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2014
SEP



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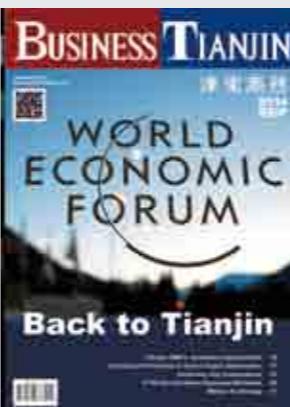
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SEPTEMBER 2014



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Dear Readers,

This month begins a new education period for all students in universities and schools, and it also starts a changing period for our publication.

September is the month for Summer Davos in China and this year it is celebrated again in Tianjin. It will be a three day intensive conference with broad range of issues.

We publish our feature story with an analysis of investment opportunities by an experienced Chinese expert, and our marketing column is unlocking the potential of SEO (Search Engine Optimisation). Don't miss these two sections as they are really special this month.

I hope you enjoy this issue of Business Tianjin, and for more information, please don't hesitate to go to our website www.businesstianjin.com.

Best regards,

Jeff Williams

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◀ Chinese SME's: Investment Opportunities

Ten to fifteen years ago, when the Chinese stock market was the more preferred investment vehicle, a number of people got rich by taking advantage of the heady bull run. When problem and danger signs surfaced, people switched to real estate, again making multi-millionaires out of millionaires. In recent years, property values have risen more slowly and have actually been going down in certain areas causing an investment migration to safer, more stable bank products. [See P18](#)



◀ Top Five Reasons why China's Commercial Property Market is becoming Oversupplied

The art of making an effective presentation is an important skill. It is a skill that can be used in many different areas of life, both in and outside of work. The principles can be applied to any form of public speaking, ranging from a formal conference to teaching an individual. Like learning to ride a bike, making a presentation is a skill, and it can be developed through practice using a planned structure. The following checklist will help you to plan your presentation. [See P32](#)



◀ 6 TOP Secrets About Employee Motivation

Improving the working atmosphere during this tough period in the economic cycle is a problem for many HR professionals. Both employers and employees are worried about economy recovery. Employers will do whatever it takes to motivate employees to work hard to survive the crisis. However, employers or HR managers might find it increasingly difficult to motivate employees. If they stick to a bonus incentive plan, their employees may still appear indifferent and unmotivated. I would like to share my experiences of the "motivation generator". These are my 6 top secrets for employee motivation. [See P40](#)



◀ Military Technology

Technology and war are intrinsically linked. Neither can exist without the other, and both are reliant upon the escalation and evolution of the other. Many state that war drives technological and scientific innovation. Whilst this is no doubt true, there are a few restrictions on the advancements. Firstly, only select areas in science advance whilst the majority of others are ignored, or governmental funding is reallocated. Secondly, many advancements are classified and take many years to make their way to civilian knowledge. [See P47](#)

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TIANJIN NEWS

Taiwan Companies Prefer to Seek Money in Tianjin

Tianjin has become one of the hottest cities for Taiwan firms to invest in and make money, as they have a good environment and a friendly background for foreign investors. According to reports, as of May this year, there are 2,223 Taiwan companies in Tianjin, whose total investment amount has reached almost 14.37 billion USD. In the past 20 years, over 100 Taiwan companies on average have established offices in Tianjin each year. In addition, 15 Taiwan financial institutions have established their branches in Tianjin. The north part of China is a good region in which to develop industry and business. "The financial industry will congregate and prosper in Tianjin with state-run companies first setting up there, bringing in other related businesses. Taiwan trade center chairman Wang Chih-kang said Taiwan companies in Beijing, Tianjin and Hebei will find more business opportunities with regional integration

Tianjin Boosts Quality Supervision



Tianjin set up the Market and Quality Supervision Administration on Thursday, a major initiative to promote the market management system. The administration combines the functions of bodies covering industry and commerce, food and drugs and quality and technology supervision. Three of the original law enforcement teams will be integrated to form a unified workflow, centralized workplace and "single window" to accept work, which will help to promote trade and investment in the port city. To further achieve the market requirement of setting up whole-process supervision covering production, circulation and consumption, the administration will focus more on food and drug product safety control work by strengthening inspection and quarantine stations.

Exclusive Weather Service Available for Davos



Several Chinese cities are merging their various quality watchdogs to better ensure food safety, an issue that has seen several scandals in recent years. Tianjin set up its Market and Quality Supervision Administration on Wednesday after merging three municipal government departments - the Industry and Commerce Administration, Quality and Technical Inspection and the Food and Drug Administration. Tianjin's new combined market watchdog is the first provincial-level one of its kind in the country. Similar agencies have been established this year in Zhoushan, Zhejiang province; the Pudong New Area of Shanghai; and Shenzhen, Guangdong province.

Capital Region's Govts Join Hands to Battle Smog



Beijing, Tianjin and Hebei province are showing how they are using science and technology to address smog problems in their area. A total of 170 science and technology research projects aimed at tackling the problem have been exhibited in Hebei since Friday. Sponsored by the Ministry of Science and Technology and the governments of Beijing, Tianjin and Hebei, the exhibition is open to experts, businesspeople and the public until Aug 15. Admission is free. Wan Gang, minister of science and technology, said Beijing, Tianjin and Hebei are cooperating in science and technology with a joint vision of innovation, sharing resources, encouraging technology applications and creating an innovative environment. That cooperation has effectively reduced smog days this year, Wan said.

WORLD ECONOMIC FORUM



Preliminary Inspection Process Simplified for Construction Ships

Tianjin's Maritime Bureau recently revised its "Interim Provision for the Temporary Simplification of Inspection Process for Construction Ships in Tianjin Waters", aiming to simplify the application process and inspection for construction units. Rectification suggestions and guidance for the ships which failed in their preliminary inspections have also been added. The document was put together by the Tianjin Maritime Bureau in 2008, targeted at strengthening ships' supervision. During recent years, problems occurred when the provisions were implemented, which led to this revision, so as to strengthen the inspection of construction ships in Tianjin. Tianjin Maritime Bureau has received over 70 inspection applications from construction units. The Tianjin Ship-inspection Department has been endorsed to implement the temporarily simplified inspection for 10 ships that meet the preliminary inspection standards. And the other construction ships are under rectification as required by the Tianjin Maritime Bureau.

Tianjin Port Enters Offshore Wind Power Industry



Tianjin's offshore structural and construction engineering center has been established, by the Tianjin Port and Channel Engineering Co Ltd, the Advanced Research Institute of Tianjin University and Bohai New Energy (BHEN) Company. It marks the fact that Tianjin port will enter the offshore wind power field, and will accelerate the development of the port's engineering industry and heavy equipment manufacturing industry. By cooperating with the university and BHEN, the company will upgrade their technical systems and enhance their support for the construction of the country's offshore wind power industry. The Tianjin Port and Channel Engineering Co Ltd successfully bid a 460 million CNY (74 million USD) offshore wind power project from the China National Water Conservancy and Hydroelectric Engineering Co. It invented the world's first special service vessel in 2010 with ultra large diameter steel pipe piles built into the intertidal belt, and this invention help to fill the gaps in the country's port and channel industry.

Singapore Companies Deepen Their Presence in Tianjin

Singapore and Tianjin companies signed eight agreements for collaboration at the Sino-Singapore Tianjin Eco-City (SSTEC) on Wednesday (July 30), further strengthening the Republic's position to support and leverage on Tianjin's rapid economic growth. The deals – part of the 10 signed on Wednesday at the Singapore-Tianjin Economic and Trade Council (STETC) meeting – include one by Keppel Offshore and Marine to set up a design and service outsourcing centre in SSTEC, where music company Ocean Butterflies has also agreed to set up its regional headquarters. These upcoming projects will follow the Chinese government's ongoing efforts to shift Tianjin towards a market-driven economy while integrating the city with Beijing and Hebei province nearby to create a regional economic hub. Singapore companies should tap the opportunities provided by these developments, said Minister for National Development Khaw Boon Wan as he closed the STETC meeting.

FINANCE

Shockingly Few Couples Seek 2nd Child

Less than three in every 100 couples eligible to have a second child under China's relaxed family planning policy have applied to do so, shocking experts and defying their predictions about a population explosion in China. According to the National Health and Family Planning Committee, only about 270,000 couples in which either the husband or wife is an only child have applied to have a second child by 31 May —about 2.5 percent of the eligible 11 million couples. The 11 million eligible couples' reaction to the new policy may become an important factor as officials decide whether to amend it further. Financial burdens, effort and time are among the concerns expressed by couples who hesitate to have another child. Quick economic growth, rising income, improving living standards, better education and changes in cultural perception also contribute to the birth rate decrease.

3 Private Banks Given Green Light



China has approved the establishment of three private banks, a landmark effort for the government to open up the state-controlled financial market to private investors. The banks will be based in Shenzhen in Guangdong province, Wenzhou in Zhejiang province and Tianjin. Once established, they will be subject to the same regulatory rules as their state-owned peers, said Yang Liping, director of the banking supervision department II at the China Banking Regulatory Commission. The lenders will begin drafting corporate strategies and selecting senior managers and board directors before opening officially. They have a maximum of six months from now to prepare for the launch and can apply for a three-month extension of the preparation work before the commission's approval expires, Yang said.

Vanke to Develop Its First Villa in Beijing



Vanke, China's largest property developer in terms of market value announced on Wednesday that it will launch its first villa project in Beijing. The project is part of Vanke's efforts to expand its high-end developments in the capital. The project is in Shunyi, an area known for its villas. Vanke spent 3.3 billion CNY (532 million USD) in 2013 to purchase a plot of land there. The project will be the fourth high-end development for Vanke in Beijing. According to Mao Daqing, senior vice president, the company will still focus on residential projects targeting regular consumers. "The proportion of high-end projects and middle-end projects will be around 2:8," said Mao.

LAW & POLICY

China to Continue Targeted Monetary Policy



China's central bank said that it will continue to implement a targeted approach in monetary policy in the second half of 2014 and shore up weak links in the economy. More financial support will be provided to rural areas and small businesses to reduce their financing costs, according to a statement on the website of the People's Bank of China. It said it will accelerate work to establish a deposit insurance scheme in the coming months. The statement came after a meeting between the central bank governor and heads of the bank's branches across the country to review monetary policy in the first half and map out policies for the second. The central bank also said it will strengthen monitoring of financial risks in key sectors and industries, and handle the risks in a timely manner to prevent regional and systemic risks.

China to Establish Credit Record System

A Chinese authority said a social credit record system will be set up to cover citizens, corporations and other organizations in the country. The move is to promote integrity, credibility and good faith in Chinese society, according to a document published by the Central Commission for Guiding Ethic and Cultural Progress. The document urged to establish an uniformed social credit record system as well as a database linked to the system. Such information will be integrated with the records regarding issues such as corporations' registration and administration, taxation, production safety, food and drug safety, environmental protection, medical care and intellectual property rights, the document said. Moreover, the sharing system of such information will also be enhanced.

City Sets Out Guidelines to Attract High-end Industry Investors



China's capital city pledged to step up efforts to attract investment into high-end sectors as the municipal government advances economic restructuring, said a senior official. "In the second half of this year, we will forcefully guide foreign investment into high-end projects while actively promoting projects in high-tech industries and strategic emerging industries," Zhou Weimin, head of Beijing Investment Promotion Bureau, said at a recent meeting. "We will actively adjust industries that are not in line with the city's strategic orientation while effectively enhancing high-end industries fitting into the city's orientation through attracting corporate headquarters, talent, technology, brands and exhibitions linked to such industries," Zhou said.

China Steps up Funding for Shantytown Renovation



China will step up financial support to ensure that its annual target for renovation of shantytowns can be met, according to a government document. The country will support State-owned companies to raise funds for shantytown renovation through issuing bonds, said a State Council circular. Private companies will enjoy the same preferential policies as their state peers when they participate in renovation projects, it added. The new housing finance division in the China Development Bank should prioritize lending to shantytown renovation projects, and commercial banks should improve lending services to them, according to the circular. Shantytown renovation is considered key to China's urbanization. The government has set the goal of subsidizing the rebuilding of 4.7 million housing units across the country this year.

China Promotes Efficient Use of Railway Land



Chinese authorities unveiled a set of policies to support development and efficient use of land surrounding railway stations, a move to guide and support railway investment amid the country's urbanization drive. Land allotted for building railway stations should be planned and used in an integrated and efficient way and be coordinated with other types of transportation facilities and urban planning purposes. The State Council said it encourages railway operators to efficiently use and mobilize existing land resources, including the renovation of old railway stations and peripheral areas, in order to help companies fund railway projects and increase revenues. Companies permitted to use government-allotted land for railway construction and operation may allow other parties to invest in or rent the land, or transfer land-use rights among subsidiaries or stake holding firms, according to the statement.

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TELECOM

Alibaba Offers Lifeline to Nokia China Workers

Alibaba Group yesterday offered a glint of hope to the thousands of Nokia Corp employees expected to lose their jobs as a result of Microsoft Corp's takeover. The United States-based software giant plans to lay off 18,000 jobs globally by next year after completing its 7.2 billion USD acquisition of the former world No. 1 phone maker. About 90 percent of Nokia's China workforce — most of whom are based in Beijing and Tianjin — are set to lose their jobs by the end of this year. Hangzhou-based Alibaba, however, said on its Sina Weibo account that it will seek to recruit people laid off from Nokia China to help develop its cloud computing business. "Nokia is a great company ... and we are willing to offer a platform for those employees to achieve their dreams," the world's biggest e-commerce firm said.

Microsoft Workers Call for Talks on Retrenchment



At least 100 Microsoft Corp employees at a handset development site in Beijing on Wednesday signed in a request, calling for direct dialogue with top company officials on layoff arrangement. Banners were draped inside the office building, asking the employees to "stand together and fight against violent job cuts". They also asked the company to give six months' notice to employees before sacking them as that would give them time to look for another job. Microsoft acquired the unit from Nokia earlier this year. The facility currently has about 2,700 employees. The site will be a major source of job cuts in China, according to a person familiar with the matter. Only about 300 jobs will be retained after the resizing, the source said. Microsoft was unable to comment on Wednesday.

GENERAL

More Stress as Middle Class Reach for the Top



China's middle-class consumers are buying more coffee and alcohol than the national average and living "busier" and "more stressful" lives, according to a new survey. In the Core Economically Active Population Survey, 73.5 percent of China's middle class agreed that their lives are increasingly busy, compared with 62.1 percent of the national average. A total of 59.5 percent of middle-class respondents agreed that "too many things in life make me feel much stressed," higher than the average of 56.7 percent.

Hangzhou to Trap, Sterilize and Return Stray Cats



Hangzhou, the capital of Zhejiang province, is launching a program in September to control its population of stray cats. According to the Zhejiang Small Animals Protection Association, Hangzhou has more than 300,000 stray cats, most of them unsterilized and unvaccinated. Chen Xiaoming, director of the Hangzhou Animal Husbandry and Veterinary Bureau, said the trap-neuter-return program will humanely trap stray cats in the city, sterilize them and return them to the locations where they were found. "We have located communities in the city with large populations of stray cats. Our workers and volunteers will catch the stray cats and send them to clinics to be sterilized," he said. The government is spending 300,000 CNY (48,000 USD) on the program, mainly in subsidies to veterinary clinics that perform the neutering and spaying operations.

Uygur Women are Navy's Latest Wave



A young woman is riding the wave of history by becoming the first woman from the Uygur ethnic group to serve as a naval officer. "I am aware that there will be a lot of responsibilities, and I must show that I deserve the honor," said Dilihumar Aburat, 25, from Kashgar in the Xinjiang Uygur autonomous region. She was presented with the document by Rear Admiral Jiang Guoping, president of the Dalian Naval Academy of the People's Liberation Army navy. Afterward she returned to the CNS Liaoning, the country's first aircraft carrier, where she has worked in the combat control center for two years. At the family home in Kashgar, more than 5,000 kilometers from Dalian, her father, Aburat Abdulklim, was inundated with calls and messages after her story was covered widely on TV. Military service runs in the family. He himself served for 25 years with the PLA ground force.

Affluent Seek Unusual Trips, Not Just Luxury

Western Europe is the most popular destination among high-end Chinese travelers, and they are pursuing a more private, personalized and unique tour experience as a new trend, rather than highlighting the luxury and extravagance of the tour, travel agencies say. For these affluent tourists, the lure of Southeast Asia has shrunk significantly. Just 3 percent said they looked for a visit there, compared with 20 percent early this year, probably due to recent political instability in Thailand, anti-Chinese riots in Vietnam and Malaysia Airlines' problems. Hawaii and the Maldives are the most popular beach resorts, while France, Japan and the US are the most favorable shopping destinations for the affluent. For cruise destinations, the high-end group prefers the Caribbean, eastern Mediterranean and polar areas. Chinese tourists now have a more rational and mature attitude towards luxury tours than they did five years ago. Now they pursue unique experiences instead of simply the most expensive and most luxurious.

CHINA IN THE WORLD

Metlife Opens Branch



METLIFEKNOXVILLE.COM

Sino-US United Metlife Insurance Co opened its sub-branch in the free trade zone to become the first joint-venture life insurance company to tap prospects in the zone. It was three months after China Insurance Regulatory Commission approved the insurer to set up a sub-branch in the zone. Metlife, the third-largest foreign invested life insurance company in China, said it is interested in ongoing financial reforms and innovations in the zone, and is dedicated to the development of life insurance industry in the zone. A blueprint released last December said that companies and individuals can open special accounts with banks, insurers and brokerages in the FTZ that can eventually be used to move local and foreign exchange funds into and out of China without being subject to the strict capital controls.

Chinese Medical Supplies Arrive in Ebola-affected Sierra Leone



A Chinese plane carrying emergency humanitarian supplies for Sierra Leone arrived in the country's capital Freetown, as part of effort to help the country contain the spread of Ebola. The aid materials, which were brought by a special chartered flight from China included personal protective gears, gloves and glasses as well as chlorine and other medicines to help fight the disease. China announced it would dispatch three expert teams and medical supplies to Guinea, Liberia and Sierra Leone to help the three West African countries fight against the outbreak of the virus. This is the second batch of Ebola relief provided by China to West Africa. China delivered its first batch of supplies in May, mostly for disease prevention, control and treatment, to Guinea, Liberia, Sierra Leone and Guinea-Bissau.

McDonalds Says China Food Scandal is Hurting Sales

The fast-food chain McDonalds has said a food scare in China and Japan is having a "significant negative impact" on sales in the region. In a statement, the company said it might not meet its sales forecast for this year as a result of the China supplier issue. The affected markets account for 10% of revenues, the company said. Last month, McDonalds suspended sales many menu items amid concerns about a Chinese meat supplier. Its supplies came from a Chinese company, Shanghai Husi Food, whose operations have been suspended by regulators after local media reports claimed it re-processed out-of-date meat. McDonalds said that sales were expected to resume after it switches to other suppliers in China and Thailand.

