

G20



Leaders pose for pictures during the G20 Leaders Summit at the Hangzhou International Expo Center in Hangzhou, East China's Zhejiang province, on Sunday. WU ZHIYI / CHINA DAILY

Action, not words needed to lift economy

President tells world leaders China will strive to boost growth, aid development

By XIN ZHIMING and WANG YIQING in Hangzhou

President Xi Jinping urged the leaders of the world's biggest economies to deliver "real action" and "no empty talk" as they attempt to steer the global economy out of its sluggish state.

In his opening speech at the start of the two-day G20 Sum-

mit on Sunday, he said the G20 had drawn up action plans in multiple fields, including sustainable development, green finance, energy efficiency and anti-corruption, "and we should implement each of them seriously".

The Hangzhou summit has come at a time when the world economy is plagued by problems, short and long term, such as poor growth momentum, changing demographics, rising trade protectionism and low investment, Xi said.

But he insisted that G20 members will "face the problems squarely" and collaborate in developing solutions.

World leaders vowed at the meeting to find workable

solutions to restore strong growth and achieve more-inclusive development that reduces inequality. They also agreed that more focus should be placed on structural reforms, innovation and high-technology, as traditional growth engines have weakened.

German Chancellor Angela Merkel said leaders had agreed that they must work together to boost global economic growth, and she welcomed China's focus on structural reform.

She added that digital ministers from the world's biggest economies will meet for the first time next year and that the group planned to set up a task force for innovation,

G20 agenda

Monday
The second day of the G20 Leaders Summit

- President Xi Jinping meets the press at the closing news conference
- Bilateral meetings with other G20 leaders

Inside

- Related summit stories > **p2-6**
- Pictures > **p7** • Editorial > **p10**

Reuters reported.

Xi said in his speech that while the world needs to better coordinate monetary and fiscal policies and carry out

structural reforms, priority should be given to achieving balanced growth. He said the G20 will help less-developed countries, including those in Africa, with industrialization as well as green energy and finance to bridge the gaps in global development.

The G20 has been criticized in the past for failing to take concrete measures to coordinate world economies. While urging members to take substantial action, Xi said the group "should continue to build our mechanisms to ensure our cooperation continues and deepens".

"The G20 is becoming more systematic and is changing from a short-term arrange-

ment to handle crises to a long-term dialogue and action mechanism," according to Chen Wenling, chief economist at the China Center for International Economic Exchanges. "To make it more effective, the G20 should establish a secretariat."

Wang Wen, acting director of Renmin University of China's Chongyang Institute for Financial Studies, added: "The G20 used to be driven by crises, and now it's driven by ideas. China has provided a global consensus at the Hangzhou summit that will drive global joint action."

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Highlights of Xi's speech

From the G20 Summit opening ceremony

Faced with global challenges, the G20 should:

- reinforce macroeconomic policy coordination, promote global economic growth and maintain financial stability;
- innovate development models and explore growth motivation; improve global economic governance;
- build an open world economy and promote trade and investment liberalization;
- implement the 2030 Agenda for Sustainable Development.

The world's Gini coefficient, a measure of economic inequality, has reached around 0.7, higher than the recognized alarm level, which stands at 0.6. This is something we must pay close attention to.

To build a prosperous world, G20 should:

- keep up with the times and play a leading role, with the G20 shifting from a forum for crisis management to long-term administration;
- make the G20's work more inclusive to meet the demands of people in all countries.

GALA

Classic tales from East and West converge in lake extravaganza

By RAYMOND ZHOU in Hangzhou
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State leaders and their spouses in Hangzhou for the G20 Summit enjoyed a feast for the eyes on Sunday night with a gala on the city's much-storied West Lake.

The 45-minute visual extravaganza, *Most Memorable Is Hangzhou*, a title taken from a poem by Bai Juyi (772-

846), highlighted the city's rich cultural legacy as well as incorporated international elements that subtly reflect the state of today's globalization.

The evening was billed as a symphony concert, using a musical idiom that director Zhang Yimou chose for its broadly international resonance. Traditional Chinese instruments wove in with the sounds of a standard orchestra in an East-meets-West marriage

suggestive of exchanges in other areas.

Dancers performed in the beautifully lit background in what looked like shallow water, and solo performances were on a floating platform.

In such a setting, segments from the famous Russian ballet *Swan Lake*, which received instant applause when the first dancer appeared, gained

SEE "GALA" PAGE 5



Dancers perform *Butterfly Lovers* on West Lake on Sunday night. HUANG ZHONGZHI / XINHUA

In the news

WORLD

Zika in Singapore came from Asia

Singapore reports 215 cases of Zika infections as scientists in the city-state say the virus strain comes from within Asia and was not imported from Brazil. > **p45**

BUSINESS

Booksellers get creative ideas

Retailers of books reinvent business models to survive and thrive despite competition online. > **p37**

ANN

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ANTI-GRAFT

CCDI shows progress in hunt for corrupt officials

By ZHANG YAN in Beijing and CAO YIN in Hangzhou

As the G20 throws the spotlight on global anti-corruption efforts, China has released fresh data on its progress in capturing former officials accused of fleeing abroad with billions in public money.

The nation is more than two years into an intensive campaign to track down and repatriate economic fugitives overseas, part of wider measures to tackle graft.

So far, 2,020 economic fugitives, including 342 former officials, have been returned to China from more than 70 countries and regions since 2014, according to the Central Commission for Discipline Inspection.

The top discipline watchdog

Inside

Full-page graphic: 33 major economic fugitives brought to justice > **p8**

said also that 7.62 billion yuan (\$1.14 billion) in illegal assets had been seized.

China has worked to make corruption a major talking point at the ongoing G20 Summit in the eastern city of Hangzhou. Cai Wei, joint head of the G20 Anti-Corruption Working Group, said he expects to see world leaders "further implement action plans promised in previous years to improve cooperation in law enforcement, extradition and seizing illegal funds".

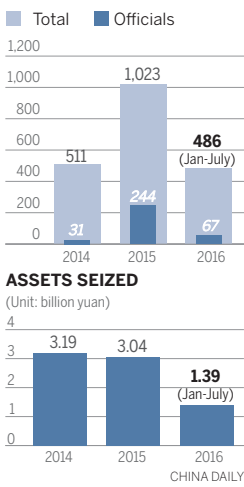
"Corrupt fugitives and the cross-border flow of illegal

proceeds seriously damage social justice and hinder economic development," said Cai, who is also deputy director of the CCDI's International Cooperation Bureau.

Li Chengyan, head of Peking University's Center for Anti-Corruption Studies, predicted that the summit will result in all members agreeing to a legal definition of corruption, a coordinated mechanism to pursue fugitives and stolen assets, and the implementation of the UN Convention Against Corruption.

At the Business 20 Summit on Saturday, also in Hangzhou, experts agreed that graft "is a barrier to economic growth", said Evelyn Mantoiu, a policy analyst from the University of Sheffield who attended the meeting.

Economic fugitives returned to China



B20 delegates made two recommendations to the G20 regarding corruption: one to strengthen intergovernmental cooperation; the other for leaders to foster a transparent commercial environment.

"Curbing corruption is important, as graft undermines trust, which is a key investment security factor. And it increases transaction costs due to unpredictability," Mantoiu said.

China launched a massive anti-corruption campaign after the new leadership was elected in late 2012. To capture economic fugitives abroad, the government set up the Central Anti-Corruption Coordination Group, led by the CCDI, and launched its SkyNet operation.

"Western countries can't become 'safe havens' for cor-

rupt fugitives. No matter where they have escaped to, we will try every means to bring them back," President Xi Jinping said in 2014.

In April last year, Interpol issued red notices — international arrest warrants — for 100 Chinese fugitives. By the end of July, 33 had been returned from 16 countries and regions, including seven from Canada, the CCDI data show. Two of the 33 have been convicted and sentenced.

Developed countries such as the United States, Canada, Australia and Singapore have become popular destinations for Chinese fugitives due to the lack of extradition treaties.

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President Xi Jinping and Russian President Vladimir Putin arrive for the G20 Summit in Hangzhou, Zhejiang province, on Sunday. NICOLAS ASFOURI / REUTERS

China, Russia should support each other, Xi tells Putin

By AN BALJIE in Hangzhou
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China and Russia should firmly support each other's efforts to safeguard sovereignty, security and development interests, President Xi Jinping said on Sunday.

Xi made the remarks in a meeting with Russian President Vladimir Putin on the sidelines of the G20 Summit in Hangzhou.

The two countries should push forward practical cooperation in areas such as infrastructure construction, energy, aviation, aerospace and high-technology, Xi said, adding that bilateral military exchanges and security cooperation should also be strengthened.

China and Russia should strengthen coordination in international and regional affairs to safeguard justice and promote world peace, he said.

Xi also called for the alignment of China's Belt and Road Initiative with the Russia-led Eurasian Economic Union.

A successful G20 Summit could meet the demands of a developing global economy and is in the common interest of all members, including China and Russia, Xi said.

During Putin's state visit to China in June, the two nations issued three joint declarations and signed some 30 cooperative agreements.

Such collaboration reflects the shared stance of China and Russia on key international and regional issues, with both sides making similar comments on safeguarding global strategic security and world peace, Xi said.

Putin said Russia would like to join with China to share political trust and their people's friendship to stimulate economic cooperation.

The two countries should enhance cooperation in trade, investment, finance, energy, science and technology, to bring real benefits to people on both sides, he added.

He voiced support for the G20 Summit theme and agenda set by China and said he hoped the summit will be a success.

This year marks the 20th anniversary of the countries' establishing a strategic partnership of coordination, as well as the 15th anniversary of the signing of the China-Russia Treaty of Good Neighborly Friendship and Cooperation.

Contact between the top leaders of China and Russia has been frequent in recent years, sometimes five or six meetings a year, which reflects the strategic importance of bilateral ties, said Jin Yong, deputy head of the School of Foreign Studies at Communication University of China.

Chen Yurong, director of Eurasian studies at the China Institute of International Studies, added that cooperation in infrastructure and energy industries are at the top of the agenda for China-Russia exchanges.

"Beijing is pushing forward the Belt and Road Initiative, aimed at improving connectivity in Eurasia, while Moscow needs support to counter declining oil prices," she said.

Beijing is pushing forward the Belt and Road Initiative ... while Moscow needs support to counter declining oil prices."

Chen Yurong, director of Eurasian studies at the China Institute of International Studies

BRICS calls for fairer governance

Five leaders, meeting informally ahead of summit in Hangzhou, pursue equity for developing countries, emerging economies

By LI XIAOKUN in Hangzhou
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Leaders of BRICS countries on Sunday urged the International Monetary Fund to reassign quota and voting rights to ensure that the IMF "fairly" reflects the "status of emerging markets and developing countries".

The leaders — representing Brazil, Russia, India, China and South Africa, made the call during an informal meeting ahead of the G20 Summit. The five countries are also members of the G20.

Indian Prime Minister Narendra Modi presided over the meeting. India holds the rotating chairmanship of the BRICS organization.

"The leaders stressed ... that the current quota of the IMF failed to reflect the global economic situation," according to a statement issued after the meeting.

The leaders "expect members of the G20 and the IMF to work together to increase quota sources of the IMF, and reevaluate quota and voting rights to ensure that they fairly reflect the status of emerging markets

and developing countries."

They called for the IMF to finish its 15th general review of quotas before the annual conference in 2017 and present a new formula for quotas. The quota formula is a weighted average of GDP and other factors, such as openness and reserves.

The IMF decided in 2010 to divert 6 percentage points of quotas to emerging markets and developing nations. After the reassignment, the top 10 IMF members, by quota, are the US, Japan, China, Germany, France, Britain, Italy, India, Russia and Brazil. The plan took effect in January.

However, Ruan Zongze, executive vice-president of the China Institute of International Studies, said the adjustment is not enough. "For example, Japan holds the second biggest quota," Ruan said. "But last year, China's GDP doubled that of Japan."

President Xi Jinping said BRICS members should enhance coordination to have emerging-market economies and developing countries play a bigger role in international affairs.

The five countries should also work to safeguard the

position of multilateral trade as the key channel, jointly build an open world economy and oppose all kinds of protectionism and exclusionism, to ensure that all countries will be equal in their development rights, opportunities and rules, Xi said.

He also called on members to drive the BRICS' New Development Bank to implement the first batch of projects and boost the bank's management and financing capabilities.

The bank should promote research on the BRICS' contingent reserve arrangement, a provision for support in case of short-term balance-of-payment pressures, to enhance financial security for BRICS countries, he said.

During Sunday's meeting, the leaders also strongly condemned recent terrorist attacks around the globe. They vowed to consolidate international anti-terror cooperation and called on the United Nations to play a central role in the fight.

The meeting came days after a suicide car bomb attack on China's embassy in Bishkek on Tuesday, which injured three people and killed the attacker.

The informal meeting gave BRICS leaders a chance to discuss and fine-tune major decisions before they are announced at the 8th BRICS Summit in mid-October in Goa, India, according to Swaran Singh, a professor at Jawaharlal Nehru University in New Delhi.



President Xi Jinping (center) takes a group photo with Indian Prime Minister Narendra Modi (2nd left), Brazilian President Michel Temer (left), Russian President Vladimir Putin (2nd right) and South African President Jacob Zuma (right) ahead of the G20 Summit in Hangzhou, Zhejiang, on Sunday. XU JINGXING / CHINA DAILY

President continues one-on-one dialogues

Editor's note: Sunday marked the third day of President Xi Jinping's busy schedule of bilateral meetings with leaders attending the G20 Summit in Hangzhou, Zhejiang province. Following are highlights of some of the two-way talks:

Egypt



Abdel-Fatah al-Sisi

China wants to enhance its cooperation with Egypt in areas such as production capacity, finance, environmental protection and infrastructure, President Xi Jinping said.

The two countries should strengthen communication and cooperation in international and regional affairs, he said, adding that both sides should push forward their bilateral connection to mark the 60th anniversary of their diplomatic ties.

Egyptian President Abdel-Fatah al-Sisi said the China-Egypt friendship is deeply rooted in the minds of the people from both countries.

Egypt wants to boost communication and cooperation with China in areas such as industry, telecommunications, technology, agriculture, water projects, finance, local government administration and human resources, he said.

Australia



Malcolm Turnbull

Mutual trust is a precondition that ensures the smooth development of China-Australia ties, and the two countries should respect each other's core interests and major concerns, President Xi Jinping said.

China and Australia are expected to further implement their bilateral free trade agreement and to explore cooperation in fields such as energy and resources, agriculture and husbandry, food processing and infrastructure construction, Xi said.

It is hoped Australia will further provide fair,

transparent and understandable policies for foreign investors, which also serves the interests of Australia itself, Xi said.

The two countries should work on expanding joint research and development in fields such as food, agriculture, mining and ocean science, and they should reinforce cooperation to fight corruption and hunt for fugitives and illegal assets, while boosting anti-terrorism efforts, Xi added.

Australian Prime Minister Malcolm Turnbull said his country is dedicated to implementing the bilateral free trade agreement, is ready to deepen the bilateral economic and trade relationship and will continue welcoming Chinese investment in the country.

The two countries have a tradition of friendship, and their comprehensive strategic partnership has widespread support within Australia, Turnbull said.

Mexico



Enrique Pena Nieto

President Xi Jinping said China and Mexico should draw a road map for bilateral cooperation for the next five years. The two countries should make use of overlapping points in China's 13th Five-Year Plan (2016-20), along with its innovation-driven development strategy, and Mexico's structural reform to promote cooperation in fields such as building special economic zones, geospatial information technology and nanotechnology.

Developing the China-Mexico comprehensive strategic partnership is a pioneering job, Xi said. The two countries have made achievements in sectors including trade, investment, finance and energy, he said.

China expects to join Mexico to consolidate mutual

trust, deepen integration of interests and promote people-to-people exchanges.

Xi said he expects Mexico to fully exert its regional influence to promote China's relations with Latin America.

Mexico's President Enrique Pena Nieto said China is a close friend and an important trading partner. He said his country is committed to pushing forward cooperation in fields including investment, finance and tourism, and deepening coordination with China on international affairs.

India



Narendra Modi

China and India should respect each other's concerns and properly handle disputes in a constructive way, President Xi Jinping said.

He said the two neighbors — both large, developing countries — should stick to developing bilateral ties, often exchange views on major issues of common concern, and strengthen strategic communication to boost mutual understanding and trust.

China expects to work with India to maintain the hard-won favorable situation in their bilateral ties, he said.

Xi added that the Chinese government will encourage enterprises to invest in India and suggested the two sides explore the possibility of some "big, concrete projects" in fields such as infrastructure and capacity cooperation.

India's Prime Minister Narendra Modi said India-China relations are of great importance to the two countries, the region and the world. The two countries have similar stances on international affairs, he said.

Asian countries should join hands to strive for regional stability and prosperity, Modi added.

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UN chief commends China for its outreach

Invitations to summit show country's expansive and 'compassionate' vision

By AN BALJIE in Hangzhou
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UN Secretary-General Ban Ki-moon said on Sunday that he "really appreciates" China's effort to invite the largest number of developing countries ever to attend a G20 Summit.

"It's easy to say we support developing countries, but it is difficult to really take action to help those people," Ban said, adding that the effort reflects the Chinese government's "far-reaching, visionary and compassionate" outlook.

It is in line with "persistent Chinese efforts" to push forward South-South cooperation, he said at a news conference on the sidelines of the two-day summit in Hangzhou, Zhejiang province.

Ban thanked President Xi Jinping for emphasizing sustainable development as the core element of the G20 agenda. Developed countries have the capacity to mobilize many resources, but there are many countries whose resources are limited, he said.

He told reporters that G20 members have a key role in promoting a stable, inclusive and sustainable economic growth agenda.

"All this should be promoted through a partnership of all of us," he said. "And the G20 Summit is the place where we strengthen such partnerships between developed and developing countries."

Poverty reduction is the No 1 priority of the United Nations, Ban said, noting that there are still more than 1 billion people who earn less than \$1.25 a day. The top priority goal is that all forms of poverty must be eradicated by 2030, when there will be no people "whose stomachs are empty", he said.

"With the strong economic push by the Chinese government, we were able to achieve the No 1 goal of millennium development. We owe a lot to the Chinese government's contribution," he added.

The government has made

The G20 Summit is the place where we strengthen such partnerships between developed and developing countries."

Ban Ki-moon,
UN secretary-general

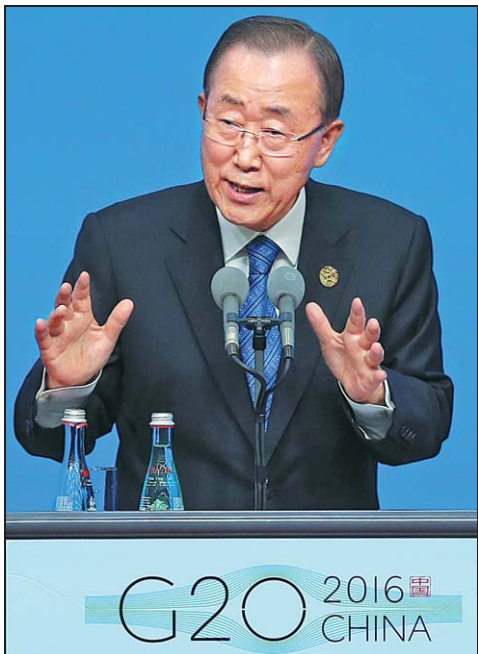
poverty reduction its top priority. During a tour in July to the Ningxia Hui autonomous region, an underdeveloped area with a high concentration of ethnic groups, Xi said: "There are still some 50 million Chinese struggling with poverty, and by 2020 they must all be lifted out of poverty. This is my top concern now."

It was Ban's second trip to Hangzhou, where economic and social development has been impressive and the people live in peace and stability. "This kind of benefit and opportunity should be shared by people around the world," he said.

Noting this is the last G20 he will attend as UN secretary-general, Ban congratulated China for "successfully hosting and wonderfully organizing" the event.

Huang Wei, director of the Institute of Global Governance under the Chinese Academy of Social Sciences, said that this year's summit has brought the industrialization of Africa to the forefront. African countries will benefit from the G20 platform, she said.

"The participation of more developing countries has strengthened the legitimacy of the G20, as the group has long been asked whether only 20 economies should represent the world," she said, adding that the G20 should not be a club of superpowers but a key platform to benefit all countries around the world.



Ban Ki-moon, UN secretary-general, praises China's effort to strengthen developing countries' participation in the G20 at a news conference on Sunday. WANG ZHUANGFEI / CHINA DAILY

G20 HANGZHOU SUMMIT

2016年9月4-5日

HANGZHOU, CHINA 4-5 SEPTEMBER 2016



European Council President Donald Tusk (left) and **European Commission President** Jean-Claude Juncker hold a news conference on Sunday. WANG ZHUANGFEI / CHINA DAILY

Juncker: Overproduction must be solved

By WANG YANFEI in Hangzhou
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A top European official on Sunday said it was urgent to resolve the global issue of overcapacity, and he pressured China to take action to avoid costing European jobs — a connection some analysts said was "exaggerated".

Speaking at a news conference with European Council President Donald Tusk before the opening of the G20 Summit in Hangzhou, Zhejiang province, European Commission President Jean-Claude

Juncker said he hoped global leaders at the summit would push for a solution to the overcapacity issue, which he called a global challenge.

He said overcapacity has particularly hurt the steel sector in Europe, where thousands of jobs have been lost in recent years, adding that he is determined to defend the interests of the European steel industry and its workers.

"Addressing the challenge of overcapacity in a credible manner will be the test case," he said, adding that the G20 Summit "must urgently find a solution" to excess steel pro-

duction. He suggested China accept a monitoring and supervision mechanism for overproduction in the sector after the formation in July of a working group to look at solutions.

Officials and experts called for more communication to resolve trade friction while taking an "objective and rational" view with regard to China's overcapacity problem.

Lu Feng, an economist at Peking University's China Center for Economic Research, said that some accusations aimed at China's steel sector have been somewhat exaggerated.

"It is crucial to realize that China has been actively facilitating communications with other nations to enhance policy coordination," he said.

Despite a number of problems remaining to be solved in China, "the nation has been actively seeking solutions to tackle the problem through reforms and using market-based methods", he said.

At a news conference in August, Zhang Ji, China's assistant minister of commerce, played down accusations that China engaged in so-called dumping of products at low prices to other econo-

mies, noting that the nation has imposed export tariffs on some exported steel products.

Zhao Chenxin, spokesman for the National Development and Reform Commission, a leading regulator in charge of excess capacity reduction, said, "China has been taking an active and serious attitude in efforts to cut overcapacity, and is striving to meet capacity reduction targets on time."

China has committed to cutting capacity in the steel sector by 100 to 150 million metric tons over the next five years.

EU looks to increase collaboration with Beijing

By WANG YANFEI in Hangzhou
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China and the European Union should focus on structural reforms, growth-friendly fiscal policies and more collaboration under the G20 framework as they look to achieve long-term growth, according to a senior official of the European Commission.

Marco Buti, director-general for economic and financial affairs for the European Commission, shared his insights regarding how China and the EU could lift growth even as they face economic headwinds, in an interview ahead of the G20 Summit in Hangzhou.

The G20 Summit comes at a crucial moment when the global economy's revival is being slowed."



Marco Buti, director-general for economic and financial affairs for the European Commission

"The G20 Summit comes at a crucial moment when the global economy's revival is being slowed, and neither advanced nor developing economies can exclude themselves from downward pressure," he said.

The annual growth forecast for the world economy has

been lowered by the International Monetary Fund to 3.1 percent, which — alongside Britain's decision to leave the EU — adds further uncertainty both medium- and long-term, Buti said.

As China strives to switch its economic model from export-

driven to consumption driven, Europe has been struggling to reinvigorate its strength amid signs that the bloc's recovery remains weak.

All this points to the need to turn to fiscal policies that could help drive innovation and infrastructure investment when monetary policies are found to be less effective, according to Buti.

"These suggestions are in line with what the G20 has been promoting" under China's leadership this year, he said, referring to G20 members' commitment to use all available policies to strengthen growth, promote infrastructure investment and better share expertise.

Buti said he expected both China and the EU to take opportunities provided by the summit to enhance collaboration and knowledge sharing, adding that both key G20 members have attracted private investment flows to infrastructure construction as well as to the development of small and medium-sized businesses. There has been much, in terms of experience, that the two parties could share and learn from each other, Buti said.

In the meantime, both are able to enhance bilateral collaboration on cross-border initiatives such as the Asian Infrastructure Investment Bank and the Belt and Road Initiative, he added.

May reaffirms 'golden era' in Sino-UK relationship

By ZHANG YUNBI in Hangzhou and MO JINGXI in Beijing

Before her first visit to China on Sunday to attend the G20 Summit, Britain's new Prime Minister Theresa May reiterated that "this is a golden era for UK-China relations".

Observers immediately noted the significance of the comment, which publicly reinforced the view of the previous resident of No 10 Downing Street, David Cameron.

After Cameron stepped down earlier this year following the European Union referendum and was replaced by May, she did not immediately refer in public to a "golden era".

China is the UK's second-largest non-European trading partner, while the UK is the largest investment destination in Europe for Chinese businesses.

Some media commentators

and observers have questioned whether the governments will continue to strengthen ties. But before boarding her plane for China on Saturday, May told British media that she will be talking with President Xi Jinping about "how we can develop the strategic partnership that we have between the UK and China".

May wasted little time in getting down to business after her arrival on Sunday morning in Hangzhou, Zhejiang province, including a quick change of attire. Wearing black as she stepped off the plane, May appeared in red, matching the carpet, as she walked to meet Xi and shake hands ahead of the summit's afternoon session.

Feng Zhongping, vice-president of the China Institutes of Contemporary International Relations, said May's public reaffirmation of the "golden era" sends a message.



Theresa May, Britain's prime minister, arrives at the G20 Summit venue on Sunday. XING GUANGLI / XINHUA

"The signal is evident," Feng said. "The May cabinet is willing to maintain close cooperative ties with China."

Because she had not explicitly used the term "golden era", she may have inadvertently played into questions about

whether ties remained as strong as they were under Cameron.

Now, the May cabinet "plans to take China-UK ties back to the heights achieved during President Xi's visit to the UK last year", Feng said.

Liu Xiaoming, China's ambassador to Britain, said in a signed article published in Politics First Magazine on Friday that "our strong confidence in China-UK relations remains unchanged".

About the Xi-May meeting, Liu said: "I'm convinced that the meeting will set new goals, map out a new blueprint and introduce new dynamism for the future of China-UK relations."

Ahead of her trip, May was also asked about possible problems with Beijing over her suspension of a partly Chinese-funded nuclear power station deal, but she did not respond directly.

The Hinkley Point nuclear

project in Somerset, a county in England's southwest, involves a power station designed and built by France's EDF, but with China picking up a third of the bill — 18 billion pounds (\$23.9 billion).

Shi Yinhong, a professor of international relations at Renmin University of China, noted that as both China and France have stakes in the project, London "has no other option but to further develop its win-win, important economic ties with Beijing".

Zhao Junjie, an expert on European studies at the Chinese Academy of Social Sciences, said there will be no fundamental changes in UK policy toward China, as "it is important to expand markets outside of Europe after the Brexit", referring to the UK's voter-approved exit from the European Union.

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Fine dining that's fit for kings

World leaders were treated to the best of China's haute cuisine in Hangzhou, a onetime royal playground

By PAULINE D LOH
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Hangzhou has always been the playground for Chinese princes and poets through the centuries. We can now add global politicians to that august list.

On Sunday night, at the G20 Summit welcoming banquet, Chinese President Xi Jinping hosted world leaders to dinner at the Xizi Hotel, where Chairman Mao Zedong had once stayed and dined.

It is a mammoth task catering to such illustrious guests, especially when the chefs have to consider various dietary restrictions but still display the best of Hangzhou haute cuisine.

The result is an inventive menu that shows off the ingenuity and elegance of Chinese kitchen craft. The menu was completely pork-free but still managed to showcase the fish and river produce Hangzhou is known for.

First on the table was a variety of little bites meant to tantalize and build up the appetite. These included flavored pieces of braised beancurd, freshly pickled cucumbers and smoked fish fillets.

The soup was the first indication of what Hangzhou food represents. Seasonal Matsutake or pine mushrooms were floated in a crystal clear consommé, showcasing the clean flavors that most characterize Hangzhou cooking.

Next on the table was another signature dish, mandarin fish with pine nuts. The fish is an exhibition of the delicate knife skills of Hangzhou chefs, and the sauce indicative of the sweet and sour flavors that are also characteristic of the region. Lightly toasted pine nuts, with



Children wave flags of G20 members before the banquet at the G20 Summit in Hangzhou on Sunday. JOHANNES EISELE / AFP

their slightly resinous flavor, are the perfect garnish.

No banquet here would be complete if Hangzhou's famous tea-infused prawns were not included. Longjing or dragon's well is the green tea that grows exclusively in the Hangzhou hills. The tea grows best with water from a well which the Qing Dynasty (1644-1911) emperor Qianlong had once drunk from, hence its name.

For the Longjing prawns dish, its tender young shoots are stir-fried with crisply textured river shrimp in a marriage of subtle sweetness. The seemingly simple dish is a test for the most accomplished

chefs because of its delicate balance of aroma and flavor.

Another West Lake specialty took center stage next when the guests were served roe crab meat stuffed in orange. This features the famous mitten or hairy crab from the lake. To allow guests to fully enjoy the meat and roe, the crabs were shelled and stuffed into an orange.

This is a dish with much history, having originated in the Song era when oranges were still a rare treat and Hangzhou had just become the capital of the Song emperors.

Dongpo Rou is a dish named after Song Dynasty

(960-1279) poet Su Dongpo, who was also a governor in Hangzhou and had built the causeway across the lake.

This dish is usually made from pork belly, but last night the guests had a beefsteak instead. The meat is braised in the best soy sauce, and slow cooked to tender perfection.

Of course, guests ended the meal with seasonal fruit, ice cream, and coffee and tea served with classic Chinese pastries instead of petits fours.

Accompanying the meal were two special wines, a Beijing Changyu Dry Red 2012, and a Beijing Changyu Dry White 2011.

Food has always been a universal language cutting across boundaries and barriers. This is a meal worthy of the best international diplomacy and in choosing Hangzhou cuisine, the organizers have shown off the best of China's fine dining.

Chinese food is well loved all over the world and Brazilian President Michel Temer, for example, has admitted to being an ardent fan. This time, however, the participants at the G20 Summit have sampled the cooking of great master chefs of historical Hangzhou cuisine, in one of China's most scenic cities.

Banquet tidbits



PHOTOS PROVIDED TO CHINA DAILY

Only the finest china for the G20

All dinnerware for official banquets during the G20 Summit was made of the best bone china, decorated with iconic Chinese motifs including Hangzhou's signature scenery and cultural symbols.

Hangzhou, the host venue, is well-known for its picturesque West Lake and associated bridges, and the dinnerware's shape and design reflect these.

