating their lifestyle based on technology.

- **China is the most dynamic retail market in the world**
  With our population and its increasing purchasing trend of around 400 million millennials, the future of E-commerce is said to be happening here now. By 2020, it is projected to have an increase of 25% growth in online selling. Thus, more and more applications will be enhanced and developed to sustain the growing needs of everyone.

Almost everything can be done now in a simple click from smart phones. No one is left behind, because even in the simplest of households, our grandparents can smartly operate a mobile phone to communicate with their long-distance family members, or even post their Moments in WeChat! Navigation of lifestyle, financial and e-commerce apps will be way easier as time goes by: Content-driven marketing will be the on-going trend here so people are expected to adapt more and more to the norm.

As modern consumers, we are now more open to experiencing premium goods and services. We are now adopting new trends where we go beyond the basic needs and take R and R (Rewards and Recognition) for our hard works. We love to travel and see what other parts of the world have and enjoy.

We take advantage of the innovation and climb up the ladder to reach new heights.

What’s more interesting to take note of is how we all embrace newness and innovations to improve our way of life. Passion becomes our determination to persevere. We are not afraid to take challenges and take chances in every opportunity. We all love internet-related and mobile-based products and services. Our mobile phones and computers become our daily partners. We want life easier, convenient, and suitable so we can spend more quality time with families. One better way to achieve this is to consider what technology has to offer. We build our future by living in the present and learning from the past. No wonder people from around the globe see us as the fastest adopting or e-savvy consumers of today!
The promulgation of the new PRC Individual Income Tax (‘IIT’) Law and its implementation rules signifies a shift towards a new IIT regime. To foreign individuals working in China, it is important for them to understand some of the changes and requirements.

One major fundamental change is the definition of a China tax resident. Under the new IIT Law, individuals without domicile in China are considered China tax residents once they have resided 183 days in China during the calendar year concerned. This new definition of China tax resident is also adopted for the new ‘6-year’ rule. Unlike the old ‘5-year’ rule requiring non-China domiciled individuals to spend more than 30 consecutive days, or 90 days in total, outside China to restart the 5-year count, non-China domiciled individuals can now restart the 6-year count by spending more than 30 consecutive days outside China during a calendar year, before reaching the 6-year threshold.

Moreover, under the new ‘6-year’ rule, non-China domiciled individuals would not be subject to IIT on their worldwide income providing they have not resided 183 days or more in China for six consecutive years, plus they have completed the required record filing with the in-charge tax bureau. In connection with the extension from five years to six years, further clarification from the PRC State Administration of Taxation (‘SAT’) is required on questions such as how to complete the record filing requirement, and how to classify a year prior to 2019 with accumulated absence of 90 days under the old ‘5-year’ rule.

Besides being a China tax resident may impact a non-China domiciled individual’s IIT liability on his or her worldwide income, there are other implications as well. For those who are China tax residents, their employers should use the following new accumulated method for calculating the monthly IIT withholding amount.

Monthly IIT withholding amount = (Accumulative taxable amount x Withholding tax rate – Quick deduction factor) – Accumulative tax credit – Accumulative tax withheld

<table>
<thead>
<tr>
<th>Accumulative taxable income (RMB)</th>
<th>Tax rate</th>
<th>Quick deduction factor (RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 36,000</td>
<td>3%</td>
<td>0</td>
</tr>
<tr>
<td>&gt;36,000 – 144,000</td>
<td>10%</td>
<td>2,520</td>
</tr>
<tr>
<td>&gt;144,000 – 300,000</td>
<td>20%</td>
<td>16,920</td>
</tr>
<tr>
<td>&gt;300,000 – 420,000</td>
<td>25%</td>
<td>31,920</td>
</tr>
<tr>
<td>&gt;420,000 – 660,000</td>
<td>30%</td>
<td>52,920</td>
</tr>
<tr>
<td>&gt;660,000 – 960,000</td>
<td>35%</td>
<td>85,920</td>
</tr>
<tr>
<td>&gt;960,000</td>
<td>45%</td>
<td>181,920</td>
</tr>
</tbody>
</table>

Under the new IIT Law, standard basic deduction has been increased to RMB60,000 per year (i.e., RMB5,000 per month). In addition, employment income is now grouped under comprehensive income together with remuneration for labor services, manuscript and royalty income, subject to the IIT rates table below.
By the preferential tax policy, they can continue to enjoy these non-taxable benefits for 3 more years during the transition period of 2019 to 2021. Alternatively, foreign nationals who qualify as residents may choose to claim the specific additional deductions (i.e., child education, continuing education, major medical expense, mortgage interest, rental expense and elderly care) instead of the non-taxable benefits. This selection between non-taxable benefits and specific additional deductions cannot be changed during the same tax year.