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Calendar

SEPTEMBER 2014

Tianjin & Beijing & Shanghai EVENTS

Include your event email to
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03

WED
星期三

2014 North China International E-bike and equipments Exhibition
2014中国北方国际锂电车及配套展示洽谈会
◆ Binhai International Convention&Exhibition Center 天津滨海国际会展中心
✉ www.norexpo.com/New.aspx?id=614
3-5 Sep

03

WED
星期三

5th International Frozen and Refrigerated Food Expo
2014第五届上海国际冷冻冷藏食品博览会
◆ Shanghai New International Expo Center 上海新国际博览中心
📞 +86 21 6220 5856
3-5 Sep

03

WED
星期三

2014 China International Mechanical Components Exhibition
2014天津国际机械基础件及零部件展览会
◆ Binhai International Convention&Exhibition Center 天津滨海国际会展中心
📞 +86 21 3100 6697-812/807
3-5 Sep

11

MON
星期一

ICIF2014
2014(第十三届)中国国际化工展览会
◆ Binhai International Convention&Exhibition Center 天津滨海国际会展中心
✉ xy_cui@126.com
11-13 Sep



16

TUE
星期二

2014 China E-Commerce Conference
2014中国电子商务大会
◆ China International Exhibition Center 中国国际展览中心
📞 +86 10 52837066
16 -18 Sep



Include your event email to
editor@businesstianjin.com

Special Days

7 Sep International Day of Peace
8 Sep International Literacy Day
Midautumn Day

10 Sep Teachers' Day
16 Sep International Day for the Preservation of the Ozone Layer
27 Sep World Tourism Day

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FRI
星期五

2014 The Tianjin International Hotel Equipments and Supplies Exhibition 2014天津酒店用品展览会
◆ Tianjin Meijiang International Convention & Exhibition Center Tianjin,China 天津梅江国际会展中心
📞 +86 10 5624 9559
19-22 Sep



19

FRI
星期五

China Tourism Industries Exposition 2014中国旅游产业博览会
◆ Tianjin Meijiang International Convention & Exhibition Center Tianjin,China 天津梅江国际会展中心
📞 +86 22 2836 9421
+86 22 2813 7372
19-22 Sep

23

THU
星期四

2014 Tianjin Overseas Investment Fair Immigration 2014天津海外投资留学移民展
◆ Tianjin Meijiang International Convention & Exhibition Center Tianjin,China 天津梅江国际会展中心
📞 +86 10 5624 9559
19-23 Sep



23

THU
星期四

China International Water and Air Purification Products Exhibition 中国国际品牌净水及空气净化产品展览会
◆ Binhai International Convention&Exhibition Center 天津滨海国际会展中心
📞 +86 21 3100 6697-812/807
23-26 Sep



24

WED
星期三

2014 Sixth China International Pipe Industry Trade Fair 2014第六届中国国际管材展览会
◆ Shanghai New International Expo Centre 上海新国际博览中心
✉ <http://vinisud-asia.com/>
24-27 Sep



Calendar

Numbers

200,000

Jaguar Land Rover will cut prices on cars by an average of 200,000 CNY (32,300 USD) starting 1st Aug, after the National Development and Reform Commission (NDRC) launched an investigation into the auto industry, the company said. "Due to the importance of the Chinese market, Jaguar Land Rover China immediately set up a process to review our pricing and decided to voluntarily reduce the price of three models," the carmaker said. The price adjustment will also strengthen competitiveness and increase market share in China.

70%

As President Barack Obama considers sidestepping Congress to loosen U.S. immigration policy, a Reuters/Ipsos poll shows Americans are deeply worried that illegal immigration is threatening the nation's culture and economy. 70 percent of Americans - including 86 percent of Republicans - believe undocumented immigrants threaten traditional U.S. beliefs and customs, according to the poll. The findings suggest immigration could join Obamacare - the healthcare insurance overhaul - and the economy as hot button issues that encourage more Republicans to vote in November's congressional election.



18.8%

Huaxia Bank reported net profits of 8.67 billion CNY (1.4 billion USD) in the first half of 2014, up 18.8 percent year on year. Total assets of the bank stood at 1.78 trillion CNY by the end of June, up 6.34 percent from the beginning of the year. The bank's small firm business grew steadily, with nearly 250,000 clients by the end of June. Outstanding loans to these small companies topped 190 billion CNY.

3.5 Billion

Beijing has allocated 3.5 billion CNY (580 million CNY) to improve drainage on 43 major overpasses in areas prone to flooding. However experts say that in addition to these improvements, the capital needs to incorporate the underground drainage system into an integrated urban development plan to protect residents during the flooding season. Lianhua Bridge on the Third Ring Road required the most complex improvement plan.



75

The death toll from a factory blast in east China's Jiangsu Province rose to 75 as a senior official in charge of the country's work safety said "very serious dereliction of duty" was behind the accident. A total of 185 others were injured in the blast which ripped through a factory in Kunshan City in Jiangsu.



35.55 Billion

The coal sector in North China's Shanxi province is losing its investment appeal as the province shifts to development of non-coal industries. According to data published by the Shanxi Bureau of Coal Industry, investments in the sector for the first half of the year were 35.55 billion CNY (5.7 million USD), down by 11.4 percent from the previous year. Investment in non-coal sectors totaled 125.5 billion CNY, an increase of 28.1 percent year on year. The aggregate price of coal in Shanxi sagged to 401 CNY per ton in the first quarter of this year, down from 656 CNY per ton in 2011, largely due to economic downturn and excessive capacity.

4 Million

A total of 4 million hectares of farmland across China is threatened by widespread drought, reported Xinhua News Agency. Analysts and market insiders said the drought may affect spot and futures prices of various agricultural products that are sensitive to rainfall, and prices may rise further if the drought does not end soon.

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Economy Report

By Joe Jammal



There are essentially two notable trends regarding China's economy this month. On the macroeconomic side, China posted a new record trade surplus of 47.3 billion dollars. Additionally, although the logic appears slightly contradictory, an uptick in consumer spending and multiple local stimulus packages increased GDP growth to 7.5 percent in the second quarter, a 0.1 percent increase versus the first quarter. On the microeconomic side of the economy the current anti-monopoly cases merit our attention as they are indubitably changing the business environment for foreign firms.

The two major factors stimulating GDP growth in China are consumer spending and government stimulus. However, if we look at the recent trade surplus record it is notable that not only did exports increase but imports simultaneously decreased. Jian Chang, in the Wall Street Journal noted, "Year-to-date, exports are up by 3% and imports by 1%, still much lower than the government's target of about 7.5% for 2014. We remain cautious about the external recovery...Riding the recent positive sentiment around China, the People's Bank of China also lowered the dollar/yuan daily fixing rate today by 0.18% to 6.1562, the biggest change since July 10th when it guided the

currency higher." The fundamental problem is that as the Renminbi decreases in value, consumers and firms' purchasing power will also decrease. We cannot disregard the importance of the monetary policy shift in understanding recent GDP growth. Although an increase in consumer spending is more in line with China's long-term goals, it appears that the primary factor for the recent uptick in GDP growth is due to government spending, and not private spending.

Housing prices have also continued to cool, resulting in a loosening of purchasing regulations. While it is reasonable to fear prices falling too quickly, deregulating the property

market is a curious decision. Be it the property market or other sectors it is hard to ignore the troubling trend of reactionary policies contradicting the long-term economic priorities. Donna Kwok, in an interview with the Wall Street Journal, stated, "It's largely in line with our expectations. Recent data has been trending up and the rebound seen over the summer will continue. But if you look at the numbers, there's not enough strength. We expect growth to weaken again in the fourth quarter. This is a summer rebound. We'll see a drag on growth given weakness in the property sector toward the year's end. The government is likely to increase its targeted stimulus measures. Growth will go down in the fourth quarter and stay weak next year." The lack of optimism in Ms. Kwok's analysis again demonstrates that the recent growth uptick is largely artificial and does suggest successful deeper economic reforms.

In the International Monetary Fund's Article IV report on China, analysts noted, "Repeated reliance on credit and government intervention to prop up growth without reforms would boost near-term growth, but reduce future growth and exacerbate vulnerabilities, increasing the risk of a disorderly adjustment, stalling the convergence process, and adversely affecting the global economy." The report went on to note China's GDP growth rate should fall to 7.1 percent in 2015 and continue to slow as structural reforms are implemented. However, this point included the caveat that if reforms are continually delayed, growth rates could slump down to 2.2 percent by 2020. It is important to note that the overall tenor of the report was still positive, and government controls have mitigated short-term risk. However, the recent reticence to allow GDP growth to fall below 7 percent, could suggest a deeper resistance to reform caused slowdown.

To begin discussing the recent crackdown on monopoly practice

it first merits explaining what the "Anti-Monopoly Law" enacted in 2008 includes. According to an analysis by Jones Day the law is based on various European models, but is also influenced by American anti-monopoly law. There are four major sections within the legislation: prohibition

The intentionally vague nature of probes has resulted in an overall increasingly pessimistic outlook amongst foreign firms.

of certain types of monopolistic agreements, prohibitions against leveraging dominant market position, establishing a merger review scheme, and prohibitions against administrative powers restraining competition.

The major sectors that have been affected by the recent crackdown are tech and automotive, however the range of probes is staggering, and the intentionally vague nature of probes has resulted in an overall increasingly pessimistic outlook amongst foreign firms.

The recent Microsoft probe demonstrates the confusion surrounding the government's new priorities. Zhan Hao, a Beijing-based managing partner at Anjie Law Firm, said in a statement to the Wall Street Journal, "Microsoft really has a dominant market position. People rely on it very much and its market share is very high, so this would likely lead to an abuse of its dominant market position." The implication of dominant market position is that Microsoft, or other firms, can leverage this status into increased prices that do not reflect the actual value of goods. However, given Microsoft's

inability to capitalize on the Chinese market, if monopolism does exist, it is certainly poorly executed.

The auto industry probes are focused primarily on luxury cars, particularly in the market up of prices on secondary parts. Audi, BMW, Chrysler and Mercedes have all been targeted and in recent weeks have decreased prices and agreed to increase wholesale opportunities.

The controversy surrounding the probes is that, at least from a Western perspective, probes are targeting foreign firms while ignoring state operated industries and Chinese companies. Xu Kunlin, Director General of NDRC's price supervision and anti-monopoly bureau, recently told Reuters, "The NDRC gives equal treatment to all market participants." He continued saying, "Those who have been penalized include state-owned enterprises, private companies, foreign-owned enterprises and industry associations." Despite Mr. Xu's reassurances, the U.S. Chamber of Commerce has stated that "concerns among U.S. companies are intensifying," and Washington needs to take a harder stance against recent Beijing's recent behavior.

The issue of probes, in coming months, could spiral into a larger debate surrounding protectionist policies. Recently, the United States also raised tariffs against Chinese solar panels to protect against dumping. As reforms deepen, and private firms become increasingly central to growth, it merits tracking how foreign firms' status in China will evolve. In essence if this trend creates reactionary policies by Western governments it could, in turn, negatively impact China's long-term growth projections. ■

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Chinese SME's: Investment Opportunities

By Joei Villarama



Ten to fifteen years ago, when the Chinese stock market was the more preferred investment vehicle, a number of people got rich by taking advantage of the heady bull run. When problem and danger signs surfaced, people switched to real estate, again making multi-millionaires out of millionaires. In recent years, property values have risen more slowly and have actually been going down in certain areas causing an investment migration to

safer, more stable bank products. There is another type of investment which yields higher returns than bank products for those with extra funds to grow. These are financial companies which invest in small and medium businesses and factories. Mr. Yue Yang is the Vice President of one such company, Trends (China) Group Holdings Co. Ltd. Before that, he was the Deputy General Manager of the CITIC Tianjin Investment Guarantee Co. and General Manager of the

Tianjin Investment Management Ltd. His long career in finance involves investment guarantees, microfinance, IPOs, securities investment, disposal of non-performing assets and corporate credit rating. According to Mr. Yang, Chinese in their forties and fifties tend to buy bank products with 4% to 5% return while those in their twenties and thirties purchase internet financial products with 5% to 6% interest. Bank products typically need an

investment amount of at least 50,000 RMB, so the younger generation opts for internet products, which require a much lower entry investment since they have not saved as much as their older peers.

Investment in the Chinese stock market is still a viable form of investment for some people although it requires a more cautious behaviour that makes some shy away from it altogether. At twenty years old, the Chinese stock market is relatively young compared to other markets in the world. Like all financial instruments, it has to pass through various stages with each stage requiring policy alterations. For those who know how to take advantage of changes in the policies, they can still make the market earn for them.

Another area of immaturity is the IPO. For Chinese company owners, their goal for their company is to achieve IPO status. They equate having an IPO with success. This is different from Western companies

where the IPO is merely the first stage after which, the company goes through further growth process. Sadly, this over-valuation of the IPO has pushed some Chinese entrepreneurs to manipulate their financial data just to fulfill the requirements.

The Chinese are well-known and admired for their ability to save and they push this ability further through investments, preferring those instruments with short-term immediate returns or long-term big returns. On the internet, there are person-to-person investment tools where somebody with extra cash can loan money to a businessman with yearly returns between 10% and 20%. Mr. Yang shared that there also exists illegal instruments with returns higher than 24% and risks commensurately higher. He said, "With companies offering interests lower than that amount, the banks can exercise a certain amount of control because they certify the

companies."

Banks tend only to focus on and support big national companies so there is a huge untapped area -- the small and medium enterprises whose potential growth can even outstrip long established companies but also carry commensurate risks. To mitigate these risks, financial companies like Mr. Yang's essentially do three things. They have established relationships with national banks that guarantee investments should there be a failure in these small and medium businesses. They run a very fine comb through the companies that they choose, analysing their financial and management positions. They also choose companies which belong in the category of sunrise industries.

Investment through companies like Mr. Yang's is also a risk-mitigating process in itself because they offer a safety net not offered if the investor directly went to the factory owner. When the business encounters cash flow constraints and it needs to



Feature Story



borrow from the bank, the financing company helps them secure loans. When the financing company sees the enterprise has potential risks, according to Mr. Yang, they "start the fund withdrawal mechanism to ensure the investors' preferred exit and guarantee the interests of investors."

What Mr. Yang loves about his job is finding diamonds in the rough. Every day, he goes to the office and outside in the field, eager to find local companies that are worth supporting. Generally, there are two types of companies that, in his experience, either show tell-tale signs of creditworthiness or unworthiness. The ones who actively seek their financing services and over-excitedly invite their group to see the factory usually prove doubtful and not so credit-worthy. The ones which are reluctant to receive the financing company's assistance because they think they can handle their own development themselves, more often prove to be the companies worth backing.

Right now, the sunrise industries that Mr. Yang and his team are on the look-out for are those in the fields of new energy, health and manufacturers of fast consumables. They are also interested in sales firms and those

involved in 4G technologies. The minimum requirement for investing in a company such as Mr. Yang's is one million RMB. The investors do not know the complete specifics of the portfolio but they are informed about which fields their investments are placed. With this set minimum amount, this type of investment is not for average, newbie investors but for those with a solid investment record who are looking for people and companies they can trust. They belong to an elite circle and even the foreigners who come in to seek this type of investment are those who are already familiar with Chinese policies, practices and industries.

The first question of the novice investor is about the rate of return, but for those with a more mature investment background, they want to know what the daily work entails, the investment fields, types of risks and how the risks are managed. Only when they satisfactorily get the credentials and history of the investment company will they then ask about the earning percentage.

Mr. Yang says that their company's investment process is different from angel funding. In an angel fund, there is no return in the first few years whereas in the financial

company, there is already return even at the start. Their company's role is to invest in small and mid-sized businesses and help them grow by giving financial and management advice. For example, some small ventures may have a husband and wife team but for their company to grow, they may need a transition from family to professional management. The financing company buys shares of this company but are not involved in the day to day operations. They can come in to help the owners when big decisions are to be made or by sharing best practices learned from other local or overseas companies.

Mr. Yang's recommended investment pie is made up of three more or less equal parts: 1) safe, low-risk bank products and savings, 2) education, retirement and insurance, and 3) real estate and investment in businesses through financial companies. Through his work, he is in the midst of growing not just people's money but people's ability to make their dreams come true. ■

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Pushing Boundaries in the Nursing Field

Dialogue with Jean Glover

By Joei Villarama



A registered British nurse, Jean Glover came to China eleven years ago and taught in the Nursing Department of Tianjin Medical University. After nine years, she set up her own consultancy that allows her to continue the work she is passionate about, helping advance the field of nursing in China. She hopes to bring her knowledge and skills to a wider audience and more hospitals in Tianjin.

Before coming to China, Jean was a lecturer at the University of Sheffield Nursing School. She has done research into the factors affecting the relationship between nursing students and their mentors. Aside from training nurses in China, she is also involved in editing research papers, teaching English and helping young people who want to pursue studies abroad.

What is the purpose of your consultancy?

My vision is to help the field of nursing develop in China. That's where my heart is. I would like to be able to help more hospitals in terms of professional development, nursing research and nursing staff training. I'd like to help people learn how to read nursing research papers because if they can read and understand them, they have the key to the world. If they don't know how to read research papers and if they don't know the special language used, they're stuck with what's published in Chinese so it's harder for the nursing field to develop.

I'm trying to open the world to what nursing can be outside of China because Chinese nursing is still very underdeveloped in relation to

medicine. A lot of doctors in the big hospitals have an international reputation. Technically, what they do is world class, however a lot of the ideas in nursing and health care are backward.

What are the positive changes that you have seen in the work you have done here in Tianjin?

There are places where I've worked where it's been very satisfying to see changes. For example, I started talking about decision making with a group of nurses. They said, "Well, we don't make decisions. We just do what we're told." So I said, "I don't think that's totally true. You may not make all the decisions your western colleagues make but let's explore what decisions you do make and you can make." By the time we had explored the decisions,

they said at the end, "Oh, so we do make decisions and it matters that we're up to date." In a sense that's at the core of what I want to do. I want people to see that and open them up to other possibilities.

What western teaching methods and principles do you introduce through your training?

In Chinese education, the position of the teacher is on a pedestal. The teacher speaks while the student listens and dutifully copies down what the teacher says. It uses the didactic, pedagogical model whereas I would use a more interactive model. As a teacher, I've got the knowledge base that the students need to access but the people I'm teaching are experts in their own world. I can't come in saying, "We do this in the West, therefore you should do this here". I've got to say, "These are the ideas," and then proceed to break it down in detail. I let them play with the ideas in smaller group discussions, but they are the experts in the parts which function well in China and on how to adapt things so that they work in this environment.

Interactive teaching, group work, encouraging students to find out information for themselves – these are important methods.

Why has the nursing field lagged behind the medical field?

Traditionally nursing has always been subservient to medicine everywhere. However, nursing education has developed much more internationally. For the nursing field to develop, the nurses have to be better educated. One of the big problems China has is the number of nurses who have a basic education. In the U.K. for example, you need to have a degree to get a job as a nurse. China has less than 10% of their nurses who have a bachelor's degree. Most of them have a certificate from a three year



program. With a large workforce that is relatively not educated to the degree level, it is difficult to have the kind of developments in nursing that you have in the U.K. or U.S.

In developed countries, there are nurse consultants, nurses with prescribing rights, nurse researchers and nurse specialists. There are nursing chairs in universities. That's where nursing is internationally. Nursing within mainland China has to catch up. Hong Kong and Taiwan are leading and showing them the way, but you also can't have changes in nursing without a change in law and government. For the government to change, they have to deal with doctors who are powerful.