The handles on many pieces are shaped to look like bridges, reflecting the theme of the summit — bridges connecting an innovative, invigorated and inclusive world.

The designs, meanwhile, were inspired by iconic scenes of West Lake and classic Chinese cultural motifs such as lotus flowers and seedpods.



Invitations, menus and place cards on silk

Hangzhou, long renowned for its silk, has made full use of showcasing the product at the G20 summit.

Menus and performance programs during the Sunday banquet were all made from silk, as were place cards for world leaders and official invitations.

A silk painting 20 meters long and 6-meter tall also adorned the banquet hall. It shows the best of West Lake's many scenic attractions and took a team of artists more than 20 days to complete.



Zhejiang Xizi Hotel — venue of the State banquet

The hotel, located by West Lake, allows guests to enjoy the scenery while dining on authentic Hangzhou cuisine. The view includes the famous vista of Three Ponds Mirroring the Moon, one of the lake's best-known attractions.

Established in 1958, Xizi Hotel has been graced by many Chinese leaders, including Chairman Mao Zedong. It was opened to the public in 1979, and has been the center of major political events in Zhejiang province.

It is located in the shadow of Leifeng Pagoda, another West Lake attraction, and is known for its landscaped gardens. The large banquet hall can accommodate 300 guests.

CHINA DAILY



Ballerinas perform for G20 leaders in Hangzhou on Sunday. HUANG ZHONGZHI / XINHUA

Gala: Zhang melds scenery with culture

FROM PAGE 1

a heightened realism thanks to ingenious lighting and projection.

Clair de Lune never achieved a more shimmering effect than Sunday night as the reflections in the water brought out visual parallels with the Claude Debussy music. The classic Chinese piece, *High Mountains and Flowing Waters*, is much more about natural scenery. It was a metaphor for ancient Chinese literati to denote

friendship, and its inclusion in the program is obviously a hint at the partnerships being formed by events like this summit.

The opening numbers, however, were rooted in local narratives. *Spring River in the Flower Moon Night* originated from a Tang Dynasty (618-907) poem, which has evolved into a staple in music and dance.

Picking Tea Leaves is a folk song and the tale of *Butterfly Lovers* was partly set in Hangzhou.

This story alone could have run the whole evening in various art forms.

Filmmaker Zhang is the mastermind of many renowned stage spectacles, including the opening ceremony of the 2008 Beijing Olympics.

The West Lake show had a subdued grace by his standards, reaching its climax with Beethoven's *Ode to Joy*, with dancers seeming to splash up waterspouts and finally fireworks.

Ice cream gift warms Russia-China ties

By AGENCE FRANCE-PRESSE in Hangzhou

Despite warm relations between Moscow and Beijing, Vladimir Putin brought a chilly gift for his Chinese counterpart Xi Jinping as they met on the sidelines of the G20 Summit Sunday: a tub of ice cream.

Putin did not divulge the flavor of the frozen gift as he was welcomed by Xi at a govern-

ment guesthouse in Hangzhou. "I promised to bring it for you. And I've brought you a whole package of ice cream," Putin said.

Xi thanked the Russian president for his "kindness", before adding that he'd developed a taste for Russian ice cream on his many official visits to Moscow.

"Every time that I come to Russia, I ask them to buy me Russian ice cream. And after,

we eat the ice cream at home," said Xi, according to comments provided by the Russian delegation.

"The fresh cream you have is the best. That's why your ice cream is particularly delicious. I like it a lot," he added.

The two leaders met on the sidelines of the G20 Summit and in more traditional diplomatic language pledged "enhanced cooperation", according to Xi.



Since our first foreign exchange trade with China in 1818, BMO has connected our clients from Asia to North America for almost 200 years. Together, through mutual trust and respect, we've developed a very significant Chinese presence, and we are locally incorporated. Here, our roots run deep, so our friendships can run deeper.

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银行金融集团

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Those at risk of climate damage praise agreement

By **AGENCE-FRANCE PRESSE** in Paris

Climate activists and small nations at risk of global warming's direst consequences, welcomed Saturday's agreement by Chinese and US leaders on a global pact to curb planet-harming carbon emissions.

The agreement by President Xi Jinping and US President Barack Obama — representing the world's two largest greenhouse gas emitters — brought the hard-fought agreement, concluded in Paris in December a major step closer to taking legal effect.

It is "the strongest signal yet that what we agreed in Paris, will soon have the force of law", said Mattian Zackhras, minister-in-assistance to the president of the Republic of the Marshall Islands, which faces the threat of climate-change-induced sea-level rise.

"With the two biggest emitters ready to lead, the transition to a low emissions, climate resilient global economy is now irreversible."

The previous international effort to curb reliance on planet-harming fossil fuels, the Kyoto Protocol, had excluded China and other developing nations, while the United States refused to sign up.

"It's remarkable that in a few short years the world's two leading climate antagonists have become the world's two leading climate champions," said Bob Perciasepe, president of the Center for Climate and Energy Solutions, a US-based think tank.

"The US can no longer claim that China's inaction is an excuse to do nothing, and vice versa. With both again committing themselves to a low carbon future, the two countries are setting an example the rest of the world can hardly ignore."

Observers urged others to follow suit, while stressing that Saturday's agreement was

not enough to meet climate change goals.

The Paris pact has so far been signed by 180 countries, but will only take effect after 55 nations responsible for 55 percent of greenhouse gas emissions have ratified it — making it binding.

Depending on their constitutions, for many countries this means passing domestic legislation, but in the US some things may be done by executive presidential order.

China and the US, jointly responsible for about 38 percent of global emissions, ratified the Paris agreement on the eve of a meeting of G20 leaders meeting in Hangzhou, China, where all eyes will now be on other major economies to follow suit.

Until Beijing and Washington joined the club, 24 nations emitting just over one percent of global gases had officially acceded to the deal to cap global warming at 2 C above pre-Industrial Revolution levels.

This must be achieved by replacing atmosphere-polluting fossil fuels with renewable sources — an ambitious goal toward which most UN nations have already pledged emissions curbs.

On current country pledges, scientists expect the world to warm by 3 C or more, and more drastic measures are needed to effect a large-scale shift toward wind, solar and other sustainable energies.

"Now, other countries must act swiftly to ratify the deal, and to reduce their emissions in line with the Paris Agreement's long-term goals," said Lo Sze Ping of environmental group WWF-China.

"The fight against climate change remains difficult and urgent, but having heavy-hitters like China and the US on your side is extremely heartening," said Erik Solheim, from the UN Environment Programme.



If the shoe fits ...

Brazilian President Michel Temer became a hot topic among Chinese netizens on Sunday after he spent 798 yuan (\$120) on a pair of brown shoes in Zhejiang Intime Department Store, a shopping mall about 1 kilometer from West Lake. A saleswoman later told reporters that the Brazilian president "put on the shoes, stamped on the ground for a second, and then bought them". He also bought a robot dog and shopped at an outlet of an Italian fashion brand while at the mall. One female microblogger said on social media: "my habits are just the same as the president — I go to the shopping mall as soon as I arrive in a new place".

ZHEJIANG INTIME DEPARTMENT STORE / FOR CHINA DAILY



Changing hands

Jiang Zengwei (left), chair of the B20 2016, passes the B20 Handover Documents to Ulrich Grillo (center), president of the Federation of German Industries, and Gerhard Braun, vice-president of the Confederation of German Employers Organisations. Germany will take over presidency of the B20 next year. CHEN YEHUA / XINHUA

Xi shows confidence in global economy at B20

Entrepreneurs hail Chinese leader's speech emphasizing broad inclusiveness

By **LI XIANG** in Hangzhou
lixiang@chinadaily.com.cn

President Xi Jinping's speech at the B20 Summit sent a message of confidence in the global economy amid rising risks from sluggish growth, business leaders said on Sunday.

Entrepreneurs and industry experts who attended the business forum ahead of the G20 Leaders Summit in Hangzhou, Zhejiang province, lauded Xi's speech, saying his emphasis on innovation, coordination and inclusiveness helped lay out the future direction of the global economy.

"Countries have been eagerly looking for new growth engines since the financial crisis in 2008. ... Xi's speech offered a prescription to the recovery of the world economy," said Eric Jing, president of Ant Financial Services Group, an arm of e-commerce giant Alibaba Group.

"Only by amplifying the effect of innovation can we truly restore the growth momentum of the global economy," he said.

In his speech at the opening of the B20 Summit on Saturday, Xi said the development of the world economy requires joint efforts from all countries, and he stressed that policies should not be drafted on the basis

“For the first time Thailand was invited to the meeting, which shows how China links developed and developing economies.”

Kavi Chongkittavorn, senior fellow at the Institute of Security and International Studies in Thailand

of self-interest but mutual benefit.

He also called for the lowering of trade and investment barriers to spur growth.

Luigi Gambardella, president of ChinaEU, a business association based in Brussels, said China's commitment to free trade is a good sign amid a backdrop of rising protectionism and trade fragmentation.

Xi also sought to allay concerns over a slowing Chinese economy, reassuring in his speech that China will continue to be the growth engine of the world and that Beijing is capable of maintaining a medium to high growth rate.

John Cai, chief executive of insurance firm AIA China, said the president's

“I think what President Xi Jinping stressed goes in tandem with the Belt and Road Initiative dating back to 2013.”

Christos Vlachos, managing partner at Silky Finance in Athens and an independent financial adviser

commitment to deepening reform and liberalizing the Chinese economy sends a positive message to domestic and international enterprises.

He said China's proposal to expand financing on infrastructure projects to improve interconnectivity could bring opportunities for financial firms, insurers in particular, as insurance capital could serve as a stable source of financing for such projects.

Some industry leaders said Xi's speech at the B20, and the opening of the G20 Summit in Hangzhou, were examples of China's rising influence in global economic governance.

"Xi's speech shows China is moving from the side-

“It is evident that China is open-minded in helping to shape a win-win and sharing global economy by injecting sustainable impetus.”

David Laurier, CEO of AppliTek, an environmental analyzer and integrated solutions provider in Belgium

lines to the center in global governance," said Clare Pearson, chairman of the China-British Business Council.

Other business leaders were impressed with his resolution to promote green and sustainable growth.

"Xi has been clear about the environment and sustainability," said Bob Dudley, BP's group chief executive.

"He had a great phrase about green mountains and clean waters being better than gold and silver mines, and how it (green growth) is important to the development of China."

Meng Jing, Zhong Nan and Chen Mengwei contributed to this story.

Australia banking on free trade deal

By **ZHONG NAN** in Hangzhou
zhongnan@chinadaily.com.cn

Around A\$25 billion (\$18.93 billion) will be added to the Australian economy in the next two decades through trade agreements with China, Prime Minister Malcolm Turnbull said on Sunday.

Australia is dedicated to implementing the bilateral free trade agreement with China and will continue to welcome Chinese investment, Turnbull said at the B20 Summit in Hangzhou.

"We've already gained many dividends from the FTA signed last year," he said.

\$18.93 billion

estimated amount to be added to Australian economy in the next two decades through free trade agreements signed between Australia and China

The B20 provides a platform for international companies and chambers of commerce to participate in global economic governance, as well as economic and trade regulation, through meetings that collect the opinions of world business leaders and make recommendations to the G20 leaders.

Turnbull emphasized the importance of FTAs, especially for developing countries, as he said trade protectionism and isolationism will hinder trade flows and global investment.

G20 trade ministers have said they are committed to ratifying a trade facilitation agreement by the end of this year.

Research by the Organizations for Economic Cooperation and Development shows full implementation of the agreement could cut trade costs by more than 10 percent for OECD countries and by 12.5 to 17.5 percent globally.

Ning Gaoning, chairman of the B20's trade and investment task force and chairman of Sinochem Group, said more ports, warehouses and logistics facilities needed to be built to stimulate global trade.

China and Australia signed an FTA in June last year. Under the deal, tariffs on 95 percent of Australian exports have been lifted, while obstacles will be removed to allow more Chinese businesses to invest in the country. Australian visa policies have also been relaxed for Chinese visitors.

China is already Australia's largest export market, with commodities, natural resources and agricultural products topping the list of exports.

The goods and services trade between China and Australia amounted to A\$155.5 billion last year, growing 2 percent year-on-year, according to the China Council for the Promotion of International Trade.

Hangzhou summit helps all boost development, Brazilian president says

By **XINHUA** in Hangzhou

Newly installed Brazilian President Michel Temer said on Saturday that he has high expectations for the G20 Summit and believes it will bring benefits to all its members.

He made the remarks in an interview with Chinese journalists before the opening of the summit in Hangzhou, Zhejiang province, which will mark his first appearance as head of state at a major international event.

He was sworn in as Brazil's president on Wednesday after lawmakers ousted his predecessor, Dilma Rousseff, in an

impeachment vote.

Temer noted that the G20 is a heavyweight international organization, and this year's summit features such subjects as innovation and climate change, which Brazil also cares about. He said he is full of positive expectations for the outcome.

"I think this G20 Summit will bring benefits to all its members, particularly to our country," he said.

He spoke highly of the integration and interaction among G20 members, and also spoke of the upcoming summit of the emerging-market bloc known as BRICS —

Brazil, Russia, India, China and South Africa — which will be held in October in India.

International mechanisms like the G20 and BRICS not only help their members strengthen relations but also help them boost their respective development, Temer said.

The Hangzhou summit involves the largest number of developing countries in the history of the G20, which will help these countries promote common development, he added. He also expressed confidence in the BRICS framework.

On Brazil-China relations, Temer said the relationship

enjoys a very solid foundation and is currently at its best in history, as high-level contacts have greatly boosted bilateral diplomatic and trade ties.

"China is one of Brazil's largest trading partners. Though geographically far apart, our two countries are getting closer and closer," the president said.

Citing a series of cooperation deals the two sides signed on Friday during his stopover in Shanghai en route to Hangzhou, Temer hailed the bilateral partnership as a paradigm for integrated development of the world economy.

He said he hopes China will

“I think this G20 Summit will bring benefits to all its members, particularly to our country.”

Michel Temer, Brazil's president

continue to open up its market to Brazil's soybeans, meat and

other agricultural products.

Temer, who has long served as the Brazilian chairman of the China-Brazil High-Level Coordination and Cooperation Committee, said the mechanism made new progress in each of its last four sessions and has laid a solid foundation for bilateral ties.

Commenting on China's economy, he noted that the world's second-largest economy has registered higher growth rates than many other countries, and the Chinese model has inspired many followers.

"China sets an example by being confident in its own

economy at a time when the global economy is beset with difficulties," Temer said, adding that China's development experience is useful to Brazil.

The South American country is striving to ride out the worst recession in its recent history.

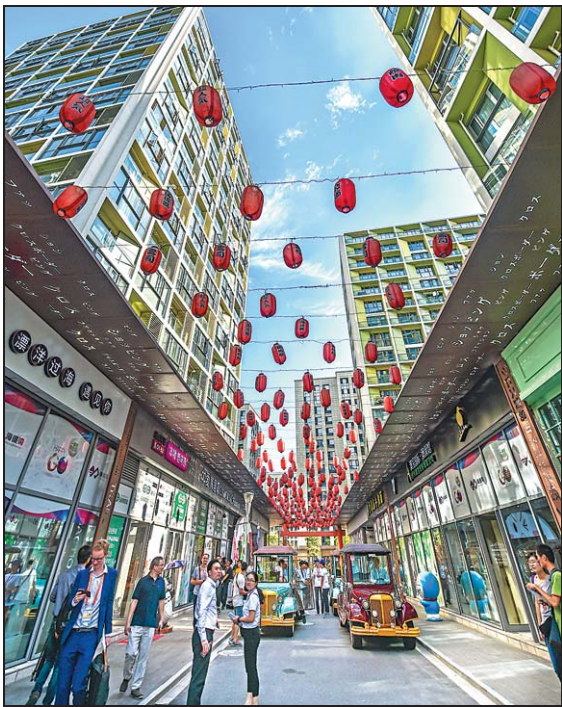
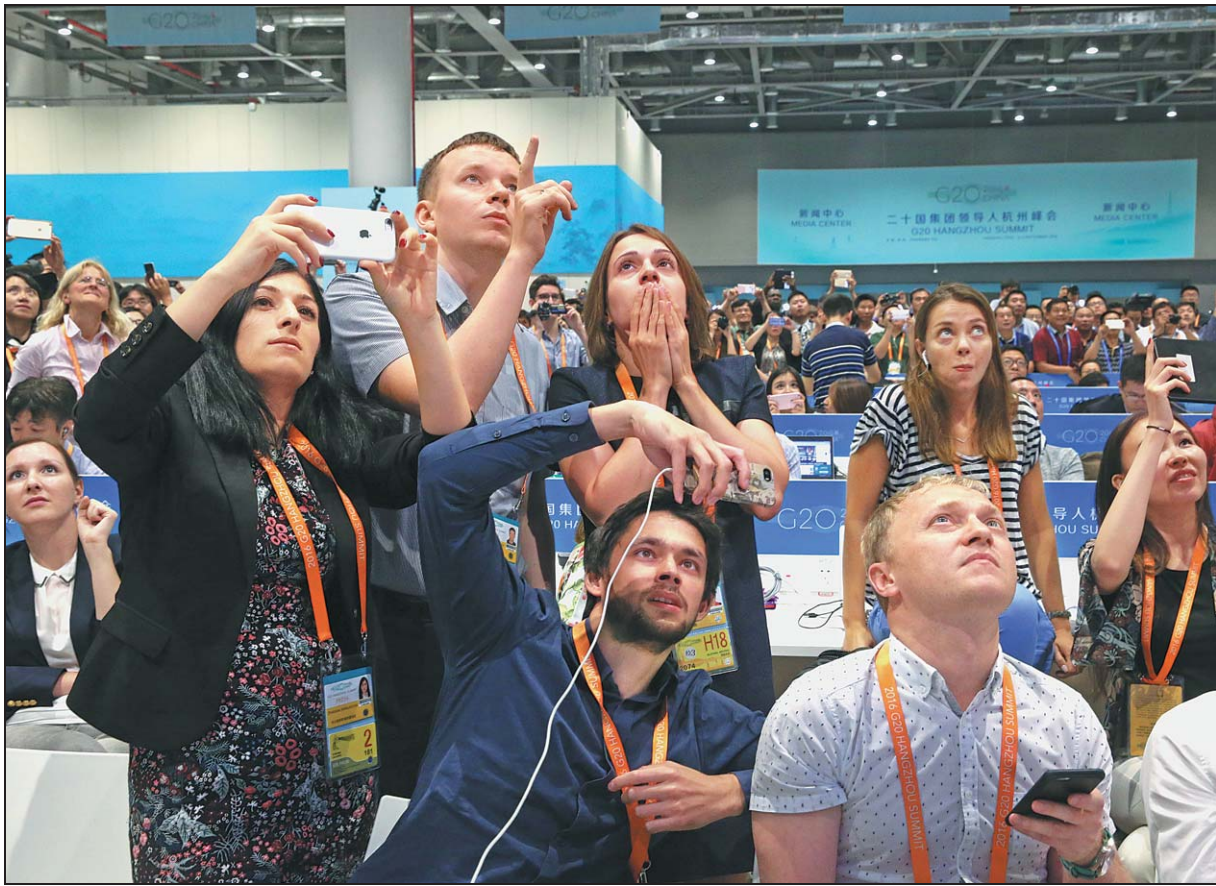
Its economy contracted by 3.8 percent in 2015 and is expected to shrink by 3.16 percent in 2016.

Touching upon Brazil's domestic situation, Temer said he is committed to restoring public confidence and judicial security, and he pledged to protect the interests of foreign investors.



President Xi Jinping speaks during the opening ceremony of the G20 Leaders Summit in Hangzhou, Zhejiang province, on Sunday. Xi expressed hope that the summit would promote solutions to problems facing the global economy and lead to strong, sustainable, balanced and comprehensive development. FENG YONGBIN / CHINA DAILY

ALL EYES ON HANGZHOU SUMMIT



Above: Reporters covering the G20 Summit visit a cross-border e-commerce area in Hangzhou on Saturday. XU YU / XINHUA

Left: Reporters watch a live broadcast of the summit at the media center on Sunday. XU JINGXING / CHINA DAILY



Angel Gurría (left), secretary-general of the Organization for Economic Cooperation and Development, talks to reporters at the G20 venue on Saturday. WANG DINGCHANG / XINHUA



A reporter from Switzerland talks with counterparts from Chinese media outlets during a tour of an e-commerce area in Hangzhou on Saturday. XU YU / XINHUA



Hangzhou residents enjoy the city's scenery on Wednesday morning ahead of the summit. QIU JIANHUA / FOR CHINA DAILY

Fugitives brought to justice

Editor's note: During the G20 Summit in Hangzhou, anti-corruption cooperation will be an important issue. During the conference, leaders are expected to share their anti-corruption achievements and experiences, and establish an anti-corruption cooperation mechanism. Thanks to joint efforts, 33 major economic fugitives have been apprehended since April last year after Interpol issued red arrest warrants to hunt down 100 major corrupt Chinese officials who had fled overseas.

United Kingdom



Chen Yijuan
Date of birth: 03/07/1970
Charges: Money laundering
Status: Returned in January



Qiu Bohai
Date of birth: 28/11/1947
Charges: Corruption
Status: Returned in October 2015

Chinese mainland



Wang Yanwei
Date of birth: 15/09/1956
Charges: Accepting bribes
Status: Returned in June



Dai Xuemin
Date of birth: 26/09/1958
Charges: Embezzlement
Status: Arrested in April 2015



Zhu Zhenyu
Date of birth: 24/08/1968
Charges: Embezzlement of public funds
Status: Returned in October 2015

Macau



Wu Quanshen
Date of birth: 28/08/1956
Charges: Accepting bribes (non-State official personnel)
Status: Returned in July 2015

Canada



Niu Liying
Date of birth: 23/01/1951
Charges: Falsely issuing exclusive value-added tax invoices or other invoices to defraud export tax refunds or to offset taxes
Status: Sentenced to 14 years and six months for embezzlement and corruption in July



Chu Shilin
Date of birth: 26/01/1957
Charges: Taking advantage of his government post to misappropriate, steal, swindle or use other illegal means to acquire State properties
Status: Returned in January



Ba Lianxiao
Date of birth: 12/06/1957
Charges: Bribery (giving State functionaries articles of property in order to seek illegitimate gain)
Status: Returned in April



Yang Lihu
Date of birth: 13/07/1962
Charges: Illegally making out invoices for value-added tax
Status: Returned in August 2015



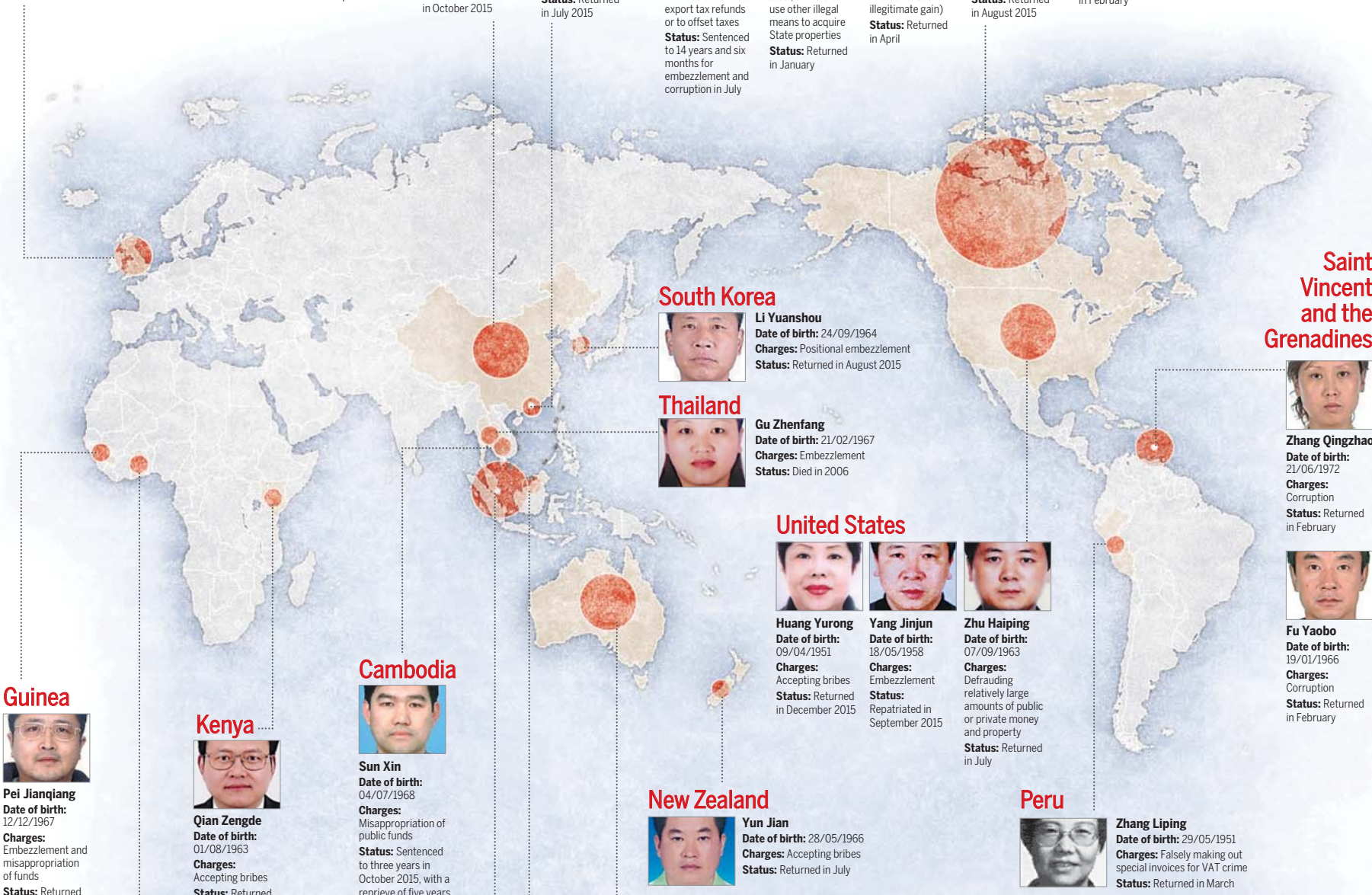
Chang Zheng
Date of birth: 24/11/1969
Charges: Misappropriating unit funds
Status: Returned in February



Zeng Ziheng
Date of birth: 15/07/1971
Charges: Embezzlement
Status: Returned in June



Fang Cuiying
Date of birth: 01/05/1965
Charges: Embezzlement
Status: Dead



South Korea



Li Yuanshou
Date of birth: 24/09/1964
Charges: Positional embezzlement
Status: Returned in August 2015

Thailand



Gu Zhenfang
Date of birth: 21/02/1967
Charges: Embezzlement
Status: Died in 2006

United States



Huang Yurong
Date of birth: 09/04/1951
Charges: Accepting bribes
Status: Returned in December 2015



Yang Jinjun
Date of birth: 18/05/1958
Charges: Embezzlement
Status: Repatriated in September 2015



Zhu Haiping
Date of birth: 07/09/1963
Charges: Defrauding relatively large amounts of public or private money and property
Status: Returned in July

Saint Vincent and the Grenadines



Zhang Qingzhao
Date of birth: 21/06/1972
Charges: Corruption
Status: Returned in February



Fu Yaobo
Date of birth: 19/01/1966
Charges: Corruption
Status: Returned in February

Guinea



Pei Jianqiang
Date of birth: 12/12/1967
Charges: Embezzlement and misappropriation of funds
Status: Returned in January

Kenya



Qian Zengde
Date of birth: 01/08/1963
Charges: Accepting bribes
Status: Returned in July 2015

Cambodia



Sun Xin
Date of birth: 04/07/1968
Charges: Misappropriation of public funds
Status: Sentenced to three years in October 2015, with a reprieve of five years for avoiding taxation

New Zealand



Yun Jian
Date of birth: 28/05/1966
Charges: Accepting bribes
Status: Returned in July

Peru



Zhang Liping
Date of birth: 29/05/1951
Charges: Falsely making out special invoices for VAT crime
Status: Returned in March

Ghana



Zhao Ruheng
Date of birth: 04/10/1964
Charges: Falsely issuing exclusive value-added tax invoices
Status: Returned in November 2015

Singapore



Li Huabo
Date of birth: 20/04/1961
Charges: Embezzlement
Status: Repatriated in May 2015



Huang Shuimu
Date of birth: 08/11/1962
Charges: Fraud
Status: Returned in January



Han Jianpeng
Date of birth: 28/04/1972
Charges: Accepting bribes
Status: Returned in February

Malaysia



Zhan Zaisheng
Date of birth: 10/05/1962
Charges: Commercial fraud
Status: Returned in October 2015

Australia



Tang Dongmei
Date of birth: 29/09/1959
Charges: Embezzlement
Status: Returned in June



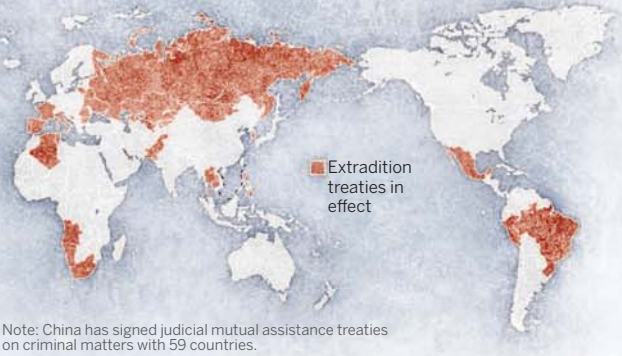
Zhou Shiqin
Date of birth: 19/12/1951
Charges: Embezzlement
Status: Returned in April



Guo Liaowu
Date of birth: 05/04/1966
Charges: Accepting bribes
Status: Returned in July

Extradition treaties

China has signed extradition treaties with 46 countries with 32 of those in effect.



Note: China has signed judicial mutual assistance treaties on criminal matters with 59 countries.

Eight under one

The Fugitive Repatriation and Asset Recovery Office of the Central Anti-Corruption Coordination Group is responsible for coordinating eight organizations in fugitive repatriation and stolen assets recovery.



Central Commission for Discipline Inspection of the Communist Party of China

- Coordinate the routine work of different departments under a fugitive repatriation and asset recovery mechanism.



The Supreme People's Procuratorate

- Draft judicial interpretations for laws used in procuratorial work for fugitive repatriation and stolen assets recovery.
- Recover stolen assets overseas using special forfeiture proceedings for illicit gains.
- Investigate and arrest major corrupt officials who have fled overseas.



The Ministry of Public Security

- Coordinate preliminary investigations and evidence collection in China.
- Track down and repatriate fugitive corrupt officials.
- Coordinate with Interpol to issue red notices; seek cooperation with related countries.



The Ministry of Justice

- Send requests for judicial assistance to countries or regions related to fugitive corrupt officials.