For those foreign nationals who have been enjoying the non-taxable benefits (i.e., child education, housing, language training, home leave, relocation, meals and laundry) provided by the preferential tax policy, they can continue to enjoy these non-taxable benefits for 3 more years during the transition period of 2019 to 2021. For those who cannot enjoy the preferential tax treatments, these two income items should be taxed together with the other monthly employment income.

According to the new IIT Law and implementation rules, annual reconciliation filing should be completed between March 1st and June 30th of the following year for the following situations as well:

- Individual with comprehensive income from more than one source and the annual taxable amount exceeds RMB60,000
- Individual with other comprehensive income, besides employment income, and the annual taxable amount exceeds RMB60,000
- Individual with tax payable for the tax year below the amount of tax withheld
- Individual applying for tax refund (e.g., tax refund due to claim of major medical expense addition deduction).

In addition to annual reconciliation filing, individual tax filing is required for the following situations as well:

- Individual with business operation income (annual filing due date is March 31st of the subsequent year)
- Individual with taxable income to which the tax withholding agent has not withheld the IIT payable (annual filing due date is March 1st and June 30th of the subsequent year)
- Individual with overseas income (annual filing due date is March 1st and June 30th of the subsequent year)
- Tax filing for cancelation of China household registration for individual who has immigrated overseas (before cancellation of China household registration)
- Non-resident with employment income from more than one source within China (monthly filing due date is 15th of the subsequent month, annual filing due date is June 30th of the subsequent year, or before departure from China, whichever is earlier).

Henceforth, individual who only has taxable employment income and the IIT payable thereon has been fully settled through his/her employer’s monthly tax withholdings are not required to perform the annual reconciliation filing.

Another important point is each individual taxpayer has one unique taxpayer identification number for handling all his/her tax related matters. The following table sets out the taxpayer identification number for different types of individual taxpayers.

To properly assess the IIT implications and filing obligation, as well as optimal utilization of the available deductions and preferential treatments, taxpayers and their withholding agents need to have a good understanding of the new IIT Law and its implementation rules. For example, the differences in withholding and filing requirements, plus tax treatments, applicable to non-China domiciled individuals who are China tax residents versus those who are non-China tax residents.

While the introduction of unique taxpayer identification number is an enhancement to the tax authority’s administration and enforcement abilities, it also may increase the risk exposure of non-tax compliance.

Although the documents released by the SAT so far have provided details to the implementation of the new IIT Law and its implementation rules, there are still uncertainties which require further clarification from the SAT. For those who have questions on the new changes, it would be advisable to do some research, and/or seek guidance from tax professional.
New Draft of Foreign Investment Law

1. New Definition of Foreign Investment

Pursuant to the New Draft, the “foreign investment” refers to the investment activities of foreign investors in new projects, establishment of foreign-invested enterprises, or increase of investment in mainland China, or acquisition of stock shares, stock equity, property shares or other similar rights and interests in mainland Chinese enterprises through mergers or acquisitions. In the meantime, the New Draft also authorizes the State Council to further indicate other forms of foreign investment.

Comparing to the MOFCOM Draft, which implies that contractual control over the Chinese enterprises by foreign investor would also constitute “foreign investment”, the New Draft has taken a more conservative attitude towards this controversial issue. This may reflect the ambivalence of the Chinese legislators over the widely used “VIE” structure, which features the contractual control of the onshore companies by offshore special purpose vehicles (“SPVs”). This kind of contractual control structure has been applied so that the Chinese companies may receive foreign funding (mainly by getting their controlling offshore SPVs listed at foreign stock markets) while still keeping their legal status as domestic companies, so as to maintain the legal qualifications for the operation in the foreign investment restricted/prohibited areas.

Having said so, taking into account the recent challenge from the Chinese government on the VIE structure in specific area (i.e. pre-school education services1), it is not clear what will be the final resolution of the Chinese government on this issue.