In the U.K. changes in the law came about because junior doctors rallied for transformation. They went 48 hours without sleep which was not acceptable under labour

laws, so the tasks were delegated to the nurses. The system is set up differently in China so I can't speak with authority on how changes can possibly take place here.

What advice would you give to foreigners who would like to set up their own business in Tianjin?

You need to be in China and you need to have guanxi. It's impossible to do business in China without that. You need a good product you believe in, like I've got a passion for nursing, for teaching English, for seeing Chinese people speak English well. Do everything legally and get the assistance of a Chinese lawyer. ■

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Assets & Liabilities: The Most Important Concepts in Personal Wealth Management

By Michael Dow

Getting rich isn't easy, but it's a whole lot easier if you get to grips with the two most basic but important concepts in personal finance: assets and liabilities. The traditional dictionary definition of an asset is 'something valuable belonging to a person or organization which can be used for the payment of debts', whereas a liability is deemed to be quite opposite, i.e. something that involves costs money but cannot be sold on for a profit or any form of debt. This way of thinking has always shaped the way bank managers, financial planners and creditors evaluate one's net worth.

This all changed back in 1997 when Robert Kiyosaki released the globally bestselling book Rich Dad Poor Dad. In this prolific bible of person finance, Kiyosaki proposed a groundbreaking new way of thinking about assets and liabilities. He stated that an asset was simply "something that puts money into your pocket", and a liability is "anything that takes money out of your pocket". While this sounds like a fairly straightforward proposition, this new definition of assets and liabilities changed the way people valued their possessions. Instead of seeing our house, car and art collections as assets, many of us began to regard them as liabilities; unless of course they could be used or sold on in order to generate a profit. The lists below are far from exhaustive but they do outline some of the most common assets and liabilities (minus the essentials of life and tax obligations) we come across in our day to day lives:

Assets	Liabilities
Stocks	Any form of debt
Bonds (corporate or government)	Gadgets and games consoles
CDs (Certificates of Deposit)	Cars
High interest savings accounts	Meals at restaurants
Real estate leased to a paying tenant	Booze
Education/skills acquisition	Real estate that requires you to pay rent or a mortgage
Cash-positive business ventures	Vacations
Mutual funds/ETFs/index funds	Fashion items
Books, songs and other patented IP that generates royalty income	Pursuing hobbies (unless your favourite pastime is accumulating more assets!)
Land that can be used to create cash flow	
Websites that generate ad revenue	

One of the striking things about this interpretation is that things which are generally considered to be assets are in fact huge liabilities. A house, for instance, which would go down on traditional financial statements as an asset because of the equity that has been accumulated in it, could only be considered an asset if it generates income.

Luckily for his readers, Kiyosaki's wonderful book didn't stop after defining these terms. Over the course of a dozen or so very readable chapters he went on to explain how a proper understanding of these two concepts could put us on a new path towards wealth and prosperity. His basic argument was that the poor and middle class spend their income on liabilities, whilst the rich or financially savvy individuals and organisation invest in assets.

To illustrate the point, let's take the examples of 'Bob' and 'Bill'. Both of these men earn 1000 dollars per month after tax. After paying off all of their most basic and essential living costs they are both left with 300 dollars that can either be used to acquire more assets or purchase items that would be classed as liabilities. Bob is a man with a burning desire to pamper himself and spend any leftover cash he has on consumer items in order to 'keep up with the Joneses'. He fails to save any money throughout his working life. He is destined to spend his retirement trying to sell some of the liabilities

that he's accumulated on Ebay in order to scrape a few dollars together for his once per year trip to the nearest seaside town.

Unless you're a high-flying CEO or a rising star on Silicon Valley, the easiest way to accumulate a great deal of wealth throughout your life is to consistently increase the size of your assets column.

On the other hand, Bill is strict enough to maintain his habit of investing 300 dollars per month (3600 per annum) into a diverse range of assets. If he manages to get an average of 5% yield on his overall portfolio over 30 years and he reinvests all of his dividend/interest payments, he would have a nice retirement pot worth around 250,000. Admittedly this doesn't account for the expenses of maintaining his portfolio, the taxes he will have to pay on his dividends or the inflation that will eat away at his savings over time, but it doesn't include the capital appreciation of his assets over time either. Now let's assume that he managed to get a

whopping 10% average yield on his assets during throughout this period, which is riskier but still doable. His portfolio would likely be somewhere in the region of 550,000-600,000 dollars. If this still doesn't sound overly impressive, try to do your own calculations and revise the 300 dollars monthly investment up to 500, 800, or even 1000!

Unless you're a high-flying CEO or a rising star on Silicon Valley, the easiest way to accumulate a great deal of wealth throughout your life is to consistently increase the size of your assets column. You could do this by systematically deducting a portion of your paycheque each month to put towards assets, as David Bach proposes in his great book The Automatic Millionaire. This is a very passive approach that can even be done electronically each month without your input. A better approach, however, would be to improve what Robert Kiyosaki calls your 'financial IQ' in order to maximise your chances of making good long term investments. When it comes the inevitable assets vs. liabilities dilemma we face every time we get paid, he also put forward a very simple rule: "buy assets first, liabilities second". According to Kiyosaki, there's nothing stopping you from buying the latest iPhone if you use a chunk of your salary to buy shares or invest in real estate before you head out to the mall. The beauty of this approach to personal finance and investing is that as your assets column grows you can indulge yourself even more. Being an expert in the stock market is great, but if you can only manage to the distinctions and the consequences of acquiring assets and liabilities then you can steadily work towards a rich retirement whilst still enjoying some of the finer things in life along the way. Who would say no to that? ■



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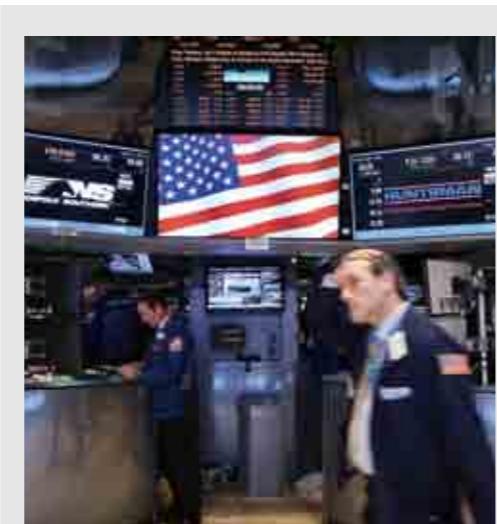
Investment News

Stocks and Shares

US stocks defy geopolitics to push higher

A flare-up in tensions in Ukraine on Friday threatened to derail the climb in US stock markets, but traders finally dismissed geopolitics to deliver another month of gains on Wall Street. The prospects of new US and European involvement in Iraq's domestic war, and Ukraine's claim that it destroyed Russian armored vehicles inside its territory, failed to dampen buying. Nor did dismal second-quarter growth reports from Japan and the eurozone, which underscored the fact that the global economy continues to struggle. The end of a modestly good second-quarter earnings season helped the gains. Biotech and chipmakers led the climbs higher for the week, and industrials generally did well.

Source: AFP



Alibaba film unit says found possible accounting irregularities; halts shares

A media firm Alibaba Group Holding Ltd recently bought said on Friday 15 September that a review of its finances revealed possible accounting irregularities, casting doubts on the Chinese e-commerce giant's due diligence as it prepares for a U.S. initial public offering. The announcement by Alibaba Pictures Group Ltd comes less than two months after Alibaba Group completed its USD 804 million purchase of a 60 percent stake in the film and TV production company once known as ChinaVision Media Group Ltd. The deal was among the USD 10 billion or so Alibaba Group and its affiliates have spent since the beginning of last year on acquisitions which ventured beyond its traditional e-commerce roots to fend off competition from rivals like Tencent Holdings Ltd, Baidu Inc (BIDU.O) and JD.com (JD.O).

Source: Reuters



Valeant extends takeover bid for Botox maker Allergan

Canada's Valeant Pharmaceuticals International extended its unsolicited offer to buy US Botox maker Allergan until the end of the year.

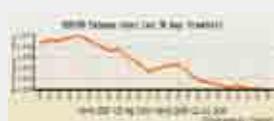
Valeant said it was now keeping the USD 53.5 billion offer in play until 5:00 pm on December 31. In June Allergan rejected for a third time a takeover bid from Valeant, saying the increased offer still "substantially undervalues" the company. Allergan's board of directors unanimously rejected the bid backed by activist Valeant shareholder William Ackman's Pershing Square investment group.

Source: AFP

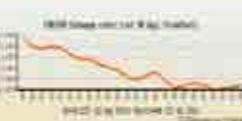


Currencies

U.S Dollar - Chinese Yuan



Euro - Chinese Yuan



GB Pound - Chinese Yuan

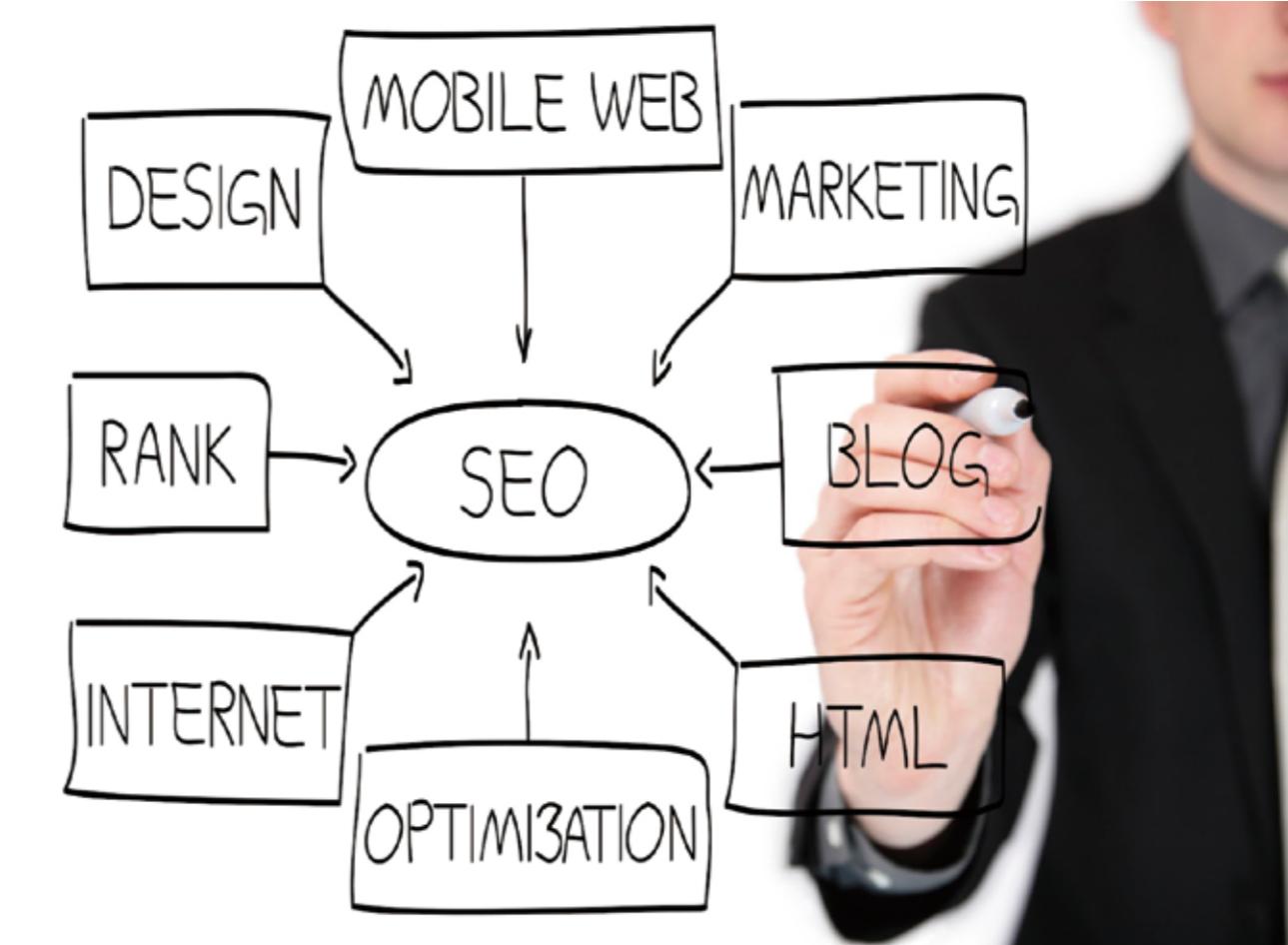


Japanese Yen - Chinese Yuan



Unlocking the Potential of Search Engine Optimisation

By Justin Toy



Search Engine Optimisation

(As of May 2014, Google accounts for 67.6% of all online search queries in the US while Baidu is the largest search engine in China with 63.16% as of September 2013). Last year alone Google performed over 2.1 trillion search queries, an average of 5.9 billion daily. While each search engine may have a slightly different algorithm that it uses to rank pages, online marketers can employ best practice techniques in order to maximise SEO across all search engines which will help maximise website traffic.

And as the prices of various forms of online advertising (banners, price-per click, geo-targeting, etc) ever increase, being the top ranked page for the right keywords on Google or Bing leads to organic, low cost and interested visitors.

How do Search Engines work?

to catalog all the websites, pages, and media on the internet, they employ automated robots known as “crawlers” or “spiders” that use links to travel between the billions of interconnected documents and record selected pieces to a massive hard drive where it will be recalled later during search queries.

The second function is to provide answers to user queries through lists of useful pages that the engine deems reliant and important. When a user looks for something online, the search engine scours the billions of documents in its database and will return all documents that it deems relevant. From there the engine will rank the results based on how useful or important the document is. While Google and Bing do not share exactly how their algorithms calculate “importance”, it is widely known



amongst online marketers what needs to be done in order to optimise search results.

On-Site Optimisation

On-site optimisation refers to the

Google recommends that you build your pages primarily for users, not search engines.

process of making your website appeal to search engines and end users. It encompasses and improves the public face of your website that your visitors will see and the technical code that the search engine will see. Without a strong on-site SEO, building an off-site SEO strategy

would produce minimal gains. For that reason, this is where you should begin when deciding to improve/implement SEO strategy.

Though search engines and users judge a website by different criteria, Google recommends that you build your pages primarily for users, not search engines. Do not try to deceive your users or the search engine by using keywords that are different than what is presented on your website (a tactic known as cloaking). Make sure to build a useful, information-rich site with plenty of content that will focus on your primary keyword or keyword phrase (better to focus on keyword phrases like “dog trainer” instead of “single keywords like dog”). It is important to focus on building high quality content that other websites will want to refer and link to, building the reputation and “importance” of your page. Also, of course make sure the structure of your website has a clear hierarchy that uses links in a logical way. If your site has pages that can’t be accessed by a static link then the crawlers won’t be able to catalog those pages.

Keywords

Keywords are a fundamental and essential part of the search process. All information retrievals, including internet search, relies on the scientific use of keywords. As an engine crawls through and indexes new pages, it stores them in sub databases which are based on keywords. This allows the search engine to scan through just a fraction of the billions of documents to provide a much quicker and efficient search result. Search engines try to measure the ways keywords are used in order to determine the “relevance” of a document to a query. The best practice for using keywords is not about quantity but about quality. However, you do want to make sure that you use the primary keyword in the HTML title, once prominently near the top, at least 2-3 times in the body copy, once in the alt attribute (text that appears if an image can’t load), at least once in the meta tag (the snippet of text that will appear in the search



engine, approximately 160 characters depending on the search engine), and once in the URL.

Off-site Optimisation

Off-site optimisation is all about promoting your website around the internet in order to build brand awareness, increase search engine rankings, and grow traffic. Once your site has been optimised for your users and search engines, it’s time to find ways to increase backlinks, incoming links from other web pages. Try reaching out to companies and bloggers with relevant websites asking them to post your best content. Generate original content for blogs and companies like Lifehack.org and Mashable.com with links back to your site. Get listed in quality business and local directories where links can be included back to your site. Create content that links back to your site on relevant social media networks like Facebook, LinkedIn, Pinterest, or videos on YouTube. Be an active member in industry related forums and discussions. Frequently post comments and responses which link back to your site. And remember



that the quality of the backlinks is important; one backlink from a reputable company like Amazon is worth far more to search engines than 15 low quality links from spam websites (which can actually hurt your ranking). Again, building backlinks is an important part of SEO but shouldn’t be implemented until the website has first been optimised to provide visitors with the best user experience possible. ■

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View of Beijing's CBD

The Capital Economic Circle Presents an Opportunity to Improve Efficiency

By Durrell Mack, Head of Research at Tianjin Jones Lang LaSalle



In the recently issued China Urban Sustainability Index by McKinsey, Beijing and Tianjin were cited with 11 other Chinese cities as nearing a turning point that could result in adverse consequences to their economic and environmental systems. Given that Beijing, Tianjin

and the cities of Hebei Province have the highest levels of pollution in China, that turning point may have already arrived. In March, China's Premier, Li Keqiang, said smog is "nature's red-light warning against the model of inefficient and blind development". While blind

development may be hyperbole to describe the development situation of the municipalities of Beijing, Tianjin and Hebei Province, inefficient is accurate. This inefficiency is a key reason that the central government has decided to transform this region into the Capital Economic Circle.

The Capital Economic Circle is a plan designed to tackle pollution, overcrowding, traffic congestion, income inequality and inefficient resource allocation in the region through better integration of the economic development of Beijing, Tianjin and the 11 cities of Hebei Province. The plan aims to improve upon fragmented and overlapping development around the region by using centralized, top-down planning and resource allocation.

Inefficient resource allocation has created uneven economic development and a lack of coordination has created wasteful, redundant construction throughout the Capital Economic Circle, at a time when local governments are increasingly piling on debt. The uneven economic distribution has led to Hebei Province attempting to play catch-up with Beijing and Tianjin, trying to reach the economic level of both municipalities.

In their attempts to "keep up with the Jones's", the three areas have created overlapping development strategies that will have a detrimental effect on each. For example, Tianjin wants to create the largest financial center in north China, but Beijing, with its Financial Street, which will have an expansion area, already serves

that function; and Hebei Province aims to build up Caofeidian with features such as a large, deep water seaport, eco-city and industrial parks, similar to Tianjin's Binhai New Area. By adopting similar development strategies, each local government is creating excess capacity and space based on demand that has yet to materialize.

The Capital Economic Circle is a plan designed to tackle pollution, overcrowding, traffic congestion, income inequality and inefficient resource allocation in the region.

The "if you build it, they will come" economic development model has become broken, as the model only works if "it" has not already been built somewhere nearby and there is sufficient demand, which is becoming increasingly less likely given that

China's economic growth is slowing. The country is no longer able to easily grow its way out of the mistakes of inefficiency like it has been able to do in the past. Thus, the time is right for local governments to come together to tackle the problems plaguing the region, so that future economic growth and commercial real estate markets do not suffer.