The Ministry of State Security

- The ministry is responsible for collecting information of key fugitive corrupt officials.



The Supreme People's Court

- Draft judicial interpretation or other normative judicial documents for trials related to fugitive repatriation and stolen assets recovery.
- Offer penalty suggestions for those to be repatriated or extradited back to China according to Chinese laws.



The Ministry of Foreign Affairs

- Promote fugitive repatriation and stolen assets recovery diplomatically and politically.
- Participate in negotiations of related treaties or agreements with other departments concerned.



The People's Bank of China

- Collect information of illicit gains transfer by fugitive corrupt officials, investigate, verify and analyze the information and monitor the transfer through exchange of anti-money laundering information and international finance information.

Bridging the gap between skills and employment

Many workers lack expertise required by key industries, says govt minister

By SU ZHOU
suzhou@chinadaily.com.cn

All G20 members face the challenge of employing lower-skilled workers in a difficult economic environment, but China has taken positive steps to tackle the problem, according to a senior official.

At the 2016 G20 Labor and Employment Ministerial Meeting held in July, Yin

Weimin, minister of human resources and social security, explained that China's problems are twofold: an estimated 15 million new job seekers will enter the labor market every year between now and 2020, and many workers lack the skills required by the industries that are at the heart of the country's development plans.

He described fresh college graduates and workers lacking the necessary skills as the country's "most pressing issue", which was also the "main focus" of the meeting.

According to the World Economic Forum's Human Capital Report 2016, approxi-

mately 25,000 new workers will enter the labor market in developing countries every day between now and 2020, while more than 200 million people globally are unemployed.

Yet at the same time, there is expected to be a world shortage of some 50 million highly skilled applicants over the coming decade.

To make sure there are enough skilled workers to match the available job vacancies, China has focused on maintaining a large number of labor-intensive industries during its economic transformation and upgrades, while at the same time promoting the service industry, Yin said.

"We are also promoting small- and medium-sized enterprises, which form the largest platform to offer employment," he said.

"Such companies could absorb more than 80 percent of job seekers."

The Chinese government has also launched training projects and an entrepreneurship consulting service to help those facing difficulties finding work, Yin added.

"Through education, we hope that those in difficulty can rely on themselves to change their situation," he said. "We have encouraged many people to start their own

business by providing training, consultation and financing guarantees. Their startup projects could also provide more job opportunities."

Li Shanxiang, deputy head of human resources at Linyi Mining Group in Shandong province, said the company had signed a contract with Shandong Coal Technician College, to train 100 medium-skilled workers over the next two years. This is part of China's apprentice program to foster job skills around the country.

"We are very keen to cultivate our workers into highly-skilled ones. The new apprenticeship model provides one teacher for three to five apprentices and special training for them," Li said.



A student works on an electric motor at the Shanxi Yongji Advanced Technician School, which has trained 12,000 skilled technicians since it was established in 1974. LIU BAOCHENG / FOR CHINA DAILY

Focus on globalization, aging populations, technical progress

The 2016 G20 Labor and Employment Ministerial Meeting, held in July, involved in-depth discussions on globalization, technological progress and aging populations, with a particular focus on the opportunities and challenges these issues posed to the labor markets of G20 economies. The major outcomes of the meeting were as follows:

1. The G20 Entrepreneurship Action Plan was adopted. G20 economies agreed to carry out action plans and strengthen efforts to nurture the conditions that unleash the entrepreneurial

potential of this valuable human capital, especially of our youth. G20 economies welcomed China's leadership in the establishment of the Entrepreneurship Research Center on G20 Economies as a platform to deepen information exchange and extend the sharing of good practices among G20 members in support of this action plan.

2. The G20 Initiative to Promote Quality Apprenticeship was adopted. G20 economies committed to offering high-quality apprenticeships and developing workforces that possess

strong capacities in both theory and practice and meet the needs of the labor market.

3. G20 members were urged to adopt well-targeted job creation policy measures based on national conditions. This had been the first time that a whole package of policy recommendations was produced on social protection. The meeting adopted Policy Recommendations to Enhance Employability, Sustainable Wage Policy Principles and Policy Recommendations for Promoting More Equitable and Sustainable Social Protection Systems.



College students attend an intern opportunity fair held in June at Nanjing University of Aeronautics and Astronautics in Nanjing, Jiangsu province. YANG BO / CHINA NEWS SERVICE



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EDITORIAL

Gathering synergy for a new type of world economy

President Xi Jinping made a crucial point at the Business 20 Summit on Saturday, when he said that China, as a beneficiary of the current international order, does not seek to rewrite the international rulebooks. Instead, it wants to refine the existing mechanisms to facilitate global win-win cooperation.

His appeal for multilateralism in global governance explains why Beijing holds the G20 so dear. Some people tend to read Beijing's enthusiasm as eagerness for securing its footing on the world stage, or an opportunity to announce its coming of age as a global power.

Beijing never conceals its desire for a greater say in global governance — and there are plenty of China-related misgivings that Beijing can dispel. But, more importantly, it boils down to its belief that it is imperative to invigorate the global economy.

Compared with some countries' opportunist approach to the international forum, China instead appreciates the power of synergy in global economic governance.

The G20 is thus regarded as a more fitting forum for international economic discourse than the G7 and United Nations, because the former is too exclusive and unrepresentative of the broader world, and the latter too broad and often unproductive for handling the world's economic woes.

One goal of the Hangzhou Summit, according to Xi, is to shift the G20's focus from crisis response to long-term governance.

As this meeting is taking place amid a resurgence of trade and investment protectionism, many doubt the group's ability to produce breakthroughs or collective policies at this session of the world's leading developed and developing economies.

Such concerns only make Beijing's proposals, centered on an open and inclusive "new type of world economy", more valuable for serious deliberation by all parties. Because the disarray of the global economic landscape, with each country going its own way or even resorting to beggar-thy-neighbor approaches, has announced the failure of unilateralism.

As an old Chinese saying goes, "to cure a disease, one should treat its root causes; to fix a problem, one should target its source".

Beside the global economy's waning growth momentum and diminishing potential, the problem of uneven development is far from being resolved, and the inadequacies of the existing economic governance mechanisms and structures have become increasingly evident.

Xi urged the G20 leaders to prescribe remedies for the sluggish world economy to embark on a road of robust, sustainable, balanced and inclusive growth while addressing the opening of the G20 Summit on Sunday.

His proposals ranged from strengthening coordination in marcoeconomic policies, innovating growth patterns, improving global economic governance, and furthering the liberalization and facilitation of trade and investment, to promoting inclusive growth.

Beijing's prescriptions may sound too good to be executable at this point, but not if the G20 members, as Xi called for, "work with real action with no empty talk".

By formally announcing their commitment to joining last year's Paris Agreement on climate change right before the summit, Beijing and Washington demonstrated what Xi described as "shared ambition and resolve" to address global issues. With China and the US "leading by example", as US President Barack Obama put it, rhetoric about broader cooperation will be more credible than it would otherwise be, and not just in emissions control.

Any progress in that direction at the Hangzhou Summit is to be welcomed as it will help to find "a direction and a course" for a more invigorated and inclusive world economy.

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YI FAN

Global cooperation can make a difference

Globalization was hailed as being the path toward greater shared prosperity. Things, however, started to change at the turn of this century, and the trend of anti-globalization has been gaining momentum.

There has been a growing wave of anti-globalization, anti-elitism, anti-establishment and the reemergence of populist politics in many countries. Brexit was a blunt rejection of Europe by those in Britain who complained about the influx of foreigners and the lack of jobs. A similar story can be seen across the Atlantic with the rise of US Republican presidential candidate Donald Trump, who has clearly won the support of those who complain about job losses, the influx of foreigners and the country's waning competitiveness.

And most of the world's major economies, notably advanced ones, are resorting to protectionist measures as the global economic slowdown bites harder. The WTO Doha round of negotiations has long been at an impasse. Both presidential candidates in the United States are promising what would be tantamount to a US exit from the global trading system.

There are a number of underlying causes for the anti-globalization movement: insufficient macroeconomic policy coordination among countries has left the existing international economic and financial governance system inefficient and ineffective; the sluggish global economic recovery and slow growth are undermining the case for open markets that globalization rests on; social endeavors, including poverty reduction, and better human rights and labor standards, lag behind across the world. Moreover, the benefits of globalization remain highly concentrated in a few countries and among the upper echelon of society.

STEPHEN S. ROACH

World economic growth — still made in China

Despite all the hand-wringing over China's slower economic growth, the Chinese economy remains the single largest contributor to world GDP growth. For a global economy limping along at stall speed — and most likely unable to withstand a significant shock without toppling into renewed recession — that contribution is all the more important.

A few numbers bear this out. If Chinese GDP growth reaches 6.7 percent in 2016 — in line with the government's official target and only slightly above the International Monetary Fund's latest prediction of 6.6 percent — China would account for 1.2 percentage points of world GDP growth. With the IMF currently expecting only 3.1 percent global growth this year, China would contribute nearly 39 percent of the total.

That share dwarfs the contribution of other major economies. For example, while the United States is widely praised for a solid recovery, its GDP is expected to grow by just 2.2 percent in 2016 — enough to contribute just 0.3 percentage points to overall world GDP growth, or only about one-fourth of the contribution made by China.

The European economy is expected to add a mere 0.2 percentage points to world growth, and Japan not even 0.1 percentage points. China's contribution to global growth is, in fact, 50 percent larger than the combined contribution of 0.8 percentage points likely to be made by all of the advanced economies.

Moreover, no developing economy comes close to China's contribution to global growth. India's GDP is expected to grow by 7.4 percent this year, or 0.8 percentage points faster than China. But the Chinese economy accounts for fully 18 percent of world output (measured on the basis of purchasing power parity) — more than double India's 7.6 percent share. That means India's contribution to global GDP growth is likely to be just 0.6 percentage points this year — only half the boost of 1.2 percentage points expected from China.

More broadly, China is expected to account for fully 73 percent of the total growth of the BRICS grouping of large developing economies. The gains in India of 7.4 percent and South Africa 0.1



The summit is also set to embrace the vision of a global community with a shared destiny, enhance economic connectivity and exchanges ...

percent are offset by ongoing recessions in Russia, minus 1.2 percent and Brazil, minus 3.3 percent. Excluding China, BRICS GDP growth is expected to be 3.2 percent in 2016.

So, no matter how you slice it, China remains the world's major growth engine. Yes, the Chinese economy has slowed significantly from the 10 percent average annual growth recorded during the 1980-2011 period. But even after transitioning to the slower growth of what the Chinese leadership has dubbed the new normal, global economic growth remains heavily dependent on China.

There are three key implications of a persistent China-centric global growth dynamic. First, and most obvious, continued deceleration of Chinese growth would have a much greater impact on an otherwise weak global economy than would be the case if the world were growing at something closer to its longer-term trend of 3.6 percent. Excluding China, world GDP growth would be about 1.9 percent in 2016 — below the 2.5 percent threshold commonly associated with global recessions.

The second implication, related to the first, is that the widely feared economic "hard landing" for China would have a devastating global impact. Every decline in Chinese GDP growth of one percentage point knocks close to 0.2 percentage points directly off world GDP; including the spillover effects of foreign trade, the total global growth impact would be around 0.3 percentage points.

Defining a Chinese hard landing as a halving of the current 6.7 percent growth rate, the combined direct and indirect effects of such an outcome would consequently knock about one percentage point off overall global growth. In such a scenario, there is no way the world could avoid another full-blown recession.

Finally (and more likely in my view), there are the global impacts of a successful rebalancing of the Chinese economy. The world stands to benefit greatly if the components of China's GDP continue to shift from manufacturing-led exports and investment to services and household consumption.

Under those circumstances, Chinese domestic demand has the potential to become an increasingly important source of export-led growth for China's major trading partners — provided, of course, that other countries are granted free and open access to rapidly expanding Chinese markets. A successful rebalancing scenario has the potential to jump-start global demand with a new and important source of aggregate demand — a powerful antidote to an otherwise sluggish world. That possibility should not be ignored, as political pressures bear down on the global trade debate.

All in all, despite all the focus on the US, Europe, or Japan, China continues to hold the trump card in today's weakened global economy. While a Chinese hard landing would be disastrous, a successful rebalancing would be an unqualified boon. That could well make the prognosis for China the decisive factor in the global economic outlook.

While the latest monthly indicators show China's economy stabilizing at around the 6.7 percent growth rate recorded in the first half of 2016, there can be no mistaking the headwinds looming in the second half of the year. In particular, the possibility of a further downshift in private-sector fixed-asset investment could exacerbate the ongoing pressures associated with deleveraging, persistently weak external demand, and a faltering property cycle.

But, unlike the major economies of the advanced world, where policy space is severely constrained, the Chinese authorities have ample scope for accommodative moves that could shore up economic activity. And, unlike the major economies of the developed world, which constantly struggle with a trade-off between short-term cyclical pressures and longer-term structural reforms, China is perfectly capable of addressing both sets of challenges simultaneously.

To the extent that the Chinese leadership is able to maintain such a multi-dimensional policy and reform focus, a weak and still vulnerable global economy can only benefit. The world needs a successful China more than ever.

The author is a faculty member at Yale University and a former chairman of Morgan Stanley Asia, and author of Unbalanced: The Codependency of America and China. Project Syndicate

seek greater control over cross-border movements. And the spillovers of increasing geopolitical instability have added to people's sense of insecurity and prompted them to look inward.

However, the bottom line is, like it or not, we all live in a globalized world. Against such a backdrop, all eyes are now on the G20 Hangzhou Summit to deliver some answers.

China has set an ambitious agenda for the G20 Summit, which has the theme of "Toward an Innovative, Invigorated, Interconnected and Inclusive World Economy".

The summit is focusing on some of the most salient, critical and pressing issues facing the world economy, and exploring new ways to enhance policy coordination, innovate the growth model and promote more efficient global economic and financial governance.

The summit is also set to promote more effective global economic and financial governance, as, based on the implementation of the 2010 quota and governance reform of the International Monetary Fund, the G20 members are working on the next round of quota reform with the aim of realizing it before the annual meeting of the IMF in 2017.

The summit is also set to revitalize support for trade and investment liberalization and facilitation. It will call for meaningful progress in the Doha round of WTO negotiations and commitments to roll back on protectionist measures, in

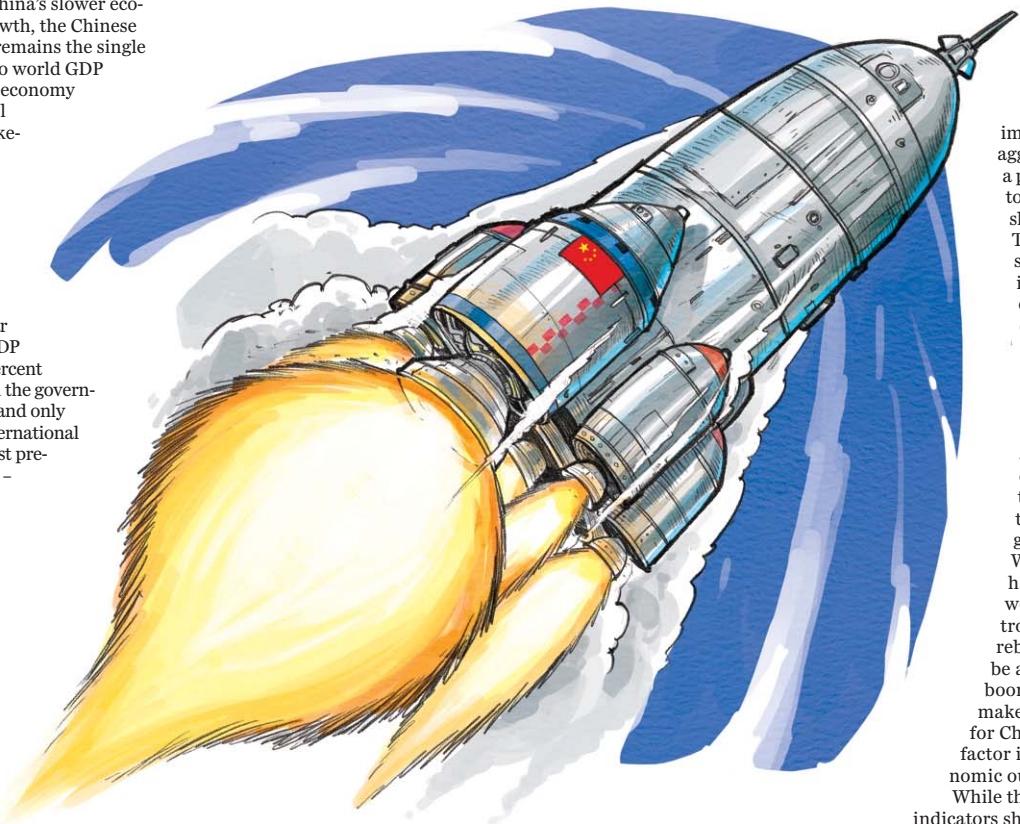
order to take full advantage of trade and investment as two effective engines for world economic growth.

China will offer its experiences, wisdom and solutions to achieve strong, balanced, sustainable and inclusive growth. And the G20 Action Plan on the United Nation's 2030 Agenda for Sustainable Development and the G20 Initiative on Supporting Industrialization in Africa and Least Developed Countries will be issued, demonstrating a firm commitment to ensuring that developing countries are not left behind in future development.

The summit is also set to embrace the vision of a global community with a shared destiny, enhance economic connectivity and exchanges among countries so as to address inequality and imbalance in global development, and ensure that the benefits of global development are more equitably shared by people of all countries.

As the G20 Summit with the largest participation of the developing world, the Hangzhou Summit is anticipated to show to the world that global cooperation can make a difference and that countries can work together to build a community of shared interests, shared responsibilities and shared prosperity. And that is what it is expected to deliver.

The author is a Beijing-based observer of international studies.



CAI MENG / CHINA DAILY

ANDREW SHENG AND XIAO GENG

The making of China's consumer society

China's transformation from a manufacturing-driven and export-led economy to one underpinned by services and domestic consumption is firmly underway. And that's good news not just for China, but also for the future of the global economy.

The 2016-17 edition of the Blue Book of China's Commercial Sector by Fung Business Intelligence and the Chinese Academy of Social Sciences maps the change. China's retail markets reached 30 trillion yuan (\$4.6 trillion) in 2015, after more than a decade of double-digit growth. Household consumption has begun to climb, even as the pace of investment has fallen, and now exceeds 6 percent of GDP. Though the consumption growth rate has slowed to 10.7 percent, the Blue Book projects that China's domestic market may reach 50 trillion yuan by 2020.

A key driver of this transformation has been internet technology. Building on heavy investments in public infrastructure, such as ports, airports, roads, railways, and telecommunications, the internet is now expanding rapidly the range of choices available to Chinese consumers, while lowering costs and accelerating delivery.

As a result, China's online retail sales have surged in recent years, from 6.3 percent of total retail sales in 2012 to 12.9 percent by 2015. By 2020, 40 percent of all retail transactions in China may be conducted online. Online sales via mobile phones have jumped from only 1.5 percent in 2011 to 55.5 percent in 2015,

and may reach 73.8 percent by 2018.

China has now overtaken the United States to build the world's largest online retail market. With a growth rate of some 33 percent, it is also the fastest-growing such market. And despite growth in internet use — the number of connected Chinese has risen from 253 million in 2008 to 688 million last year — there is plenty of room for further expansion.

This progress reflects innovations that enable broad-based consumption without the construction and maintenance of expensive brick-and-mortar outlets. In fact, growth in mobile sales has been driven by lower-income consumers, particularly in rural areas, where more than 81 percent of internet use occurs via mobile devices.

One key innovation has been multi-sided platforms like Alibaba, which, by providing access to production, logistics, distribution, and payments, challenge traditional business models — with considerable success. In the second quarter of 2016, Alibaba announced that its revenue from China's retail market had increased by 49 percent year-on-year; another online platform, Tencent, reported a 52 percent increase.

By connecting small and medium-sized enterprises (which account for 80 percent of

employment in China) with the consumer base, such platforms erode some of the competitive advantage of large State-owned enterprises. Indeed, while the returns from China's internet retailing revolution have been highly concentrated, for once this concentration has not been in the State sector.

In online retailing via mobile devices, Alibaba held an 84.2 percent share of the market last year,

with the next largest online retailer, JD.com, capturing just 5.7 percent. In the business-to-consumer market, Alibaba's Tmall claimed a 58 percent market share in the third quarter of 2015, with JD.com taking just 22.9 percent. In third-party online payment services, Alipay held 47.5 percent of the market, while Tenpay captured 20 percent, and UnionPay, the only service developed by the banking community, had

10.9 percent.

As a result, SOEs, which have long specialized in single markets or products, have now begun to recognize that they need to retool to compete both in China and in global markets. Given that SOE reform has long been on China's agenda, this extra impetus may prove beneficial. But the challenge of determining how to create a level playing field for healthy competition and improve capital allocation in the Internet Era

remains.

It is not just China's large companies that need to rethink their business models. As China's e-commerce platforms become increasingly global, they may erode the dominance of giant multinationals in international trade. Already in 2015, China's cross-border e-commerce amounted to an estimated 5.2 trillion yuan, or 17.6 percent of the country's total trade; it may reach 8 trillion yuan, or 23 percent of total trade, by next year.

All of this growth is great news for China; indeed, at a time of slowing performance in many traditional sectors, online retailing could be an economic lifesaver. But it also represents a major challenge for a government that has long relied on top-down decision-making.

China's e-commerce revolution enables the country's consumers to decide where to put their money. They can choose not only what kinds of goods and services they deem worthwhile, but also where to live and receive an education. As a result, they have become a key driver behind the transformation of the housing market, supply chains, finance, and even monetary policy.

The task for China's leaders is to respond more effectively to their citizens' needs and desires, including by accelerating progress on economic reform. Specifically, they

must phase out obsolete supply chains saddled with overcapacity, bad debts, and falling employment, while taxing the winners in the e-commerce game. These imperatives are challenging traditional approaches to monetary, fiscal, industrial, environmental, and social policies, while testing the capacity of the bureaucracy and political system.

China's transformation into a consumer society will have profound implications for domestic and global suppliers and distributors of goods and services.

At first, it might hurt some of China's trading partners, particularly the emerging economies that have long depended on Chinese demand for their commodity exports. The decline in Chinese imports has already contributed to a decline in commodity prices. Moreover, foreign importers may find that Chinese-manufactured consumer goods now cater more to local tastes and preferences.

Whatever challenges emerge, the fact is that a prosperous China, underpinned by local consumers, will contribute to — and shape — a prosperous global economy. We can thank e-commerce for that.

Andrew Sheng is a distinguished fellow of the Asia Global Institute at the University of Hong Kong and a member of the UNEP Advisory Council on Sustainable Finance. Xiao Geng, director of the IFF Institute, is a professor at the University of Hong Kong and a fellow at its Asia Global Institute. Project Syndicate



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Agenda of positive change

China has consulted broadly and thought deeply about issues affecting the world economy, expert says

G20 summits are assessed on two things: financial stability and economic growth, which form the G20's core agenda.

In terms of financial stability, the G20 has made significant strides in terms of financial regulation, as well as on international taxation and reforms of global organizations like the International Monetary Fund.

This is still a work in progress, and we have weathered recent storms such as the market volatility this year and the Brexit vote in the United Kingdom. All these issues are being looked at in a global context, and we are seeing progress.

Economic growth, on the other hand, is a problem because strong, sustainable growth is still elusive.

This is a pivotal year not only for the G20 members, but for China as well. China has done all the right things early. The leadership has signaled that the G20 is a key Chinese foreign policy priority. China has put an emphasis on consulting widely and thinking deeply, and developed a broad agenda.

I expect China will deliver a technical agenda of positive, incremental change regarding the medium-term challenges and long-term economic issues.

China is already playing that role by presiding over the G20, and it



Tristram Sainsbury

knows the importance and magnitude of the group.

China has made important progress in economic governance. In the G20, it has made a lot of progress in a short time. A lot of people are looking to see what kind of leadership role will be seen at the summit.

The G20 group is not a mini United Nations. It is large enough to capture a big enough share of the global economy, population and trade, but small enough to facilitate agreement on key issues. It is informal and has two very

clear mandates — financial stability and economic growth. For financial stability, it can get a tick, but on the other it has not done so well.

Critics see it as a talking shop, but it has set in place important changes that affect people's lives, especially in the financial sector, and in a number of key policies such as tax avoidance, which are starting to see some success.

China this year has invited the largest number of developing countries ever to attend G20 activities. By inviting developing countries, you give them a voice, which is a good thing. Decisions made by the G20 will impact on them as well.

The author is research fellow and project director, G20 Studies Centre, Lowy Institute, Australia.

Q&A

Summit is crucial for role of G20

Editor's note: Chinese leadership during G20 presidency can help rescue group from irrelevance, international governance expert says. Barry Carin is a senior fellow of the Center for International Governance Innovation, based in Waterloo, Canada. He held several senior Canadian government positions and also taught at universities. He has been a participant and close observer of the G7, G8 and G20, including working on China's G20 presidency and the preparation process for this summit. He spoke with China Daily on Aug 11.



Barry Carin

in my assessment. I need more study to be able to predict the macroeconomic impact of the mass of people who are "predictably irrational".

What do you expect China to do and contribute in the years ahead?

Lao Tzu is cited as saying that "Governing a large country is like frying a small fish. You spoil it with too much poking". I expect China to continue to avoid the risks of aggressive, energetic leadership. The G20 is too large and heterogeneous to achieve consensus on highly complex and controversial issues in the short, one-year G20 presidency. Longer term, the best hope would be for China to first arrange a bilateral agreement with the US; then subsequently offer the EU and perhaps India to join the agreement. Then the agreement can be brought to the G20.

What is the special significance of the G20 in Hangzhou under the current global economic situation?

Hangzhou is perhaps the best hope for rescuing the G20 as a respected and effective global steering committee. The G20 risks evolving into irrelevance. Its record for the last five years has been discouraging. Leadership will not come from an inward-looking and politically stalemated United States or from a European Union consumed by Brexit, the euro crisis and the flood of migrants and refugees. But there is no alternative to the G20 for effective global crisis management or a steering committee. The only hope is that China, exploiting its ingenuity, can provide the necessary leadership.

What's your view of the global economy after this G20?

It appears that what I learned as a PhD economist and taught as a professor of economics is all wrong. I believed that if central banks flooded the world economy with liquidity — quantitative easing — that inflation and hyperinflation would result. But inflation seems to be limited to certain asset classes. So I am pessimistic. More bubbles should burst, with unfortunate consequences. But I have no confidence

What do you suggest for the G20 in Hangzhou?

One of the constructive contributions China can make is to shape the future international policy research agenda by calling for reports for next year's G20 summit in Germany from G20 officials, G20 ministers or from international organizations. There are many precedents for these remits, commissioning work with specific terms of reference. As G20 president, China has the prerogative to make this type of request. Two ideas that would be in the common interest are to request reports to the German G20 on options for global responses on cyber security (particularly in reference to international finance) and on rules to delineate acceptable research on climate engineering.

Workers should share global prosperity

By WANG MINGJIE in London wangmingjie@mail.chinadailyuk.com

A Hangzhou charter for fair growth and responsible capitalism would give the G20 Leaders Summit a much-needed sense of purpose, according to an economist with a London think tank.

The summit sees government leaders and central bankers from the world's largest economies meet to exchange views on economic policy.

Alan Wheatley, associate fellow for international economics at Chatham House, said one of the key ingredients to push for a new round of world economic prosperity is to increase the share of global income that goes to workers rather than to companies.

"Countries like Japan, Germany

and the United States are good examples that too much of national economic income goes to the corporate sector, and not enough to the labor sector. As a result, people don't have enough spending power, and therefore the demand for investment is subdued," he said. "If you are a factory owner, why would you build a new factory if people do not have the money to spend on your products."

Wheatley thinks China is doing a good job in rebalancing its economy toward services and consumption instead of investment, as the tertiary sector is growing while investment is falling, but he said the nation can do an even better job by accelerating the trend.

To do that, Wheatley suggested



Alan Wheatley, associate fellow for international economics at Chatham House

keen to see more practical proposals as to how that goal could be achieved.

He does not expect a big departure on economic policy in Hangzhou, as the G20 "is best suited to act in an acute crisis, and it has proved itself as a useful forum for an emergency such as the 2008 financial crisis, whereas now what we are witnessing is a phase of chronic economic status, not life-threatening."

Commenting on British Prime Minister Theresa May's presence in Hangzhou, Wheatley said that the G20 could be a great opportunity for May and President Xi Jinping to get to know each other and to start the relationship on a positive footing, and a potential platform to signal May's stance on China.

that the Chinese government invests less in hard infrastructure and more in social infrastructure, such as health spending, education and social security, so that people can have the confidence to spend more and save less as they grow older.

He credits China's concerted efforts to engage in global economic governance, saying the intention is admirable and welcome, but he is

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RENMINBI

No basis seen for long-term drop in Chinese currency

Worries about large-scale capital outflow can be eased and market expectations adjusted

By WANG YANFEI

in Hangzhou
wangyanfei@chinadaily.com.cn

Experts expect the renminbi to remain stable against a basket of currencies as there is no long-term basis for depreciation.

"Despite short-term pressure due to the prospect of higher interest rates in the United States and uncertainties in the global economy, the renminbi does not face continuous depreciation pressure in the long run," said Jiang Chao, an analyst with Shanghai-based Haitong Securities.

Jiang said the impact on the Chinese currency of hikes in US interest rates, which were hinted at last month by Janet Yellen, chair of the Board of Governors of the US Federal Reserve, would not be significant, as investors have digested the news and are aware the pace at which the Fed will raise interest rates will be slow.

Xie Yaxuan, chief economist at China Merchants Securities Co, echoed this view, saying that the weaker dollar had lessened the depreciation

pressure on the renminbi since May.

"The economy in the United States has yet to show strong signs of a recovery following the slowdown in the first half of the year," said Xie.

Data showed the US' gross domestic product increased 1.2 percent in the second quarter compared to the expected 2.6 percent growth.

Although other factors such as the United Kingdom's exit from the European Union could still increase the depreciation pressure on the Chinese currency, "it would not last for too long," said Qu Hongbin, chief economist with HSBC Holdings.

"The market has calmed compared to the days around the referendum," said Xie. "And investors have become more accustomed to the renminbi's two-way volatility after the Chinese government adopted a market-oriented exchange rate mechanism."

"As China becomes more integrated into the global market, any out-of-expectation one-way fluctuation is unlikely — the global economic con-

ditions do not support a sharp depreciation of the renminbi, and a one-way depreciation would not favor the country itself," he said, referring to concerns that the People's Bank of China might allow continuous depreciation in order to boost exports.

In the meantime, economists said the renminbi's official inclusion in the International Monetary Fund's Special Drawing Rights this October marks a further step in China's global economic emergence and it will further help stabilize the Chinese currency.

Xie said that as more central banks hold more of the Chinese currency in their foreign exchange reserves, demand for renminbi assets would rise with more capital inflows.