2. Promotion and Protection of Foreign Investment

The New Draft highlights equal treatments of foreign investors operating in China, and bans mandatory technology transfers requested by administrative authorities or their officials. It also indicates that local governments are required to keep their promises to the foreign investors, and honour the investment agreements with the foreign investors according to the laws.

3. Foreign Investment Administrative Systems

The New Draft affirms that the State implements the management scheme of pre-establishment national treatment plus negative list. Since the relevant detailed rules of those administrative systems have already been covered by administrative regulations previously published by the State Council, the New Draft does not go into further details.

4. Five-Year Transition Period

Same as MOFCOM Draft, the New Draft also aims to transform the current administration system of foreign investment and to replace the three existing laws on joint ventures and wholly foreign-owned enterprises. The joint ventures and wholly foreign-owned enterprises established so far, based on the three existing laws, will be given a five-year transition period to perform necessary changes on their corporate forms in order to be compliance with the laws applicable at that time (which will be mainly the Company Law of the PRC).

Comparing to the MOFCOM Draft, which provided a three-year transition period, the New Draft has provided two additional years for the foreign invested companies to make adaptations to the then applicable laws.

By emphasizing the principles of protecting foreign investments while keeping silent on the controversial topics, the new draft of Foreign Investment Law sends out the positive messages that China intends to pacify the foreign investors, by making assurances and addressing some of their major concerns. As it may take a few more years for the Foreign Investment Law to be formally enacted, it is advisable for the investors to keep track on the future development of this new law.

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2. On November 15th, 2018, Opinions Regarding the Deepening the Reform and Standardizing the Development of Pre-school Education jointly released by the Communist Party of China Central Committee and the State Council prohibits the control of kindergartens or non-profit kindergartens invested by the State assets or collective assets through VIE structure.
number of industries have been changed beyond imagination once they were paired with technology. The film industry was changed radically when streaming became possible, impacting everyone from movie theaters to cable networks, and the established movie studios. Technology has changed finance allowing things like online stockbrokers, and even peer to peer networks allowing individuals to lend money to other individuals or to invest in portfolios of other peoples debt.

Real estate, however, has been seen as one of the industries that have been slower in adopting new technologies. And while it is possible to now search for residential and office property, an agent often gets pulled into the transaction feel not that different from what it was like a decade before. So how is technology changing the property sector and what are we likely to see? That is a big question, but below we provide a couple examples of how PropTech is changing real estate for people at home, at work and while they shop.

**AT HOME**
Technology often brings convenience, comfort, savings and security to our homes through what is called the Internet of Things (IoT). Automated vacuum cleaners and mops now make cleaning the home faster and less intense. Smart air filters can automatically ramp up their power when the air is dirty, while smart thermostats can automatically heat and cool the home to meet the occupants’ needs. Networked sensors can also help a home owner understand where power is being used to help reduce costs, while cheap cameras, alarms and sensors can alert owners when a child or someone else enters a door, or opens a window.

**AT WORK**
Many of the devices that work at home can be harnessed by property management firms, reducing staff or increasing their efficiency in larger office buildings or shopping malls. Individual companies can use sensors to understand which desks and meeting rooms are being used and ensure that the next time they move or refurbish their office that statistics on actual use drives their occupancy planning. Co-working spaces are seen as related to this field as multiple companies can use technologies to share meeting rooms’ space efficiently, or keep their data on the cloud reducing the need for individual local servers.

In the real estate brokerage business specifically, Virtual Reality (VR) goggles can now be used to let a potential tenant or buyer get a first “look” at multiple locations before short listing which properties they actually want to see. This saves everyone’s time and travel costs. In the design field, Augmented Reality can be used to take pictures of actual space and then use computer models to overlay potential design elements. These can help ensure a proposed design had been evaluated by tenants before construction work begins and before any money is spent.

**WHILE WE SHOP**
Technology has been changing the way we shop, which, in turn, changes the way we interact with traditional shopping malls and other retail stores. This might mean an online engagement determines where shoppers go, making an important online store a key driver for traffic to actual retail locations. And the large increase in online shopping has also meant mall managers are sometimes reducing the amount of space allocated to fashion, bookshops, and other types of retailers, while increasing restaurants and activity based tenants where shoppers come for an experience. Meanwhile, electronic payment with Alipay, Apple pay or WeChat can also help retailers get a better feel for a single individuals shopping patterns and behaviors, and more fully understand their preferences. Likewise, before malls had cameras and equipment that allowed them to count the number of people going through different mall entrances or in different areas.