View of Beijing's CBD

The competition between the municipalities and the province and the lack of intercity coordination is creating oversupply concerns. Both Tianjin and Hebei Province are trying to emulate the success of Beijing. This situation is leading to Tianjin and the cities in Hebei attempting to build new office towers and commercial areas that rival Beijing's CBD and Financial Street. These attempts are concurrent with Beijing's plans to expand both the CBD and Financial Street as well as establish new commercial centers in Daxing, Tongzhou, Lize, Dongba and Wangjing. Looking just at the cities of Beijing and Tianjin, there is more than 15 million sqm of commercial space planned to complete by 2020. It is very unlikely that all of this space will complete on time, but the mere fact that so much space is planned for the two cities is worrying. At current growth rates, there will not be enough demand in the region to justify such a large expansion of commercial space. Moreover, the smaller cities in Hebei Province that are also planning new CBDs will run a real risk of oversupply, since many of these cities have only small service sectors.

By cooperating more fully, the hope is that fewer cities in the region will try to build the next great commercial center and will instead focus on utilizing their competitive advantages and allowing the private sector to figure out what is needed in terms of commercial real estate. Few cities in the Capital Economic Circle need more office space, and by working together and closely with the private sector, local governments can



determine which areas are best suited to be commercial markets.

At this point, the plans for the Capital Economic Circle are still largely unclear. While there have been announcements of cooperation agreements and businesses leaving the capital, all other information has been based on rumor and conjecture. With nothing confirmed by the government, the majority of real estate investors should take a wait-and-see approach if they want to make investment decisions solely based on the outcome of the Capital Economic Circle plan. However, there is one exception: the non-bonded warehouse market. Historically, this property sector offers higher returns than other commercial real estate classes and, given the robust growth of the retail markets in northern China, we expect it to continue to do so.

Over the medium- to long-term, if the Capital Economic Circle plan

is successful, the development of new areas will translate into new opportunities for residential, business park, office and retail property investors. Getting involved at the early stages of development could yield high returns for investors with some flexibility in their time horizon. Integration of the cities within the Capital Economic Circle has the potential to open up a range of opportunities. The project will create jobs across several industries, improving livelihoods and the standard of living, particularly in Hebei Province, while reducing congestion and pollution in Beijing and Tianjin. Although careful consideration must be given to which companies are relocated and how the process is implemented, integration of the Capital Economic Circle is a tabula rasa upon which city planners can avoid the mistakes of the earlier generation of "new area"

superblock cities. Moreover, with so much commercial space expected to complete in the region over the next few years, the success of commercial real estate markets will be dependent on the economic growth of the region, so it will be important that the planners set the right strategy.

For our recommendations for government planners and more details on the Capital Economic Circle, read JLL's latest white paper, "Strengthening China's Next Economic Mega-region". **B**

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View of central Tianjin's Xiaobailou

Perfecting Your Presentations

"We are what we frequently do." Aristotle



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The art of making an effective presentation is an important skill. It is a skill that can be used in many different areas of life, both in and outside of work. The principles can be applied to any form of public speaking, ranging from a formal conference to teaching an individual.

Like learning to ride a bike, making a presentation is a skill, and it can be developed through practice using a planned structure. The following checklist will help you to plan your presentation.

Before The Presentation

What is the objective?

Here the focus should be on the audience. What do you want them to be able to do, how do you want them to act, or how do you want them to feel, at the end of the session?

Who is your audience?

Consider the degree of knowledge, interest, motivation, language level, and so on, as well as the numbers involved.

Where will the presentation be held?

What is the 'geography' of the room you will be presenting in like? What is the seating arrangement of the audience likely to be? Where will you stand? What lighting is expected? Where are the light switches located? Is there temperature control in the room?

When is the presentation?

You will need to consider the time of day of your presentation. Broadly, people are at their most receptive between 10:00am and midday and again from 3:00pm to 4:40pm. Outside these times, you may need to increase active participation.

Establish contact

Before the presentation think about how you will use eye contact, maintain a confident presence based on positive body language, stance, hand gestures and facial expressions.

During The Presentation

Maintaining Control

Say what you are going to say.

Say it!

Say what you have said.

Question Technique

Think before you answer questions. Consider the purpose of the question being asked. You can prepare your audience by letting them know if they have permission to ask questions during your presentation or whether you will have a Q & A session at the end.

Timing

Watch the time, especially when you depart from your plan to handle questions.

Pace

Maintain appropriate pace and tempo. Watch the audience, their body language, facial expressions and level of engagement which may indicate when you need to speed up, to explain again, or to pause for a break. Remember, however, you must lead, not follow.

Obtain Confirmation

Check in with the audience that they are tracking with you and understanding what you are presenting and where you are heading. At relevant stages ask them how they are doing.

Visual Aids

Use visuals to help understanding and/or keep control. Show a new slide when you want the audience to stop chattering, or when a disruptive element creeps in!

Using Visuals – 10 Key Points

1 Purpose

Be clear on why you are using each visual – don't use a visual for the sake of it lest your impact is reduced.

2 Focus on your audience, glance at

your visuals

Always remember that your visual aids are not doing the presenting – you are! They are there to add weight to what you are saying or to provide supplemental materials. Never read your digital slides flip chart sheets to the audience – they can read them themselves. In a sense your visuals should "speak for themselves". Do not focus your attention on your visuals but stay engaged with your audience.

Watch the audience, their body language, facial expressions and level of engagement.

3 Position of equipment

Make sure the equipment is convenient for you to use; practice using it beforehand.

Ensure ALL of the audience can see the visuals you are showing.

4 Clearing flips/digital slides

Tell your audience what is on the flipchart or digital slide before going into detail.



5 Prepared Flipchart Visuals before the presentation

Prepare your flipchart graphics before your presentation unless you are taking information from the audience and developing the image/diagram as you are presenting.

Also, tag or number the flips/slides you are using.

6 Size / Colour / Amount of Information

- Is the person at the back of the room who may have poor eyesight able to read your visual aids?
- Guide: seven lines maximum – the less text the better
- Is your use of colour consistent?
- Use bullet points to break up text
- Use pictures/diagrams/charts – remember a picture is worth a thousand words.

7 Display materials around the room

Display flipchart sheets of audience's work/feedback and posters of your main points around the room for easy reference. Use Blu-Tack or similar non-staining adhesive product to post them on the walls.

8 Distractions

- Switch off your digital projector

when not in use

- Put away flips/materials after use
- Don't hold on to pens or paper
- Beware of jangling coins/wandering
- Avoid over-using your pointer

9 Variety of Techniques

Vary the techniques to suit the need. Where possible encourage audience participation and use games/exercises/group work/working in pairs/simulations/demonstrations/role modeling to keep your audience engaged but rehearse these well beforehand

Also decide on the purpose of handouts (preparatory – give before the talk; working documents – give during; reference notes – give afterwards)

10 Use of written materials

Don't talk while the audience is reading handouts. Give them time to absorb the materials

Make sure you give a brief verbal summary of handouts as appropriate

Business Case: 8 Steps to a Successful Business Presentation

Step 1: State the problem or opportunity in one sentence

Step 2: Describe the negative effects of the problem or of not taking hold of the opportunity

Step 3: State your recommendation in one sentence

Step 4: Describe the key features of your recommendation

Step 5: Explain the benefits of these features (each benefit should 'answer' an anticipated negative effect)

Step 6: What evidence do you have to back up your recommendation? Use examples, statistics, and expert opinion

Step 7: In your summary restate:

The problem (one sentence)

The recommendation (one sentence)

The benefits (reduce these to one sentence)

Step 8: Propose immediate action steps to follow – who, what, how, where, when

Challenging your Self-Doubts before/after a presentation

Faulty thinking process	Flaw	Challenge
That previous presentation was a disaster	Exaggeration	Is this accurate or did only parts of it go badly?
The presentation will be tough	Generalising from one event	Is this inevitable just because the previous one was tough?
It's testing my expertise. I'll be on show	Ignoring important aspects	This may be the most important aspect to you but not necessarily to others
They have no right to try and catch me out	Denying all rights	But don't they have the right to ask questions?
I have the right to get my own back if they do	Confusing rights	Even if people have denied your rights, it does not give you permission to be aggressive
I must have all the correct answers	Unrealistic expectations that follow some hidden "rule book"	Why? What is terrible about: <ul style="list-style-type: none">• Being wrong sometimes?• Not having all the answers?• Not knowing something?
I have to look as though I really know my stuff	Assumptions Generalising	Are the "all" and "lots" guaranteed, or might it be "some"? Will all the questions necessarily be difficult? Is this bound to be so? "Lots" or only some arguments? Will you necessarily lose them?
They will disagree with my answers	Illogical conclusion	Is this probable or merely possible? Totally or only slightly? Or could you respond assertively if you chose to?
I'll get sucked into lots of arguments that I will lose	Exaggeration and assumption	
That would undermine my position and I can't have that	Illogical	
I'll really show them up if they try to catch me out	Relinquishing control of yourself	

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6 TOP Secrets About Employee Motivation

By Robert Parkinson, CEO & Founder of RMG



Improving the working atmosphere during this tough period in the economic cycle is a problem for many HR professionals. Both employers and employees are worried about economy recovery. Employers will do whatever it takes to motivate employees to work hard to survive the crisis. However, employers or HR managers might find it increasingly difficult to motivate employees. If they stick to a bonus incentive plan, their employees may still appear indifferent and unmotivated. I would like to share my experiences of the "motivation generator". These are my 6 top secrets for employee motivation.

1. Have a Monday morning "chat"

I often hear complaints from HR managers that they find it tedious to study what motivates employees. I don't agree with them. I enjoy discovering what motivates employees and makes them better at their work. My first secret is very simple. Talk with employees! Communication is very beneficial; however, it requires observation and thought. So never approach a Monday morning "chat" carelessly. According to Alexander Kjerulf (Founder of Woohoo, an expert on employee happiness), there are 4 types of



motivations (See Figure 1). From a psychological viewpoint, people are either extrinsically motivated

or intrinsically motivated. Most companies believe in the motivation shown in the first quadrant, but this is the wrong direction. The positive way lies in the second quadrant. By encouraging employees with positive feedback or appreciation of their work, HR managers are able to get a positive response. In this way the Monday morning "chat" is a key way to motivate employees!

2. Short-term goals lead to long-term success

When you get into the office in the morning, what is the first thing you should do? The answer to this depends on your own working habits. My habit of starting a typical weekday is to review my to-do-list. The secret of efficiency is to plan the work in advance. So how can HR managers motivate employees in terms of planning? First, setting up career goals does not hold back employees. Part of the HR professional's responsibility is to help employees be clear about their career path and what they need to achieve long-term career success. Once employees understand their short-

term and long-term goals, they will motivate themselves to work hard.

3. Make employee's KPI "SMART"

By showing each employee's performance data in descending order, employees at the top will focus on competing with each other and those at the bottom will strive to improve themselves.

The third secret of employee motivation comes from the management master Peter Drucker. In fact, everyone who studies management knows the SMART criteria. It is an acronym of Specific, Measurable, Achievable, Realistic and Time-bound. SMART is created

and used to facilitate goal setting. An employee's key performance index is how an HR manager measures whether employees have reached their goals. In different industries and functions, the criteria to measure one's performance vary a great deal. However, if employees cannot be measured against each other, then employers can hardly motivate employees even with attractive bonuses. Is the KPI specifically designed for a position? Can we quantify the target? How can the goal be accomplished? Is the target possible to attain? How long does it take to reach the target? If HR managers make employee assessment rules in a SMART way, they will help organize the competition at work much fairly. Who doesn't like working diligently to win bonuses under the condition of fair assessment?

4. Stop de-motivating employees

According to a survey conducted by Sirota Survey Intelligence aiming at 1.2 million employees at 52 Fortune 1000 companies, there is an evident decline in employees' motivation after





working 6 months in about 85% of those companies. Unfortunately, with so-called incentives and motivational management, the situation keeps deteriorating. So every HR manager should re-think what he/she does to motivate employees. If HR managers merely motivate from the perspective of the company, they are missing the big picture. As I mentioned in my first point, employees' motivations come both from the company and themselves. The longer HR people ignore employees' own motivation, the lower morale will be among the workforce. Hence, HR managers must stop using the wrong sort of measures to motivate employees.

5. Involve employees in a competitive working environment

How do we motivate employees in the right way? There are 2 types of motivation mechanisms that companies can apply to improve employees' morale. First, hire some "catfish". The catfish effect originates from a story of a fisherman in Norway. The fisherman used to bring live sardines in containers, but sardines die very quickly once out of the ocean. The smart fisherman came up with the idea of putting a catfish in the container with sardines. The catfish is the natural predator of sardines. So, to survive,

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sardines need to keep moving in the container to avoid being attacked. This theory can be applied to human resource management too. In a peaceful working environment, HR managers should hire a few "catfish" type employees to make it more competitive. Second, put up a Performance Billboard to increase competition between employees. By showing each employee's performance data in descending order, employees at the top will focus on competing with each other and those at the bottom will strive to improve themselves. Once the billboard is there, the mechanism will be established by itself.

6. Deal with employees' poor performance properly

When HR managers work on employees' performance appraisal, they always find those who haven't achieved their KPI standards. Should HR managers or employers terminate the employment contract as soon as possible? This is a tough decision for many reasons. Let's start from the worst! If HR managers decide to fire an under-performing employee, they should do so quickly and in a reasonable way. If this doesn't happen, negative feedback from one employee can de-motivate his circle or even the whole office. As for employees who are not far from their KPI target, it is better for HR managers or line managers to find out why and help the employee to get back onto the right track. Patience and help are the best motivations the senior management can use when an employee is not doing as well as he or she might.

Employee motivation is a key part of HR management. Rather than handing out incentives, it is more fruitful to think carefully about other ways to motivate employees. ■

China IPR Considerations for European Businesses in the ICT Industries – Part 2



Philippe Healey,
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Helpdesk



With China's intellectual property rights (IPR) protection system still evolving the protection of IPR should be a key part of any business strategy, whether entering or expanding operations in China. Furthermore, there are a number of IPR issues that are specific to the ICT industries, for both software and hardware. Understanding the difference between China and Europe in this regard is crucial for any ICT company offering goods or services that are potentially attractive to users in China, even if the company is not yet operating in the country.

In the previous issue of Business Tianjin the China IPR SME Helpdesk discussed patent and trade secret strategies for European ICT companies. In this issue, enforcement of IPR is discussed through a case study of a company that has taken enforcement actions in China.

Enforcement

China is the most litigious country for IP disputes in the world in absolute terms. 87,419 IP suits were filed in Chinese courts in 2012. However, out of these only about 1,400 foreign companies participated, which means that less than 2% of Chinese IP disputes involved foreign parties.

The reluctance by foreign companies to enforce their IP rights in China is largely due to the perception that China does not protect IPR and that foreign companies won't get fair treatment. However, such reluctance is misplaced: evidence suggests that case outcomes are not affected by litigants' nationalities or, in short, the Chinese IPR system has reached a point at which foreign companies can get justice through a number of channels.

ICT company case

InterDigital, Inc. is a mid-sized U.S. wireless research and development company. In July 2011, it filed a complaint with the United States International Trade Commission (USITC)

against Nokia Corporation and Nokia Inc., Huawei Technologies Co., Ltd and its affiliates, and ZTE Corporation and its affiliate, alleging patent infringement of certain 3G wireless devices, such as WCDMA- and CDMA 2000-capable mobile phones, USB sticks, mobile hotspots and tablets and components of such devices.

Action Taken

In December 2011, Huawei filed two suits against InterDigital in the Shenzhen Intermediate People's Court in China. The first suit alleged that InterDigital had a dominant market position in China and the United States for the licensing of standard essential patents (SEPs) (inventions that must be used to comply with technical standards) owned by InterDigital, and abused its market power by engaging in unlawful practices, including differentiated pricing, tying, and refusal to deal. The second suit alleged that InterDigital failed to negotiate on Fair, Reasonable, and Non-Discriminatory (FRAND) terms with Huawei – a requirement of owners of SEPs. It asked the court to determine the FRAND rate for licensing essential Chinese patents to Huawei and also sought compensation for its costs associated with this matter.

Outcome

In February 2013, the Shenzhen

Intermediate People's Court ruled that the royalties to be paid by Huawei for InterDigital's 2G, 3G, and 4G standard-essential patents should not exceed 0.019% of the actual sales price of each Huawei product. This appears to be the first time that any judicial authority has ruled on the appropriate royalty rate for a FRAND encumbered standard essential patents (SEP) - a patent that defines an invention that must be used to comply with a technical standard.

China is the most litigious country for IP disputes in the world in absolute terms. 87,419 IP suits were filed in Chinese courts in 2012.

With respect to the first suit, the court held that InterDigital violated China's Anti-Monopoly Law by (1) making proposals for royalties from Huawei that the court believed were excessive, (2) tying the licensing of essential patents to the licensing of non-essential patents, (3) requesting as part of its licensing proposals that Huawei provide a grant-back of certain patent rights to InterDigital,

and (4) commencing a United States International Trade Commission (USITC) action against Huawei while still in discussions with Huawei for a license. The court ordered InterDigital to cease the alleged excessive pricing and bundling of InterDigital's Chinese essential and non-essential patents, and to pay Huawei approximately USD 3.2 million in damages. The court dismissed Huawei's remaining allegations, including Huawei's claim that InterDigital improperly sought a worldwide license and improperly sought to bundle the licensing of essential patents on multiple generations of technologies.

With respect to the second suit, the court determined that, despite the fact that the FRAND requirement originated from the European Telecommunications Standards Institute's (ETSI) IPR policy, which refers to French law, InterDigital's license offers to Huawei should be evaluated under the Chinese law. Under the Chinese law, the court concluded that the offers did not comply with FRAND.

InterDigital is reported to have filed appeals to both decisions.

IP Lessons

- FRAND is NOT an essential patent holders' friend.
- Enforcing SEPs is problematic in China: injunctions may not be possible; royalties are lower than normal.
- Antitrust enforcement further limits the value of SEPs.
- Enforcement of SEPs outside China may give rise to countersuits in China.

For more detailed information on the topic, please see the China IPR SME Helpdesk guide to 'China IPR Considerations for the European businesses in the ICT industries' downloadable from the Helpdesk website at www.china-iprhelpdesk.eu.

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Tips on Drafting An International Arbitration Clause II



Simon Bai
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Choice of Law

It is general practice that a commercial contract usually has a governing law clause specifying the substantive law applying to the parties' disputes. Otherwise, an international arbitration agreement or clause should also include a choice of law provision. In the absence of such an agreement, different bodies of law could apply to different stages of the arbitration proceeding.

In international arbitrations, it is possible that four different laws might govern the contract and arbitration at four different levels of proceedings. The four levels are:

- a) The law that governs the commercial contract
- b) The law that governs the validity and effect of arbitration agreement or clause
- c) The proper law that governs the arbitration proceedings
- d) The law that applies to the reference

The parties might want to select one or two laws from the above-mentioned four different levels of proceedings.

The Arbitrators

The ability to choose the arbitrator for the dispute between the parties is an advantage over litigation, where you have no control over the judge assigned to a case. Parties have complete control over appointing who arbitrates their dispute. The specific arbitrator could be identified in the clause, or the clause can set forth the rules by which an arbitrator is selected. This is represented in the number of arbitrators to be designated by the parties as well as selection of a method of appointment or alternatively by reference to an arbitration institution's rules for appointment of arbitrators.