"Less worries over capital outflows would ease market expectations for a continuous depreciation of the renminbi," he added.

Lian Ping, chief economist with Bank of Communications, said that the currency is expected to remain stable as long as the economic fundamentals remain stable in the second half of the year, following pretty good performance last month.

BONDS

New issue a landmark for Special Drawing Rights

By WANG YANFEI

in Hangzhou

The issuance of bonds denominated in Special Drawing Rights for the first time in China is a good starting point for promoting the expansion of SDR use among the G20 members, analysts said.

The SDR-denominated bonds to be settled in renminbi, which the World Bank began issuing on Wednesday, are "a landmark move" for China's bond market and for the SDR as an international reserve asset, according to World Bank President Jim Yong Kim.

He said the World Bank's issuance of SDR bonds in China will support the G20's objective of expanding the use of the SDR, which has been listed as one of the G20's key financial tasks by the G20 International Financial Architecture Working Group.

SDR-denominated bonds first appeared in 1975. By the

end of 1981, a total of 563 million units (then valued around \$661 million) of SDR bonds had been issued. However, no SDR-denominated bonds or credit products were issued thereafter, according to the International Monetary Fund.

The change came in 2009 after China underlined the need to strengthen the usage of the SDR basket, and later became part of the outcomes of the G20 meetings in London that year.

Analysts believe that the issuance of bonds after 35 years and the future development of the SDR-denominated bond market in China will help promote greater use of the SDR and meet some of growing demand for renminbi-denominated assets.

Liang Hong, chief economist with China International Capital Corporation, said such bonds are a new option for both domestic and foreign investors who are looking for ways to diversify their

investments.

"Investors could turn to SDR-denominated bonds considering their advantage in minimizing currency fluctuation risks," she said.

Echoing her statement, Li Chao, chief economist with Beijing-based Huatai Securities Co Ltd, said the development of the SDR-denominated bond market in China would help rebalance the world monetary system and increase the appeal of the SDR in the future, as more financial institutions are expected to follow the World Bank's lead and issue such bonds.

In the meantime, more efforts to attract private investors are needed, according to Zhao Xueqing, an economist with the Institute of International Finance, a think tank under the Bank of China.

"Both top-down and bottom-up approaches are needed," said Zhao.

She suggested that more participation by government backed agencies, liquidity support and eased entry are needed to attract private investors, while issuers will "have to resolve issues such as pricing schemes and risk management".

SAFETY NET

Global financial safety net needs strengthening

By WANG YANFEI

in Hangzhou

The global financial safety net can hardly meet expectations, as "asymmetric and fragmented problems" loom large, International Monetary Fund Managing Director Christine Lagarde has said.

The global financial safety

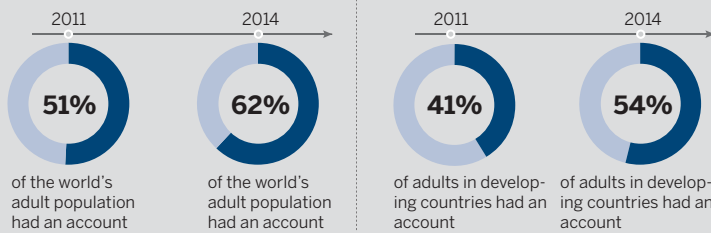
Global Findex 2014 Financial Inclusion

Financial inclusion is critical to reducing poverty and achieving inclusive economic growth. When people can participate in the financial system, they are better able to start and expand businesses, invest in their children's education, and absorb financial shocks. In 2011 the World Bank launched the Global Findex database, the world's most comprehensive set of data on how people save, borrow, make payments, and manage risk. The updated 2014 Global Findex database shows great progress in expanding financial inclusion and great opportunities to expand it further.

There has been significant growth in financial inclusion

More adults have an account (with a financial institution or mobile money service) than three years ago.

Account ownership has increased in nearly every developing country.



In developing countries, moving away from cash can significantly increase financial inclusion

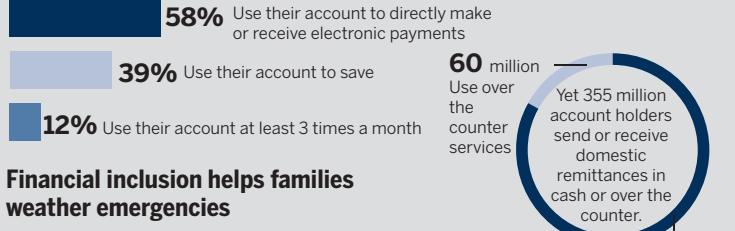


Cash payments

But what really matters is whether people actually use their accounts

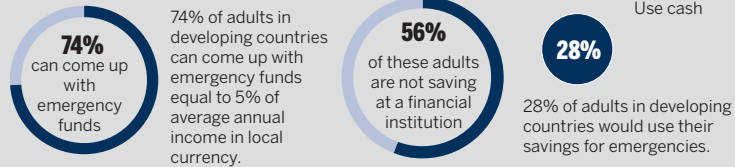
Account ownership is a first step toward financial inclusion.

In developing countries, account holders use their accounts for a variety of functions.



Financial inclusion helps families weather emergencies

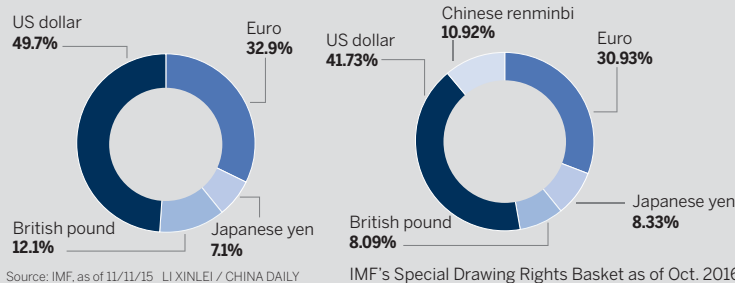
Having a safe place to save money can prevent people from falling into extreme poverty when disaster strikes.



Source: Global Findex database, World Bank, Washington, DC. <http://www.worldbank.org/globalfindex>

LI XINLEI / CHINA DAILY

China's renminbi joins IMF's Special Drawing Rights basket



Source: IMF, as of 11/11/15 LI XINLEI / CHINA DAILY

IMF's Special Drawing Rights Basket as of Oct. 2016



Bank card makes life easier

A bank clerk in Huai'an, East China's Jiangsu province, holds up a new type of bank card incorporating an electronic chip, which was introduced last year.

ZHAO QIRUI / FOR CHINA DAILY

MICROFINANCE

Technology can expand access to finance

By WANG YANFEI

in Hangzhou
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At a time when technology-driven microfinance services have become a key strategy to achieve financial inclusion, more efforts to improve the financial infrastructure are needed, experts say.

"Providing microfinance services using digital technology is quite effective in promoting financial inclusion when many still have no basic access to financial services," said Yi Gang, vice-governor of China's central bank, the People's Bank of China, at a high-level forum held in Beijing last month.

According to a research by the World Bank, 2 billion working-age adults worldwide, around 38 percent of the global population, have no bank accounts and are excluded from the mainstream financial system.

45 percent

of online financial institutions in China shut down by the end of July

The fast development of technology-driven financial services in recent years significantly increased the opportunities for people to have access to financial services, according to Yi, but the "lack of oversight and infrastructure in the emerging digital industry has become one of the key challenges blocking financial services from reaching people".

Yi said that the government regulatory bodies need to enhance their supervision of credit issuance by online financial institutions in order to reduce the risks.

Policymakers across regions have raised concerns about the risks associated with online finance providers.

Data from Wangdaizhijia, a third party research institution, shows that by the end of July, a total of 1,879 online financial institutions, 45 percent of the total in China, had been shut down because of various operational problems.

To better address the challenges of technology-driven microfinance services, China will submit a set of principles to be reviewed during the G20 Summit to be held in Hangzhou, capital of East China's Zhejiang province, on Sunday and Monday.

With a total of 66 rules and principles, the top-level design, once approved by the G20 members, will help build a more effective system to support financial inclusion, according to Jim Bromley, chief financial officer with the Bill & Melinda Gates Foundation.

Bromley also said that a clear definition of the digital financial market is needed and it should be made as inviting to new businesses and customers as possible.

Welcome to the spectacular

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China-Turkey: transformational prospects

By ALI MURAT ERSOY

On Aug 4, 1971, the Turkish ambassador in Paris Hasan Esat Isik and the Chinese ambassador Huang Zhen, signed a protocol establishing diplomatic relations between the two countries. Now, 45 years later, China is Turkey's largest trading partner in the Asia Pacific and second largest in the world.

Our relations have been elevated to the level of strategic cooperation.

We are now exchanging regular high level visits. President Recep Tayyip Erdogan's State visit to China last year was a landmark event which furthered the trust between the two countries.

Our foreign ministers have a solid working relationship, and are keen on having regular consultations. In addition to the well-designed Joint Working Group mechanism, our foreign ministries held their first strategic dialogue meeting this year.

Soon, we are going to hold the first meeting of the cooperation mechanism at the deputy prime minister level. We will support this process with several instruments.

Turkey and China also have substantial cooperation in major regional and international organizations.

The United Nations is an essential venue for both countries. Turkey handed over the term presidency of the Conference on Interaction and Confidence-Building Measures in Asia to China in 2014. This was followed by the transfer of the G20 presidency to China for 2016.

Last year, Turkey became one of the founding members



“Turkey and China are also pursuing a more representative global system.”

Ali Murat Ersoy, Turkish ambassador to China

of the Asian Infrastructure and Investment Bank and declared its strong interest in China's Belt and Road Initiative.

A memorandum of understanding was signed in Antalya, Turkey, on aligning the Belt and Road Initiative with Turkey's Middle Corridor project. This MOU was not only about transportation and logistics, but also creating connectivity in several fields, including people-to-people contacts.

In brief, our bilateral relations have been upgraded from those of interested parties to those of practical partners. With the right choices, this relationship can play a significant role in enhancing regional and global stability in the years

ahead. Our task should be to strengthen the transformational fundamentals of this relationship.

Turkey has the background and ability to be a connector, a central country, not only in the geographical sense but also with regard to its diplomacy, economy, history and culture. Turkey assumes an active role in endeavors to foster mutual respect and common values among different cultures and religions. As an emerging energy hub and a major transit country, Turkey also plays an important role with respect to global energy and trade security.

China is now a major power, an economic giant which is becoming more and more active in international affairs. As the Belt and Road Initiative demonstrates, it is also an initiator of ideas that can serve global development and enhance connectivity.

Both countries represent unique and successful models, combining elements of Eastern and Western cultures without refusing other traditions. Both have followed novel paths toward modernity after devastating wars and struggles. With these qualifications, they can be efficient partners, offering their contributions to tackling global problems.

In order to strengthen the transformational fundamentals of our bilateral relationship, we have to reinforce it with new elements.

When I was presenting my credentials to President Xi Jinping in 2014, I also had the opportunity to discuss the China-Turkey relationship. In that conversation, I underlined my hope for the creation of a “21st century



A Chinese visitor poses for a photo at the booth of Turkey at a tourism expo in Beijing.

FENG YONGBIN / CHINA DAILY

relationship”, which will be based on the rich history and past experiences between our two countries, but which

will also transform itself into a modernized connection based on more trade, intensified economic activities and

cooperation in technology and innovation.

As China has its “Chinese dream”, we have a “Turk-

ish dream”. We share similar visions for the future of our countries: Turkey has set specific targets for 2023, which marks the centenary of the Republic of Turkey, and China is working to achieve its “Double Centennial Goals”. The main aspirations can be summarized as reaching a higher level of development and welfare for larger segments of our societies.

As active members of the G20, Turkey and China are also pursuing a more representative global system. This should be the century of unity and win-win cooperation. “Us against them” policies will not carry the global community forward.

We should also be able to address the root causes of despair, which is a powerful feeling overshadowing hope in several parts of the world. The G20 is a group that can offer so much in that respect. It should also continue to speak on issues like the refugee problem and terrorism. These issues are directly linked with sustainable development, stability and peace.

Sustainable development cannot be achieved without innovative growth. The Chinese G20 presidency, among other things, has also actively addressed this issue. We will also see new ground covered on structural reforms, ensuring global trade growth, deepening the reform of international financial architecture and addressing environmental concerns. That is why the agenda and the achievements of this G20 will be immensely important.

The author is the Turkish ambassador to China.

Turkish economy's energy attract foreign investment

By ZHANG ZHAO

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After the 2001 financial crisis, the Turkish economy grew steadily thanks to a series of important structural reforms that have led to an improved financial system. Turkey “has been affected relatively less by the global crisis”, according to a recent report by the Investment Support and Promotion Agency of Turkey.

By the end of 2015, Turkey ranked 17th in the world in terms of GDP purchasing power parity, with a 4.4 percent average growth rate between 2010 and 2015, the report said.

The report went on to say that Turkey's opportunities are closely related to its assets, such as a robust economy; a favorable geographical location with access to a large market, including the European Union and countries with which Turkey has free trade agreements; a skilled labor force; a liberal investment climate; and incentives for employment generation in manufacturing, research and development.

“Turkey's biggest advantage and asset is its vantage point as a geographical location, serving as a transit and transfer hub between the Middle East, Asia and Europe, functioning as a physical bridge,” said Ufku Akaltan, general manager of international delivery company UPS' Turkey operation.

He added that the company is “happy to invest in Turkey”, and that “Turkey offers very good opportunities for long-term growth”.

On track to reach Turkey's 2023 goals, a set of targets including becoming one of the world's top 10 largest economies, through increasing its export volume, by the centennial of the foundation of the Republic, the Turkish government places a great emphasis on R&D and innovation, which form the essence of its competitive edge in such sectors



Turkish President Recep Tayyip Erdogan (right) and head of ISPAT Arda Ermut (center) meet representatives of global companies operating in Turkey on Aug 2 in Ankara. PROVIDED TO CHINA DAILY

“Turkey offers very good opportunities for long-term growth.”

Ufku Akaltan, general manager of UPS Turkey

50,000 foreign companies

had invested in Turkey by 2015



A woman walks past a shoe store with a Turkish flag in Istanbul.

ISMAIL FERDOUS / BLOOMBERG

as automotive, chemicals, electronics, and information and communications technology.

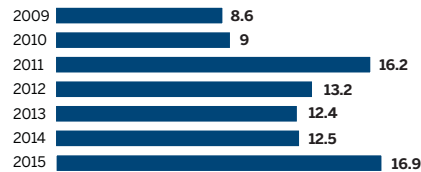
As one of the most important topics on the government's reform agenda, Turkey's investment climate has been improving over the past 14 years. One of the most important steps of this reform is the establishment of ISPAT in 2006, which integrated all the foreign investment-related services into one institution.

From first contact to after-care services, ISPAT is present at every stage of an investment project involving an international company in Turkey.

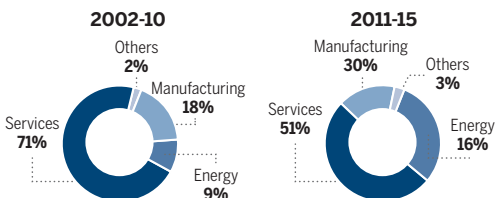
The investment incentives and other support for R&D-related activities have drawn international investors to Turkey, not just for manufacturing, but also for the designing and engineering of new products and services.

FDI TO TURKEY, 2009-15

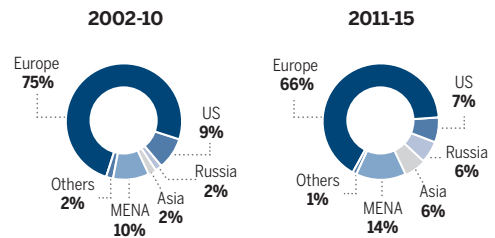
FDI total net (billion \$)



FDI by sectors



FDI by source countries and regions



Source: Investment Support and Promotion Agency of Turkey

ZHOU YANG / CHINA DAILY

Over the past 14 years, the number of foreign companies in Turkey has increased from 5,600 to 50,000, according to the report, with annual direct foreign investment rising from \$1.1 billion to \$16.9 billion over the same period.

Among the notable investment projects realized by ISPAT in recent years are Sumitomo Rubber's \$520 million tire factory in Turkey's Central Anatolian province of Cankiri and Italian pharmaceutical company Recordati's production plant in Cerkezkoy.

The high availability of skilled engineers and manag-

ers in Turkey is also an important factor for international companies when they set up R&D operations.

“The core of the Turkish national economic agenda, and the key value for investors, is a dedicated effort to promote innovation, enhance competitiveness and encourage investment in global value chains,” said Andrew Liveris, chairman and CEO of Dow Chemical Co.

“With a strong, pro-business government in Turkey, the investment environment makes sense,” he said. “And it's also easy to operate, thanks to the entire team at ISPAT.”

What they say

“We believe 3M's innovation culture built on 3M Science and Turkey's economic dynamism is a perfect match. 3M's global manufacturing and technological legacy, combined with the skills and dedicated work of our Turkish employees will continue to strengthen 3M and the Turkish economy. We thank ISPAT for its valuable assistance and guidance throughout our decision and investment processes.”

Hak Cheol Shin, executive vice-president of 3M's International Operations

“Turkey is a dynamic and promising market, with its young population and great location. It has a strategic importance for Nestle and offers interesting opportunities for us to grow and invest. We are proud to be here for more than 100 years. We are convinced that there is still great potential to grow our business even more.”

Felix Allemann, chairman and managing director of Nestle Turkey

“Turkey has great advantages such as tax free policy, because of the Customs Union Agreement, and also its location, which is very convenient for transportation to Europe, Russia, the Middle East and North Africa. Considering everything, Turkey is very attractive for production and exports.”

Norifumi Fujimoto, president and CEO of Sumitomo Rubber

“We do believe the business opportunities in Turkey to be promising due to its proximity to Europe, Asia and the Middle East, and its population of over 78 million featuring a young and motivated workforce and high education level. We also believe that Turkey's sustainable economic development for the medium and long term will lead us to many other investment opportunities.”

Tatsuo Yasunaga, president and CEO of Mitsui & Co Ltd.

ECONOMY

Belt and Road Initiative for global benefit

China's plan is contributing to more efficient global economic and financial governance

By WANG YIQING
wangyiqing@chinadaily.com.cn

The Belt and Road Initiative, the Silk Road Economic Belt and 21st Century Maritime Silk Road, a new type of international cooperation mechanism launched by China, is contributing to "more efficient global economic and financial governance", one of

the key issues being discussed at the G20 Leaders Summit in Hangzhou in East China's Zhejiang province.

Chinese President Xi Jinping said at a symposium on the Belt and Road on Aug 17 that the initiative aims to benefit people along the routes and China welcomes all parties "taking a ride" on China's development. The global economy has not

recovered eight years after global financial crisis erupted in 2008, and new drivers of economic growth are urgently being sought. Great hopes have been put on China, which has been the most powerful engine for global economic growth in recent times.

Despite its slower economic growth, China still contributed more than 25 percent of global economic growth last year.

Moreover, since the pattern of economic globalization, which has mainly been domi-

nated by Western developed countries up to now, is changing, China is obliged to be the representative of developing countries in global economic governance.

The Belt and Road Initiative has been proposed by China as a means to promote cooperation to drive global economic growth and achieve inclusive and interconnected development, especially among developing countries.

"I hope the G20 summit will promote the Belt and Road Initiative and inclusive

growth," said Zhao Jinping, director of the foreign economic relations research department of the State Council's Development Research Center, at a meeting organized by the China Center for International Economic Exchanges in August.

G20 members account for two-thirds of the global population and 85 percent of the global economy, while countries along the Belt and Road, which are mainly developing countries, account for about 60 percent of the world popu-

lation but only 30 percent of global economy.

"The Belt and Road Initiative is a new international economic order on the basis of equality, which can enable people in less-developed countries and regions to participate and share the fruits of globalization," said Zhang Yansheng, chief researcher of CCIEE.

The Belt and Road Initiative has been widely welcomed and supported by the international community. As of now more than 100 coun-

tries and international organizations are participating in the initiative. China has signed cooperation agreements with more than 30 countries along the routes, and has launched international industrial capacity cooperation with more than 20 countries.

A further goal of the Belt and Road Initiative is to push forward the United Nation's 2030 Agenda for Sustainable Development, which is also a highlight of the G20 summit this year.

TRADE

Proposal a new driver of investment

By WANG YIQING
wangyiqing@chinadaily.com.cn

As the world looks to the G20 for a prescription against the weak global economic recovery, the Belt and Road Initiative has become a new driver of international trade and investment.

The World Trade Organization warned in April that the outlook for global trade growth will remain sluggish in 2016, forecasting that global trade would grow by 2.8 percent this year, the same as that registered last year. This will be the fifth consecutive year that world trade volume has grown by less than 3 percent, which would be the longest continuous period of weak global trade growth in the past three decades.

While the picture for investment has been somewhat

rosier, as global foreign direct investment flows grew 38 percent in 2015 according to the World Investment Report issued by United Nations Conference on Trade and Development in June, that is still lower than the figure before the onset of the global financial crisis.

Moreover, large-scale FDI flew from emerging markets to developed countries. In 2015, the FDI in developed economies almost doubled to \$962 billion, while the FDI in developing economies only increased by just 9 percent.

And the United Nations Conference on Trade and Development predicts that FDI flows will decline by 10-15 percent in 2016, considering the persistent weakness of the global economic recovery.

China remained the largest country in goods trade and the

third largest investor in the world, and its outward FDI rose from \$123 billion to \$128 billion in 2015, according to the UN body.

The launch of the Belt and Road Initiative has been China's response to the sluggish global economic growth and it is a significant move toward a more open global economic system.

As the Silk Road Economic Belt and the 21st Century Maritime Silk Road have started to progress over the past few years, regional trade and investment along the routes have been remarkably boosted.

The annual growth rates for trade and investment along the Belt and Road have been nearly twice as much as the global average, and in 2015 the bilateral trade volume between China and countries

along the routes exceeded \$1 trillion, Wang Yi, China's foreign minister, said on Aug 3.

China's outbound direct investment in the countries joining the initiative has also soared. According to the Financial Times' cross-border investment database FDI Markets, Chinese investors announced 315 green field investments with a combined value of \$75.9 billion in countries along the Belt and Road routes in the 18 months to June 2016.

The recently launched Asian Infrastructure Investment Bank and the \$40 billion Silk Road Fund demonstrate that China is also exploring innovations in financing to promote the Belt and Road Initiative. And China and countries along the routes are endeavoring to establish free trade zones and



A staff introduces Chinese products to a visitor at 2015 China-ASEAN Expo Thailand Exhibition in Bangkok, Thailand, on April 2, 2015. XINHUA

regional integration to further facilitate trade.

In a speech in Uzbekistan on June 22, President Xi Jinping said China has jointly established 46 overseas economic

cooperation zones with 17 countries along the Belt and Road.

"As the proposer of the Belt and Road Initiative, China is providing considerable finan-

cial support to the construction of the Belt and Road," said Liu Ying, a researcher at the Chongyang Institute of Financial Studies at Renmin University of China.

Getting in the zone for wealth management and cross-border financing



Qingdao Jinjialing Financial Zone is the core area of Qingdao Wealth Management Financial Comprehensive Reform Pilot Zone established in February 2014.

Qingdao Jinjialing Financial Zone provides services ranging from a cluster of regional financial headquarters, financial business, financial education and research to data processing, liquidation and other financial back-office services. There are also emerging wealth management forms thriving in the zone, such as family office, asset planning consultancy and various funds.

Businesses located there can benefit from pioneering financial policy reforms, which, among other things, allow domestic companies to obtain loans in renminbi from South Korean banks, and overseas investors to establish renminbi private equity funds in Qingdao that have been either converted from foreign currency or are in yuan that has been raised in China.

Forums such as the Jinjialing Fortune Forum, China Wealth Forum and China Finance 40 Wealth Forum are influential and help raise its global brand value and profile.

The innovation-driven model, dynamic development, and fine supervision in the pilot zone have attracted numerous domestic and foreign professional agencies. The zone spreads across 24 square kilometers, with a planned construction area of 27 million square meters.

Adjacent to Mount Laoshan, the sacred Taoist mountain in Qingdao, the district is famed for its natural scenery and eco-leisure living.

INITIATIVE

Infrastructure helps regional integration

Overall investment needed for projects may reach \$3.26 trillion

By WANG YIQING
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Infrastructure connectivity is a focus of both the Belt and Road Initiative and the G20 Leaders Summit because of its significance for boosting economic growth and promoting prosperity.

In the communiqué issued after the G20 Finance Ministers and Central Bank Governors Meeting held in Chengdu, Sichuan province on July 23-24, a global infrastructure connectivity alliance was planned to be launched to enhance the synergy and cooperation among various infrastructure connectivity programs in a holistic way.

As the communiqué said, greater interconnectivity is a defining demand of the 21st century global economy and the key to promoting sustainable development and shared prosperity.

A core aim of the Belt and Road Initiative is to achieve connectivity in five aspects, including policy, infrastructure, trade, financing and peoples.

Infrastructure connectivity is a priority area for the Belt

and Road Initiative, because it directly relates to trade costs and so will influence a region's trade level.

The development of many countries along the Belt and Road routes is restricted by their underdeveloped infrastructure due to geographic factors and their low financing capacity. That means there is an urgent demand for infrastructure construction in these countries, as well as tremendous market potential to be tapped by improving the infrastructure connectivity along the Belt and Road.

The Chinese consultancy company SWS Research Co. estimated in a report on the Belt and Road Initiative that the overall investment needed for infrastructure construction in core countries along the Belt and Road is about \$3.26 trillion.

"Since the launch of the Belt and Road Initiative by July 2016, the total value of the contract projects that China has signed with countries along the routes is \$279 billion," said Shen Danyang, a Ministry of Commerce spokesman, at a media briefing on Aug 17.

A series of infrastructure projects in countries along the



Two Indonesian women pose for a photo in front of a model of China's high-speed train in Walini, West Java province, on Jan 21, 2016 to mark the launch of the Jakarta-Bandung high-speed railway project. XINHUA

“Connectivity, linkage and interdependence ... will all increase through the initiative.”

Shaukat Aziz
former prime minister of Pakistan

routes, mainly ports, railways, highways, airports and telecommunication networks, have been launched recently.

The China-Pakistan Economic Corridor, which has been called “the first movement of the symphony of the

Belt and Road Initiative” by Wang Yi, China's foreign minister, is the demonstration project of the six economic corridors of the Belt and Road Initiative and the first milestone in the implementation of the initiative.

“Connectivity, linkage and interdependence between China and Pakistan will all increase through the initiative,” said Shaukat Aziz, former prime minister of Pakistan, in an exclusive interview with China Daily in July.

Meanwhile, China's technological and management advantage in transportation infrastructure construction, especially high-speed railways, can effectively meet demands of the countries along the routes.

Construction of the China-

Thailand railway within the Trans-Asia Railway network and Jakarta-Bandung high-speed railway in Indonesia have successively started, and a batch of highways in countries along the routes have also been launched. A comprehensive regional traffic integration network is gradually forming shape.

Chu Yin, a researcher on the Belt and Road Initiative at the University of International Relations, states that there are three major regions for infrastructure construction along the Belt and Road routes, namely Southeast Asia, South-Central Asia and Africa.

“Infrastructure construction in these areas along the routes will be decisive in promoting regional integration,” Chu said.

INDUSTRIES

Cooperation in capacity to reshape global value chain

By WANG YIQING
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International cooperation in production capacity is an innovative way to boost the global economy and reshape the global value chain, and there are great opportunities for international production capacity cooperation with the advancement of the Belt and Road Initiative.

According to United Nations Industrial Development Organization's Industrial Development Report 2016, China ranks fifth in the global Competitive Industrial Performance Index.

As China is the largest trade partner of many countries along the routes, its production capacity can help upgrade the manufacturing industries and improve infrastructure in countries along the routes, especially developing countries.

At a recent meeting on the Belt and Road Initiative, President Xi Jinping said that China has launched international production capacity cooperation with more than 20 countries.

“Through production capacity cooperation, China is transferring its advantageous industries and technologies to countries along the routes, and thus is accelerating the diffusion of technology and economic growth globally,” said Zhang Yongjun, a researcher at the China Center for Interna-

tional Economic Exchanges.

The production capacity cooperation has made remarkable achievements in a short time. According to China's National Development and Reform Commission, bilateral and multilateral production capacity cooperation funds along the Belt and Road routes, such as the China-Africa Production Capacity Fund and China-Kazakhstan Production Capacity Fund, exceeded \$100 billion by July.

Several cooperation platforms for production capacity and equipment manufacturing have been established in Southeast Asian countries such as Indonesia and Eastern European countries like Belarus.

International production capacity cooperation does not mean that China is transferring its overcapacity to other countries, instead it is win-win cooperation based on supply and demand and the optimal allocation of resources on a global scale.

“Production capacity cooperation is not dumping of low quality products in other countries, but competitive cooperation,” said Cao Yuanzheng, former chief economist of the Bank of China. “For instance, the cost of the majority of steel products produced in China is at the globally average level. These products are not outdated and have a competitive advantage in the market,” Cao said.

ENABLING URBAN TRANSFORMATION

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Riding high

Alex Hua Tian is proud to be China's first ever Olympic equestrian, **An Baijie** reports.

Born in London to a British mother and a Chinese father in October 1989, Alex Hua Tian became the most, and probably only, globally recognizable Chinese equestrian star in Rio.

Nearly two meters high, with the long curly hair and deep black eyes, the mixture of races can be clearly seen in his facial features. Like the archetypal British gentleman, the 26-year-old is elegant and mild.

He is the youngest equestrian ever to compete at an Olympics, as well as being China's first equestrian Olympian.

'True color of me'

His family moved to Hong Kong at an early age and then to Britain when he was 11. In spite of this, he loves China, something he inherited from his grandfather, and he was proud to represent China at the Olympics.

His grandfather, Hua Longyi, is famous in his own right, as he was the first fighter pilot in the history of People's Liberation Army air force.

Born in 1925, grandfather Hua flew his MiG fighter jet in the Korean War (1950-53) and was praised as a "Hero of the Sky" by China's former paramount leader Mao Zedong.

Alex Hua Tian gave his horses famous Chinese names, such as Wu Song (an ancient Chinese hero who was famous for killing a tiger without using any weapons), and Monkey King, the hero in the classic *Journey to the West*. In addition to his love of Chinese cul-

ture evidenced by the names he gave his horses, the younger Hua always dreamed of winning Olympic glory for the motherland.

Hua gave up his British citizenship in 2006 to join the Chinese Olympics team — he made this decision without hesitation.

"Chinese Red is the color of my grandfather, and it is also the true color of me," Hua said. "Participating in the Olympic Games for China is my greatest pride."

Equestrian is everything

Hua started his equestrian training at the age of 4 in Beijing. He wanted to take time out from his studies at the famous English boarding school Eton College, as he hoped to compete in the 2008 Beijing Olympics.