Now, however, facial recognition technology can allow mall owners to plot the exact route a shopper took, or they can rely on signals from cell phones to create “heat maps” showing which parts of the malls are popular at which times each day. Owners can then charge higher rents for these high traffic areas.

These are just a few ways that technology is shaping “Pro-tech.” Our colleagues at JLL Spark, our own in-house technology team, have identified 11 specific categories of tech innovation in property. These include:

- As we’ve discussed, the property industry, although a bit slower to adopt technology, is now racing forward and we will see change in almost all areas where we interact with property. We’ve highlighted a few of these ways, but the transformation of property by technology has just begun.
智能农场和农业机器人

到2030年，联合国估计全球人口将达到85亿，中国的人口将增长到14亿。随着每代人的增长，中国在农业方面面临巨大的挑战。中国政府正在通过农业机器人等新技术来解决这些问题。中国的研究团队正在试图通过将智能技术融入粮食生产来解决这一问题。作为世界上人口最多的国家，中国在将智能技术引入农业和食品领域方面取得了巨大突破。

智能农场——电气栽培

据报道，中国农业科学院在全国范围内推广的电气栽培试验效果明显，这项技术使蔬菜产量提高了20%。在这样一个关于蔬菜种植的项目中，科学家们已经成功地将电能引入了蔬菜大棚中。电能不仅可以杀死空气或土壤中的细菌和病毒，从而抑制疾病的传播。它还能够利用高频电流加速蒸发。在植物内部，高频电流能够杀死空气或土壤中的细菌和病毒，有助于空气流通。

Another big advantage is that the scientists discovered that electric currents flowing through the wires is only a few milliseconds of an ampere by volume – lower than a smartphone cable’s workload. It does absolutely no harm to the plants or to humans standing nearby. “Thanks to these new, positive findings, China’s electric culture rates could increase by 40% every year.”

AGROBOTS - ROBOTS IN AGRICULTURE

While rich countries all over the world are investing in autonomous vehicles, the developing world is making a huge effort into the food revolution, especially something called automated farming. Some of the professions may soon be completely substituted with robots and smart technology. This year, China has launched a new autonomous agriculture pilot project located in Jiangsu province. The program, which will last for 7 years, will introduce new equipment and methods in the field of agricultural robotics. “In the past few years, as people become more familiar with farming robots, the applications for these machines are increasing. Compared to the same period last year, the sales of farming robots have increased from 80% to 100%,” says Mr. Peng Gang from Botian Automation Technology in Suzhou. These new types of smart farmers could have immense benefits.

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Blockchain
6 ways this technology will impact the Marketing world

By John Feng

By now I am sure you have heard about Blockchain, or at least Bitcoin (even if they are different technologies). For readers who are not too comfortable with the subject, I would suggest you search now for the basic concepts of these two innovations, so the following article will make more sense.

Fundamentally, blockchain allows information to be held on an online public ledger without “anyone” owning it, and if, for you, a life without middlemen sounds like a dream, it might be closer to happening than we think.

Even though the majority of people are still trying to understand what this is, many developers and big companies are already taking big steps towards real-life applications that will improve consumer’s and marketer’s lives.

Allow me now to show you six ways how this technology can impact the marketing environment all around the world.

DATA
Everything is about data nowadays…

The most damaged parties on this matter are the ones that should be rewarded for it – users/consumers/customers. It’s almost impossible (without specific software) to surf the web nowadays and not leave a track. Everything you do is being tracked, and even if companies do not really link the information to your individuality (most of the time), they are using it to form big groups of personas.

The blockchain (through companies like Blockstack and Skycoin) can allow you to decide what information you share and when you share it. Let’s say it is like using a USB stick with your info to access websites and applications, but after you “unplug” it, it will vanish from any servers and will remain with you.

LOYALTY PROGRAMS
The blockchain is all about giving more power to the final user. When any brand will recognize that it has more to win than to lose by allowing customers to use their loyalty points in services or products outside that specific brand, we have reached a very advanced state of the marketing evolutionary path.

The blockchain can allow consumers, every time they make a purchase, to receive a specific token, that can be used in any other store or brand, and not limiting them to that company’s group. Besides this, it will allow consumers to have more freedom if they want to start shopping somewhere else due to cases of corruption or animal abuse, for example.