The parties may want to ensure the independence of the arbitrators by requiring that they do not have any interest in the financial interest in the dispute or any financial dependence on the parties. Sometimes, the parties may wish to require that the arbitrators be of different nationality from the parties.

In cases where there is requirement for a particular type of knowledge or experience in light of the particular business in dispute, then such qualifications may be included in the arbitration agreement in order to designate the appropriate arbitrator for a particular kind of dispute which requires special expertise.

If the amount in dispute is likely to be relatively small in value, it will be more cost-effective to use a single arbitrator. If the amount in dispute is in the millions, several arbitrators need to be considered in order to protect the parties against the whim of one arbitrator and will also ensure that all important issues are understood and considered. The arbitration agreement may provide for the number of arbitrators to vary, depending upon the amount in dispute.

The total number of arbitrators is always an odd number so that in case of difference of opinion among the arbitrators while deciding the disputes, a decision can be taken by majority. In case one party fails to appoint an arbitrator, the arbitration institution usually has its own procedure to appoint an arbitrator for the case. Although a single arbitrator is less expensive, a panel of three arbitrators reduces the risk that a single arbitrator may not reach a sound result.

Procedural Rules

Procedural rules play a critical role and the parties shall use utmost care in selecting those that will govern the arbitration. It is always preferable to adopt the procedural rules of an arbitration institution, at least as a starting point and then supplement the rules with specific needs of the parties. These rules usually have

clear and definite meanings and have been widely used by parties in previous cases. The United Nations Commission on International Trade Law (UNCITRAL) has published procedural rules for arbitration which parties may adopt. The UNCITRAL rules are not specific, however, to any arbitral institution.

In some jurisdictions, the parties may

If the amount in dispute is in the millions, several arbitrators need to be considered in order to protect the parties against the whim of one arbitrator.

specify in the arbitration clause the rules of evidence that will apply in arbitration, or that only certain rules of evidence will apply. Contracting parties can also control the extent of discovery in their arbitration or they can draft their own procedures. The arbitration clause can set forth, among other things, whether parties may take depositions and how many; whether document requests and interrogatories will be allowed and

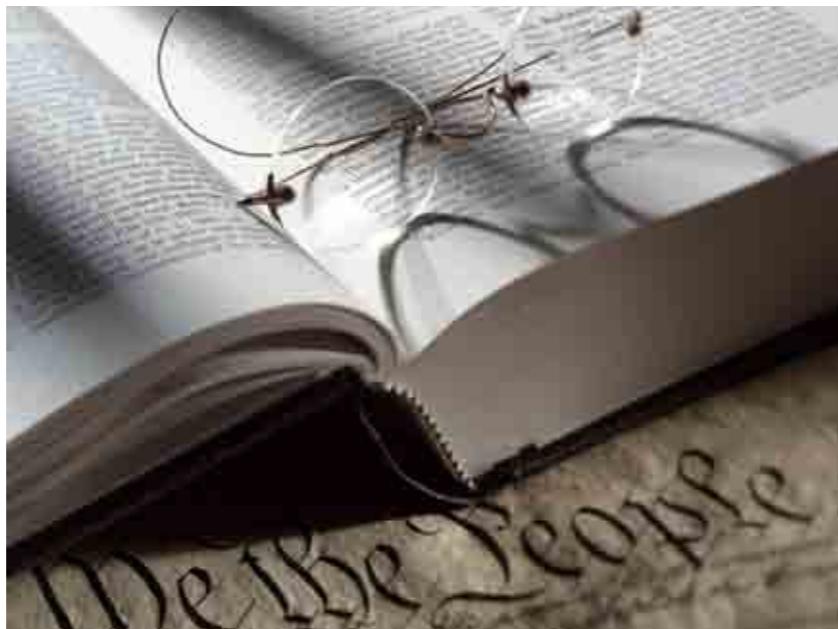
how many times such requests can be accepted; and the parameters of any other discovery method. Generally speaking, arbitration allows for greater efficiency with a shorter, less extensive, and less expensive discovery period than is typical in litigation.

The arbitration clause may also deal with pre- and post-arbitration motions, such as preliminary relief, dispositive motions to dismiss and the arbitrator's power to fashion specific remedies. Measures such as preliminary injunctions, attachments or receiverships will enhance the ability of the arbitrator or tribunal to better improve the parties' chances to recover upon delivery of a final award by depositing funds in an escrow account or through the appointment of a receiver.

Enforcement of International Arbitral Awards

It is typical for arbitration clauses to provide that any arbitration award rendered will be final and binding which means the parties intend that the award will resolve the dispute and the parties will accept the award without any further recourse of appeal which will become enforceable by national courts against the losing party. In the meantime, the award will not be reviewed by the courts.

The ability to enforce the arbitral



award is a key element of the arbitration clause. International arbitral awards are enforceable through various international treaties and conventions such as the New York Convention. These conventions provide for the recognition of arbitration agreements and the enforcement of arbitral awards among businesses and citizens whose countries have acceded to the conventions.

The parties may also include a provision in the arbitration agreement that both parties accept the arbitral award will be enforceable in the relevant jurisdictions.

Arbitration Cost and Attorney's fees

Arbitration rules of many arbitration institutions across the world allow the parties to agree as to how the costs and attorney fees are to be apportioned. Generally speaking, costs in relation to arbitration may encompass the following:

a) the arbitrators' fees;

- b) the arbitrators' expenses;
- c) administrative fees;
- d) fees of experts appointed by the tribunal;
- e) expenses of experts appointed by the tribunal;
- f) and reasonable legal fees of a party

Both the arbitrators and courts in the US are reluctant to award attorney fees unless there exists statutory ground or explicit contract provision to that effect while European arbitrators are more accustomed to granting attorney fees in arbitration cases. Under Chinese arbitration law, the parties are free to agree how to allocate the attorney's fee otherwise the arbitration institution may determine the allocation of the costs in accordance with the relative fault and contribution to the breach of contract by the parties involved in the case.

Arbitrators may be vested with the authority either to award or not to award arbitration-related costs and

attorneys' fees, and parties may wish to grant or deny that power to the arbitrators in the arbitration clause or agreement. Generally, arbitral tribunals will enforce such an arbitral clause.

Conclusion

The arbitration clause of any business contract can become highly significant down the road if the parties' relationship deteriorates. Legal practitioners have recognized that the clause should be shaped in a thoughtful and careful way. Any party entering into an arbitration agreement, therefore, would be wise to carefully draft and analyze the arbitration clause thoroughly, with a view to ensure that it will accomplish all of the party's goals. ■

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Beneficial Owner Identification for Dividend Income

- A Further Study on Investment Activities



Manuel Torres



Qi Zhang

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Background

The concept of “beneficial owner” is a key in the relevant Double Tax Treaty (“DTT”) entered into by the People’s Republic of China (the “PRC” or “China”) with other countries or jurisdictions. For example, relevant tax preferential treatments being defined under the relevant DTTs (especially for dividend, interest and royalty) may not be enjoyed by a corresponding foreign party if the foreign party cannot qualify as the beneficial owner of the relevant income sourced from the PRC. As a result, the Chinese interpretation for this concept becomes very important for those foreign parties in order to enjoy DTT benefits.

Line of Interpretations on Beneficial Owner by State Administration of Taxation

State Administration of Taxation (“SAT”), as the supreme taxation authority of China, issued the following circulars to interpret the concept of beneficial owner to instruct daily tax practice of local Chinese tax bureaus:

1. Circular GSH [2009] No. 601 (“Circular 601”)
2. Decree of SAT [2012] No. 30 (“Circular 30”)

Circular 601 sets out a principle for the identifying of the beneficial owner, i.e. “beneficial owner” refers to the person that can own or dominate the relevant income or the right

generating the income; normally, the beneficial owner conducts substantial operational activities, where any conduit or agency company cannot be recognized as a beneficial owner. Circular 601 lists several factors that are with adverse effects during the identification of a beneficial owner:

- The applicant has obligations to repatriate the major portion of relevant income to a resident from a third jurisdiction.
- The applicant has few operational activities aside from holding the property or right that generates the income.
- In the case of a company applicant, the scale of the applicant in terms of assets, scale and personnel is relevant to the income amount.
- The applicant has little controlling right or disposal right upon the income or the property or right that generates the income, nor bears such risks.

- The counter – jurisdiction implements tax-free or exemption upon the income or the taxing rate is extremely low.

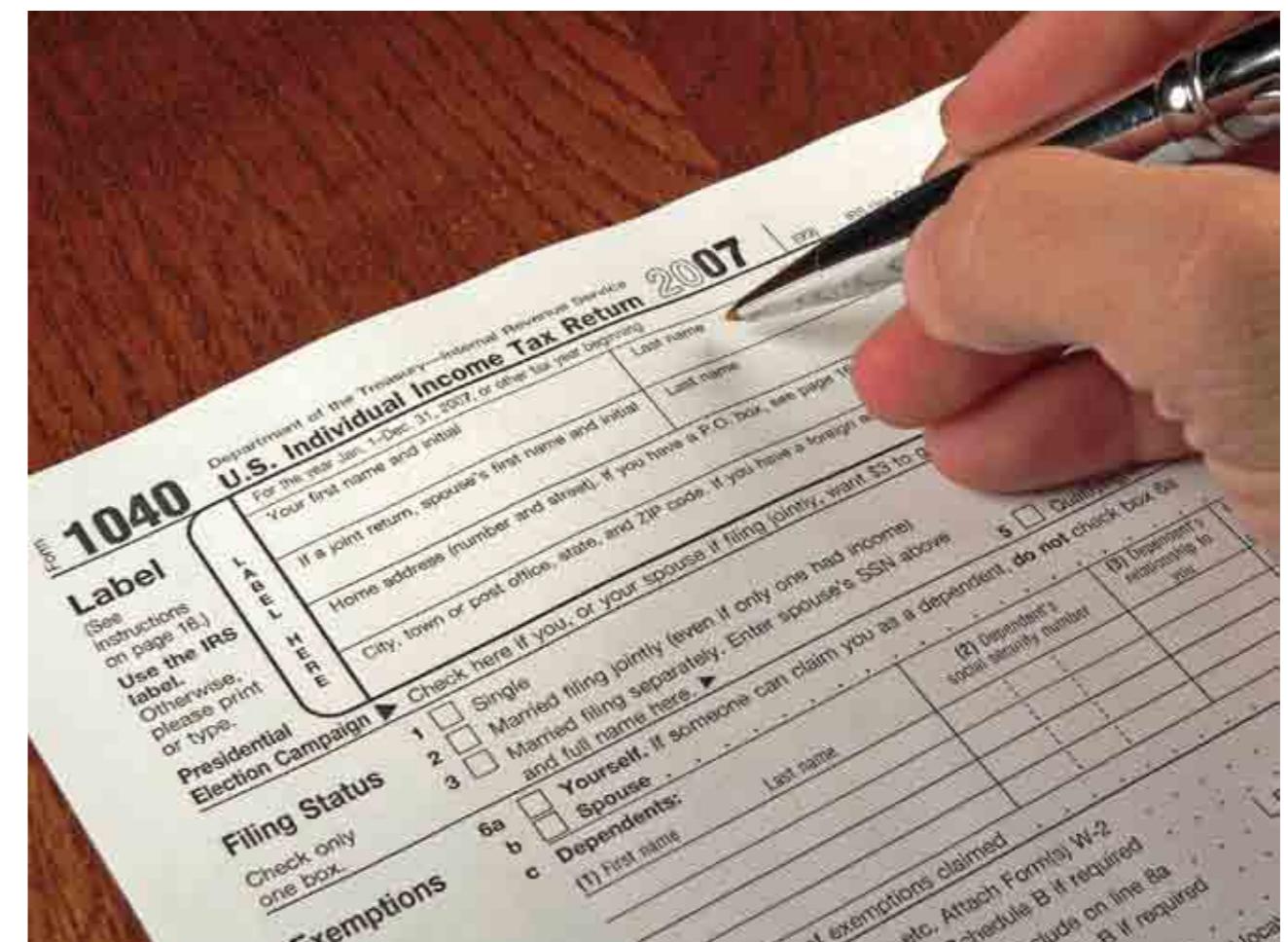
It should be noted that, as per the PRC Company Law, an investor shall receive dividends in proportion to its paid-up capital contribution.

- Aside from a loan agreement that generates interest and the payment, there is another loan agreement between the creditor with a third party, which is similar in terms of the amount, interest rate and conclusion date with the original loan agreement.

- Aside from a use right transfer agreement that generates royalties and payment upon copyright, patent and know-how etc., there is another use right transfer agreement or an ownership transfer agreement between the applicant and a third party in terms of copyright, patent and know-how etc..

Circular 30 provides further interpretation upon Circular 601 with the following two salient points:

- Safe-harbor for listed companies for dividend income – beneficial owner can be identified if the applicant is a listed company in the counter-jurisdiction or the applicant is owned 100% directly or indirectly by a listed company in that jurisdiction which is also a resident therein.
- SAT grants the right to local tax bureaus of China to decide on a temporary basis for non-approval of relevant DTT benefits, if the final decision for identification of the





beneficial owner cannot be made in a prescribed period.

As seen, the above circulars reflect a conservative attitude of SAT to identify a beneficial owner; and a beneficial owner must have substantial operational activities. Pursuant to our past experience in China, investment activities, e.g. holding activities, may not be solely regarded as substantial operational activities. However, such a trend has been adjusted by a circular in 2013 in the respect of dividend income.

Circular 165

In 2013, SAT issued a circular known as "Disposing Opinions regarding Beneficial Owner during Implementation of the Dividend Clause of China - Hong Kong DTT by State Tax Bureaus of Hubei Province etc." SZH [2013] No. 165 ("Circular 165").

In this Circular 165, SAT regulates that investment activities for holding the property or right that generates the relevant income belong to operational activities; and the provision in the Circular 601 for non-operational activities means that the applicant has no more investment projects or other operational activities aside from a single investment.

GARRIGUES Observation

Though Circular 165 is aiming at application of relevant dividend clause in the China - Hong Kong DTT, the conclusion for investment activities as sort of operational activities is crucial and a milestone in China, as other tax bureaus may also take into consideration this rule when they apply other DTTs or other incomes aside from dividend.

Before the introduction of this rule in Circular 165, a holding

company in a jurisdiction may have to conduct actual and substantial operational activities, with according premises, personnel and operational scale. With the new rule for investment activities, the applicant may consider to have two or more investment projects (e.g. in China) to demonstrate that its investment activities qualify as operational activities. The foreign investors that have only one investment in China may consider investing in another project to ring fence any challenge for its status as beneficial owner for dividend income. ■

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Military Technology

By Stephen P. Ashton



Technology and war are intrinsically linked. Neither can exist without the other, and both are reliant upon the escalation and evolution of the other. Many state that war drives technological and scientific innovation. Whilst this is no doubt true, there are a few restrictions on the advancements. Firstly, only select areas in science advance whilst the majority of others are ignored, or governmental funding is reallocated. Secondly, many advancements are

classified and take many years to make their way to civilian knowledge. Also resources which would usually be used for civilian purposes can be reassigned to military use. Even when not at war, governments spend billions on their military arsenal, research and development.

At the start of the 20th century, Britain was the world's economic and military superpower. During the war, Germany, in an attempt to get equal footing began an arms race, which would see massive development in

science and technology. This is being mirrored today in many ways. The USA being the dominant superpower and China seeing massive economical growth. The race for dominance will no doubt be following in the next few decades. However the USA's military dominance dwarfs other countries mainly due to its unprecedented funding. In 2012 it is reported the US military budget was 682 billion USD, to put this in perspective China spent around 200 billion USD that same year. In fact, if you add the budget

of half a dozen of the most powerful countries in the world together, the US budget is still hundreds of billions larger. So with this astronomical amount of money, surely research and development within these countries' militaries are creating some truly revolutionary technology.

Recent advancements

The Transformer tx program - this American program aims to develop what they describe as an Aerial Reconfigurable Embedded System, or a flying car to laymen. The four man military vehicle would be capable of vertical take-off/landing used for carrying out strategic operations. The ability to move both by air and land would allow great strategic advantages by combining the stability of ground movement and the ability to fly over obstacles or avoid defensive counter measures. The program began in 2009 and is thought to begin prototype test flights next year. Russia is also working on similar technology.

Fifth generation fighter jets - these are jets such as the Chengdu J - 20, China's first fifth generation fighter jet. This was unveiled to the surprise of the US who believed China

wasn't anywhere near this level of technology. The Lockheed Martin F-35 Lightning II, the American made fighter is state of the art in every way and a very sought after aircraft by many countries. Finally there is the Russian Sukhoi PAK FA. Although information about this fighter has been deemed classified by the Russian military, it is likely to have

The civilian casualties created by the drone program have guided the way for a perfect breeding ground for recruiting for terrorist factions.

similar specifications to the other fifth generation fighter jets. Fifth generation fighter jets are defined as jets capable of various vague technical capabilities. These include: stealth and anti-radar capabilities, networked advanced computer systems and avionics, as well as mathematically sound aerodynamic form factors.



Next generation weaponry - Armatix Digital Revolver has an electronic safety which responds to authorised users only, via a smartwatch/fingerprint combination. This means if the weapon is taken by an enemy soldier the weapon will not fire. Also a pair of grenade launchers have been created. First, the M32 is a multiple grenade launcher. It has a fast rate of fire and is capable of firing different types of grenades, including a camera enabled for spying enemy positions, and parachuted grenades for timed landings. The second grenade launcher is the Corner Shot 40mm Grenade Launcher, equipped with a camera on the barrel which pivots on a hinge, it's possible to shoot round corners using a LCD screen to spot targets.