Although his parents were shocked by his idea at first, they eventually decided to support his dream.

He told China Daily that what he likes most about riding is the partnership that develops between horse and rider.

"Equestrian sports are best described as 'two hearts'," he said. "Once in a competition, although my horse was tired, when I asked him to jump, he still responded by digging deep because he trusted me. This to me is the definition of 'two hearts' and is what all riders want to achieve with their horses."

Although as a host nation competitor, he only needed to achieve a minimum standard to qualify for the Beijing Olympics, Hua qualified in his own



Alex Hua Tian enters the World Top 10 by winning the eighth place in the final Olympic equestrian event in Rio De Janeiro, Brazil, on Aug 9. PHOTOS BY XIA YUANPU / FOR CHINA DAILY



Hua says competing for China in the Olympics has been his "greatest pride".

right to become the youngest ever Olympics event rider. He rose through the world rankings to be 21 in only four months.

During the Beijing Olympics Equestrian Games, Hua was eliminated after falling at one of the fences. However, this

charming Old Etonian has persevered and he has become an outstanding ambassador for his nation and this sport. He, alone, has represented China at iconic equestrian events throughout Europe.

"I want to help everyone in China understand the culture of horses and through this I believe the sport will grow and thrive," Hua said.

Under his influence, the equestrian industry has grown to be the third largest leisure pursuit among well-to-do people in China since the Olympics in Beijing.

Contact the writer at anbaijie@chinadaily.com.cn

Chen Meiling and Zhang Yaozhong contributed to this story.

Flying the flag

After his experience in the 2008 Beijing Olympics, Alex Hua Tian expressed his apologies to those who supported him, saying "I will be back in the next Olympics".

He was a substitute at the 2012 London Olympic Games, but the 26-year-old competed again in Rio.

This time, he came eighth on his horse Don Geniro, scoring 63.60 points in the final of the Olympic equestrian event on Aug 9 in Rio De Janeiro, Brazil, and made a historic breakthrough in this event for China.

Personally, Hua was satisfied with his ranking. "I am absolutely thrilled with my performance," he said. "Very proud of Don and very excited to fly the Chinese flag at the top level of a sport in which I am China's first representative."

"I came to Rio dreaming of a top 20 place. I did not let myself think of top 10," he said.

Hua expressed great gratitude to the support he received from his team, friends and parents. "There is so much work done by so many people over so many years leading up to an Olympic Games," he said. "Without this team and their support, I would never have got to Rio, let alone come eighth in the world."

Hua once said his lucky number is eight, and this year he is 26 years old.

"Because every accomplishment of mine becomes whole country's progress, I am quite proud of what I achieved," he said.

He gained a huge amount of confidence and belief from his experience in Rio.

"I now know that I can hold my own against the best in the world. Now I can dream of an Olympic equestrian medal for my motherland one day down the line."

AN BAIJIE

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The production line at The London Taxi Company in Coventry, central England, acquired by Geely. DARREN STAPLES / REUTERS

Carmakers hit top gear for R&D road

By CECILY LIU in London
cecily.liu@mail.chinadailyuk.com

Chinese automotive companies are expanding research and development partnerships in the United Kingdom, leveraging Britain's strength in science and innovation to make more efficient, low carbon vehicles.

Key examples include Shanghai's SAIC, Hangzhou's Geely and Jiangsu's Red Sun Group, all of which have developed R&D centers in the UK after acquiring local companies.

In addition, Changchun-based FAW Group and Chongqing-based Chang'an Automotive are working with UK academics in research into low carbon vehicle development, which can then be incorporated into their production chains in China.

"China is a global leader in investing in cutting-edge technology in hybrid and electric vehicles, and its effort in promoting electric vehicles is particularly impressive given that research in these vehicles may not generate immediate financial benefits," said Yan Yuying, of the University of Nottingham.

Yan is leading a group of researchers at the university in R&D work with FAW Group to explore innovation in hybrid and electrical vehicles.

"Pure electric cars are really a trend of the future," Yan said. "Although much of the technology is still not completely available, a few places like the US, Europe and Japan are trying to devise major electric cars, and China is one of the leading countries."

Yan said his team is working

with FAW to develop batteries that will be safer and last longer after charging.

The battery is the most important and most expensive part of an electric car, accounting for more than half the car's cost, he said.

Chris Gerada, a professor of electrical machines at the University of Nottingham, is working with China's Chang'an Automotive to develop energy-efficient and cheaper cost-motors for electric and hybrid cars.

"We are developing a new type of motor that can be accessible to ordinary people," he said.

One reason for those R&D activities is China's strong policy push for environmentally friendly vehicles.

Lin Ruochen, of the Chinese Ministry of Commerce, said that the unique areas the

UK can offer for new energy cars include technologies in motors, batteries, electrical control and charging.

This expertise has been passed on to Chinese companies who have acquired UK automotive companies.

After Geely acquired The London Taxi Company, it commissioned a new plant near Coventry, with an investment of 250 million pounds (\$365 million), to prepare the next generation of electric and ultra-low emission London black cabs.

Li Shufu, founder and chairman of Geely, said the new factory is an example of Geely using its UK resources to produce "an environmentally friendly next generation electric and ultra-low emission London black cab that can be a world-beater in export markets."

A key role awaits in time of initiative

Chinese links can open doors in Asia for British companies

By CHRIS PETERSON in London
chris@mail.chinadailyuk.com

China is eager that its presidency of the G20, with its summit in Hangzhou, focuses on economic issues, and that inevitably brings to the forefront President Xi Jinping's Belt and Road Initiative. But is there a role for Britain in the ambitious plan to reinforce the links between Asia and Europe by road and sea?

On a map, the sea and land routes all end up on the European mainland, in ports such as Venice or Rotterdam. So what's in it for Britain?

The China-Britain Business Council and a variety of analysts certainly think the UK will have a role, pointing to the country being the first Western power to join the China-backed Asian Infrastructure Investment Bank, which will be a key provider of finance for various projects along the route.

Last year, when the UK joined the AIIB, Wang Yiwei, director of the European Studies Centre, hailed it as a move whose "courage, guts and vision" left a deep impression on the rest of the world because it had defied US pressure.

The UK's Ambassador to Beijing, Barbara Woodward, saw the Chinese initiative as



Left: New UK Prime Minister Theresa May. NEIL HALL / REUTERS



Right: The UK Ambassador to Beijing Barbara Woodward. FENG YONGBIN / CHINA DAILY

giving British businesses a wide range of opportunities, particularly if they struck up partnerships with Chinese counterparts.

"UK business is poised to play an integral part in delivering the global and economic growth and connectivity it envisages," she said.

The CBBC said: "UK companies can play an important role by supporting the connectivity of China and beyond, thereby contributing to continued strong economic growth in China, while simultaneously benefiting from new commercial opportunities."

All that will have been at the back of new UK Prime Minister Theresa May's mind when she wrote a letter to President Xi Jinping, which was delivered recently into the hands of Foreign Minister Wang Yi.

Many commentators here see the letter as part of a charm offensive to repair the damage done by Britain's apparently abrupt decision to delay approval of a China-backed nuclear project that seems to have caused some unease in

Chinese official circles over Britain's commitment to such major plans.

May is believed to have stressed in the letter that she wants to strengthen the UK's "cooperation with China on trade and business, and on global issues".

Wang told reporters he believed Britain would continue to have an open policy toward China.

Under the Belt and Road Initiative, there are countless opportunities for UK companies, in collaboration with Chinese businesses, to get involved in projects in Southeast Asia, South Asia, East Africa, Europe and the Middle East.

The success of G20 means a lot to China. A successful event will signify a major confirmation of the country's ability to wield its economic power. Very much integral to that is a desire to sort out the uncertainties surrounding its relationship with Britain, one of its oldest trading partners.

Whatever it takes, Beijing and London are already working out a solution.

Greka mines rich seam of opportunity for Chinese clean energy industry

By ZHANG ZHAO
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For 20 years, Greka Group has been involved in China's drive towards clean energy. In a recent interview with China Daily, its chairman and CEO Randeep S. Grewal said he has been "excited" by "the country's tremendous strides in development over the past two decades."

"We have been fortunate the government trusted us to develop coal-bed methane as a clean source of gas," he said.

As a world leader in CBM development through its London-listed subsidiary Green Dragon Gas, Greka now operates eight CBM blocks across China, covering nearly 7,600 square kilometers. Initially, the company found China to be a challenge due to its complex geology, which makes drilling and extraction using conventional methods more difficult.

Because of these difficulties, what started as a commercial project grew into a "science project," said Grewal, but he added "we take our commitment to providing domestic clean energy for China very seriously".

"It doesn't matter how complicated it became," he said, "we were committed to doing our job and dug in to find a solution."



Randeep S. Grewal, CEO, Greka Group

The company spent nearly 10 years developing a drilling solution called LiFaBrIC (Lined Faulted Brittle Coals), an adaptation of the horizontal drilling methods traditionally used for drilling in coal seam reservoirs. It involves advanced directional drilling and geo-steering techniques, which enable it to drill through multiple faults with a single well. Seam exposure is therefore maximized and access to gas is increased. The technique is also safer and more environmentally friendly, producing a clean water by-product as no chemicals are used; no fracking is involved, and it is more cost effective in the long term.

"It has taken considerable time and capital, but it has been very successful," said Grewal, adding that the technology is the result of close

cooperation between Chinese and foreign engineers.

The local Chinese engineers are known as "skilled, advanced and as knowledgeable as any of the foreign experts who are trained in the technology," he said.

The company has integrated itself into local communities by employing what he calls "local local people" or residents of nearby villages, which the company has trained and then hired. "It's great for them and us ... it is their backyard."

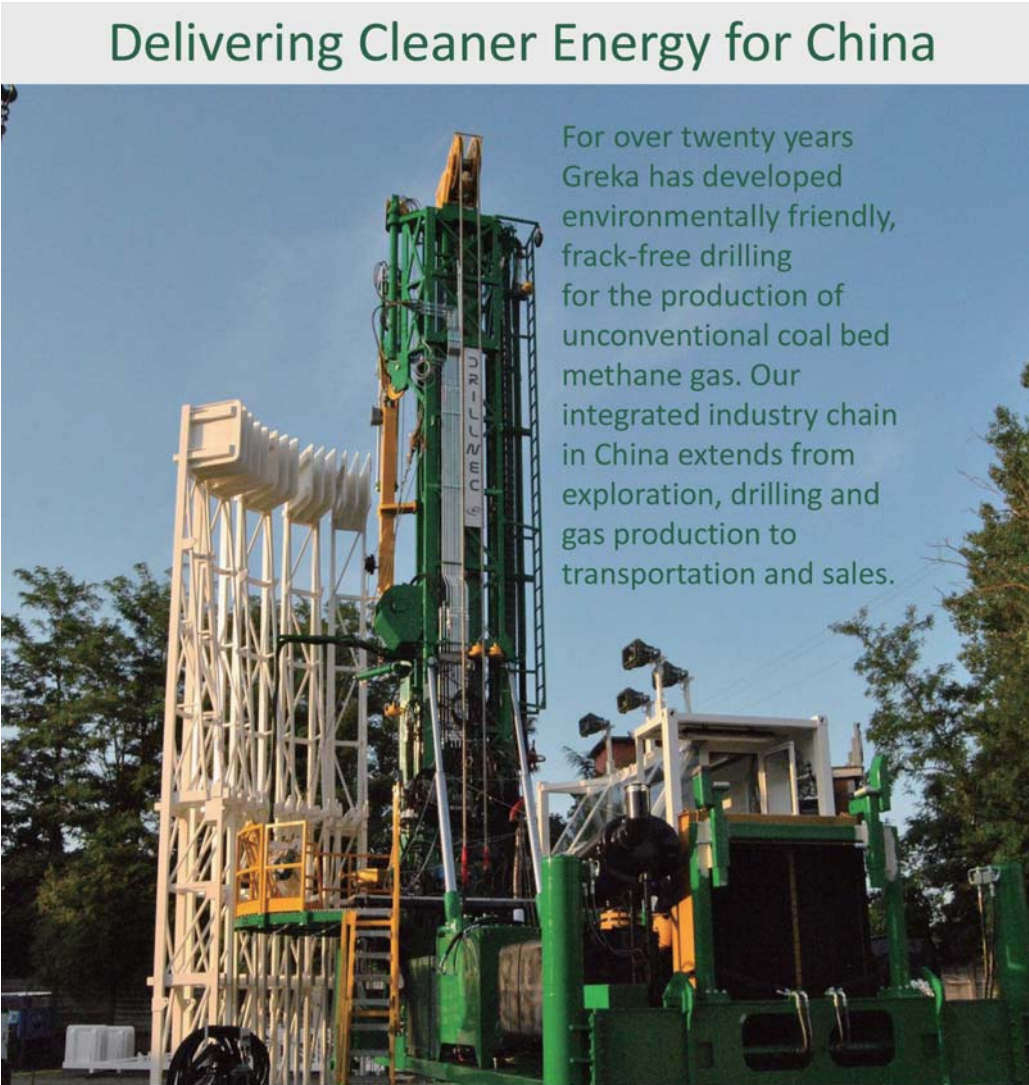
Additionally, Greka has developed an integrated industry chain in China, extending from exploration, drilling and gas production to gas transportation and sales.

Due to the company's substantial investment in the ground, technology and local people, it is only now beginning to see a return. Grewal is determined to continue its investment program as "throughout all these years, I have seen consistent, favorable and supportive government policies, which have given me confidence in continuing the development of this form of clean energy in China."

China's 13th Five-Year Plan (2016-20) calls for an optimized energy structure, and Grewal said he supports the government's policy on increasing the gas, renewable and nuclear components in the country's energy blend.

"In China, the government has been focused on diversifying the energy mix," he said. "It is a difficult exercise when you have an abundance of coal and have historically had to import everything else, so it will take time."

"Clearly the government has not just made policies, but also successfully implemented them," he added. "It is our job to support China's ambition to increase the consumption of clean energy."



Greka. Supporting China's ambition to increase the consumption of clean energy now and in the future.



A Greka employee operates an automatic pipe handling system at the GSS coalbed methane well in Shanxi province. PHOTOS PROVIDED TO CHINA DAILY



Volunteers from Sino-British College demonstrate how to make tree leaf "paintings" to their students in Qugou township, Huaibei in Anhui province. WAN SHANCHAO / FOR CHINA DAILY

College sets vision for a bright future

SBC will continue to expand its international profile and encourage graduates to be good global citizens

By TANG ZHIHAO
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Sino-British College, which celebrated its first 10 years on Sept 3, is looking to give its students much more than an excellent academic education.

The college, situated in the center of Shanghai and established in 2006 as a joint venture of the University of Shanghai for Science and Technology and nine United Kingdom universities, plans to focus on developing the themes of responsible leadership, enterprise and innovation and cultural empathy, according to Professor John Wilson, principal and chief executive officer of the college.

"All those things supplement whatever degrees someone might be doing, either in business or engineering," Wilson said.

According to Wilson, character development is as important as an academic education.

"Students need the right attitude, the right mindset and the right attributes that can get them through life, and for which employers are looking. So we cover those things as they are extremely important. It is not just about achieving academic standards," he said.

The college became a signatory to the United Nations initiative of Principles for Responsible Management Education in March this year to highlight the importance of responsible leadership. PRME provides a global network for academic institutions to advance corporate sustainability and social responsibility, and an engagement framework for the incorporation of universal values into curricula and research. SBC will host a conference from Oct 27-28 themed "Responsible leadership, global citizenship and the



Professor John Wilson, principal and CEO of SBC, presents the Top Performance Graduate award to You Jiamin at the school's 2016 awards ceremony. LIN ZUHONG / FOR CHINA DAILY

role of education — what might the last 10 years tell us about the next 10 years?" to discuss the notion of developing good citizens.

Future development

The Shanghai-based British education service provider plans to strengthen its role in China's modern education system by providing more programs, recruiting more international students and enhancing education quality.

It is looking to diversify its undergraduate portfolio and establish a postgraduate portfolio to meet students' demands in the next few years. It also aspires to collaborate with USST and UK partners to offer postgraduate research degrees, for instance, M Phil and PhD programs.

SBC will continue to expand its international profile and interna-

tional recruitment to develop and strengthen its reputation as a multi-cultural international college, which is the long-term aim, Wilson said.

"Our Chinese students can benefit from and contribute to a really multi-cultural international environment, one that would facilitate their transition if they subsequently study in the UK or anywhere else in the world," Wilson said.

The same is true in reverse: SBC, where courses are conducted entirely in English, is an ideal platform for foreign students to obtain a UK degree in the context of China.

"I think anyone should want to spend some time in China, to understand a little bit more about the culture, and understand the challenges and the aspirations of China as an economy because it is such a crucial player in the world," Wilson said.

The college's high standards were recognized by the UK's Quality Assurance Agency in 2013 when it was included as a case study and an example of best practice in setting and maintaining academic standards in transnational education.

Last year, SBC's 4+0 and 2+1+1 pathways, which respectively allow students to study in Shanghai for four years and in the UK for one year, had 98 percent of its graduates proceed to study for higher degrees or enter graduate level employment. SBC's overall employment rate for the two pathways has consistently exceeded 96 percent over the past decade, according to Wilson. Many of its graduates have gone on to work for leading global businesses such as Standard Chartered Bank, PwC and Accenture.

Looking forward, SBC aims to be renowned as an international hub and center of excellence, attracting students and faculty from all over the world, with a reputation for developing socially responsible and innovative leaders capable of operating in different cultures.

Manchester University gets top marks from Chinese students

By ZHUANTI
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The University of Manchester has recently climbed six places in the Shanghai Jiao Tong annual global ranking of universities, cementing its place as one of the world's best higher education institutions.

Manchester Business School's China Centre was established in 2008 as part of one of the oldest business schools in the United Kingdom.

The latest data for Manchester shows that 94 percent of its UK, full-time, first degree graduates were working or doing further study six months after graduation, while 82 percent were in graduate-level jobs or study.

In addition, 92 percent of graduates reported that they felt the university had prepared them well for further study, and 85 percent felt that it had prepared them well for future employment.

Since its establishment, when MBS became one of the first overseas institutions offering triple-accredited (EQUIS, AMBA, ACCSB) MBA programs in China, MBS China Centre has made some remarkable achievements.

In line with the university's international strategy, the China Centre, along with the business school's four other international centers (in Dubai, Singapore, Hong Kong and Sao Paulo), is preparing to deliver a wider range of programs; appoint an executive education officer and supporting alumni; increase its business engagement activity; and strengthen its international student recruitment. With this in mind, the center is set to become The University of Manchester China Centre later this year.

The center will welcome Professor Dame Nancy Rothwell, president and vice-chancellor of the University of Manchester to officially launch the name-change ceremony in September.



Students from Manchester Business School pose outside Manchester City's home ground. KARL FLORCZAK / FOR CHINA DAILY



The University of Manchester's China Centre in Shanghai. PROVIDED TO CHINA DAILY

“These partnerships demonstrate our long-term commitment in China and the ability to successfully bridge Chinese and British education.”

Sherry Fu, the center's founding director

MBS continues to attract international students and since 2008, it has recruited more than 1,000 students from 30 different countries and regions to study the global part-time MBA at the China Centre. Most of the center's students are Chinese, while about 30 percent are expats who work or live in China.

MBS has partnerships with Shanghai's Tongji University, Shanghai Jiao Tong University and Renmin University of China in Beijing.

"These partnerships demonstrate our long-term commitment in China and the ability to success-

fully bridge Chinese and British education," said Sherry Fu, the founding director of the Centre. As a result, in three consecutive years from 2013, MBS China Centre was named by Sina Education as the "most influential MBA brand in China".

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Fashion and culture draw Chinese tourists to Italy

Major cities offer plethora of shopping options, and a healthy dose of romance

By WANG MINGJIE in London
wangmingjie@chinadaily.com.cn

Italy has long been a favored European destination for Chinese tourists, lured by its rich history, unique culture, high-end fashion and availability of luxury brands.

Driven by the 2015 Milan World Expo, the number of Chinese travelers to Italy reached its zenith last year, with 3.3 million arrivals, a 45 percent increase from the year before, making China now the fourth most important inbound market for Italy, after Germany, the United States and France, according to the Italian National Institute of Statistics.

Countries such as Italy offer what Chinese tourists are looking for, said Alastair Morrison, former president of the International Tourism Studies Association and CEO of Belle Tourism International Consulting. He cites as examples “art and culture of historic cities like Rome and Florence; romantic destinations such as Venice and Verona; fashion and luxury shopping in Milan.”

He suggested the country capitalize on the fame and recognition factor of Marco Polo in China.

Morrison’s view is echoed by Raffaella Rossi, director of Francesco’s Ways, a consortium of businesses whose objective is the international promotion and marketing of a new Italian tourist product — the Pilgrims’ Paths — saying “the ‘Italy’ product corresponds perfectly to the curiosity and desire for discovery typical of Chinese tourists.”

However, she believes Italy as a country is diverse and its heritage is not limited to the beauty of its landscape or its artistic and historical wealth.

“We must introduce tourists coming from China to our great food and wine, numerous crafts and shopping areas, as well as the small towns in different regions, romantic places



Overview of Trevi, an ancient town in Umbria, Italy. PHOTOS PROVIDED TO CHINA DAILY



Alastair Morrison, CEO of Belle Tourism International Consulting

ists, including Chinese travelers, because it offers a large variety of experiences through places that are not well known to the general public.

Cao Bo, 56, from Hangzhou, China, who visited Italy in 2014 with her daughter, said: “I have always been fascinated by Italy, a country infused with culture, history and romance. The St Peter’s Basilica, the Colosseum, the Vatican Museums, the water-surrounded city Venice, and the scene of Audrey Hepburn sampling ice cream in the movie *Roman Holiday*, many of which are the rea-

sons that attracted me to visit the country.”

In 2014, Chinese tourists spent 468 million euros (\$569 million) in Italy, according to the Bank of Italy. In a bid to further strengthen economic ties between the two countries, that year the Italian government signed a bilateral police cooperation agreement with China, the first of its kind between China and a European country.

So, a small group of Chinese police officers patrolled the streets of Rome and Milan this May alongside their Italian counterparts.

Following the recent terrorist attacks in France, Belgium and Germany, Chinese tour operators and Italian host companies have seen a sudden surge in the number of Chinese people traveling to Italy in the past months, said Wolfgang Arlt, director of China Outbound Tourism Research Institute.

But Arlt added: “Memories are short, there have been terrorist attacks on trains and subway in Spain and London, nobody remembers anymore. I think travelers will come to the conclusion that some risk is everywhere, so it does not matter where they travel.”

To deeply tap into the Chinese market, however, Rossi believes the biggest challenges are unquestionably the creation of a more appealing product for the Chinese market.

Modern initiative evokes memories of glorious past

By CHRIS PETERSON in London
chris@mail.chinadailyuk.com

Certain words have an emotional trigger to them, which, although hard to understand, can often become reality.

When I was a kid I loved stories that contained the words caravansera, Silk Road, Marco Polo, Cathay, spices and tea clippers. For me, those words triggered a feeling of adventure that has never really left me.

I live near the east London suburb of Greenwich, where the majestically preserved tea clipper, the *Cutty Sark*, is a constant reminder of the 19th century races between her and her great rival, the *Thermopylae*, to bring tea from the Cathay coast, Cathay being an old English alternate name for China.

Which is why I regard President Xi Jinping’s strategy of developing a maritime and overland route linking China with Europe as a masterly move.

It’s sure to be at the heart of discussions at the G20 Leaders Summit in Hangzhou, a kind of route map, literally, for future trade between East and West.

It could have been given a dull, workaday name which would have no doubt described the daunting infrastructure projects involved, but Belt and Road Initiative is perfect, evoking visions of trade along sea, rail and road links.

Marco Polo, that extraordinary Venice-born traveler, trader and adventurer, looms large in any discussion about trade with China.

What has to be remembered is that Polo, born in 1254, was a native of that peculiarly European invention, the city state, which generated an absurd number of explorers and adventurers. He was active at a time when Europe knew virtually nothing about the almost mystical Celestial Empire to the east.

Thanks to Polo, the book, *The Travels of Marco Polo*, gave Europe a first peek into China and its vast resources.

He also noted the everyday details of life in China, including noodles, the use of chopsticks, and a subject that fascinated him, the use of paper money,



Former residence of Marco Polo in Venice. XU NIZHI / XINHUA



Marco Polo

then non-existent in Europe.

So what will the modern day version of the Silk Road generate?

Well, whatever it is, if it comes by sea it will be carried from China on state-of-the-art container ships calling at

Hanoi, Kolkata, Kenya, Suez, Athens and then, ironically, Venice.

Venice is no longer a city state, having been swallowed up into modern-day Italy by the statesman Giuseppe Garibaldi by the mid-19th century after 1,000 years of independence.

But its maritime heritage lives on, and although China’s Cosco conglomerate has anchored one end of the Belt and Road project with its purchase of the important Greek port of Piraeus, most maps show Venice as the ultimate sea destination.

The overland route takes a different trajectory, heading from Xi’an through Urumqi, Almaty, Tehran, Istanbul, Moscow and finally Rotterdam in the Netherlands.

So thanks to China, a whole new breathtaking vision has opened up.

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Mutual interests helping Sino-Italian ties to thrive

Important firms in both nations see growing potential for collaboration

By CECILY LIU in London
cecily.liu@mail.chinadailyuk.com

China and Italy's business relationships are thriving, as Italy's innovation and advanced technologies help China to move up the value chain, while China's large market and commercialization expertise fuel the growth of Italian companies.

Since the two countries established diplomatic relations in 1970, business links rapidly grew. Last year, bilateral trade totaled \$42.8 billion, according to Chinese government statistics.

Important Chinese businesses with operations in Italy are numerous, including Bank of China, ChemChina, the Chinese rating agency Dagong, telecommunications company Huawei and genomics research company BGI. Similarly, Italian fashion, luxury brands, medical and food companies are selling more products to Chinese consumers and tourists.

Cesare Romiti, president of the Italy China Foundation, said bilateral compatibility in agrofood, environmental technologies and healthcare industries have made collaboration especially prominent.

Chinese telecommunications company Huawei has a strong presence in Italy, providing telecom networks and technology to Italian operators, including Vodafone and Telecom Italia. Huawei also provides internal communications services to many Italian companies, including Poste Italiane and Trenitalia.

In medical research, the Chinese genomics organization BGI partners more than 10 Italian universities and hospitals for genetics research, including the University of Ferrara, Paediatric Hospital Bambino Gesù and University of Padova.

BGI and its Italian partners have jointly invested 1.24 million euros (\$1.38 million)



Italian businessmen talk during this year's China (Shanghai) International Technology Fair in April. PROVIDED TO CHINA DAILY

\$42.8b

value of bilateral trade between China and Italy last year

in research and already processed more than 900 research samples in efforts to understand more about serious disorders, and how to identify them and treat them.

Yu Cong, chief operating officer of BGI Europe, said such work in Italy is a good example of how "our local collaboration has resulted in the sharing of expertise and in turn globally relevant benefits for our business".

Zhejiang-based conglomerate Hengdian is another company that has established a presence in Italy. It sells to Italy a wide range of products, including lighting, magnets, motors, speakers, pharmaceutical and chemicals, and new materials.

Airaldo Piva, managing director of Hengdian Europe, said its presence in Italy serves to create a solid partnership with Italian and European companies through mergers and acquisitions.

Pirelli is a key example of how Italian companies have grown in China. The tire

manufacturer entered the Chinese market in 2005 by establishing a joint venture with Chinese conveyor belt manufacturer Yanhe Group. In 2011, Pirelli extended it into a modern industrial hub, significantly increasing its capacity.

A significant development occurred last year when it was acquired by ChemChina, in a 7.1 billion euro deal. Together with Aeolus Tyre Co Ltd, a subsidiary of ChemChina specializing in industrial tires, Pirelli said it aims to develop more advanced technology and increase the scale of production.

"We want to develop technology with Aeolus that will create great savings for industrial fleets and have a better environmental impact," said Marco Tronchetti Provera, chairman and CEO of Pirelli.

There will be much more collaboration between the two countries, including in fashion, infant goods, household goods, food and selected automotive supply, said Michael Wenderoth, associate professor of marketing at IE Business School in Spain.

He said those areas have potential for Chinese outbound acquisitions. There will also be opportunities to boost Chinese tourists and students heading to Italy.

ChemChina's bold maneuver pushes Pirelli up the rankings

BY CECILY LIU

Iconic Italian tire maker Pirelli is making big inroads into China thanks to its acquisition by Chinese conglomerate ChemChina last year in a 7.1 billion euro (\$7.7 billion) deal.

Together with Aeolus Tyre Co Ltd, a subsidiary of ChemChina specializing in industrial tires, Pirelli is developing more advanced technology and increasing its scale of production.

"We want to develop technology with Aeolus that will create great savings for industrial fleets and have a better environmental impact," said Marco Tronchetti Provera, chairman and CEO of Pirelli.

Pirelli was already the 10th largest industrial tire producer globally. The new capacity from Aeolus means the combined production is now the fifth-largest in the world.

The collaboration between Pirelli and ChemChina is a good example of Chinese outbound acquisitions creating synergies, combining Western technical knowhow with China's production capabilities.

Michael Wenderoth, an associate professor in marketing at IE Business School in Spain, said the "bold move" means ChemChina gets global leading technology, along with brand and marketing expertise, and Pirelli gets better sales and distribution access, particularly in the truck tire market in China.

"ChemChina will learn how a Western company utilizes branding and savvy marketing to understand end customers and sell value, which they can apply to the truck tire market; while Pirelli will



A factory worker checks a tire at the Pirelli & C. SpA factory in Jining, Shandong province. KEITH BEDFORD / BLOOMBERG



A model poses at the Pirelli stand at the 2016 Geneva Motor Show in Switzerland. HAROLD CUNNINGHAM / GETTY IMAGES

gain from a much vaster network and entry into the truck tire market," he said.

Pirelli expanded into China initially in 2005 by establishing a joint venture with the Chinese conveyor belt manufacturer, Yanhe Group.

Today, the China plant has become a significant part of Pirelli's business. The company employs about 4,000 workers in Asia, with most in China.

Over the years, Pirelli's position in China has significantly strengthened, thanks to its partnerships with premium car brands such as BMW Mini, Mercedes, Volvo, Audi, Jaguar and Land Rover. These partnerships have a

very high pull-through effect on replacement, which means people who buy cars already fitted with Pirelli tend to buy the same brand when replacing the first set.

According to Pirelli, its tires in China already have a percentage share of the premium car tire replacement market that is in the "high teens", and the market share is even higher in the super-premium market, defined as tires 18 inches and above. The company also has more than 3,000 points of sale in China.

Pirelli has a production capacity globally of more than 6 million industrial tires, and ChemChina has 10 million in China.

Sino-Italian partnership to set new benchmark in global healthcare industry

The agreement between the Chinese giant KHB and the Italian companies Altergon & Technogenetics, is the starting point for creating an international in vitro diagnostics group that offers new global business opportunities.