DISPLAY ADS
Brands can now target consumers with social media ads much better than what they did 20 years ago with a TV ad, but is this really an improvement for everyone? Did any brand ask the targeted “consumers” if they want to watch the ad? And if they don’t want, do brands have the right to waste their time, internet usage and patience making them close banners, skip YouTube ads, and so on? Companies, like BAT, are using the blockchain to allow users of their browser to be rewarded for watching ads and allow advertisers to make their ads available to people that are really interested in watching that content.

DIGITAL ASSETS
One of the biggest struggles of artists nowadays is to market their content, make their ads available to people that are really interested in watching that content, and be able to earn the rightful amount of money they deserve. Even if we set aside the illegal appropriations of their content (downloads), let’s imagine how much an artist has to give up to the big sharks like Kugou Music, QQ Music, Spotify or Apple Music to have their songs being streamed by millions of people every day.

There are companies, like Tao and Steem, trying to solve this and give more power to artists through the blockchain. Artists can then market themselves to their fans through their own token and give special benefits to the owners of those tokens, for example.

WRAPPING UP
Whether you are a fan of the technology or not, you cannot deny the amazing use cases that might be available to the regular consumer in a near future. The blockchain is here to last, and even if the primary focus is being a financial technology or not, you cannot deny the amazing use cases that might be available to the regular consumer in a near future. The blockchain is here to last, and even if the primary focus is being a financial technology or not, you cannot deny the amazing use cases that might be available to the regular consumer in a near future.
By Betsy Taylor

Good employees are the basic strength of any organization, but if we talk about the new business startups, the employees can be the most unpredictable part of the setup. When you're forming your own team in the initial phases, each hire is critical with the ability to vastly influence your business. Everyone knows that the recruitment procedure is very difficult. Whatever the criterion is, both well established and startup businesses face the same difficulties in recruiting the finest candidate to join and fortify the company.

If you are a startup initiator, it will be a great challenge recruiting top candidates that will fit in your startup business, keeping in view the vision, goals, and mission of the organization. Any company, whether established or startup, wants employees who are diligent enough, efficient, and have different thinking patterns that will contribute to the team productivity, overall morale of the employees, client relations, the reputation of the company and your product/services. So a lot of points should be kept in mind while hiring someone for your business. Here are a few points which will help you choose and hire the best candidate for your startup business:

1. **Hiring in haste**

When you need an employee for a post, any company wants to get that vacancy filled as soon as possible to get the work going on in a flow, but hiring just anyone without running the whole recruitment process to find the best fit for the post can create huge problems for the business in future. Every new employee has a vital role in evolving the company’s culture and trademark, so you should not make hasty decisions just for the sake of releasing your current workload. This should be clear, but you should not be hiring someone in your company because they're your friend. They may be exceptional in their expertise, but it doesn't mean that they will be beneficial or perfect for your business, too.

Adding to it, the already existing relation will become a hurdle in working together later on. It will either damage your business, or the friendship, in later stages. It's easy and comfortable to hire someone who is just like you in terms of work and innovation, but if you will hire someone who is different and have different thinking path, that person will have to offer a lot to your business. It is important to hire those talents who will drive forward your business.

2. **Looking for all-rounders**

It is great to have someone in your company who can multitask and have different hats if and when needed, but hiring just because you think they can be all-rounder is a big mistake. It will result in ending up with someone who may be average or good at doing a lot of tasks, but will not be perfect and amazing in any specific field. And in the long run, you need specialists for the accelerated growth of your business. Plus when you are just establishing a business, you do not have a lot of funds to hire the specialists and experts. Hiring the best employee should be your focus and first priority, but you should have awesome negotiation skills. Keep in your mind to recruit the best for your business, yet someone whom your business can afford.

3. **Making experience the most important metric**

Proper knowledge along with the experience of the relevant field is the most important thing to look for in any employee you are hiring. The employees with relevant knowledge to the post have more to offer and can assist as counsellors to the new staff. Unfortunately, not all experience is equal. Some experience is more than the charming personality of the candidate. So resist that enticing about how they made all the people laugh in office. Focus on details, not quick and clever responses.