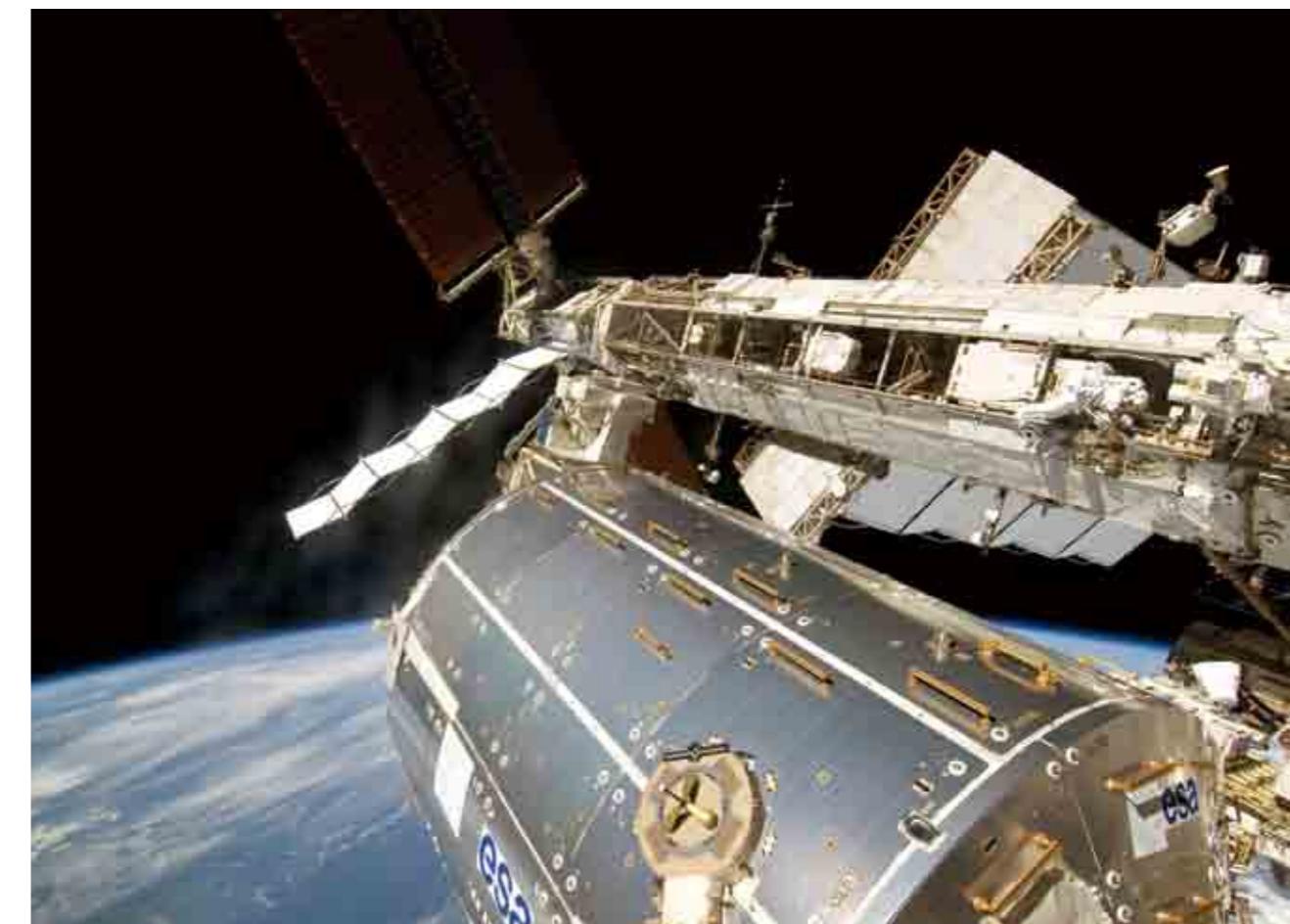
Drones - drones have been a part of modern warfare since the first Gulf War. However since the American war on terrorism was initiated targeted drone attacks have increased dramatically. Drones are unmanned combat air vehicles, and they are capable targeting and destroying enemy ground forces without the risk of loss of life, due to being unmanned. The drones are controlled by a human pilot remotely.

Joining forces

Due to the economic difficulties facing the world today, many countries are struggling to find a reasonable budget to successfully fund an effective military. Due to this many countries are creating military alliances to share technology and resources to better equip their nations for modern militaristic needs.

Recently Japan and Australia struck a deal to cooperate on defence technology research and development. Australia is also looking to partner with the UK, US, France and Germany.

Also alliances such as the ones between the UK and France are



becoming more common whereby not only research and development are shared but forces occupy the same vessels, carry out missions and share in training operations together. This sharing of the financial burden allows for a stronger show of force than either country could manage alone.

Endless cycle of war

Unfortunately the use of this advanced technology is accompanied by a host of problems. For instance due to the reduced risk of casualties that drones provide, it would be easy to employ them more frequently than you would normal missions. This is because of the safety they provide whilst still being able to carry out strategic operations. However this could lead to a greater ethical dilemma, just because you can do something

should you? If you have the ability to destroy targets with little to no risk to yourself why would you stop using it? This in essence creates an endless cycle of war. When one side of a war is clearly overwhelmingly dominant it just motivates the weaker side to take more desperate measures. This leads to extremist actions such as terrorism and sabotage. Added to this, the civilian casualties created by the drone program have guided the way for a perfect breeding ground for recruiting for terrorist factions.

Another ethical problem unique to modern warfare is the "video game mentality". When drone pilots kill from the safety of a computer screen does it create a segregation from reality? This separation dehumanises the task at hand, and it could make it too easy to take human life. This could have dire consequences not just

for the targets but the mental health of the pilots.

Finally the question of whether or not to sell advanced technology to other nations is troublesome. Military technology can be worth billions to countries, fuelling their economy, creating jobs and helping develop trading between countries. But in the wrong hands this technology can start wars, not just enable countries to defend themselves. Each country has an ethical obligation to ask these questions before embarking on international arms deals, as war does affect every country economically. ■

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World Economic Forum Brings the Annual Meeting of the New Champions Back to Tianjin

Following the success of previous events, the World Economic Forum (WEF) once again hosts its highly prestigious 2014 Annual Meeting of the New Champions, also known as the 'Summer Davos', in Tianjin. The event, which has been held in China every year since 2007-alternating between Tianjin and

Dalian, brings together some of the greatest minds in the world to discuss a broad range of critical global issues. Some of the world's most prominent economists, investors, business people and social commentators will arrive in Tianjin to discuss a range of issues and hopefully shed some light on important socio-economic

issues around the world. The Summer Davos is one of the most exciting and intriguing occasions for those in the business world. Starting on 10 September, the three day conference will deal with a broad range of issues. The overall theme this year is 'Creating Value through Innovation'. This is a particularly

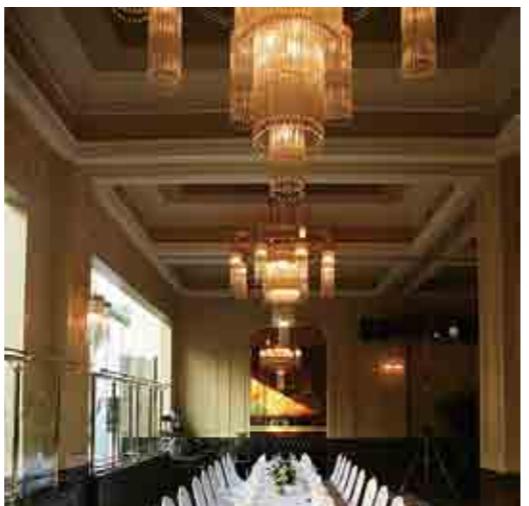
significant issue for China as it attempts to position its economy for a swift move up the so called economic value chain over the course of the decade. Big players in the technology sector here will no doubt be keeping a very close eye on this year's Summer Davos and the points raised by the visiting experts from around the globe. Other key topics and talking points include the global infrastructural development, future of wearable technology, thriving in a creative economy, optimizing education through the use of technology and China's evolving business context.

Events like this reflect Tianjin's burgeoning status as a global centre for business, commerce and innovation. The city has experienced tremendous growth over the last few years and it is hoped that the attention it will gain from hosting this year's Annual Meeting of the New Champions will further enhance its reputation as a highly attractive destination for both Chinese and multinational companies. ■

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Brasserie FLO Beijing Celebrates Its 15th Anniversary



It is with great pride that we at Brasserie FLO celebrate 15 years of bringing authentic French cuisine to China. Brasserie FLO has always been a place where everyone is welcome and it has been our joy to offer the affordable luxury of Brasserie dining for so many years.

Over time, we have become an

institution in China for Chinese locals and expats alike. They have become more than our customers, and in turn we have strived to be more than just a Brasserie. We are a meeting place for friends old and new, a window to French culture, a welcome escape from the vibrant metropolis that lies just outside.

In this ever changing and expanding city, the great challenge for us at FLO has been to maintain the traditional values and identity at the core of our Brasserie, while at the same time adapting to meet the evolving needs and tastes of our customers. We are proud of our accomplished history, and we are

equally excited for our future.

It is with that spirit that we announce our 15th Anniversary celebration at FLO in Beijing on 16th September 2014. It will be our great pleasure to welcome and thank the many people that have made our journey possible; from the Embassy, Chinese and expat communities to our trusted partners without whose support we could not survive.

A special menu has been created by our Michelin trained chefs Andy Choy and Stéphane Laurens for this event, with generous and premium selections for you to enjoy. Along with this, live entertainment and a few surprises await you.

While Brasserie FLO has stayed at the forefront of French cuisine in China for 15 years, we have also enjoyed the great successes of FLO Prestige, our premier catering service. FLO Prestige has been for many years the first and

best choice for luxury brands' tailored events and world class dining in one's home. Through this achievement we grew, and now serve numerous international brands for their large events including the Volvo China Open for two consecutive years.

With these tremendous successes behind us and our eyes firmly fixed on the horizon, it is with utter delight that we are soon to add the newest member of the Group FLO family - Café FLO.

The birth of Café FLO in China

Strategically located in the heart of a city landmark at the Park View Green, Café FLO epitomizes our dual goal; offering a high quality, authentic French experience while creating a relaxed dining environment where people of all ages and walks of life are

welcome.

With Café FLO, we are launching a new Parisian café concept in Beijing. With modern Parisian styled interior and classic French ambiance, this venue will be a simplified, cozier version of our Brasserie. This is casual dining but with the high standard of preparation and ingredients that you have come to expect from FLO.

In the elegance of a Parisian bistro, you will find a wonderful selection of food and drinks. Along with our avant-garde selection, enjoy classic dishes such as Beef Bourguignon, fill yourself with homemade baguette and Quiche Lorraine, or simply take out delicious freshly made pastries. Tantalize your taste buds with our freshly made juices and ground coffees.

We especially look forward to demonstrating our extensive breakfast menu, power lunch, Parisian high tea



Upcoming Events



from 2-5pm and daily dinner specials. Enjoy superb value set menus throughout the week and a fabulous selection of aperitifs and wines by the glass. Our weekend brunch includes well selected imported French oysters and seafood platters.

All food is monitored by Groupe FLO's Executive Chef and we will continue to fly in high standard Chefs every year to train our team and add new and exciting dishes to the menu.

We believe Café FLO is just the beginning. We are excited to be at the forefront of a new cuisine in China and we will keep innovating and growing to meet and exceed our customers' needs. Most importantly, we invite you to step into a little bit of Paris, right in the heart of Beijing.

To continue the celebration of our

proud milestone, FLO will also be inviting a special guest, Michelin Star Chef Daniel Chambon, to join our kitchen and run an exclusive menu throughout the month of October. Guests will enjoy his culinary skills in dishes featuring the delicacies from Périgord, France.

Born in 1949, in the small village of Lachapelle Auzac in Quercy-Périgord, a worldwide famous region for truffles ("black diamond" of French cuisine), foie gras (duck liver), magret de canard (duck steak) and walnuts, Chef Daniel acquired from his mother and mother-in-law the experience necessary to built his own culinary talent. "I gained from my mother, the passion for cuisine, fresh products, culinary and original taste which I build with her day by day

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helping her in the kitchen during my childhood".

Over the years, Chef Daniel has trained and worked under influential leaders of the French culinary scene such as the legendary Chef Alain Ducasse of Louis XV in Monaco and pastry master, Gaston Lenotre. Well known in the French culinary circle, in 1970, Daniel Chambon took over the kitchen of Le Pont de l'Ousse which was previously run by his mother in law since its opening in 1905.

In addition of having a Michelin star hotel-restaurant, Le Pont de l'Ousse, he has also been rewarded by three toques in the Gault et Millau guide in 1995, who recognized him as one of the twelve "Great Chefs of Tomorrow".

In 1988, he started traveling abroad to promote French cuisine in luxurious hotels and cruise liners. Chef Daniel always takes pleasure in sharing his culinary creations and passion with food lovers around the world.

He says "Le plus difficile est de faire simple (What is hardest is to do things simply) and I cannot achieve that without my abiding love and respect for the bounties of nature and unsurpassed quality of the regional and local products. Selecting the best of the best of raw ingredients and allowing them to express their natural flavors is the essence of my cuisine."

Some of his "Périgord Delicacies" dishes presented during the promotion include Pot au feu of "Rouge" foie gras and confit de canard, French century egg Périgord style, spiced foie gras, Mique bread, butter poached langoustines with "pommes écrasées", mille-feuille of beef with truffle sauce, fricassee of Saint Jacques with risotto of pasta, Rocamadour cheese with truffle etc. ■

Chamber Reports



European Chamber
中国欧盟商会

Past Events:

Discussion Forum on Tax Inspection

25 July 2014

Experts from PwC shared their knowledge on tax inspection with more than 20 member companies through this round table discussion, and they also discussed solutions for difficulties/problems they might encounter.



Workshop: How to increase the engagement of your employee?

1 August 2014

Founded in 1912, Dale Carnegie Training has evolved from one man's belief in the power of self-improvement to a performance-based training company with offices worldwide. They focus on giving people in business the opportunity to sharpen their skills and improve their performance in order to build positive, steady, and profitable results.

Employee engagement is one of the Dale Carnegie Training Programs. Dr. Zhao spent the whole afternoon sharing his insights on how to increase the engagement of employees. 40 managers participated in this workshop and expressed satisfaction with the training they received.



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Past Event:

Tianjin Monthly Executive Breakfast Briefing

17 July – The St. Regis Tianjin

On 17 July, nearly 40 guests attended AmCham China Tianjin's monthly breakfast briefing at the St. Regis Tianjin with fantastic food. The guest speaker was Justin A. Franke, General Manager of Boeing Tianjin Composites Co. Ltd. He discussed his thoughts on the global aerospace market, recent developments of Boeing in China and the strategy of Boeing Tianjin Composite Co., LTD. Afterwards, attendees submitted a series of questions related to the aerospace industry.



TIAN JIN

中 国 美 国 商 会 · 天 津

Upcoming Events:

7:15-9:00 AM, 18 September: Tianjin Monthly Executive Breakfast Briefing, Venue TBD

10:00 AM – 8:30 PM, 27 September: AmCham China Tianjin 2014 Fall Classic Golf Tournament, King Key Golf Country Club



Past Events:

German Ambassador visits Tianjin

On 22 July 2014, the German Ambassador Michael Clauss paid his first visit to Tianjin. Accompanied by a delegation from the German Embassy, as well as the Regional Manager of the German Chamber Dr. Bjoern Lindemann, he met with Mayor Huang Xinguo and Vice Mayor Ren Xuefeng to talk about current developments and the deepening of the Sino-German cooperation in Tianjin. He also visited the Tianjin Economic and Technological Development Area (TEDA) as well as the Airbus factory in the Tianjin Airport Economic Area.



Upcoming Events:

5th German Chamber Oktoberfest, 11 October 2014



The Oktoberfest Festival in Munich has been held since 1810 and is one of the most famous events in Germany as well as the world's largest folk festival. Come and join us for the Oktoberfest celebrations in Tianjin and enjoy the Bavarian buffet dinner and a free flow of the freshly-brewed original Oktoberfest beer at the 3 Kronen 1308 Brauhaus beer tent. The German Festival Band will entertain with classic Oktoberfest songs throughout the night.

Special rates for all employees of German Chamber member companies and for groups of more than 5 people. Information and reservation: 022 8787 9249 / tianjin@bj.china.ahk.de / http://china.ahk.de/chamber/events/north-china/tianjin.

2nd German Chamber Soccer Cup Tianjin, 19 October 2014



The German Chamber of Commerce invites you to the 2nd German Chamber Soccer Cup Tianjin on Sunday, 19 October 2014 at the sports field of the International School Tianjin (IST). After a successful tournament last year we look forward to the 2nd competition in Tianjin, making this a permanent and memorable event for players, spectators and the German-Chinese community. This family event includes 10 teams competing for the German Chamber Cup, a kids program with bouncy castle, playground and soccer area, a "Torwand"-Shooting (target shooting) with many prizes, food and drinks, inclusive German BBQ and beer, and much more. The tournament starts at 9.30am.

24 September 2014: Kammerstammtisch Tianjin, Drei Kronen 1308 Brauhaus Tianjin

The Astor Hotel, A Luxury Collection Hotel, Tianjin won 3 awards from Fashion List Awards of China Hotel 2014



With an excellent performance and extraordinary achievement, The Astor Hotel, A Luxury Collection Hotel, Tianjin won three top awards. General Manager - Mr. Christian Metzner was awarded "Best Hotel General Manager", and Ms. Linda Qu - Director of Sales & Marketing was honored as the "Best Hotel Manager". In addition, the hotel received second place in the "Best Top Luxury Hotel" award. Opened in 1863 and completely restored to its original beauty in 2010, The Astor Hotel evokes a bygone era, and this treasured landmark has been well known in China. Mr. Christian Metzner said: "It's a great honor to win three trophies from the committee of Fashion List Awards of China Hotel 2014. The Astor Hotel is always keen to bring our guests an extraordinary and indigenous experience with an incomparable cultural and historical atmosphere.

Hyatt Regency Tianjin East receives "Best New Open Hotel" at the China Hotels Fashion List Awards

The 4th China Hotels New Vision Peak Forum and 2014 China Hotel Fashion List Awards ceremony was staged in Shenzhen recently. Hyatt Regency Tianjin East received the "Best New Open Hotel" at the China Hotels Fashion List Award.

In 1986, Hyatt Regency became Tianjin's first international hotel – and the first Hyatt hotel in China. With a 28-year history in Tianjin, Hyatt is always committed to the mission of providing authentic hospitality and making a difference to the lives of the people we touch every day. Hyatt Regency Tianjin East heralds the return of sophisticated Hyatt hospitality to Tianjin, where the Hyatt Regency name is synonymous with hosting top-level guests, prestigious meetings and special events. Hallmarked by contemporary style, convenience and comfort, Hyatt Regency Tianjin East will once again become the premier address for dining, meeting, celebrating and relaxing in Tianjin.



Rising 25 stories over Tianjin's Hedong District, Hyatt Regency Tianjin East's strategic location forms part of the fast-developing commercial hub connecting downtown Tianjin and the booming Tianjin Binhai New Area business district. Hyatt Regency Tianjin East offers 306 spacious, well-appointed guestrooms and suites. In addition, the hotel features three international restaurants; more than 2,000 sqm of impressive meeting and wedding venues; plus a full-service Yue Spa and 25-metre swimming pool.

Holiday Inn Tianjin Aqua City Receives "Best Leisure Hotel" at the 2014 China Hotel Fashion List Awards

The 4th China Hotel Fashion List Awards 2014 ceremony was successfully held in Shenzhen recently. Holiday Inn Tianjin Aqua City was named 2014 "Best Leisure Hotel". China Hotel Fashion List Awards was organised by the China Hotel New Vision Peak Forum. It represents Chinese mainstream media union recommendations, appraisal through the academic circles and multiple perspectives.

"The hotel has consistently offered a relaxed and friendly environment for our guests. The newly launched 'Kids Stay & Eat Free' programme demonstrates the long-standing commitment to serving family travellers, where they can enjoy relaxing getaways at an affordable price," said General Manager, Mr. Kelvin Mah.

Holiday Inn Tianjin Aqua City has a high reputation in Tianjin since opening in 2011. Located in the centre of Tianjin, the hotel is surrounded by many famous tourist attractions, such as the Drum Tower, Ancient Culture Street, Italian Street, etc. The hotel is connected with the Aqua City shopping complex – an iconic landmark, which provides an all-in-one convenient experience in shopping, relaxing, entertaining, and dining.



Tianjin Historical Block's Protection Project Wins Industry Recognition

On August 16th, the "2014 China Estate Design Innovation Forum" award ceremony was held in Beijing. Jingyuan, Qing palace, Xiannong courtyard won the "Chinese Historical and Cultural Protection and Innovation Model" award.