Ambitious projects

Once again, Italian know-how is underpinning ambitious global projects, while Chinese multinationals say they are ready to enter highly competitive and strategic sectors, such as in vitro diagnostics. Thanks to a project that was agreed last summer and promoted and coordinated by Salvatore Cincotti, Technogenetics and Altergon

Italia's CEO, these two innovative Italian companies are preparing to contribute to scientific progress on a global scale. The Chinese giant KHB (Shanghai Kehua Bio-Engineering Co. Ltd) has acquired 100 percent of Technogenetics and the in vitro assets of Altergon Italia, helping in recent years to strengthen R&D activities in immunodiagnosics with important internationalization programs. Tech-

nogenetics is an Italian center of excellence, situated in Lodi, with over 30 years' experience in the diagnostic research and biotechnologies sector, focusing mainly on the autoimmunity, infectious diseases and molecular genetics markets. KHB, which is listed on the Shenzhen Stock Exchange, is one of the most important manufacturers of IVD reagents and instruments in China. This project, as part of KHB's commercial strategy, is viewed as the start of an expansion process towards new business opportunities in the European and North American markets.

The project resulted in a new reality: Technogenetics Holdings, which brought to the new company an R&D center situated in Morra de Sanctis (AV) and a further two offices in China, in Qingdao and Shenzhen.

Altergon Italia, situated in the Irpinia region, is involved in traditional pharmaceuticals and the production of active ingredients for pharmaceutical using biotechnologies. It is the first European pharmaceutical center for technologies on transdermal and sublingual products, and represents a singular example of entrepreneurialism in research and innovation.

Great opportunities

"The deal between KHB and Technogenetics is very important for developing new business opportunities for the Italian company, representing an important step for recognizing Italian R&D in such a competitive market as that of diagnostics," said Mr Cincotti. The deal was highly praised last year by the Italian Prime Minister Matteo Renzi during a visit to the company in Avel-

lino. Mr Cincotti continued: "Technogenetics Holdings is the starting point for creating an International Diagnostics Group able to compete with the big players in the sector. Its strong points will be its formidable knowledge and experience of European and Chinese markets, as well as the renowned talents of our researchers."

For the CEO of Technogenetics and Altergon Italia, "this agreement offers great opportunities due to the investments KHB has already planned in Italy, which will greatly strengthen and accelerate R&D. KHB remains focused on its growth in the diagnostics market and will utilize Italian know-how to interact with foreign multinationals. In our case, we will develop our projects more rapidly in China".



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Support from Systea S.p.A. flows into China



After hosting a myriad of international events, Hangzhou has become a modern city of worldwide fame. Systea S.p.A., a globally-known supplier of automatic water analyzers, is greatly honored to provide continuous and reliable technological support to the monitoring of surface water and drinking water supply systems in Hangzhou with its Micromac C series and Easychem On-line water quality analyzers.



Established in Italy in 1988, Systea S.p.A. is dedicated to developing, manufacturing and selling automatic wet chemistry analyzers for environmental and industrial sectors. Since its entrance to China in 2004, Systea S.p.A. has attached great importance to the Chinese market and more than 2,150 machines have been used in the nation.

Systea S.p.A. is striving to support and contribute more to the construction of China's water supply systems and water monitoring networks.

SYSTEA
ANALYTICAL TECHNOLOGIES

Trade ties deepen relations

Support system helps businesses make the most of increasing commerce opportunities

By ZHUAN TI
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The China-Italy Chamber of Commerce, the only association of Italian companies formally recognized by both the Chinese and Italian governments, is busy promoting Italian cutting-edge technologies and representing Italian lifestyle, according to Sergio Bertasi, the chamber's chairman.

In 2015, exports of Italian goods to China reached 10.42 billion euros (\$11.64 billion) and imports of Chinese goods to Italy hit 28.15 billion euros, according to the chamber. Unfortunately for Italy, the balance was very much in the negative and things do not appear to be improving. In May 2016, exports to China were down 2.9 percent and imports from China were up 0.2 percent year-on-year.

"Although the trade balance is suffering from huge exports from China, and China is perceived as a difficult market for Italy, the overall sentiment within the Italian business community is positive," said Bertasi. "Italy has many fine goods and best practices to share with China, and China has many opportunities to offer Italian companies."

In a nutshell, this is what was discussed and agreed on last June in Shanghai, during the second meeting of leading Italian institutions in China and more than 100 Italian entrepreneurs and professionals working in the country. The institutions included the Italian embassy, the Italian Trade Commission, the Association of

Young Italians living in China and the CICC.

Taking China 2025 as an example, says Sergio Bertasi, Italian companies can provide automated, sustainable and tailored solutions for the Chinese market, making savings in energy and operation costs, leveraging product quality, and opening skilled positions for blue-collar workers.

He continued: "There is a growing number of Chinese Free Independent Travelers and according to TripAdvisor's latest published data, Italy ranked ninth among the countries visited by Chinese FTIs on their last outbound leisure trip. Shopping and a more holistic holiday experience are highlighted as their main reasons for traveling. Therefore, within the hospitality and tourism industries, sentiments are sanguine and more Italian companies are upgrading their services to meet Chinese travelers' expectations and needs."

To better represent the interests and coordinate activities within an industry, the CICC has been recently emphasizing the role of its working groups.

Primarily, a working group is a working method. The principle is to group companies active in the same or complementary industry or located in the same area to promote information sharing and implement common activities. This helps them make the best use of available resources and maximize business opportunities for all.

From the chamber's perspective, cooperating with a working group is a more effective working method. For instance,



Italian Minister of Foreign Affairs and International Cooperation Paolo Gentiloni meets with Chinese Foreign Minister Wang Yi during his visit to Beijing last year. WANG JING / FOR CHINA DAILY

when a new business contact is developed, this is pooled within the working group and that information then becomes part of the store of industry knowledge within the chamber.

To date, CICC has eight working groups. Six of them were generated by industry and two other working groups were set up through the location of the companies.

A few more working groups, such as aerospace and aviation, architecture and design, and fashion are on the way. In those industries, Italy is the cradle of very innovative small and medium-sized enterprises and is recognized worldwide for having popularized beauty and creativity as elements of daily life. As well, all of

the above-mentioned industries are hot sectors in China, according to the 13th Five-Year Plan (2016-2020).

The importance of connectivity and integration were highlighted by Italian Minister of Foreign Affairs and International Cooperation Paolo Gentiloni during his latest visit to China last year, on the occasion of the 45th anniversary of the establishment of Sino-Italian diplomatic relations.

With a view toward 2020, the 50th anniversary of those relations and the completion of the 13th Five-Year Plan, Gentiloni launched the Road to 50 slogan and encouraged cooperation and dialogue at all levels — commercial, cultural, touristic, scientific — between Italy and China.

Chamber of commerce promotes exchanges

Headquartered in Beijing since 1991 and celebrating its 25th anniversary this year, the CICC gathers together almost 600 Italian companies based in China. It has four liaison offices in Chongqing, Guangzhou, Shanghai and Suzhou. The chamber's mission is to assist member companies, to promote Made in Italy, and to lobby for the business interests of its members by coordinating with other Italian institutions in China to implement a joint, national agenda of goals and activities.

Every year, the chamber organizes more than 100 events to raise awareness about Italy and Italian companies among Chinese businesses and consumers. These events include seminars, webinars, workshops, net-workings, business matchmakings, delegations of Chinese buyers attending exhibitions in Italy, galas, food festivals and business awards.

The 600 members represent all industries. Machinery is the largest; pharmaceuticals, green technology and service providers are growing; design, fashion and food brands are a must and enjoy a solid presence.

CHINA DAILY



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Left: People have fun and run through bubbles at a national forest park in Changchun, Jilin. PROVIDED TO CHINA DAILY



Right: A boy of the Korean ethnic group dances in traditional costumes. SYED AHSAN / FOR CHINA DAILY

THE COOL DELIGHTS OF CHINA'S SUMMER GETAWAY

By LIU MINGTAI
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Summer in China can be brutal. Between July and September, most of China is swept by unbearable heat that can bake cookie dough if you leave it in a car parked in the midday sun. When the temperature is soaring and backpackers are trapped in air-conditioned rooms desperately planning their journey to Siberia, a province in North China offers the perfect alternative — Jilin, China's summer getaway.

Surrounded by China's most iconic ecological reserves — the Changbai Mountains in the east, Songliao Plain in the center and the vast prairie in the west — summer in Jilin rarely exceeds 22 C, winning this province the title of Summer of 22 C.

Its rich farmland known as "black soil", pollution-free air and mountain forests attract many foreign and domestic tourists each year. The Changbai Mountains are Jilin's must-see

landmark and a national 5A scenic tourism destination. The highest peak in the range reaches 2,691 meters and is covered by white rocks and thick snow throughout the year. Overlooking the border with the Democratic People's Republic of Korea, the majestic mountains offer a fascinating landscape of forest, volcano vents and wetlands.

"Jilin province is a fascinating place," said Bayin Chaolu, the Party secretary of Jilin. "We are proud of our vast grassland in the west, our splendid mountains in the east and our fertilized farmland in the center."

Thanks to the government's ecological efforts, traces of a wide variety of rare animals can now be found in Jilin's national reserves, such as sika deer, Siberian tigers and red-crowned crane. These stunning sights have made Jilin a popular spot for wildlife photographers.

"We will have to work on sustainable development," said Bayin Chaolu. "Our aim is to create a virtuous cycle of interaction between the economy and the ecology, and between

people and the environment."

The massive forests and rich black soil of Jilin have not only nurtured many wild animals, but also developed its unique cultural heritage and habitat. Jilin is home to 1.2 million people of the Korean ethnic group. With the largest Korean ethnic group inhabiting, Jilin offers tourists a cultural treat of Korean art, customs and architecture.

Jilin is also an ideal destination for outdoor sports enthusiasts throughout the year. In autumn, it provides sightseeing walking routes and rural experiences for city escapists. It also has China's top snow sports centers. In 2015, Sohu Sports, China's sports information portal, listed Changbai Snowboard Center as the best in China.

Many tourists also visit Jilin as an outbound transit point from which they can easily travel to the DPRK, the Republic of Korea and Russia.

Ren Xiaojin contributed to this story



International dancers perform in a forest music festival in Jilin province. HU TINGTING / FOR CHINA DAILY



Left: Wetlands and marshes provide favorable living conditions for wild life in Dunhua city, Jilin province. WU YONGWEN / FOR CHINA DAILY Center: International competitor takes part in an off-road bicycle competition in Changchun, Jilin. WU TING / FOR CHINA DAILY Right: The Tianchi Lake perches on the top of the Changbai Mountains. SUN ZHI / FOR CHINA DAILY

THEATER



Student production of William Shakespeare's play *A Midsummer Night's Dream*. As amateur productions go, the Gongshang Shakespeare shows are quite professional.
BEI YU / FOR CHINA DAILY

Bringing Shakespeare from page to stage

Teacher gives students unique hands-on experience with Bard's works

By **RAYMOND ZHOU**
raymondzhou@chinadaily.com.cn

He Yue had her first exposure to Shakespeare in the late 1980s, when she stumbled across a complete edition owned by an expatriate teacher.

Curious, she borrowed it. The language was a bit difficult for her to understand, but she managed to digest the general plot lines, which she found fascinating.

That little seed has blossomed into a leafy canopy.

For several years now, the Zhejiang Gongshang University teacher has directed students in productions of the Bard's works that are nothing short of astounding for amateur players. And they do it in the original English language to boot.

In 2012, she presented a night of nine Shakespeare selections; the next year saw the school's *King Lear* highlight winning the best actor award and the audience award in a Hong Kong competition; 2014 brought a lavish production of five Shakespeare selections interspersed with classical musicals. A complete version of *Romeo and Juliet* was produced early this year and another "best of Shakespeare" night, with six seg-



He Yue (right) guides students in their rehearsal.
WU YINGLI / FOR CHINA DAILY

ments, will grace the stage, come October.

Curtis Evans, an American who had been teaching at Gongshang for around seven years and who was one of the jurors for the 2012 and 2014 performances, says the English level of some of the students can match that of professionals.

He Yue teaches English and American Theater as a university-level elective course and Shakespeare as another elective at the university's Foreign Languages College. The performances are part of the latter course, with every student participating in at least five Shakespeare segments. They are graded on this at the end of the semester. But what are essentially semester-end pre-

sentations have turned into wildly popular galas — tickets are gone within minutes. Very often, additional seats have to be added and even the aisles get occupied.

Speaking of how the stage performances help the students, Qian Xiaoxia, a fellow ESL teacher who has encouraged her students to use He's class as a means to hone their language skills, says: "Many of the students had not spoken up in class before they took part in this theatrical experience."

Many of those who participate in the productions have since gone on to professional jobs or further studies overseas. One even got admission into New York University to major in theater direction. Many say they benefited from the unique

experience of working onstage — or offstage for that matter, as the students also take on miscellaneous jobs.

He Yue, who majored in English, has been a fan of the theater all her life. While a visiting scholar at New York's Columbia University, she started to dip her toes into the theatrical waters, so to speak. She happened to be in Edinburgh when the world famous theater festival got into full swing, which exposed her to snippets of Shakespeare put on by college students. So, she believed her students could pull off a similar feat.

The biggest challenge in doing a gala-style show is the rehearsal time, she says. The students all have different schedules and the best she can hope for is one rehearsal day on a weekend. Most of the big shows that become the talk of the town are prepared at either the beginning or the end of a summer vacation, "but even then students have other tasks such as internships that may intrude on rehearsals."

As amateur productions go, the Gongshang Shakespeare shows are quite professional, and require a substantial investment in costumes, props and makeup. He Yue puts in her own money, usually in five digits for a production, but she says the school has been sup-

portive and usually ends up footing part of the bill.

For the 2012 show, the school paid 10,000 yuan out of the total 14,000 yuan. The 2013 performance was covered by the Hong Kong organizer. The 2014 gala cost 33,000 yuan and the school paid the bulk, 30,000 yuan.

Justifying the financial support, Chai Gaiying, dean of the Foreign Languages College, says: "Our goal is to raise the cultural level of the students, and to promote great culture through the course of interpreting some of these works. We want our students to not only become professionals, but to attain a global vision and cultural sophistication."

While many of China's schools of higher learning have theater clubs, only a few consistently present the Bard. And He says that her school could be the only one in the Chinese mainland that devotes a course to both learning Shakespeare's texts and presenting them on stage.

"You have to have many things lined up for it to happen," she says. For one thing, it is a full-time job to coach students.

While most teachers of her rank are probably busy working on the Chinese equivalent of tenure, she says she is happy to see her students on stage unleashing their potential.

PLACES OF INTEREST

Delving into the history of fans and umbrellas

By **RAYMOND ZHOU**

A recent visit to the China Fans Museum and the China Umbrellas Museum ignited a spark in me about the nature of these two traditional hand-held items. Fans are to keep one cool and umbrellas to prevent one from getting wet.

But parasols usually provide shelter from the sun rather than the rain.

Ancient Chinese scroll paintings too depict fans as being used for the same purpose.

In my hometown, less than an hour's drive from Hangzhou, the words for fan and umbrella are similar.

The two museums, situated in Hangzhou's Grand Canal Plaza, are home to a treasure-trove of history and tidbits about the two items that many take for granted.

I learned at the museum that foldable fans came from Japan — though this is disputed by some scholars — while the flat fan went the other way.

As for the collapsible umbrella, the earliest references are from AD 21 when Wang Mang, a Western Han Dynasty (206 BC-AD 24) official who seized the throne, had one designed for a ceremonial four-wheeled carriage.

But one need not visit a museum to know that fans and umbrellas are much more than functional items.

During the Southern Song Dynasty (1127-1279), when Hangzhou was the nation's capital, fans were a popular gift item among the literati, who would inscribe lines of verses on them — very much like modern-day poets who share limericks on social media.

While the fan dance is a staple all across China, the umbrella is sometimes used in martial arts movies, the latest example being the very British film *Kingsman: The Secret Service*, in which Colin Firth's character exe-



This kind of long-handled fans were popular with royalties of ancient China.
RAYMOND ZHOU / CHINA DAILY

cutes a brilliant fight scene with a black umbrella.

Talk about cultural cross-pollination.

In Hong Kong movies, even the fan can be a lethal weapon.

In the old days there were many workshops and manufacturers in Hangzhou and its vicinity that specialized in the two items.

When I was a child, every household had at least one oilpaper umbrella.

However, in the 1980s when the umbrella with a retractable pole crossed the Taiwan Straits, it was such a hot item of fashion and convenience that it quickly replaced the older type of umbrella.

I was even commissioned to buy two dozen umbrellas when I returned from one Guangzhou trip. I then felt as if I was trafficking a symbol of innovation.

Three decades later, that kind of umbrella is so cheap and commonplace while the oilpaper one has almost become a heritage item.

Likewise, the fan has not been totally replaced by power-driven amenities. There is something about a fan that opens to a drawing and calligraphy. It can never be matched by the electric fan or the air conditioner.



In the old days there were many workshops and manufacturers in Hangzhou and its vicinity that specialized in making umbrellas.
RAYMOND ZHOU / CHINA DAILY

PARTY TIME

Nightly feasts of sights and sounds for visitors looking for thrills

By **RAYMOND ZHOU** and **SHI XIAOFENG**

A night on the town in Hangzhou presents a rich array of options. You can go partying at one of the trendy clubs or you can savor a moment of Zen tranquility at one of the traditionally decorated teahouses. The easiest choice, though, is to act like a typical tourist and take in one of the long-running shows that combine Las Vegas-style glitz with local legends and folklore.

Night of West Lake is staged at the centrally located Dongpo Theater, which is a few minutes' walk from the lake.

Dongpo, also known as Su Shi, the Song Dynasty (960-1279) poet and one-time Hangzhou governor, does not make an appearance in the revue.

But other notables such as Yue Fei, Madame White Snake



Night of West Lake is a famous indoor show in Hangzhou, as equally famous as *Impression West Lake* and *Romance of the Song Dynasty*. PROVIDED TO CHINA DAILY

and the Butterfly Lovers grace the stage, as expected. You don't need to read up on history to understand what's happening on stage if locals have been eagerly recounting the stories since you first arrived in the city.

This Gold Coast production

has been serving 400,000 viewers annually since it opened in 2005.

The company is preparing another show more in the style of the Vegas *O Show* by Cirque du Soleil, targeting a different clientele, at West Lake Cultural Square.

Romance of the Song Dynasty, which originated 20 years ago from an open-air performance, has been wowing capacity audiences to the tune of 7 million spectators a year, with two large venues side by side in the Songcheng theme park. At its busiest, it runs a

This Gold Coast production has been serving 400,000 viewers annually since it opened in 2005.

whopping 15 shows a day.

In terms of content, the show treads the same ground as *Night of West Lake*, with the epic battles by the Yue warriors as well as the two star-crossed couples. But the same script has spawned different treatments and

Romance seems to have more high-tech pizzazz.

For example, the rain on stage is atmospherically mirrored by a mist in the audience — moist enough to feel but not too wet to cause discomfort.

A ticket for the show includes a tour of the park, which is quite compressed by Chinese standards but offers a wealth of family entertainment.

Meanwhile, besides a second park in Hangzhou, across the Qiantang River, Songcheng has in recent years expanded to other tourist cities like Sanya in Hainan province, Lijiang in Yunnan province and Jiuzhaigou in Sichuan province, with similar one-hour extravaganzas, but with local stories.

Separately, famed film director Zhang Yimou was hired to produce a local edition of his "Impression" series of open-air spectacles, which

have been running since 2007.

Being an open-air show, it is subject to the vagaries of Mother Nature, but the lake is part of the show.

And unlike the other two shows, it does away with the narrative elements, containing instead snippets from various tales, but mostly projecting a dreamy aura and an "impressionistic" tableau that defines the city as a favorite hangout for lovebirds, past and present.

If you saw the opening ceremony of the 2008 Beijing Olympics, you know what you are in for.

But *Impression West Lake* is "restrained" by Zhang's standards.

After all, the lake is the protagonist and, as the old Chinese saying goes: It doesn't matter if the makeup is heavy or not, she is simply a beauty beyond compare.

SCENIC SPOT

Finding the best way to Qiandao Lake

Bigger than West Lake, this waterfront is a new tourist magnet

By **RAYMOND ZHOU**
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How do you approach Qiandao Lake? Let me count the ways.

If you were a bird, you could fly to every one of the 1,078 islands.

Actually you can descend on more than 2,000 of them because the small isles with a few rocks and plants are not counted as islands.

That's why Canada's Thousand Islands nominally has 1,864 islands but using the same definition of "island" Qiandao (which literally means thousand islands) comes out ahead.

You can also approximate a bird's-eye view by taking a helicopter or glider, but you may not parachute to every one of the isles.

If you are a first-time tourist, you will probably take a boat tour, which will take you to a few of the most popular destinations.

Meifengguan has the highest peak, which will enable you to view an archipelago of several isles that seem to form the Chinese character for "public", *gong*. No wonder the half-hearted attempt to privatize some of the islands in the

1990s did not go anywhere.

Longshan Island is another vista point and there is a bell tower at the peak accessible by climbing 500 steps.

Closer to the water level is a temple dedicated to Hai Rui (1514-1587), a local county magistrate who gained fame for his honesty and integrity.

The Moonlight Island is five islets strung together with bridges, with one theme for each of them.

It is a favorite location for creating mock adventures and later taking wedding photos after you have won the girl's heart with your show of courage.

If you want to touch the water or linger in the shade of an isle, kayaking is an ideal choice.

Lakers Kayaking Club offers training, racing and everything in between.



From top: An archipelago of several isles forms the Chinese character for "public"; the best way to get a panoramic view of Qiandao Lake is to cycle around it. PHOTOS BY HUANG SHANJIAN AND QIU GUOQIANG / FOR CHINA DAILY

talk of commercial diving. As the average depth of the 573-sq-km lake is 34 meters, there are technical challenges that have to be resolved before those without diving experience can go that deep and see the city as it was in 1959.

But probably the best way to get a panoramic view of the lake is to cycle around it.

Local authorities have spent 1.5 billion yuan to build a 150-km bicycle lane, which could well be the world's most beautiful route of its kind.

While automobiles have a tunnel, bikers can still stick close to the water's edge.

There are even special bridges for bikes only.

The brave can go up 658 meters to a peak near Dashu Town.

Bicycle rental stations are all over the city and the rates are low.

Near the downtown area is a pedestrian path. It traverses parks, piers, farmers' markets, outdoor restaurants and many popular hangouts.

Qiandao Lake is fast becoming a major attraction as a resort.

It is already a daunting task to book a hotel room for a weekend.

And by 2018 when a high-speed rail line is opened, it will take only 1.5 hours to get there from Shanghai and 45 minutes from Hangzhou — the central part of Hangzhou because Qiandao Lake falls within Hangzhou's jurisdiction.

If you think the West Lake is not big enough, try Qiandao Lake, which is 108 times the size of West Lake and holds 3,000 times its volume of water.

Brother Dong, the coach who grew up in a local village, will even share his knowledge of the place with you.

You can also camp on one of the atolls or swim in the waters.

Unlike most Chinese natural attractions, Qiandao Lake does not come with a wealth of folk tales, as it is a man-made lake dammed in 1959 for a hydroelectric station.

Many towns and villages were submerged as a result, including two county-level towns.

In 2001, divers were sent down to explore the ruins and they were amazed that many relics of the 1,800-year towns, including the city wall and some wood carvings, were still intact. (They might not have survived the cultural revolution above water.)

Since then there has been

Deepak, 27, Indian (now living in Shanghai), Fitness trainer

Deepak:

"I survived without my wallet for three days in Shanghai, and I realize it is becoming possible to do the same in India. Paying for my ride, buying coffee and topping up my mobile phone, Paytm does it all."



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GREEN TREASURE

Botanical garden — a colorful treat

With 3 million visitors drawn each year to this facility, this place is more than just picture-book landscapes

By MIKE PETERS
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I keep running into Richard Nixon in the most surprising places.

In China, of course, the late US leader continues to be celebrated for opening relations between the two countries. Right now I'm looking at a photograph of Nixon visiting Hangzhou in 1982, to see the giant redwood tree he presented to China during his historic 1972 visit during his presidency.

Zhou Enlai, then China's premier, decided to send the tree to Hangzhou, where the first botanical garden established after 1949 was flourishing.

"Premier Zhou thought the Hangzhou Botanical Garden was very great at botanical research," says the current director of the garden, Yu Jinliang. "So it came here."

At 2 meters tall — about the size of basketball superstar Yao Ming — the tree was no giant among its own species, *Sequoia sempervirens*. Turns it, it probably never will be.

"Hangzhou's climate is very humid, compared to the parts of California where the giant trees are native," says Yu. "But with our research and the use of tissue culture, we have propagated other trees and planted them in drier parts of China

where they are becoming much larger.

'Silent poem'

The garden is much more than picture-book landscapes. One of its most interesting missions is to showcase garden plants in the broader Chinese cultural context.

In its bonsai garden, for example, you can see how this cultivation style mirrors calligraphy, literature and paintings in plants like *Pinus taiwanensis* "Hayata". The pine from Taiwan has been used for Chinese bonsai-shaping since the Song Dynasty (960–1279). "Each specimen is like a silent poem," the garden's resident expert Hu Zhong says.

The Chinese phrase for bonsai is *penjing*, which means "scenery in a pot", he adds.

At the bonsai garden's entrance are three plants that Chinese consider "friends" in winter: A pine, bamboo and a plum tree, because they look their best and also stand out in the cold season.

There are also ginkgo specimens that defy what we've come to expect from Japanese-style bonsai. Instead of limbs that are aggressively shaped with shears to get an artful and miniaturized effect, these specimens are what director Yu calls "natural" bonsai — big trees that have been topped — usually by storms — which

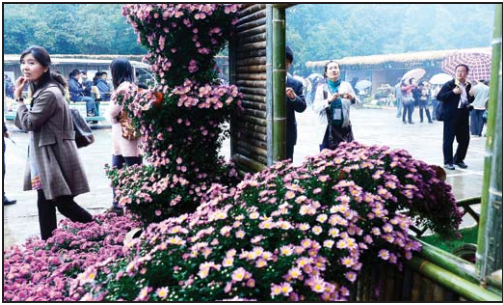
have spouted new shoots in appealing forms.

Other collections are native plants, and rare to endangered plants. Yu walks us over to a plant nursery where new specimens, grown from seeds and cuttings of plants in the garden's collection, are bursting with green vigor from gallon-sized plastic pots. Locally discovered species, including the winter-flowering *Sinocalycanthus chinensis*, have pride of place in the garden.

Year-round attraction

The botanical garden entices more than 3 million visitors each year, about a million of those in the peak month around Chinese New Year, when plum trees become so coated with blossoms they create a pink-and-white "ocean of flowers". In summer, most flowering plants are resting, but the heat brings out the flame-colored blossoms of *Lycoris aurea*, popularly known as "naked ladies" because the flowers emerge from the ground on long stems without leafy coverage.

Some of the most formally arranged gardens, especially on small lakes and ponds, become brilliant with red, orange and yellow foliage in the fall. Then, after winter turns the landscapes into silhouettes defined by leafless trees and intriguing sculptures, it's time



Covering an area of about 230 hectares, the Hangzhou Botanical Garden can be found at the foot of Jade Spring Hill in the northwest end of West Lake in Hangzhou. PHOTOS BY CHAI SHIJUE, LI ZHONG AND LAI SHUNXING / FOR CHINA DAILY

for Spring Festival and the plum, peach and apricot trees recolor the landscape in pastel pinks and fluorescent reds.

"Spring is also the time our rhododendron garden is full of color," says Yu, and the annual rhododendron festival draws a new wave of admirers for those delicate beauties.

The garden reaches out to the community in other ways. Special events for kids include the Farm Garden, which shows where vegeta-

bles come from and how they are grown, and expansive summer-camp activities. For adults, there is a flower show competition during the chrysanthemum season, and how-to programs on bonsai and landscaping.

The garden is open 24 hours, and joggers and others who come outside the ticket-booth hours of 7 am — 5 pm get free entry.

Officials say you can see different kinds of wildlife that don't

come out during the daytime, including hedgehogs, frogs, snakes, fireflies and moths.

Beat the heat

Summer is a hot time in the garden, but when the heat is oppressive in the middle of the day, there are two inviting places to get away. One is the Fish Jumping at Jade Spring, on the site of an old temple where you can enjoy plenty of shade and watch some black carp. One is more than 50 years old,

more than a meter long and weighs about 100 kg.

If only air conditioning will revive you, head to the on-site art museum with several galleries of work by Han Meilin. The famous sculptor has works outside as well as an indoor gallery; other sections of the museum feature his calligraphy, his painting and — to a smaller degree — famous corporate logos and mascots he have designed, such as for Air China and the 2008 Beijing Olympics.



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RELATIONSHIPS

Old tale inspires modern marriage market

Parents flock to site where legendary lovers are believed to have studied to find partners for their children

By XING YI
xingyi@chinadaily.com.cn

Sitting on a small hill southwest of West Lake is Wansong Shuyuan, or Academy of Ten Thousand Conifers. It's just one of many tourist sites in Hangzhou, but for local residents, especially parents who are eager to see their marriageable children find their "other half", it is the place to go.

"Bride wanted. Single male, born in 1980, height 172cm, good-looking, master from top university, civil servant in provincial government, fine-decorated apartment mortgage paid, parents alive, affluent family."

So reads an advertisement in Chinese, posted on a light pole next to the main entrance of the academy.

On both sides of the road, similar ads are hung, clipped, posted almost everywhere. Sidewalks are jammed with people reading the ads, taking notes and chatting with each other.

A curious visitor like me who tries to read these ads should be prepared for a question from complete strangers: "So, are you looking for a mate?"

Welcome to the city's Saturday marriage market, where hundreds of parents look for their ideal son- or daughter-in-law in front of the former higher-education institute between 9 am and noon.

Fact box

Parents of unmarried adults across the nation flock to the chosen park in each city every Saturday and Sunday from 9 am to 5 pm to trade information on their children. Here are some of the most popular "marriage markets" besides the Wansong Shuyuan in Hangzhou.

Beijing
Zhongshan Park
4 Zhonghua Road, Dongcheng district

Shanghai
People's Park
231 West Nanjing Road, Huangpu district

Tianjin
Central Park
At the crossing of Chifeng Road and Heping Road, Heping district

Guangzhou
Tianhe Park
23 Yuancun, Huangpu Avenue, Tianhe district

It's all thanks to the legend of Liang Shanbo and Zhu Yingtai.

Liang and Zhu are household names in China because of their tragic love story. Also known as the butterfly lovers, they are widely compared with Shakespeare's Romeo and Juliet.

The legend traces back to the Eastern Jin Dynasty (AD 317-420). Women then were not encouraged to attend school, but Zhu, a beautiful and smart young woman of a wealthy family, persuaded her parents to let her study disguised as a man.