4. **Hiring the charismatic**

Some contenders are more pleasant than others. And you can actually feel that they are the most charming person you have ever come across. Even after the interview, you keep on thinking about how they made all the people present there to laugh. Well, unfortunately, it doesn't mean that they will be perfect for the job you are offering. A candidate needs professional skills and not just hiring because you just like their charm and you feel that it will be fun to have them around in the office. Focus on details, not quick and clever responses.

**4 Hiring Mistakes Startups Should Avoid**

4个招聘公司应该避免的错误

优秀的员工是任何组织的基本力量，但当我们谈论新的创业公司，员工可能是公司中最不可预测的部分。您必须确保所招聘的候选人适合您的团队。每个招聘者对结果的期待，使他们在初创企业尤其重要。每个人都有不同的科学背景。当采用何种标准，创业企业和招聘企业对寻找最优秀的候选人和加强公司的方面都面临同样的难题。道德包括五点。

匆忙招聘

当你需要一名员工担任职位时，任何公司都希望尽快填补空缺。必须在短时间内进行工作。雇用任何人而不仅仅是感兴趣获得最适合职位的人会将为将来的业务创造巨大的问题。

寻找全能者

熟悉工作，您需要专家来加速

的业务增长。此外，当您谈论建立

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Spring Reception and 10 Years Anniversary Night

The German Chamber of Commerce North China - Tianjin Office has just turned 10 years old! To celebrate our first decade in Tianjin and to get the first scent of the coming spring, we cordially invite you to a special Spring Reception and 10 Years Anniversary Night on Friday, February 22nd, 2019 at the Ritz-Carlton Hotel Tianjin.

This event will be our first and major high-level get-together of 2019. In addition to our Advisory Council Tianjin, the members of the Board of Directors North China will be present to celebrate with us and share memories of the German Chamber in Tianjin over the past 10 years.

Another highlight of the event will be the performance by the children from Sun Village Orphanage Tianjin, a non-government charity organization, raising the prisoners’ minor children with special education, psychological counseling, rights and interests, protection and vocational training service over the past 15 years. The German Chamber will make a donation to the organization to support the children.

Come and join us for a wonderful evening along with buffet dinner, free flow of drinks, entertainment, and networking opportunities. We are looking forward to seeing you there and to continuing to support you and your business in 2019!

Dinner will be a standing style light buffet with a special discounted price RMB100 for members and friends. There will be also lucky draw during the event. Remember to bring your business card for networking and lucky draw.

agenda:
18:30-19:00 Registration
19:00-20:30 Keynote speech, dinner and networking
20:30-20:45 Lucky draw

SPECIAL JOIN SUBSCRIPTION
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6 issues = 195 RMB + GIFT: POWER BANK for Mobile Phone
12 issues = 348 RMB + GIFT: MEMORY STICK, 32GB, USB 3.0

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Upcoming Events:
February
Business Intelligence & Insight
Talk with the World Intelligence Congress Organizing Committee - Get Closer and Involved in WIC in Tianjin

Social & Networking
Meeting with the Expats Who Works in China over 10 Years
Training
* Leadership Training - What are CEOs thinking?

RMB100 for members and friends. There will be also lucky draw during the event. Remember to bring your business card for networking and lucky draw.

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20:30-20:45 Lucky draw

Remarks:
Aside from the buffet, a la carte will enjoy a 10% discount.
Chinese Cloisonné

Beautiful Ancient Enamelware

By Rose Salas

Cloisonné or Jingtai Blue is traditional enamelware that is characterized by splendour and brilliance. Cloisonné is an art technique used to decorate metal objects or ceramics, such as flecks of gold or powdered mineral in enamel, which are thought to have originated in the western countries. The Chinese craftsmen learned this art, and as a result, beautiful and adorable bronzes and porcelains have been made and are still a main artwork up until today.

Because of this delicate craftsmanship, this “Jingtai Blue” earned praises globally. According to antique experts, the best Cloisonné were made during the Ming era and were the best pieces ever made. With strikingly bright colours and translucent depth, it becomes incomparable when it comes to artworks done on metal objects. Today, modern Cloisonné is more colourful because of the new technology that allows choosing and incorporating a broad range of colours and not just the typical blue that had been used in the Ming era. What’s more interesting, it has like 3D effects, which are really eye-catching.

WHAT MAKES CLOISONNÉ A PRIDE OF CHINESE CULTURE?