From the beginning of 2005, Tianjin has promulgated and implemented the "Tianjin Historic Building Protection Ordinance". City Hall has set up a special management and historic building protection and formed a "rational utilization" principle of protection and government guidance, expert consultation, operation of enterprises, public participation working mode. The city launched a very fruitful historic building protection work, and carried out a comprehensive improvement of the environment on 5th Avenue, Palace Garden, North Liberation Street, Central Park and other historical and cultural blocks, and repaired more than 300 historical buildings to enhance the safety and the use of performance, and to restore the historical original appearance.



By Bus

Gōng jiāo chē
公交车



Buses can be seen everywhere in China.

zài zhōng guó, gōng jiāo suí chù kě jiàn.
在 中 国, 公 交 随 处 可 见。

When people want to go out, taking bus can be a good choice.

Chū xíng zhī shí, gōng jiāo shì gè bù cuò xuǎn zé.
出 行 之 时, 公 交 是 个 不 错 选 择。

What we are going to talk about today is how to take the bus or subway.

Wǒ men jīn tiān zhǔ yào tán lùn de shì zěn yàng shùn lì de zuò gōng jiāo huò zhě dì tiě.
我 们 今 天 主 要 谈 论 的 是 怎 样 顺 利 的 坐 公 交 或 者 地 铁。

Because Chinese can be understood more easily through listening and speaking than reading and writing,

Yīn wèi hàn yǔ shì tīng qǐ lái shuō qǐ lái bǐ jiào róng yì, ér dù qǐ lái xiě qǐ lái bǐ jiào nán,
因 为 汉 语 是 听 起 来 说 起 来 比 较 容 易, 而 读 起 来 写 起 来 比 较 难,

it is hard for people to take the bus by simply reading the bus stop signs.
Rén men zhǐ shì tōng guò dù zhàn pái lái chéng zuò gōng jiāo shì hěn nán de.
人 们 只 是 通 过 读 站 牌 来 乘 坐 公 交 是 很 难 的。

A: Can you tell me which bus I should take? I want to go to Wu Jia Yao.
Nǐ néng gào sù wǒ, wǒ gāi zuò nǎ yī liàng chē ma? Wǒ xiǎng qù wú jiā yáo.
你 能 告 诉 我, 我 该 坐 哪 一 辆 车 吗? 我 想 去 吴 家 窑。

B: Sorry, where?

Nǎ lǐ?
哪 里?

A: Wu jia yao. I can't read the bus stop sign.
Wú jiā yáo. Wǒ kàn bù dǒng zhàn pái.
吴 家 窑。我 看 不 懂 站 牌。

B: Bus 871.

Bā qī yao.
8 7 1

A: Thank you.
Xiè xiè.
谢 谢。

A: Hello, I want to go to this place, can you tell me which bus I should take?
Nǐ hǎo, wǒ xiǎng qù zhè ge dì fāng, nǐ néng gào sù wǒ zuò nǎ yī liàng gōng jiāo ma?
你 好, 我 想 去 这 个 地 方, 你 能 告 诉 我 坐 哪 一 辆 公 交 吗?

B: There is no bus going there, you'd better take bus 7 then transfer to the subway.
Méi yǒu gōng jiāo qù zhè ge dì fāng, nǐ zuì hǎo zuò 7 lù chē dǎo dì tiě.
没 有 公 交 去 这 个 地 方, 你 最 好 坐 7 路 车 倒 地 铁。

A: OK, thank you, I'll just take a taxi.
Hǎo ba, xiè xiè, nà wǒ dǎ chē le.
好 吧, 谢 谢, 那 我 打 车 了。

重点词汇 Key Words

公交	gōng jiāo	bus	站牌	zhàn pái	bus stop sign
地铁	dì tiě	subway	倒车	dǎo chē	transfer to another bus

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DINING

TIANJIN

Chinese

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Japanese

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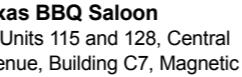
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霞日式料理
空港物流加工区中心大道55号
天津滨海圣光皇冠假日酒店1层



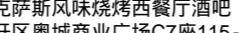
Kushi Grill
A: 2F, Radisson Blu Plaza Hotel Tianjin No. 66, Xinkai Lu, Hedong District
T: +86 22 2457 8888
串烧
河东区新开路66号天津天诚丽笙世嘉酒店2层



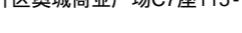
Seasonal Tastes
A: 1F, 101 Nanjing Road, Heping District
T: +86 22 2389 0168
知味全日餐厅
和平区南京路101号一层



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



SóU
A: 49F, Tangla Hotel Tianjin, No. 219 Nanjing Road, Heping District
T: +86 22 2321 5888 ext. 5106
思创
南京路219号天津唐拉雅秀酒店49楼

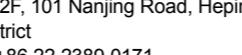


Thailand

YY Beer House
(Behind International Building)
A: No. 3, Aomen Lu, Heping District
T: +86 22 2339 9634
粤园泰餐厅
和平区澳门路3号(国际大厦后侧)



Bistro Thonet
A: No. 55 Chongqing Road, Heping District
T: +86 22 8713 5555
E: info@qingwangfu.com
庭悦咖啡
和平区重庆道55号庆王府院内



Western

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



Churchill Wine & Cigar Bar
A: 1F, Wanda Vista Tianjin, 486 Bahao Road, Da Zhi Gu, Hedong District
T: +86 22 2462 6888
丘吉尔红酒雪茄吧
河东区大直沽八号路486号天津万达文华酒店一层



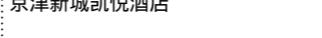
1863 Bistro & Terrace
A: 1F Astor Wing, The Astor Hotel, A Luxury Collection Hotel, Tianjin No. 33, Ta'er Zhuang Lu Heping District
T: +86 22 2331 1688 ext. 8918
1863别致西餐厅&花园
利顺德冀, 和平区台儿庄路33号天津利顺德大饭店豪华精选酒店一层

Café Majestic
A: 1F Haike Wing, The Astor Hotel, A Luxury Collection Hotel, Tianjin No. 33, Ta'er Zhuang Lu, Heping District
T: +86 22 2331 1688 ext. 8910
凯旋咖啡厅
海河翼, 和平区台儿庄路33号天津利顺德大饭店豪华精选酒店一层

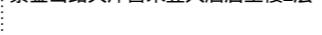
Café Venice
A: 2F, Holiday Inn Tianjin Riverside Phoenix Shopping Mall East Haike Road, Hebei District
T: +86 22 2627 8888 ext. 2271
威尼斯咖啡厅
河北区海河东路凤凰商贸广场
天津海河假日酒店2楼

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

Prego Italian Restaurant
A: 3F, 101 Nanjing Road, Heping District
T: +86 22 2389 0173
Prego意大利餐厅
和平区南京路101号三层

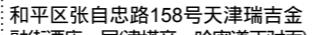


Qba – Latin Bar & Grill
A: 2F, 101 Nanjing Road, Heping District
T: +86 22 2389 0171
Q吧 - 拉丁酒吧&烧烤
和平区南京路101号二层



Pan Shan Grill & Wine

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



Promenade Restaurant

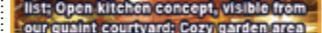
A: 1F, The St. Regis Tianjin No. 158, Zhang Zizhong Road, Heping District
T: +86 22 5830 9959
河岸国际餐厅



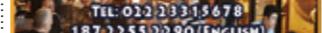
Bistro Thonet
A: No. 55 Chongqing Road, Heping District
T: +86 22 8713 5555
E: info@qingwangfu.com
庭悦咖啡
和平区澳门路3号(国际大厦后侧)



O'Hara's
A: Astor Wing, The Astor Hotel, A Luxury Collection Hotel, Tianjin No. 33, Ta'er Zhuang Lu Heping District
T: +86 22 2331 1688 ext. 8919
海维林酒吧
利顺德冀, 和平区台儿庄路33号天津利顺德大饭店豪华精选酒店一层



The St. Regis Bar
A: 1F, The St. Regis Tianjin. No. 158 Zhang Zizhong Road, Heping District
T: +86 22 5830 9958
瑞吉酒吧



Hanbridge Education
A: C4-308/309, Magnetic Capital International Office Building
T: +86 22 2434 5666
汉桥教育
和平区张自忠路158号天津瑞吉金融街酒店一层
(津塔旁, 哈密道正对面)



DINING

Spectrum All-Day Dining

A: 7F, Hotel Nikko Tianjin No. 189, Nanjing Lu, Heping District
T: +86 22 8319 8888 ext. 3570
彩西餐厅
南京路189号天津日航酒店7层

Mighty Deli (South Park Store)

A: No. 85-87, Shuishang Gongyuan West RD, Nankai, Tianjin (opposite to Nanciping Park) 南开区水上公园对面
T: +86 22 8783 9683
(Somerset Store)
A: 5F, Somerest Youyi, Pingjiang Dao, Heli District
T: +86 22 5809 5099
Flair酒吧
中国天津市和平区大沽北路167号天津丽思卡尔顿酒店一楼

Zest

A: 1st Floor, The Ritz-Carlton, Tianjin, No. 167 Dagubei Road, Heping District, Tianjin
T: +86 22 5809 5109
香溢 - 全日餐厅
和平区大沽北路167号天津丽思卡尔顿酒店一楼

Purple Bar

A: 2F, Radisson Blu Plaza Hotel Tianjin 66 Xinkai Road, Hedong District
T: +86 22 2457 8888 - 3278
葡吧
河东区新开路66号
天津天诚丽笙世嘉酒店2层

Flair

A: 1st Floor, The Ritz-Carlton, Tianjin, No. 167 Dagubei Road, Heping District, Tianjin
T: +86 22 8783 9683
(Somerset Store)
A: 5F, Somerest Youyi, Pingjiang Dao, Heli District
T: +86 22 5809 5099
Flair酒吧
中国天津市和平区大沽北路167号天津丽思卡尔顿酒店一楼

Education

UNIVERSITY OF MARYLAND ROBERT H. SMITH SCHOOL OF BUSINESS
University of Maryland Robert H. Smith School of Business China Leadership EMBA Program
A: 2505-A CITIC Building, 19 Jianguomenwai Street Beijing
T: +86 10 6500 3930
E: Beijing@rhsmith.umd.edu
W: rhsmith.umd.cn
马里兰大学史密斯商学院中国领导力EMBA项目
北京市朝阳区建国门外大街19号国际大厦2505-A

inAsia

Inasia Restaurant
(Olympic Stadium Store)
A: 4F, A-Hotel, Olympics Gym, Nankai District, Tianjin 天津市南开区水滴体育馆A-Hotel四楼
T: +86 22 2382 1666/2233
(Somerset Store)
A: 5F, Somerest Youyi, Pingjiang Dao, Heli District 天津市河西区平江道盛捷服务公寓5层
T: +86 22 2810 7992

Jeff's House Kindergarten

Welcome to my house. We will play, learn and grow together. We are a family. We and our parents will all be the masters.

A: No. 77, Munan Dao, Heli District
T: +86 22 2321 0236/0636
W: jeffhouse.net
杰夫幼稚园
和平区睦南道77号(近河北路)

Bars

China Bleu
A: 50F, Tangla Hotel Tianjin, No. 219 Nanjing Lu, Heli District
T: +86 22 2321 5888
中国蓝酒吧
南京路219号天津唐拉雅秀酒店50层

International Schools

INTERNATIONAL SCHOOL OF TIANJIN Working Learning Acting TOGETHER
International School of Tianjin
A: Weishan Lu, Jinnan District
T: +86 22 2859 2001
国际学校天津分校
津南区津南微山路

O'Hara's

A: Astor Wing, The Astor Hotel, A Luxury Collection Hotel, Tianjin No. 33, Ta'er Zhuang Lu Heping District
T: +86 22 2331 1688 ext. 8919
海维林酒吧
利顺德冀, 和平区台儿庄路33号天津利顺德大饭店豪华精选酒店一层

The St. Regis Bar

A: 1F, The St. Regis Tianjin. No. 158 Zhang Zizhong Road, Heping District
T: +86 22 5830 9958
瑞吉酒吧
和平区张自忠路158号天津瑞吉金融街酒店一层
(津塔旁, 哈密道正对面)

Hanbridge Education

A: C4-308/309, Magnetic Capital International Office Building
T: +86 22 2434 5666
汉桥教育
和平区张自忠路158号天津瑞吉金融街酒店一层
(津塔旁, 哈密道正对面)

SERVICES

tianjin international school LEARN WITH PURPOSE

Tianjin International School

A: No.4-1, Sishui Dao, Heli District
T: +86 22 8371 0900 ext. 311
天津国际学校

BANYAN TREE TIANJIN RIVERSIDE

Banyan Tree Tianjin Riverside

A: No. 34, Haihe Dong Lu, Hebei District
T: +86 22 5883 7848
www.banyantree.com
天津海河悦榕庄

河北区海河东路34号

Wellington College International Tianjin

A: No. 1, Yide Dao, Hongqiao District

T: +86 22 8758 7199 ext. 8001

Mobile: +86 187 2248 7836

E: admissions@wellington-tianjin.cn

W: wellington-tianjin.cn

天津惠灵顿国际学校

红桥区义德道1号

hotel INDIGO

Tianjin Haihe

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

天津海河英迪格酒店

中国天津市河西区解放南路314号

HYATT

REGENCY

SERVICES

Hotel Nikko Tianjin
A: No. 189, Nanjing Lu, Heping District
T: +86 22 8319 8888
天津日航酒店
和平区南京路189号



Radisson Blu Plaza Hotel Tianjin
A: No. 66, Xinkai Lu, Hedong District
T: +86 22 2457 8888
天津天诚丽笙世嘉酒店
河东区新开路66号



Tangla Hotel Tianjin
A: No. 219, Nanjing Lu, Heping District
T: +86 22 2321 5888
天津唐拉雅秀酒店
和平区南京路219号



Yi Boutique Luxury Hotel Tianjin
A: No. 52-54, Min Zu Road, Hebei District
T: +86 22 2445 5511
天津易精品奢华酒店
河北区民族路52-54号



Renaissance Tianjin Lakeview Hotel
A: No. 16, Binshui Dao, Hexi District
T: +86 22 5822 3388
万丽天津宾馆
河西区宾水道16号



Sheraton Tianjin Hotel
A: Zi Jin Shan Lu, Hexi District
T: +86 22 2731 3388
天津喜来登大酒店河西区紫金山路



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



**The Astor Hotel,
A Luxury Collection Hotel, Tianjin**
A: No. 33, Tai'er Zhuang Lu,
Heping District
T: +86 22 2331 1688
天津利顺德大饭店豪华精选酒店
和平区台儿庄路33号



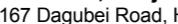
The Westin Tianjin
A: 101 Nanjing Road, Heping District
T: +86 22 2389 0088
W: westin.com/tianjin
天津君隆威斯汀酒店
和平区南京路101号



Somerset International Building Tianjin
A: No. 75, Nanjing Lu
Heping District
T: +86 22 2330 6666
天津盛捷国际大厦服务公寓
和平区南京路75号



Somerset Olympic Tower Tianjin
A: No. 126, Chengdu Dao
Heping District
T: +86 22 2335 5888
天津盛捷奥林匹克大厦服务公寓
和平区成都道126号



Somerset Youyi Tianjin
A: No. 35, Youyi Lu, Hexi District
T: +86 22 2810 7888
天津盛捷友谊服务公寓
河西区友谊路35号



Wanda Vista Tianjin
A: 486 Bahao Road, Da Zhi Gu,
Hedong District, Tianjin 300170
T: +86 22 2303 2888
利顺德公寓
和平区台儿庄路486号



Ariva Tianjin Binhai Serviced Apartment
A: No. 35 Zi Jin Shan Road, Hexi District
T: +86 22 5856 8000
F: +86 22 5856 8008
www.stayariva.com
滨海·艾丽华服务公寓
天津市河西区紫金山路35号



The Lakeview, Tianjin-Marriott Executive Apartments
A: No. 16, Binshui Dao, Hexi District
T: +86 22 5822 3322
天津万豪行政公寓
河西区宾水道16号

Logistics

LOGISTICSTIANJIN can provide a full range of LOGISTICS SERVICES:

- Import and Export shipments
- Pick up/deliver shipments and documents
- Inland container transportation
- Customs clearance
- Inspection and quarantine declaration
- Warehousing in bonded zones

For further details, send e-mail to service@logisticstianjin.com

Printing Services

TIANJINPRINT is a 24-HOURS professional printing service provider. Provides the highest level of service by employing the most advanced equipment, superior customer service, and excellent quality control systems, to ensure that customers receive the highest quality products and services. Print, including design, prepress, finishing, binding and inserting. For projects or inquiries, please send e-mail to info@tianjinprint.com

Promotional Products

PROMOTIANJIN is a traditional promotional products agency serving major corporations and non-profit agencies since 1998. Based in Tianjin, it has been actively serving accounts in financial services, health care, media, non-profit, advertising, cultural affairs and home and industrial furnishings fields. Main clients are organisations of all sizes throughout China and abroad. For further details, please send e-mail to gm@promotianjin.com

Real Estate

CBRE Tianjin
A: 42F, Units 12 & 13, Tianjin World Financial Centre Office Tower, No. 2 Dagubei Road, Heping District
T: +86 22 5832 0188
W: cbre.com.cn
世邦魏理仕天津分公司和平区大沽北路2号天津环球金融中心津塔写字楼42层12-13单元

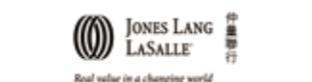
Royal Relocation Consultants

A: Room 301, Building 19, Magnetic Capital Serviced Apartment West Bin Shui Rd. Nankai District
T: +86 22 2813 6943
W: royal-relocation.com
荣联国际安居服务公司
天津市南开区时代奥城酒店公寓19号楼301室

SERVICES

TICC (Tianjin International Community Centre) Association and meeting place for foreign passport holders and their families in Tianjin. Organises monthly coffee mornings, luncheons and social/fundraising events, supporting local charities.

E: ticc_09@hotmail.com
W: tianjin.weebly.com



Jones Lang LaSalle
A: 41F, Tianjin World Financial Center 2 Dagubei Road, Heping District Tianjin

T: +86 22 2318 5111
W: executivecentre.com

天津德事商务中心
和平区大沽北路2号天津环球金融中心津塔写字楼41层



Regus Tianjin Centre
A: 8th Tianjin Centre, No.219 Nanjing Road, Heping District

T: +86 22 2317 0333
W: www.regus.cn

雷格斯天津中心
和平区南京路219号天津中心8层

雷格斯金谷大厦中心
和平区金之谷大厦一号楼11层

Travel Agencies

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

Hospitals

Beijing Yingke Law Firm
Tianjin Office

Providing full range of legal services under China laws and regulations:-

contract, corporate, labor law, due diligence, mergers and acquisitions, real estate, investment, dispute solution, litigation and arbitration, etc.