On Zhu's journey to school, she encountered Liang, who was going to the same school in Hangzhou. In the next three years, they lived and studied together, during which Zhu fell in love with Liang, but Liang failed to discover that she was a woman.

Although Wansong Shuyuan was built during the Ming Dynasty (1368-1644) — around a thousand years later than the legend's time frame — people still believe that this is the school Liang and Zhu attended together.

"Many tourists ask me: Where is the classroom Liang and Zhu studied in?" says He Jie, guide at Wansong Shuyuan. "We now downplay the legend part and focus on the culture and history of Chinese academies instead."

However, parents assembled here don't seem to care too much about whether the legend is historically solid, as long as they have a place to find potential partners for their children and a social outlet for their worries.

Du Xiguan, 67, started the whole thing in 2005 when he became worried about his daughter's marriage prospects.



Parents read posters strung up on a line between two light poles next to the main entrance of the Wansong Shuyuan in Hangzhou. PHOTOS BY XING YI / CHINA DAILY

"Young people are all busy working, and have little time to find a date," says Du. "I put an ad on the local newspaper to orga-

nize a meeting of parents who have a similar situation."

Du chose Wansong Shuyuan as the meeting place,

"because everyone knows this is the place where Liang and Zhu's love story started," he says.

At first, Du expected a few dozen people to come, but some 300 people turned out that day.

They shared information about their children, and when they deemed someone to be suitable, they noted down the contacts. Around lunch time, people agreed that they would come again on the next Saturday morning.

As time passed, more and more people got to know about this meeting place through word-of-mouth, and parents have gathered here almost every week in the past 11 years, rain or shine.

"It's difficult to find an ideal partner nowadays," says a retired local resident, who would only give his surname, Yu. "People are setting too high a standard, but the reality is there is no perfect one."

The most wanted husband is "a local Hangzhou resident, with an apartment for marriage and a stable job," says Yu, while for the most wanted wife is "largely depending on her appearance."

"People should learn to be more reasonable," says Yu. "What I suggest is that people should pay more attention to personalities and characters."

"My daughter eventually found a husband among people I introduced to her, and my grandson is already 9 years old," says Du, who still comes to the weekly event. He runs a non-profit organization that provides services from match-making to marriage counseling.

"Now the divorce rate of Hangzhou rises every year, and that's also a serious problem," says Du.

Haicang district setting new standards in ecological development



The development of Haicang dates back to the Haicang Taiwanese Investment Zone established in May 1989 under the approval of the State Council.

Thanks to its business environment and geographic advantages on the west bank of the Taiwan Straits, the former pilot investment zone became an administrative district of Xiamen in 2003. Following nearly 30 years of development, it is now a regional economic center with six

main areas of function: it is an economic special area, a Taiwanese investment area, tariff-free port area, free trade pilot area, export processing area and maritime pilot area.

Attaching great importance to developing logistics, Haicang now has definite advantages in railway transportation, shipping and air freight logistics. The non-stop cargo train line starts in Xiamen and travels through Central China's

Chengdu to Lodz, Poland, creating a new international logistic channel linking Xiamen, and other Chinese cities along the way, with European countries. That is how Haicang shows its unique and prominent role in the Belt and Road Initiative.

The port of Haicang has developed routes to more than 40 harbors on the Chinese mainland and 48 international routes. Beside logistics, Haicang also cultivates manufacturing industries

and emerging new business sectors.

Focusing on becoming an ecological city, the district is working to ensure infrastructure construction projects are carried out in an environmentally friendly manner. It is also developing leisure tourism, as well as voluntary programs aimed at keeping the city clean and tidy.



RURAL RETREATS

VILLAGES BUILT ON FILIAL PIETY

For Dipu and the neighboring Huanxi village, family ties take preference over all things

By ERIK NILSSON
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Dipu village is a place where you take tea in a pigsty and coffee in a cattle enclosure. Well, actually, in renovated rooms that previously housed farm animals. “Manure stench meant people used to rush by, pinching their noses,” a local guide says of Cattle Pen Cafe. “Now, the aroma of coffee lures them to linger.” Shentu Fang opened Pigsty Teahouse in 2013. She converted 14 swine hutches into a hip joint to sip a cuppa. “It’s unique,” says Shentu. “We don’t want to destroy our history and environment.” Trees heave with fruit. Vines spill from rooftops. Pots pop with flowers. A nearby shop peddles petal pancakes — that is, dough disks stuffed with floral flavors like rose. Indeed, the livestock quarters cum cafes are microcosms of the settlement in Zhejiang province’s Tonglu county. It’s a place where blooms burst around lightly renovated historical buildings — including 40 ancient structures. Many new edifices are rendered according to traditional designs. For instance, new flagstones



From left: Children practice calligraphy in Tonglu county. WANG ZHUANGFEI / CHINA DAILY; The ancestral hall of the Shentu family in Dipu village. PROVIDED TO CHINA DAILY



Over 70 percent of Dipu’s villagers share the surname Shentu and regularly visit their ancestral hall.

have been arranged along Dipu’s old cobblestone streets for women wearing high heels. The wells and drainage systems devised when the settlement was founded nine centuries ago are still used. Thirteen trees older than 200 years still stand. Two took root eight centuries ago. But Dipu’s umbilical link to its past is less tangible, yet pal-

pable — a rigorous reverence for familial piety that dates to at least the Qing Dynasty (1644-1911). A villager during emperor Kangxi’s (1654-1722) reign nursed his critically ill father back to health with such devotion that villagers reported his good deed to the royal court. But word didn’t reach the throne for two generations. Kangxi’s grandson, Qianlong (1711-1799), was so moved upon hearing the account that he ordered the construction of a stone archway to honor the “dutiful son” in Dipu. The gate still stands — as do the ideals it represents. Over 70 percent of Dipu’s villagers share the surname Shentu and regularly visit

their ancestral hall. A local man built the nearby Baoqing Theater in the Ming Dynasty (1368-1644) to show gratitude for his uncle, who raised him. The wooden platform, adorned with such ornately carved auspicious symbols as lions, crayfish and bats, still serves his descendants as a stage for reverence of family ties. A stele marking the tomb of the first settler in the middle of a roundabout on Dipu’s main road again places filial piety front and center, in every sense. Indeed, a visit to Dipu makes you want to visit your parents afterward. Or at least call home. Such reverence for forbearers extends to neighboring

Huanxi village, where 90 percent of the 2,000 residents take their surname from the first settler, Zhou Weishan, who built his home in the shade of ancient ginkgo trees six centuries ago. The surviving trees lining Ginkgo Square are today over a millennia old. But even more venerated is the 14-generation branch of the Zhou family tree that extends from Huanxi’s Confucian philosopher Zhou Dunyi, who penned the poem *Ode to the Lotus* in the Northern Song Dynasty (960-1127). Locals learn its lines as children and can recite the prose by heart. Roughly 334,000 square meters of lotuses bob atop

ponds throughout the town. They’re not only central to the settlement’s history and culture but also to its economy. Lotus seeds are sold as snacks and pulverized to produce tea and liquor. And the plants give vim to the scenic splendor that draws tourists who occupy Huanxi’s six-dozen bed-and-breakfasts. Families process them in their courtyards with hand-crank grinders. The Lotus Culture Hall takes its namesake from Zhou Dunyi’s poem and serves as his ancestral hall, an auditorium and an art gallery. On residents’ 63rd birthdays, relatives release carp into the Tianzi and Qing rivu-

lets that encase three sides of the settlement and join at its main gate to transform into dragons. The symbolism represents longevity in local lore. Superstition or not, over 300 villagers are older than 60, and the oldest is 103. That said, the water-dwelling creatures are traditionally believed to have brought the floods that led to the construction of two ancient bridges, including the Crocodile Bridge — so named because the reptile is considered the mythological deities’ natural nemesis. Today, Crocodile Bridge serves as a link between Tonglu’s past and present, and connects Huanxi to the outside through tourism, in a very real sense.



Governments use Toutiao app to communicate with the public

By ZHONG NAN
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“The key to artificial intelligence is actually human.”

Zhang Yiming, founder of Toutiao

day, with each story recommended to an average of 42,000 readers daily. Zhang Yiming, founder and CEO of ByteDance, the developer of Toutiao, graduated in 2005 from Nankai University in Tianjin. Zhang said more local intelligent information sorting systems have started to take on a bigger role in sending news to users who are willing to learn more about public sector work such as government policies, fiscal reports, legislative decisions and announcements of infrastructure projects. The news services are the result of moves made by authorities to provide pertinent public information via

government portals and websites, in response to growing public interest in major issues since the end of 2014. Efforts are being made to increase government transparency and expand the application of e-government and online administration, and to improve government efficiency by using new media to respond to social concerns and provide more information on public sector work. Toutiao stands out among news apps because it can remember and track important user data such as their preferences, comments, location and length of time spent on each page, and to record their interests and provide different news to different users based on those interests. Government information platforms at different administrative levels are willing to partner with the company to enlarge their influence. “The advantage of our machines and big data technologies is that their memory is precise and they never get tired. On the other hand, the human brain’s advantage is in

cross-field judgment,” Zhang said. “The key to artificial intelligence is actually human. To allow technology to play an active role in the flow of information, one premise is that there must be someone producing valuable information; so we welcome government branches to access it, using it as a platform for publicizing authoritative news,” he said. “For example, we confirm every piece of medical news with the hospital concerned or the National Health and Family Planning Commission.” The company has more than 2,600 employees and more than one-third of them are engineers. It has about 15,000 servers in its network processing 200 TB a day. Unlike Weibo, a Twitter-like service in China, government information services in Toutiao do not need to develop a fan base and subscription details, as the information can be effectively sent to users’ smartphones. Extremely important information, including major clarifications on public issues and updates on health epidemics and natural disasters, can also be sent through automatic pop-up services to the users. This function has an important role of providing the timely dissemination of authoritative information, to prevent the spread of potentially harmful rumors. Ma Baocheng, director of the Decision-Making and Consultation Department of the Chinese Academy of Government said that highly efficient communication tools and cutting-edge technologies are critical to the government’s efforts to provide better services and information. “Under such circumstances, Toutiao is moving in a promising direction. Big data, a broad term for processing vast amounts of complex statistics, which can be boiled down into market and consumer trends, will be vital in working out the right strategy,” Ma said.

Tech special Linking up for the next big thing

By ZHONG NAN

More local governments are partnering with content aggregation app Toutiao as part of efforts to upgrade their public services, amid a growing number of people accessing their news via smartphones. In August, Beijing’s Haidian district authorities opened an account for administrative headline news services via Toutiao. The move marked the first time for a district-level government in Beijing to run a news service offering more value-added functions by the company. Chen Mingjie, director of the publicity department of the CPC Haidian district, said this move follows a significant media trend in the country for the government to adopt more advanced communication technologies to provide information in a timely manner. The rise of smartphones and 4G networks has also fueled demand for new apps among users from top-tier cities to rural areas. Xia Yong, editor-in-chief of Toutiao, said that Haidian district, with its rich technological, educational and financial resources, as well as abundant talent and channels for innovation, can effectively use Toutiao to generate more economic and social benefits for the public. “Whether they are in the subway, office or home, as long as our users have their smartphones, they can access

74 minutes

average time each user spends on Toutiao every day

news and other information via our app. They do care about what happens in their environment. They are also keen to write their comments on various media platforms,” Xia said. Toutiao currently has 530 million users, including 55 million active users each day. Every day, each user spends an average of 74 minutes on the app. Beijing is not alone. Shenzhen, Guangdong province, another top-tier city, also signed a strategic partnership framework agreement in July. Seventeen government branches, including the Shenzhen municipal public security bureau, have registered accounts for administrative headline news services.

Zhong Haifan, director of the Shenzhen Internet and Information Administrative Office, said that the partnership can help the city further expand its high-end industries in fields such as wearable devices, aerospace, intelligent equipment, gene sequencing and the low-carbon economy, as well as attract tourists and investment from the domestic and overseas markets. Baidu, Alibaba and Tencent, three of China’s IT giants collectively known as BAT, have become a phenomenon in the nation’s Internet sector. A study by Chinese independent think tank Trigger Trend earlier this year said Toutiao may become part of the “next BAT”, along with Meituan, a group purchasing site, and Didi, a car-hailing platform. The think tank cited investment in technological innovation, the talent pool and the growth curve as some of the reasons for the leap.



Police authorities in Henan province use platforms provided by Toutiao to get connected with the public. PROVIDED TO CHINA DAILY

Long-term trade prospects remain bright

By DU XIAOYING
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Although China's imports from South Africa have been negatively affected by falling international commodity prices, the long-term prospects for trade and economic cooperation between the two countries remain bright due to their ever-deepening cooperation, said Zhao Zhongxiu, vice-president and trade professor at the University of International Business and Economics in Beijing.

"The trade relationship between the two countries is still stable and complementary in nature," said Zhao.

Zhao also identified growth potential in sectors including manufacturing, tourism and financial services. He indicated the two countries should extend their cooperation to products such as coal, gas, oil, engineering machinery, machine tools and agriculture machinery, instead of focusing solely on the mining industry.

According to the Ministry of Foreign Affairs, China's major exports to South Africa are electrical appliances, electronic products, textiles and metals, while its principal import is minerals.

Last year, the bilateral trade volume between China and South Africa declined significantly to \$46 billion, a 23.66 percent drop year-on-year. China's exports for the same year were \$15.8 billion, a slight rise on the \$15.7 billion recorded in 2014; imports stood at \$30.2 billion, marking a sharp drop on the \$44.6 billion recorded in 2014.

Zhao said the drop in international commodity prices since 2011 is responsible for China's falling import figures, rather than cuts in the country's import volume.



South African President Jacob Zuma (right) takes part in a ceremony in Pretoria on March 20, 2015 marking the accomplishment of a China-South Africa cooperative project on electric locomotives production. ZHAI JIANLAN / XINHUA

\$46
billion

trade volume between China and South Africa in 2015

“China will unite with all African countries to pursue win-win cooperation and common development”

Tian Xuejun, China's ambassador to South Africa

"The trade slump is a periodic phenomenon, and commodity prices were too high in the past," he said.

Zhao suggested that South Africa should open up its markets to facilitate foreign investment and trade.

"China's experience shows that economies cannot develop without opening up the market," said Zhao.

He referenced China's express industry, which grew stronger after leading international players such as UPS and FedEx entered the market.

Zhao indicated that countries such as South Africa and Brazil remain overly dependent on single or limited resources, and suggested that South Africa develop a diversified economy similar to

the high-tech industry model adopted in northern Europe.

Tian Xuejun, China's ambassador to South Africa, said this year is the first year of the implementation of the outcomes of the Johannesburg Summit of the Forum on China-Africa Cooperation. "In the spirit of wide consultation, joint development and shared benefits, China will unite with

all African countries to pursue win-win cooperation and common development, and open a new era of Sino-African relations."

Tian said President Xi Jinping reaffirmed with South Africa's President Jacob Zuma the commitments to strengthening bilateral cooperation in key areas such as the blue economy, production capacity, economic zones, energy, infrastructure development, human resources and finance during his State visit to the country last December.

China is now South Africa's largest trading partner, largest export market and largest source of imports, while South Africa is China's largest trading partner in Africa.

China's nuclear giants react to opportunity

By LYU CHANG
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China's nuclear giants are preparing to begin construction of the country's home-grown CAP1400 nuclear reactor, which they aim to export to South Africa.

Work on the reactor is expected to begin this year.

Construction on the first two units of the pilot nuclear power plant in Shidao Bay, Shandong province, is set to begin in the coming months, a source close to the matter said.

According to earlier reports in the local media, Chinese nuclear companies are lining up to bid for the largest tender in the country's history, an estimated 1 trillion rand (\$69.1 billion) contract to build six new reactors by 2030. However, the reports noted concerns from energy officials that because the project is the first of its type in China, potential problems might exist.

"Production has begun on some 27 pieces of nuclear equipment, and they will take a long time to develop. Everything is ready, including all documents, equipment procurement and early-stage preparation work, and when the FCD (first concrete pouring date) comes around, it will open up doors for more exports," the source told China Daily.

South Africa is an attractive potential market, not only for Chinese nuclear companies, but also its foreign rivals. The World Nuclear Association said five reactor vendors were invited to make proposals, including Russian energy giant Rosatom, China's nuclear company State Nuclear Power Technology Corp, KEPCO from South Korea,

French utility company EDF and Westinghouse from the United States.

Proposals should specify reactor design, the degree of localization, financing and cost, the association said.

South Africa signed an inter-governmental agreement with China in 2014, laying the foundation for cooperation, trade and exchange in nuclear technology as well as procurement. Similar agreements were also signed with France and Russia.

South Africa has definite ambitions to develop its nuclear energy capability, and has drawn up firm plans for another 9,600 megawatts in the next decade, but financial constraints are a challenge to such further development, according to Wang Wei, a professor at North China Electric Power University.

"The cash-rich Chinese companies, on the other hand, are able to provide not only advanced nuclear technology with the highest safety standards, but also money for financing the projects," he said.

Zheng Mingguang, head of the Shanghai Nuclear Engineering Research and Design Institute, a high-tech arm of the State Nuclear Power Technology Corp, told China Daily last year that the company is confident that its bid will be successful.

"But the nuclear energy industry also involves other issues, so we can't set any date yet on the final bidding process," he said.

The country hopes to land the contract using its CAP1400 nuclear technology, which is designed by SNERDI and based on the AP1000 reactor technology developed by Westinghouse.



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Deepening Sino-South African ties provide continent-wide benefits

By RONG YANSONG

The relationship between China and South Africa has never been stronger, and its strategic importance to both sides has been demonstrated by an unprecedented level of mutual political trust, increasingly close international coordination, fruitful pragmatic cooperation and wide-ranging cultural and people-to-people exchanges. Sino-South African trade and economic cooperation has led to a greater convergence of interests, which also reflects the comprehensive strategic partnership between the two countries.

Sino-South African trade and economic cooperation has gained significant momentum in recent years. Last year, bilateral trade reached \$46 billion, and China has been South Africa's largest trading partner for seven consecutive years, as well as its biggest export market and principal source of imports. Meanwhile, South Africa has been China's largest trading partner in Africa for six consecutive years.

South Africa is the preferred destination in Africa for Chinese investors, and there are around 140 large-scale and medium-sized Chinese enterprises in the country with cumulative investments of \$13 billion. Projects invested by Chinese companies such as the home appliances industrial parks and cargo vehicle factories have created more than 20,000 job opportunities. South Africa is, in turn, highly committed to engaging economically with China. Headquartered in Cape Town, Naspers Media Group has, as the largest shareholder of Tencent Group benefited immensely from the fast development of the Chinese technology company.

In addition, the human resource development cooperation between



“The two sides are also ready to work with the other G20 members to build an innovative, invigorated, interconnected and inclusive world economy.”

Rong Yansong, economic and commercial counsellor of the Chinese Embassy to South Africa

China and South Africa has been rapidly enhanced in recent times. China now provides hundreds of training opportunities annually to South Africans in a wide range of areas including the arts, technology and business and management.

Perhaps the most remarkable example of Sino-African cooperation came when Chinese President Xi Jinping paid a State visit to South Africa in December 2015 and co-chaired with President Jacob Zuma

the Johannesburg Summit of the Forum on China-Africa Cooperation (FOCAC). The event marked a historic moment in Sino-South African relations and even Sino-African relations. The “Ten Cooperation Plans”, which aim to foster closer links between China and Africa, cover the areas of industrialization, agricultural modernization, infrastructure, financial services, green development, trade and investment facilitation, poverty reduction and public welfare, public health, people-to-people exchanges, and peace and security. The package, which was declared at the summit, clearly demonstrates the depth of the new cooperative relationship between China and Africa as a whole, and it will undoubtedly take trade and economic partnerships to new heights.

Following the summit, all parties have worked hard to ensure that the lofty aims of the plans are met, as well as to fully implement the “China-South Africa Five-to-Ten-Year Strategic Programme for Cooperation”.

South Africa has one of the strongest economies in Africa, and this means the country is the perfect gateway to the continent for Chinese companies and investors looking for trade and cooperation opportunities. The Chinese economy will, so long as it allowed to develop in a sustainable manner, help to facilitate sustainable and independent development in South Africa and beyond. Although the world economy still faces many uncertainties, both China and South Africa have come to a crucial stage of their economic transformation and structural adjustment. South Africa is working towards meeting the goals set out by its National Development Plan. To this end it is formulating a series of action plans

on industrialization, building special economic zones and industrial parks, and placing greater emphasis on key areas such as energy, infrastructure construction and the ocean economy.

Meanwhile, China is comprehensively promoting supply-side structural reforms and industrial restructuring, as well as international capacity cooperation. The successful implementation of these strategies will better position the country to conduct win-win cooperation with African countries. China has also accumulated rich experience

through its long process of reform and opening-up, which can provide a valuable frame of reference for South Africa and other African countries. Despite the current economic travails, the fundamental principle of win-win cooperation and common development between China and Africa will remain unchanged.

With the profound shift in the global economic landscape and the adjustment of the international economic order, China is enhancing coordination and cooperation with South Africa in important international mechanisms and major inter-

national issues. China, as the world's largest developing country, together with South Africa, the sole African country in the G20, will work to both protect the interests of developing countries and ensure the international governance system works in a fair and equitable manner. The two sides are also ready to work with the other G20 members to build an innovative, invigorated, interconnected and inclusive world economy.

The author is the economic and commercial counsellor of the Chinese Embassy to South Africa.

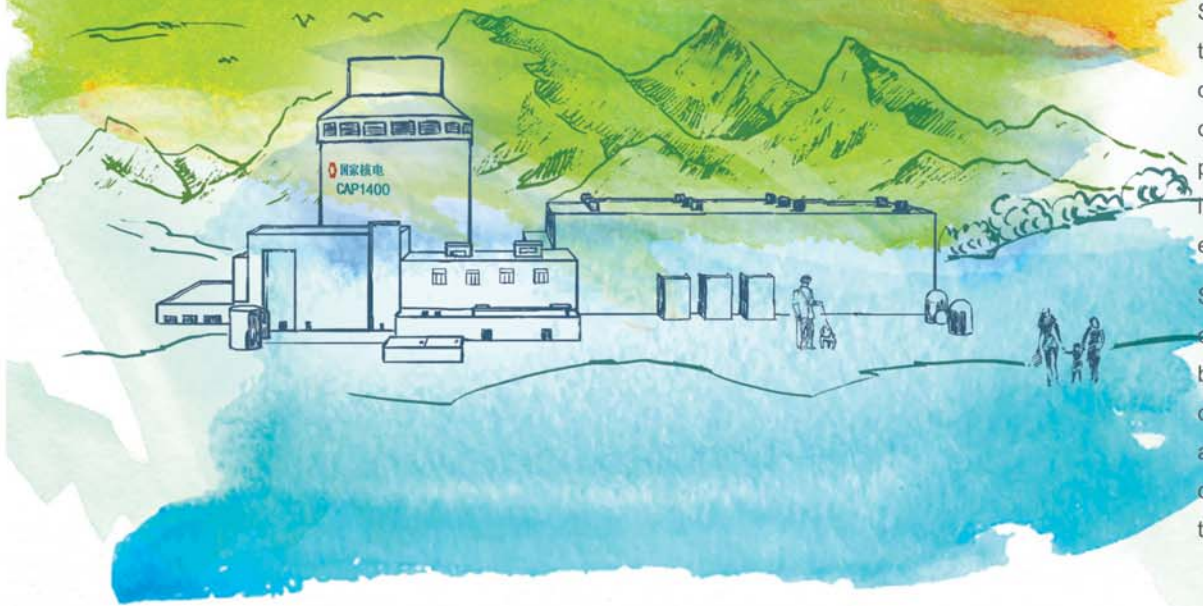


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State Power Investment Corporation (SPIC), the parent company of SNPTC, with total assets of USD 113.2 billion, 140,000 employees, total installed generating capacity of more than 100GW with clean energy accounting for 40% and business in 36 countries, has comprehensive capability to carry out business in hydro, thermal, nuclear and new energy industries.

Standing out from the competition

Authorities from Lujiazui Financial City in Shanghai unveil reforms to boost competitive edge on global stage

By WANG HONGYI
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The Lujiazui Financial City, an integral element in Shanghai's ambition to become a world-leading international financial hub, recently announced reforms to its management mechanism that will help align its operations to international regulations and standards.

Government officials say that this reform will boost Lujiazui Financial City's resource allocation and influence in global financial markets, as well as accelerate the Shanghai's efforts in becoming "an excellent global city".

As part of the pilot reform plan, the Lujiazui Financial and Trade Zone had established a management board of which 90 percent is made up of members from key enterprises, industry organizations, building developers and other industry representatives.

Jointly initiated by the Pudong district government and industry players, the management board works as a public platform that helps enhance the global competitiveness and influence of the financial zone. Its responsibilities include promoting the development of finance, shipping, trade and other industries, optimizing the commercial, transportation and culture environment, and supporting innovation in financial regulation and overseas business development.

"The establishment of the management board is a bold attempt and innovation in governance. It builds an open platform that allows various forces to participate in the governance of financial city, and jointly promote the financial city's development," said Huang Hongyuan, general manager of the Shanghai Stock Exchange, a member of the management board.

Meanwhile, the Lujiazui Financial City Authority will work to improve the ability and efficiency of the business district's market operations and professional services. In an innovative move that is a break from convention, it has also been registered as a person instead of being included in the government management system.

Weng Zuliang, head of Pudong district where the Lujiazui Financial City is located, said that the implementation of the new management mechanism and establishment of such an international governance mode is an important step in transforming government function and supporting the construction of the Shanghai Free Trade Zone.

"By learning from the advanced governance experiences of other developed finan-



Lujiazui business district in Shanghai is home to more than 5,000 emerging financial institutions and enterprises. PHOTOS PROVIDED TO CHINA DAILY



Lujiazui Financial City



Source: Lujiazui Financial City Authority



Lujiazui business district has formed a modern service industry system for sectors such as finance, shipping and trade.

cial cities around the world, we can create a legal, international and convenient business environment that will help to amplify Lujiazui Financial City's global influence," said Weng.

In addition to optimizing operations and management ability, the Lujiazui Financial City Authority said it will also recruit talents from around the world to form an experienced and professional team that can provide high quality service to enterprises.

Building the world's best CBD

The Shanghai Lujiazui Financial and Trade Zone, commonly known as Lujiazui Financial City, was established in 1990 by China's State Council.

After more than two decades of development, the zone has become a central business district with a high concentration of financial industries. It has also formed modern service industry systems for sectors such as finance, shipping service, business and trade, exhibition and convention and tourism.

Covering an area of 31.78 square kilometers, Lujiazui was included in the Shanghai Free Trade Zone (FTZ) in April 2015.

Multinational companies have recognized Lujiazui's potential and have taken advantage of the preferen-

tial policies to set up regional headquarters. Lujiazui now has 90 regional headquarters, accounting for 20 percent of the city's total, it said.

Lujiazui also has more than 35,000 enterprises with the high concentration of financial institutions. By now, there are 771 financial institutions with licenses in the region, including 224 banks, 338 securities companies and 209 insurance enterprises, it said.

Besides that, there are more than 5,000 emerging financial institutions and enterprises in Lujiazui.

Authorities said that the Lujiazui Financial City has already entered a new phase of development and transformation, with the key focus areas being the management of innovations and the enhancement of current functions.

According to the Lujiazui Financial City Authority, it will spearhead innovations in policy-making mechanisms as well as operations and management in order to enhance its competitiveness.

Wang Hua, head of the Lujiazui Financial City Authority, added that more efforts will be made to boost economic growth, improve the functions of the district, and attract more organizations with headquartered functions and innovative enterprises so as to boost Lujiazui's global influence.

Sustained growth vowed for finance hub plan

By ZHUANTI
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As part of efforts to support Shanghai's position as the nation-leading financial hub, authorities are continuing their efforts in developing the Lujiazui Financial City.

The Lujiazui Emerging Financial Park within the Lujiazui Financial City has since its establishment in October 2014 proven to be a very attractive place for private equity funds to do business. According to authorities, 21 percent of private funds in China have offices in Shanghai and 80 percent of them are based in Lujiazui Financial City.

21 percent

of private funds in China have offices in Shanghai

The financial city has attracted about half of the 15 members in the Private Fund Committee of the Asset Management Association of China. In addition, four of the top 10 domestic financial leasing companies have set up development bases in the zone.

"We have launched many investment attraction activities such as questionnaires, face-to-face talks and group meetings to better understand business demand with support from service agencies including Shanghai Leasing Industry Association and Pudong Factoring Industry Association," said a source from the Lujiazui Financial City Authority.

Lujiazui Financial City Authority has vowed to seek support from the Shanghai government and the Shanghai Financial Service Office to enhance the development environment for internet-based financial companies.

Major companies including Haier, Xiaomi and Wanda have launched internet financial platforms in the region. The financial city also supports internet financial businesses that have been developed by traditional financial service providers including Industrial Bank and Bank of Communications.

Leading online service providers including e-commerce giant Alibaba's online payment arm Alipay have also launched offices in the region.

Many financial technology developers including trading system developer QuanDo Technology and Shanghai Genesis Financial Information Service Co, a company that focuses on fund valuation, have established development bases in Lujiazui to serve businesses along the industrial chain.

Lujiazui Internet Financing Association was established in March 2016 to strengthen cross-industry communication. Fifty-three companies including payment services provider Alipay were among the first batch of members.

Policy-makers of Lujiazui Financial City said that they hope to develop a system into one that allows all parties to support and regulate development of emerging financial industry.

Upping the ante in cross-border investments

By WANG YING in Shanghai
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The Shanghai Lujiazui Financial City and the City of London Corporation have agreed to jointly explore cross-border investment opportunities after a round table discussion between the two parties.

The conference, held in Shanghai in June, was attended by the heads of several well-known financial institutions from both home and abroad.

Cao Hongying, deputy director of China (Shanghai) Pilot Free Trade Zone (FTZ) administration, had reviewed during the conference the FTZ's development over the past three years and shared the latest developments that aim to turn Shanghai into an international financial center as well as hub for cross-

border investment.

Mark Boleat, policy chairman for the City of London, also shared the recent progress of the corporation before talking about the needs of international investors.

Aberdeen Asset Management's China division in Lujiazui is one of the latest results of the cooperation between the Shanghai Lujiazui Financial City and the City of London.

In September 2015, international investment management group Aberdeen Asset Management Limited PLC opened its Shanghai office in the FTZ. This new set up became the first British entity to acquire a license in China as an enterprise that is fully backed by foreign investment.

"Aberdeen expected to obtain the Qualified Domestic Limited Partner (QDLP) certificate so as to better serve Chinese customers with

its existing license," said Alex Boggis, head of Aberdeen Asset Management Greater China.

Boggis revealed that the company has already found a distributor while waiting for the approval of the QDLP and has already designed products tailored for their Chinese clients. He added that Aberdeen's global customers have also been queuing to boost their investments in China.