When it comes to traditional handcrafts, there’s no denying that other nations get inspired and are awe-struck with Chinese artworks. Just like, for example, the bronze mirror which was believed to be a relic from Tang Dynasty, which is now kept in Japan’s museum. It was decorated with coloured glazes in a sculpted design. Most of the patterns that have been used to make Cloisonné are shapes of ancient relics such as kettles, pots, incense, burners, tripods or garden stools, and other necessary daily life pieces at home.

Today, Cloisonné masterpieces are still reflecting Chinese characteristics. This work of art is being fortified due to its timeless quality to show the world that the beauty and grandeur that had been started by our ancestors were still living to its legacy up to now. This beautiful ancient enamelware has truly become a global recognition of our unrivalled talents and love for art.

During an international fair held in Washington sometime in 1904, Chinese Cloisonné won the first prize. Even in 1913, when another fair was held in Panama, people couldn’t agree more that these delicately handicrafts were second to none. In the APEC Summit in 2014, President Xi Jinping gave Cloisonné as a gift to other countries’ leaders. Today, we still boast of these magnificent pieces. Tourists around the world come to Beijing Enamel Factory to see the rich designs and wealthy displays of Cloisonné treasures.

Collectors around the world have been looking for high quality of antique Chinese Cloisonné. Of course, these pieces have great historical and artistic value, so they are very rare and highly expensive. Compared to the modern pieces, these antiques are heavier and looking on how it’s made, shows primitive technology, but comes with smooth surface in a delicate enamel glaze design. The colours are more of blue theme and the styling is very imaginative.

Is IT WORTH eVERY eFForT?

A craftsman would need months (at an average) to finish a piece of Cloisonné work. Why? It is because it requires a series of complicated process in making this work of art. The five major processes include: modelling, pattern-outlining, glazing, polishing and gliding.
China’s Great Wall of Debt

Shadow Banks, Ghost Cities, Massive Loans, and the End of the Chinese Miracle

By Dinny McMahon, 2018

These are the stories of misuse, abuse, and use of resources. So if you are looking for the project, the greater the wrong as China, it’s often the case that the biggest economies subjected to corruption, such as China’s bubble economy to life with anecdotes for this magnificently enter- taining take on China’s ever-expanding regional China. However, bigger does not mean better. In a state-dominated economy, you can go to China. Even today, if you want to see the biggest of China.

He highlights all of the unseen truths of story after story, in which an economist, takes a deep look into a failing system, predicted to fall in 2000, is still standing. He does this through a very captivating and engaging interview the architect of a beautiful but empty new town in Tieling, interviewing the architect of a beautiful but empty new town in Tieling, who built a mountain to create land for factories that no one wanted to build, documenting the petty depredations of the local salt monopoly in Jinzhou, investigating a new city in Taiyuan, interviewing the architect of a beautiful but empty new town in Tieling, or reporting how Zhengzhou actually managed to fill its ghost city at the cost of billions of dollars in subsidies and tax incentives, McMahon brings China’s bubble economy to life with stories of the strange, but revealing reality behind the scenes of “the real China.”

By Dinny McMahon

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Beer drinkers might be paying more for the same quantity of beer in the coming days. A recent study suggests that the yield of malted barley might drastically reduce towards the second half of the century, hence causing a spike in the cost of barley, a vital ingredient in the preparation of the alcoholic drink.

It is expected that droughts and heat waves would become more intense and frequent in regions that grow the grain. Climate change is not just going to affect the third-world countries alone, but it will also be an issue for beer consumers in years ahead, as it reduces the yield of barley. The average global yield of barley is expected to drop between 3% and 17%, depending on the condition of each region. This would tentatively occur once in every two or three years. Leading beer-consuming nations, like Ireland, could anticipate a double or even a triple in beer prices, and farmers from other nations might be forced to export barley to countries that would struggle to grow the grain under hotter and drier conditions. Less barley would mean higher prices for these nations.

According to a research conducted by a team of researchers from the U.S., U.K., and Germany, the price of beer is “not the most concerning impact of climate change.” Heat events and extensive droughts are projected to occur every three years under high-warming climate scenarios. These scenarios vary with regions, and with Earth’s shifting climate, the effects vary as much as the scenarios.