Contact Lawyer: Morgan Lee

T: +86 139 1113 8878

E: liyi@yingkelawyer.com

W: <http://english.yingkelawyer.com>

Hospitals

International SOS Tianjin and TEDA Clinics (Tianjin address and number here)

A: 102-C2 MSD, 2nd Avenue, TEDA Binhai Area, Tianjin 300457

T: +86 22 6537 7616

天津经济技术开发区第二大街泰达现代服务区C2座102室



Tianjin United Family Hospital

A: No.22, Tianxiao Yuan

Tanjiang Dao, Hexi District

T: +86 22 5856 8500 (Reception)

24 Hour Emergency:

T: +86 22 5856 8555

W: ufh.com.cn

天津和睦家医院
河西区潭江道天藻园22号

Arrail Dental Tianjin
International Building Clinic
和平区南京路75号天津国际大厦302室

A: Rm 302, Tianjin International Building, No. 75 Nanjing Rd, Heping District, Tianjin PRC

T: +86 22 2331 6219/10/67

24H Emergency Line:
150 022 19613

W: arrail-dental.com

Vehicle Leasing!

+86 135 0207 0987
info@chinabustravel.com



Lifestyle Recommendations / Teda & Tanggu

DINING	SERVICES	HEALTH
Gyms <p>Astor Fitness & Health Club A: 3F, Haiye Wing, The Astor Hotel, A Luxury Collection Hotel, Tianjin No. 33, Tai'er Zhuang Lu Heping District T: +86 22 2331 1688 ext. 8876 利顺德健身俱乐部 海河翼，和平区台儿庄路33号天津利顺德大酒店豪华精选酒店三层</p> <p>Powerhouse Gym A: Binjiang Shopping Center, Kaifeng Dao, Xiao Bai Lou (1902 Street) Hexi District T: +86 22 2302 2008 宝力豪健身俱乐部 河西区小白楼滨江购物中心</p>	Italian <p>Bene Italian Kitchen A: 2F, Sheraton Tianjin Binhai Hotel No. 50, 2nd Avenue, TEDA T: +86 22 6528 8888 ext. 6230/6232 班妮意大利餐厅 开发区第二大街50号 天津滨海喜来登酒店2层</p>	 <p>TEDA International School A: No. 72, 3rd Avenue, TEDA T: +86 22 6622 6158 泰达国际学校 开发区第三大街72号</p>
Western <p>Brasserie Restaurant A: Renaissance Tianjin TEDA Hotel & Convention Centre No. 29, 2nd Avenue, TEDA T: +86 22 6621 8888 ext. 3711 万丽西餐厅 开发区第二大街29号天津万丽泰达酒店及会议中心</p>	 <p>Tianjin TEDA Maple Leaf International School A: No. 71, 3rd Avenue, TEDA T: +86 22 6200 1920 天津泰达枫叶国际学校 开发区第三大街71号</p>	 <p>Crowne Plaza Tianjin Binhai A: No.55 Zhongxin Avenue Airport Economic Area, Tianjin T: +86 22 5867 8888 天津滨海圣光皇冠假日酒店 天津市空港经济区中心大道55号</p>
Chinese <p>Wan Li Chinese Restaurant A: 2F, Renaissance Tianjin TEDA Hotel & Convention Centre No. 29, 2nd Avenue, TEDA T: +86 22 6621 8888 ext. 6750 万丽轩中餐厅 开发区第二大街29号天津万丽泰达酒店及会议中心2层</p>	 <p>Feast All Day Dining Restaurant A: 1F, Sheraton Tianjin Binhai Hotel No. 50, 2nd Avenue, TEDA T: +86 22 6528 8888 ext. 6210 盛宴全日制西餐厅 开发区第二大街50号 天津滨海喜来登酒店1层</p>	 <p>Holiday Inn Binhai Tianjin A: No. 86, 1st Avenue, TEDA T: +86 22 6628 3388 天津滨海假日酒店 开发区第一大街86号</p>
Bars <p> Happy Soho Live Music & Dance BAR (Opposite of Central Hotel) A: No. 16, Fortune Plaza, Third Avenue, TEDA T: +86 22 2532 2078 欢乐苏荷酒吧 开发区第三大街财富星座16号(中心酒店对面)</p>	 <p>Sheraton Tianjin Binhai Hotel A: No. 50, 2nd Avenue, TEDA T: +86 22 6528 8888 F: +86 22 6528 8899 天津滨海喜来登酒店 开发区第二大街50号 http://sheraton.com/tianjinbinhai</p>	 <p>Renaissance Tianjin TEDA Convention Centre Hotel A: No. 29, 2nd Avenue, TEDA T: +86 22 6621 8888 天津万丽泰达酒店及会议中心 开发区第二大街29号</p>
Japanese <p>Sake n Sushi Bar A: 11F, Holiday Inn Binhai Tianjin No. 86, 1st Avenue, TEDA T: +86 22 6628 3388 ext. 2730 寿司吧 开发区第一大街86号天津滨海假日酒店11层</p>	 <p>GEMS World Academy Tianjin Eco City, China A: No. 312, Hefeng Road, Tianjin ECO-City, Binhai New Area T: +86 22 6622 7888 天津杰美司国际学校 滨海新区天津生态城和风路312号</p>	 <p>Tianjin TEDA International SOS Clinic A: 102-C2 MSD, No.79 1st Avenue, TEDA, Tianjin T: +86 22 6537 7616 国际SOS天津泰达诊所 天津经济技术开发区第一大街79号泰达MSD-C2座102室</p>
Education		Gyms <p>Eco-City International Country Club A: No. 5681, Zhongxin Road, South Ying-Cheng Island, Tianjin T: +86 22 6720 1818 生态城国际乡村俱乐部 天津生态城中新大道5681号(营城湖南岛)</p> <p>Holiday Inn Binhai Hotel Fitness Center A: 15F, Holiday Inn Binhai Tianjin No. 86, 1st Avenue, TEDA T: +86 22 6628 3388 ext. 2960 天津滨海假日酒店健身中心 开发区第一大街86号天津滨海假日酒店15层</p>

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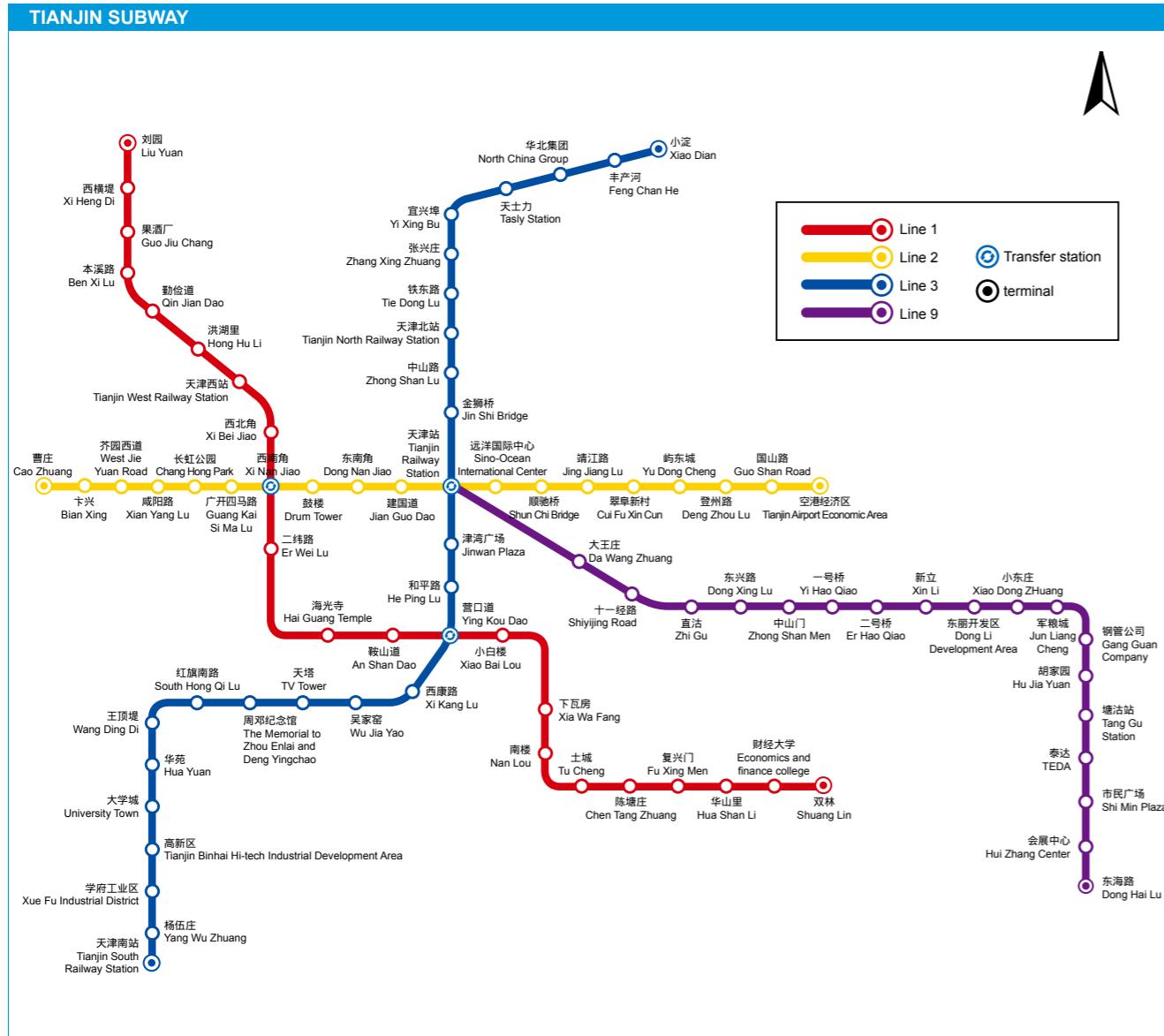
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C2001	06:35	07:05
C2093	23:00	23:30
TG ~ BJS (¥66 - ¥80)		
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C2274	12:40	13:10
C2280	20:25	20:55
BJS ~ TG (¥66 - ¥80)		
Train	Beijing	Tanggu
C2273	10:45	11:15
C2279	18:50	19:20
Wuqing ~ BJS (¥39 - ¥46)		
Train	Wuqing	Beijing
C2202	06:53	07:18
C2232	20:43	21:08
BJS ~ Wuqing (¥39 - ¥46)		
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C2231	21:15	21:37



Coming or Going?

By Ben Hoskins



China saw well over 100 million visitors last year, making it the third most visited country in the world. Foreign direct investment in China continues to rise each year, and China is home to hundreds of thousands of foreign residents, ranging from factory managers to English teachers. Over a billion potential customers and the escalating middle-class we all know about beckons many a foreign company to tap into the vast and enigmatic Chinese market. What's more, thousands of foreigners come

to China to simply experience the rich history and culture, and find themselves staying long-term, having been captured by the beauty and allure of the Middle Kingdom. It's no secret China has burst onto the world scene in the past 15 years. Entry into the World Trade Organization, successfully hosting the 2008 Summer Olympics, and climbing to the world's second largest economy, China has emerged as a significant player on the world stage. One gets the feeling they could win the next World Cup at the rate they

are going. Wait..China didn't make this year's World Cup? Well, anyway, you get the picture-China is trendy and has much going for them. So with all of China's potential and with a seemingly unending line of foreigners looking to make China home, why is it that Chinese residents are leaving China in record numbers? In a 2014 annual report, the Centre for China and Globalisation (CCG) says there were over 9 million Chinese emigrants last year, an increase of 129 percent in the past 20 years. Why are so many Chinese fleeing such a land

of promise and opportunity? Should we find it odd so many outsiders are coming, while so many locals are leaving?

Before jumping to conclusions, let's take a closer look. For starters, while it seems foreigners are piling into China, the numbers tell a different story. According to the 2010 national census, there are just 594,000 foreign residents in China, less than 0.05% of the overall population, technically giving China the lowest percentage of foreign immigration of any country in the world, according to United Nations migration data. And while foreign direct investment is still up year-over-year, the growth is not as it once was amidst concerns amongst investors.

So the picture of a revolving door of foreigners coming in and Chinese going out is potentially misleading. And yet the absence of a large number of immigrants possibly highlights the rising emigration even more. With less than a million immigrants, China's migration deficit is cavernous, leaving a deficit of over 8 million, according to CGC's report. The question is, why are they leaving, and does it matter?

In a jointly published report, China Merchants Bank, along with Bain & Company, noted that over 50 percent of those classified as high net worth individuals have considered emigrating or have already emigrated. But with China's rising middle-class, it's no longer the uber-wealthy who have this choice, what with now millions of Chinese choosing to find another home. What are some of the biggest reasons? Environmental concerns, food safety, and educational options are just some of the reasons given for the departure of many Chinese.

Environmental fears have been noted by everyone and are no secret. The air is severely polluted, poses a health risk, and despite recent measures by the authorities to curb it, likely will persist as long as industry and the economy surges. Families with the

option to seek out cleaner air, who choose to exercise that option, should not come as a surprise.

Similarly, the spate of food safety incidents gives many Chinese families pause. One can only make so many trips to Hong Kong for baby formula, and when you visit McDonald's looking to get your kid some chicken nuggets and all they have is a fish-fillet sandwich you start to wonder where you raise your kids.

Environmental concerns, food safety, and educational options are just some of the reasons given for the departure of many Chinese.

Differences in education models have also been widely reported. The rigid, high-pressure model in China that emphasizes testing, contrasts with the more flexible, less stress model

in the West that encourages more critical thinking. Quoted recently in *The Economist*, one man moving his family to Australia says of his daughter's education, "My wife and I suffered a lot. I don't want my daughter to suffer through all that."

Chinese emigrants are looking for new beginnings. It may be that they find the grass isn't necessarily greener on the other side. Jobs may be hard to find, and learning a new culture and being apart from extended family brings challenges. But they hope to find more stability, cleaner air, and more peace of mind. So the question is not are Chinese leaving, but rather, does it matter?

How much difference it makes on China's future is up for debate, but it does matter. Many of those leaving are middle to upper class, and so they are taking with them large amounts of wealth. Adding to this

outflow of wealth is a drain on skills and talent. As we have seen, China has a significant migration deficit, so there is not the influx of skills to offset this loss of talent, thus China's future progress and development could take a hit.

But just as there is more than meets the eye regarding China's immigration, the same can be said for emigration as well. While the outflow of money and talent is noteworthy for China, it may not yet be cause for alarm. While the numbers of those leaving China do seem high, especially in light of the absence of corresponding immigration, those numbers in actuality only represent a small percentage of the massive population. In addition, some Chinese are moving abroad not because they necessarily want to leave China, but rather as an investment. Buying property abroad can give them more flexibility if they are able to obtain a foreign passport, the cost of living is cheaper in many places, and many countries eagerly embrace Chinese money, as evidenced by the increasing number of immigration-investment programs.

Much of how we look at Chinese emigration depends on the lens with which we view it. It can certainly be said that Chinese are leaving in record numbers, and taking with them the wealth and skills needed to support China's growth and development. Safety concerns, increasing pollution, and a fear of uncertainty are prompting millions to seek a better quality of life elsewhere. But a counter-argument could be that these numbers only represent a small minority, and many of those leaving are not seeking a better quality of life per se, but simply want to expand their horizons and have no plans to leave permanently. Which glasses are you wearing? ■

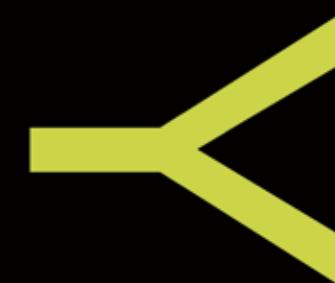
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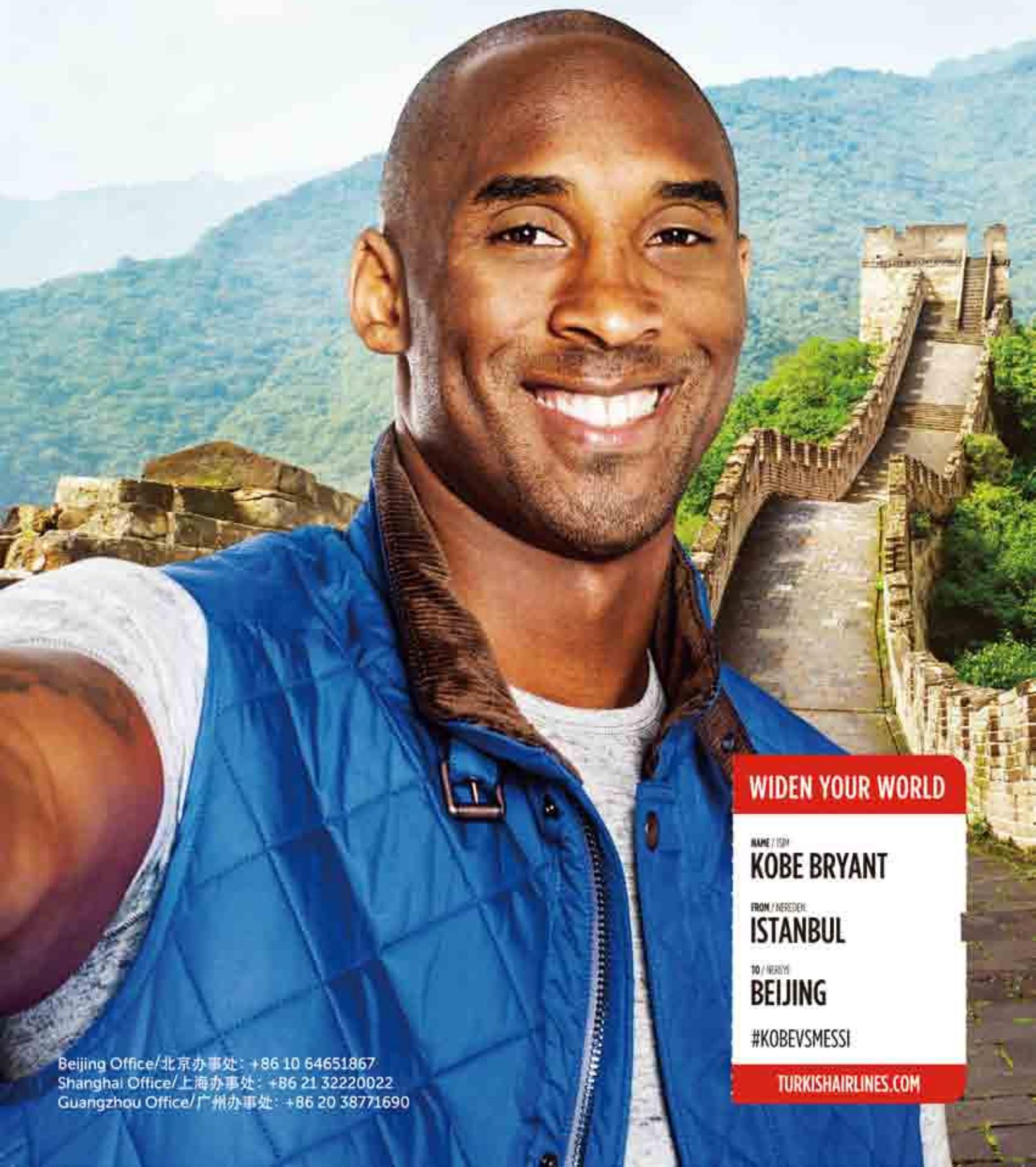
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