REGIONAL SCENARIOS

Under the hottest climate, China will suffer the most shortages (of barley) in the century. Ireland, the U.S., Germany, and Russia would also be greatly affected. Prices in Ireland could spike from a $2.5 for a pint of alcohol to $5.0, depicting a double in the price. Consumers in the UK would be compelled to reduce their utilization by 25% out of the most pessimistic scenarios. These nations are currently the largest brew drinking country - would fall by 10.8 billion to 34.8 billion.

By Lana Mann
the greatest check-ups on pints in the most noticeably awful environmental change conditions, with costs expanding by 500%.

Amid the most serious atmosphere occasions, the outcomes show that worldwide brew utilization would decrease by 16%, or 29 billion litres - generally equivalent to the aggregate yearly lager utilization in the US - and that lager costs would affect all things considered twofold. Indeed, even in less serious outrageous occasions, lager utilization drops by 4% and costs ascend by 15%.

In the UK, lager utilization could fall by between 0.37 billion and 1.33 billion litres, while the cost could as much as twofold. Utilization in the US could diminish by between 1.08 billion and 3.48 billion litres.

A few nations with less aggregate lager utilization confront colossal decreases in their brew utilization: the volume of lager devoured in Argentina falls by 0.53 billion litres, equal to a 32% decrease, amid more serious atmosphere occasions. Indeed, even at all extreme atmosphere occasions, add up to brew utilization in Argentina and Canada diminishes by 0.27 billion litres (16%) and 0.22 billion litres (11%) individually.

Nations where lager is right now most costly, for instance Australia and Japan, are not really where future value stuns will be the best. Changes in the cost of lager in a nation identifies with shoppers capacity and readiness to pay more for brew as opposed to expend less, to such an extent that the biggest cost increments are moved in generally well-off and truly lager adoring nations.

While most of the world’s grain is utilized to nourish domesticated animals, the scientists trust lager will be more influenced, as governments are probably going to organize keeping creatures bolstered when grain is hard to come by.

Prof Dabo Guan at the University of East Anglia, one of the scientists who led the research, stated, between the expanded surges, cataclysmic events and nourishment deficiencies, a substantial number of individuals could confront because of environmental change, costly lager may appear “insignificant.”

In any case, a lack of beer could lastingly affect the personal satisfaction of many. There is, Guan stated, “something basic in the culturally diverse valuation for lager.”

“There is little uncertainty that, for many individuals, around the globe, the atmosphere effects of brew will compound an already painful situation.”

The examination did not consider environmental change’s effects on other staple elements of brew, for example, bounces.

Buyers in created nations, who need to keep away from deficiencies, would be savvy to help approaches lessening emanations of gases researchers fault for warming the planet, Guan said.

A year ago U.S. President Donald Trump reported his goal to haul the United States out of the 2015 Paris settlement on atmosphere, questioning the degree to which human action is warming the planet.

Numerous organizations understand the dangers of atmosphere on grain, 17% of which is utilized to make lager. Numerous nations keep crisis stores of staple yields, for example, corn, rice and wheat to fight off value spikes and deficiencies. Be that as it may, most don’t do as such for grain, making it powerless against atmosphere.

Anheuser-Busch, the universe’s greatest brewer, said for the current year it would cut its ozone harming substance outflows by a quarter by 2025.

Jess Newman, the head of U.S. agronomy for Anheuser-Busch, said the organization was trying different things with creating dry season safe grain and working with ranchers to decrease their requirement for water by, for instance, urging them to put water system sprinklers closer to the ground.

“It’s unquestionably an incremental procedure, yet we have numerous assortments in the pipeline,” Newman said, when asked how shut the organization was to rearing a dry spell safe grain in the United States. For quite a while, Anheuser-Busch has utilized a winter grain in Idaho that gets dampness from liquefying snow, cutting the requirement for water system.
Congratulations!

The German Chamber of Commerce North China - Tianjin Office has just turned 10 years old!

2019 Spring Reception and 10 Years Anniversary Night of the
German Chamber of Commerce North China - Tianjin Office

Friday, February 22, 2019 / Tianjin

This event will be the first and major high-level get-together of 2019. In addition to the Advisory Council Tianjin, the members of the Board of Directors North China will be present.

Another highlight of the event will be the performance by the children from Sun Village Orphanage Tianjin, a non-government charity organization raising the prisoners’ minor children with special education, psychological counseling, rights and interests’ protection and vocational training service over the past 15 years. The German Chamber will make a donation to the organization to support the children.

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