"We are going through the details on how to help Chinese clients manage their assets with the help of a foreign company license as well as how we can assist overseas customers to look for investment opportunities in China," said Boggis.

"For other British enterprises which plan to set up institutions in China backed by foreign investment, I would recommend Shanghai



Shanghai will turn itself into an international financial center and a hub for cross-border investments.

to them because the city is really open in this aspect," said Boggis.

Cao Deyun, executive vice-president and secretary-general of Insurance Asset Management Association of

China, expects to see a breakthrough in overseas investment in Shanghai's FTZ and Lujiazui Financial City.

According to Cao, all of the six insurance capital management enterprises in Shanghai

are situated in the Lujiazui Financial City, and they manage a total of more than 3.5 trillion yuan (\$524 billion) in assets. He also called for the City of London to open up more of its insurance funds in China to more sectors as their current investments are mostly in London's real estate.

Li Xunlei, vice-president of Haitong Securities Co, suggested the idea of promoting Shanghai-London cooperation on the stock and bond markets.

The heads of some financial institutions also expressed hope that Lujiazui would offer more support in talent development for capital management. Xu Dejie, an official from Lujiazui Financial City, said that the area has already done much in this aspect, including promoting exchanges with London's financial professionals and launching job fairs at UK universities to attract international talents.



More than just a financial hub

Lujiazui business district in Shanghai is striving to turn itself into a rich cultural atmosphere for residents and workers. PROVIDED TO CHINA DAILY

Authorities are hoping to achieve a holistic development of Lujiazui through an infusion of arts and culture

By WANG HONGYI

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The Shanghai municipal government recently announced that it would solicit public opinion regarding its master plan to develop a global city of excellence that is innovative, humanistic and eco-friendly.

"Shanghai is aiming to become a global city of excellence by 2040, one that is an economic, finance, trade, shipping and scientific innovation center, as well as a cultural metropolis," said Zhuang Shaoqin, director of the city's planning, land and resources administration.

Zhuang noted that the development of the city's cultural aspects would be pivotal to Shanghai's future as China's main financial hub.

The authorities for Shanghai's Lujiazui area, one of the most bustling trade and business locations with the highest concentration of financial institutions, shares the same sentiment with regard to cultural development.

"During the period of the 13th Five-Year Plan (2016-2020), our goal is to build

Lujiazui into the world's leading financial hub. Other financial centers around the world, such as New York, Tokyo and London, are not only gathering places for financial trade activities but also hubs for culture and fashion. Lujiazui is striving to turn itself into a financial hub with high cultural quality and tastes," said Wang Hua, head of Lujiazui Financial City Authority.

Home to more than 5,000 emerging financial institutions and companies, Lujiazui has about 470,000 white-collar workers concentrated in an area of 31.78 square kilometers. The need to create a rich cultural atmosphere for the residents and workers of this zone has long weighed on the minds of officials.

In March 2015, the authorities from Lujiazui issued a guideline that aims to improve the cultural environment in Lujiazui. The three-year plan covers various aspects, such as introducing key projects, developing the cultural industry and organizing a series of cultural activities and events.

After more than a year of development, a host of activities have been introduced to



Lujiazui is striving to turn itself into a financial hub with high cultural quality and tastes."

Wang Hua, head of Lujiazui Financial City Authority

150

cultural activities were held in Lujiazui in the first half of 2016

the financial district, including concerts, lectures by professional arts groups during lunch hours, an outdoor arts festival and poetry parties. There was even a singing contest called Voice of Lujiazui, a spin-off of the massively popular *The Voice of China* reality singing contest, that pitted white-collar workers in Lujiazui against one another. The district administra-

tors have also worked with more institutions, such as the Shanghai Symphony Orchestra and the Shanghai Light Music Orchestra, to stage performances in office buildings.

In the first half of this year, more than 150 cultural activities have been carried out in office buildings in the financial district, of which more than 30 were cultural and arts performances. The activities seem to have been well received, with an increasing number of white-collar workers getting involved in the festivities.

"In the past, I would only spend money to buy tickets to a pop concert. Nowadays I actually find myself listening to classical music as well. Such is the influence of Lujiazui's cultural development," said Tao Liang, an employee at Bank of Communications who participated in the first edition of The Voice of Lujiazui, which was held earlier this year.

In addition, cultural industry development projects, such as an international arts products trade center, a cultural industry incubation base and the establishment of a public arts environment, have also been undertaken to enliven

the cultural atmosphere in Lujiazui.

Kuai Dashen, a researcher at the Shanghai Academy of Social Sciences, said, "A city cannot just have a single function. Besides being a financial hub, Lujiazui must also become an ambassador of Shanghai's rich culture."

Kuai, who is also a consultant in the professional committee for development of the national public culture service system, noted that the intent behind creating cultural activities and events in the district is not for entertainment or profit-making. Rather, it is to establish a platform for the cultivation of Lujiazui's cultural characteristics and spirit.

"From a historical development perspective, trade and financial activities are indeed the core of a central business district such as Lujiazui. However, the presence of rich and meaningful cultural experiences can help to better present and amplify the identity of a place. In this regard, the development of the cultural characteristics is a necessary path that Lujiazui has to take," said Xue Yingping, an official from Lujiazui.

Becoming a magnet for top quality talent

By XIAO HONG in Shanghai
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35,000 enterprises

are located in Lujiazui Financial City

As one of the most active trade markets in China, Lujiazui boasts the most comprehensive financial ecosystem in the country, comprising more than 35,000 enterprises, as well as more than 5,000 emerging financial institutions.

There are currently more than 200,000 people working in the financial companies within the business district.

According to the Lujiazui Financial City Authority, the district has constantly strived to attract top talents to the area by optimizing the environment for talent development, establishing innovative service platforms and introducing quality education resources that are of international standards.

One example of these efforts is the asset management program that Lujiazui created with the support of London Financial City and International Capital Market Association.

The program, which shared practical business experiences and imparted knowledge on unearthing potential business opportunities, won praise from participants when it was held in March.

According to industry insiders, the internationalization of the renminbi and the pace of progress in China's capital market development have increased the demand for Chinese investors to carry out global investment.

With the introduction of a series of international investment channels such as QDII, QDLP and QDIE, the era of allocating assets globally has arrived, and this has in turn provided important opportunities for China's leading institutional investors and wealth managers. In order to effectively tap into these opportunities, industry insiders say it is imperative that a system

for global asset allocation is developed.

Following the success of the program, the second round will take place in September, and participants will get to visit leading financial institutions and organizations in London, as well as attend talks where senior management people share their insights about the industry.

Other examples of Lujiazui district's efforts to cater to its talents include the establishment of a committee that is in charge of integrating top financial talents from China and abroad.

The district has also set up an innovation practice base for postgraduate students to promote cooperation between academic institutions and industry.

Earlier this year, the Shanghai Advanced Institute of Finance (SAIF) at Shanghai Jiao Tong University opened its Pudong campus and announced that it has established a strategic partnership with Lujiazui.

According to the agreement, the two parties will work together to promote cultivation of talents by providing more internship and employment opportunities to the society.

"This move will help boost the transformation of Shanghai into an international finance center and at the same time contribute to the growth of the Lujiazui financial zone," said Zhang Chun, deputy president of SAIF.

Some of the existing partnerships Lujiazui has with international players include the one with the Baltic and International Maritime Council (BIMCO) that aims to cultivate talents in the international shipping industry.



Cultural venues featuring art and music can be found all around Lujiazui. PHOTOS BY CHAI SHIJUE / FOR CHINA DAILY



New public arts and performance space to be built in Lujiazui

By WANG HONGYI

in Shanghai

As part of efforts to enhance Lujiazui's cultural and arts atmosphere during the 13th Five-Year Plan period (2016-2020), the Lujiazui Financial City Authority earlier this year unveiled a project to create a brand new public arts space that is poised to become a new landmark in the city.

Located across the Bund, the Lujiazui financial district is one of the busiest business hubs in the world, featuring state-of-the-art establishments including commercial buildings and luxury hotels.

According to the plan, an

arts center situated at the site of an old shipyard in the district will be renovated and redeveloped into an exhibition and performance space by the end of this year.

The project also includes an ambitious public art initiative that involves 43 international artists, and 28 of them will be selected through an open call proposal to contribute modern artworks to this exhibition and performance space.

The organizer will also be soliciting artworks from promising young artists, art institutions as well as universities around the world.

All the artworks will be distributed throughout 40



Various cultural activities and events held in Lujiazui can become an important driver to foster and promote the development of cultural industry."

Kuai Dashen, a researcher at the Shanghai Academy of Social Sciences

art sites within the Lujiazui financial area, along streets and at the entrances of buildings and plazas.

The global call for art is meant to give the world's artists an opportunity to exchange their opinions and spark new and creative ideas, explained Fram Katagawa, who is in charge of this phase of the project. Katagawa is the chairman of Art Front Gallery and the man responsible for Echigo-Tsumari Art Triennale's success.

"Lujiazui is the 'financial heart' of Shanghai, which attracts a large number of financial talents and tourists. Through this project I hope

the district can gather not just work from top artists, but also those by talented young ones," he said.

Katagawa added that the project, which will revitalize the area and revive the memories of the place, will also serve to further present Shanghai's diversity to the rest of the world.

According to a report by Ernst & Young, cultural experience refers to the cultural connotation and culture construction activities at the core of an area. A mature and world-class central business district should not just provide the necessary office facilities and supporting facilities, but also

establish its own cultural connotation that can transform itself into a space that includes comprehensive functions such as work, life and leisure.

The report also noted that the improvement of cultural experiences cannot be achieved in a short span of time and that the standards used to measure a central business district's cultural experience include a series of aspects such as the frequency of cultural development activities and the number of cultural venues available.

"Various cultural activities and events held in Lujiazui financial district can become an important driver to foster

and promote the development of cultural industry," said Kuai Dashen, a researcher at the Shanghai Academy of Social Sciences.

"Lujiazui has a huge potential in cultural consumption, and it has the conditions to cultivate a cultural market," Kuai added.

"With the construction of a number of cultural and arts projects, such as Pudong Arts Museum, Lujiazui Harbor City and Laobaidu Binjiang Area, a high-end cultural industry belt will be formed along the Binjiang and the light of arts will shine over the Lujiazui," said Wang Hua, head of the Lujiazui Financial City Authority.



Weiqiao Textiles based in Shandong province is China's leading exporter of textile products. JU CHUANJIANG / CHINA DAILY

Opportunity in G20 investment

The world's leading economies see great value in doing major deals with Shandong

By JU CHUANJIANG

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Because of the complementary nature of modern industrial structures, investment between Shandong province and G20 members became more active during the first half of this year.

Shandong's investment in G20 members grew rapidly in that period, while businesses from those economies continued to invest in Shandong, with several major new projects landing in the province.

Statistics from the Shandong Commerce Bureau show that in the first half of this year, businesses from Shandong invested more than \$8.4 billion overseas, with 70 percent going to G20 members.

As the global business community is generally optimistic about the investment environment in Shandong, 19 Fortune Global 500 enterprises in G20 members invested in 31 projects in the province in the first half of this year.

"Shandong has many advantages in cooperating with G20 members," said Guo Shuqing, governor of Shandong. "Expanding two-way investment between Shandong and the G20 members has become a win-win measure for both."

According to the bureau's statistics, Shandong's enterprises have invested in more than 4,000 projects overseas in more than 140 countries and regions, and the G20 members have become important destinations for investment from Shandong.

In the first half of this year, Shandong businesses invested in 12 large overseas projects, with investment totaling \$6.39 billion yuan (\$1.04 billion).

On April 1, for instance, the Shandong Ruyi Group announced the acquisition of the SMCP Group in France. The deal cost Ruyi \$1.47 billion.

SMCP mainly operates in the luxury fashion market, owning the Sandro, Maje and Claudie Pierlot brands.

Yanzhou Mining Group, which began investing in Australia 12 years ago, has invested \$4 billion there and obtained 5.3 billion tons of coal resources, with an annual output of high-quality coal of more than 4 million tons. It is now Australia's largest independent coal company.

More manufacturing enterprises have begun to invest overseas, spending \$3.28 billion on overseas projects during the first half of this year. The projects are in energy, mineral products, home appliances, equipment manufacturing, textiles and garments, rubber and chemicals.



Expanding two-way investment between Shandong and the G20 members has become a win-win measure for both."

Guo Shuqing, governor of Shandong

70

percent of Shandong's overseas investment went to G20 members in the first half of this year

In May, a \$1 billion alumina project built and partly funded by China Hongqiao Co went into production in Indonesia. The project is designed to have an annual output of 2 million tons.

Yuhuang Chemical Group invested \$1.5 billion in building a methanol project in Louisiana, in the United States. With annual production capacity of 1.8 million tons, it is expected to begin production in 2017. About 70 percent of the products will be exported to China.

More companies are optimistic about the overseas service industry. In the first half of this year, investment from Shandong enterprises in the foreign service sector reached \$2.89 billion, 3.9 times more than in the same period last year, according to the bureau of commerce.

Yantai Nanshan Group bought \$170 million worth of shares in Virgin Australia Holdings Ltd, a low-cost air carrier.

Meanwhile, more enterprises from G20 members have increased their investments in Shandong.

In the first half of this year, Shandong attracted \$9.38 billion in actual foreign investment, an increase of 8.1 percent year-on-year. Investment from European Union countries totaled \$1.04 billion, twice

the amount in the same period of last year. Of that amount, German companies pledged and actual investments in the province increased by 5.7 times and 8.1 times.

According to the commerce bureau, by the end of 2015, 203 Fortune Global 500 enterprises had invested in 642 projects in Shandong, with \$15.3 billion worth of agreed investments. Of these projects, 80 percent are from G20 members. Last year, sales revenue generated from these projects totaled \$33 billion.

"Projects from Fortune Global 500 enterprises help promote industrial upgrading and economic restructuring in Shandong," said Li Guangjie, director of the Shandong Academy of Social Sciences Institute of International Economy.

Shandong has become a hot investment destination for South Korean enterprises. Nearly 5,000 South Korean companies — including Samsung, SK, LG, Lotte, Doosan and Hyundai Heavy Industries — have invested in the province.

Samsung's printer production base in Weihai produces 10 million printers every year, and is now the company's largest overseas production facility. Doosan has invested in a project in Yantai that has made that city China's largest excavator production base.

Trade specialists a boon to local enterprises

By ZHAO RUIXUE

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714

billion yuan the value of Shandong's foreign trade in the first half of 2016

2.4

percent the year-on-year growth of foreign trade for the same period

Despite a global economic slowdown, Shandong province's new trade facilitation measures have led to a 2.4 percent year-on-year increase in foreign trade in the first half of this year.

"Among the top 10 provinces in foreign trade, Shandong is the only one that had growth in the three areas of trade volume, exports and imports," said Lyu Wei, deputy chief of the Shandong Commerce Bureau.

Statistics from the bureau show the province's foreign trade totaled 714 billion yuan (\$107 billion) in the first half of this year. Exports amounted to 417.79 billion yuan, a year-on-year increase of 2.7 percent and imports reached 296 billion yuan, up 2 percent.

The growth can be partly attributed to the cultivation of specialized companies which help manufacturers conduct foreign trade business.

Zhang Yi, general manager of Shandong Wanlin Package Co Ltd, had never expected to have such a big market out of China. The company was already a major provider of packages for many Chinese brands, including dairy giant Yili.

Last year, the company assigned its foreign trade business to Jinan Qingong International Trade Co Ltd, a provider of comprehensive foreign trade services.

"Qingong is like a manager for us," Zhang said. "It not only brings us more orders from new markets, but saves us a lot of costs in conducting foreign trade."

Qingong is one of 21 leading enterprises in Shandong that provide foreign trade services.

During the fourth session of the 12th National People's Congress in March, Premier Li Keqiang called for the development of enterprises that provide comprehensive foreign trade services.

Since then, the local government launched measures to encourage comprehensive foreign trade companies to provide import and export services for manufacturing enterprises so that they can focus more on production than trade.

"As a new business model, the foreign trade companies have greatly helped the small and medium-sized enterprises in tapping overseas markets," said Cai Peian, an official at Shandong Commerce Bureau.

During the first half of this year, the 21 foreign trade companies' export business reached 8.55 billion yuan.

Shandong has also launched a series of measures to promote cross-border e-commerce. A total of 26.74 billion yuan worth of trade was conducted through cross-border e-commerce platforms during the first half of this year, an increase of 27.3 percent year on year.

Another government measure to facilitate trade has been giving more autonomy to oil refining companies in importing crude oil.

As more local oil refineries have been given approval to import crude oil, those imports reached 22.23 million tons during the first half of this year, generating 38.86 billion yuan in revenue, 2.4 times more than the same period in 2015.

Promoting trade with countries along the Belt and Road routes also helped Shandong's foreign trade grow.

Exports to countries along the routes reached 116.5 billion yuan during the first half of this year, an increase of 11.5 percent year-on-year. Of that, exports to the Association of Southeast Asian Nations increased 8.2 percent and those to Russia increased 64 percent.

Huang Shuren, vice-president of Yantai International Container Terminals Co Ltd, said the number of containers sent to South Korea from the company's terminals saw a year-on-year increase of 10 percent during the first half of this year, thanks to the China-ROK Free Trade Agreement.

Cashing in on the FTA, Shandong has developed China-ROK industrial and demonstration parks in Yantai and Weihai to promote cooperation. Distribution centers for commodities from the countries along the Belt and Road routes have been built in Qingdao, Yantai, Weifang, Weihai, Rizhao and Linyi to boost foreign trade.



Construction machines produced by Shandong Lingong Construction Machinery Co are exhibited at a bauma show in Germany. JU CHUANJIANG / CHINA DAILY



Samsung's printer production base in Weihai is the company's largest overseas production facility. PROVIDED TO CHINA DAILY

Innovation drives Shandong's economic growth

By ZHAO RUIXUE

A privately owned plant that was on the verge of bankruptcy 35 years ago has now developed into a renowned bio-engineering company thanks to its commitment to innovation.

Pointing at piles of corncobs at the company's headquarters, Tang Yilin, chairman of Jinan Shengquan Group, said they were the source of the company's wealth, but if there had been no innovation and technological improvements, the source would have dried up.

"Innovation, research and development are the soul and lifeblood of our company," Tang said, adding that the company spent 150 million yuan (\$22.5 million) on innovation each year in a bid to develop new value from corncobs. Currently, elements extracted from corncobs, such as furfural and fibers have been used to produce more than 100 kinds of products.

Shengquan is among thousands of enterprises, both privately owned and State-owned, in Shandong province that are seeking development through innovation, as the local government encourages enterprises to explore supply-sided reforms.

Statistics from the Shandong provincial government show that 4,156 innovation projects were implemented last year, creating 740 new products and 517 new technologies.



Workers assemble a Foton car at the company's plant in Weifang. Production at the facility is projected to reach 2 million units by 2020. WANG QIAN / CHINA DAILY

Thanks to their efforts, 135 enterprises in Shandong saw their revenues exceed 10 billion yuan (\$1.5 billion) last year, of which nine exceeded 100 billion yuan. Fifty-one Shandong-based enterprises have been listed in the top 500 enterprises in China in terms of revenue.

A major part of Shandong's economy, State-owned enterprises are carrying out innovation-driven reforms to better fit into markets.

"Whether an SOE makes a successful

reform depends on whether it can meet the demands of the market and society," said Zhang Xinwen, director of the Shandong State-owned Assets Supervision and Administration Commission.

Since May, the Shandong branch of China National Petroleum Corp has presented a new energy-efficient fuel to users in 12 cities across Shandong. Jointly developed by the Shandong branch and BASF China, the fuel oil is said to be more environmentally friendly.

"In addition to developing new products to meet customers' demands, we are exploring new marketing methods," said Gao Jianping, an executive at the Shandong branch of China National Petroleum. "Innovation is carried out in every area of our work."

Gao said the company is also promoting the fuel online, where sales reached 6 million yuan in May.

In March, Shandong received approval from the State Council to build a national innovation demonstration zone. The zone is designed to cover six high-tech industrial parks in Jinan, Qingdao, Zibo, Weifang, Yantai and Weihai.

In the zone, government intervention will be further reduced to create a more amicable environment for innovation and entrepreneurship, according to local officials.

To attract talent for innovation, the province released a series of measures including financial support, as well as a package of support policies covering children's education, household registration, spouse's work and social security for professionals who work in the province.

Shandong has about 360 postdoctoral research centers for professionals to do R&D in a variety of fields, including new energy, environmental protection, machinery, electronics, petrochemicals, biopharmaceuticals and healthcare.

Setting the stage for sustainable development

Province striking balance between GDP growth and ecological protection

By REN JIE
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Jiangxi province in East China has developed a green economy, controlled water pollution, especially in its rivers, and constructed ecological systems to improve the local environment. Its efforts are very much in keeping with the precepts of sustainable growth and ecological development that is discussed at the ongoing G20 Summit in Hangzhou.

The province has witnessed stable economic growth in the first six months of this year, with GDP growing 9.1 percent year-on-year, according to the provincial statistics bureau. Its total GDP was more than 782 billion yuan (\$117 billion), the bureau said.

Jiangxi's GDP growth was above the national average level, which stood at 6.7 percent in the first half of this year.

The province's stable economic growth is in line with the precepts of environment governance and ecological protection.

Jiangxi's ecological environment has also been rated highly, and the forest coverage in the province remains above 60 percent.

The local government aims to make Jiangxi a model for other provinces in ecological protection and overall development. "The key is to establish ecological systems that benefit society," said Lu Xinshe, Party chief of Jiangxi.

To this end, the government has invested heavily in water resources protection, and worked to create a business environment where the green economy can flourish, and its efforts are showing signs of success.

Lai Guogen, vice-mayor of Yichun, said the city used natural methods to ensure the cleanliness of the water in its 1,830 reservoirs: a range of fish species capable of keeping the reservoir clean were added and efforts to develop naturally.

"We cannot wait until the water becomes polluted before we take action," Lai said.

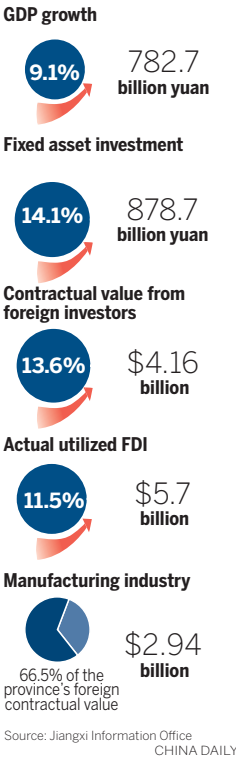
In Nanchang, the provincial capital, the government has prioritized the restoration of the ecological system of rivers, lakes and wetlands.

More than one-third of the capital's area is covered by rivers and lakes, and the government has invested around 20 billion yuan to improve the environment around its rivers



A staff member at New York listed Jinko Silicon, which is based in Shangrao, Jiangxi province. The province has strengthened efforts to develop the high-tech sector in a bid to better preserve its ecology and environment. ZHUO ZHONGWEI / FOR CHINA DAILY

Jiangxi economy gains momentum in H1



and lakes, and build artificial wetland systems to help restore the lakes' ability to self-purify.

A wetland park was established around the lake, making it an ideal environment for birds and a magnet for tourists.

The government's investment in sustainable ecosystems has helped the province maintain its steady economic growth, and the province has also become a hot spot for foreign direct investment.

In the first half of this year, more than 330 overseas businesses decided to invest in Jiangxi, with total contract value of \$4.16 billion, up 13.6 percent from the same period last year, the statistics bureau said.

The province's actual utilized foreign direct investment was \$5.7 billion, rising 11.5 percent year-on-year, and it has grown for six consecutive months.

More than \$3.8 billion of FDI went into the manufacturing industry with contractual value of \$2.94 billion.

The communication equipment and electronics manufacturing industries also saw significant funds.

The growth of industrial added value in the first six months of this year also increased 9 percent to 328.1 billion yuan, according to the

statistics bureau said.

In addition, the government has encouraged enterprises and businesses to develop a green economy, which includes developing the tourism sector, and activities such as planting cost-effective crops and building photovoltaic power plants.

Green development

Wanli district in Nanchang, near Poyang Lake, one of the key lakes in the province, has a history of environmental pollution due to the local focus on animal husbandry.

With more than 600 pig farms covering the district, the lake became polluted and forest areas were decimated. In 2009, the government began encouraging local people to protect the lake and forests and it began developing the eco-tourism sector.

The pig farms have now been replaced by new forested areas, and the coverage rate now stands at 73 percent. More than 3 million tourists visited Wanli in the first six months of this year, bringing in around 1.1 billion yuan.

Locals living close to Poyang Lake have found other ways besides the tourism industry to improve their livelihood thanks to the country's green initiatives.

The growing number of visitors has led to the increasing popularity of local specialized

products, such as gorgon fruit, which comes from an aquatic plant.

The fruit is said to have anti-inflammatory properties but it requires abundant clean water in order to thrive.

Thanks to local government measures, the fruit is being extensively cultivated in the county of Yugan.

"The income from one planting of gorgon fruit can double that from two plantings of rice," said Liu Shanyu, an official with the Yugan local government.

"The county began to expand the planting of gorgon fruit in 2014, and this year the planting area will hit 13,333 hectares. Some investors have injected 500 million yuan to build an industry garden," he said.

In the first half of this year, Jiangxi's foreign trade improved despite the sluggish global economy. The total import and export value was 138 billion yuan, almost equaling last year's figure, according to the provincial statistics bureau.

The export value was 107 billion yuan, falling 4.2 percent year-on-year, but the decline was less severe in the second quarter.

Exports to the United States, one of the province's major trade destinations, increased 7.2 percent year-on-year.



Start off for Red Trip

An AC311A manufactured by the Aviation Industry Corporation of China prepares to take off on Aug 16. The helicopter's trip marked the inauguration of AVIC's helicopter flight from Nanchang, capital of Jiangxi province, along the route of the Long March, which it has introduced to commemorate the 80th anniversary of the Long March. PROVIDED TO CHINA DAILY

Building more than roads in its steps to wealth

By REN JIE

Transportation is one of the key challenges facing countries as they attempt to combat the current global economic slowdown.

It is one of the issues discussed by the G20 leaders that are gathering in Hangzhou to iron out innovative approaches to boost global trade.

As an old Chinese saying goes, *yao xiang fu, xian xiu lu*: Building roads is the first step to wealth.

East China's Jiangxi province has introduced a number of innovative measures to improve its transportation infrastructure and boost its economy, and such steps might be instructive for world leaders in their deliberations.

It is aiming to develop its comprehensive and multifunctional transport networks through promoting aviation, high-speed roads and railways, ports and shipping channel construction.

Aviation

With planned total investment of around 10 billion yuan (\$1.5 billion), Huaxia Jiuzhou General Aviation Co held its opening ceremony in Nanchang, the capital city of East China's Jiangxi province, on Aug 16.

Huaxia Jiuzhou, whose registered capital is 400 million yuan, becomes Jiangxi's fourth general aviation company, following Changjiang General Aviation, Jingdezhen branch of Shanghai Heli General Aviation and Tianxiang General Aviation.

The founding of Huaxia Jiuzhou is an important step in the province's plans to develop a local civil aviation industry. Among the plans are proposals to open around 20 general aviation airports by 2020, with a projected total income of up to 40 billion yuan.

"Jiangxi will lead the country's general aviation manufacturing industry, and become a regional center providing general aviation services," said Yang Guiping, director of Jiangxi office of Science and Technological Industry of National Defense.

"The number of businesses operating in the general aviation sector in the province will increase to 15 by the end of 2020, with the number of registered general aircraft exceeding 200," Yang added.

In addition, the Jiangxi government has cooperated with the Aviation Industry Corporation of China to build the province into a national general aviation center.

Road and rail

The two new expressways that opened to traffic in January mean there are now 5,088-kilometers of expressway in Jiangxi, which is close to the province's year-end goal, which is to have in operation more than 6,000 kilometers of high-speed roads.

By the end of last year,



Jiangxi will become a regional center providing general aviation services.

Yang Guiping, director of Jiangxi Office of Science and Technological Industry of National Defense

Jiangxi had invested 223 billion yuan to develop its traffic infrastructure, said an official with the provincial department of transportation.

In addition, the expressways have improved Jiangxi's connection with other provinces, allowing people to travel from Nanchang to other nearby provincial capitals by expressways within five hours.

During the 13th Five-Year Plan period (2016-20), the government will focus on updating the major expressways that connect with other provinces and improving public services.

"Jiangxi will promote collaboration with cities and provinces in the Yangtze River Delta," said Li Qinghong, a member of Jiangxi Development and Reform Commission.

The province will use the Hukun (Shanghai-Kunming) High-Speed Railway to promote the tourism, logistics and cultural sectors, Li added.

Shipping and ports

Jiangxi will construct a multifunctional river transport network that will allow it to gain maximum benefit from its rich marine resources.

The province will promote its water transportation abilities through the construction of shipping channels and ports, said Wang Aihe, an official with the Jiangxi transport department.

"By the end of 2020, Jiangxi will have constructed 795-kilometers of high-level shipping channels," Wang added.

In addition, the province will strive to provide strong transportation support for the Yangtze River Economic Belt.

The Port of Jiujiang will be constructed to have a freight-handling capacity of more than 100 million tons, and the Port of Nanchang will have a similar freight-handling capacity.

School breaks mold to prepare students for ever-changing world

By REN JIE

Xiao Li is one example of a student that has benefited from the forward-looking and innovative vocational education on offer in the city of Xinyu, Jiangxi province.

Xiao knew that in order to be properly prepared for the modern workplace, he needed both a practical and a theoretical education. It was this blend that gave him the confidence he needed when it came to securing a decent job after leaving school.

Studying at the Jiangxi New Energy Technology Institute in Xinyu and majoring in photovoltaic materials, Xiao was one of the 190 students at the school that took part in an apprenticeship pilot program to work for a number of well-known new energy enterprises, such as LDK Solar, Risun Solar Energy and Jinko Solar.

The students were paired with experienced mentors at the companies, who taught



Students hard at work at Jiangxi College of Engineering. More than 500 companies have cooperated with the college and 163 practice and training bases have been built outside the college. PROVIDED TO CHINA DAILY

them skills not found in textbooks.

Jiangxi New Energy Technology Institute is not, however, the only school that sends students to enterprises to work as apprentices.

Since Xinyu began promoting the apprenticeship pilot program in 2011, seven colleges and institutes in the city and 13 companies have

participated in the program.

Roughly 600 students in 11 major subject areas have benefited from the program, according to Hu Shaohua, Party chief of Xinyu Education Bureau.

Xinyu has also tried many other ways to strengthen the links between enterprises and vocational schools.

Twenty-seven training

classes were jointly run by 21 companies and vocational schools, which aimed to train talent according to enterprises' specifications.

Vocational schools have also worked to modify and develop their curricula to meet the changing needs of employers. Some companies have even built plants and production lines on school campuses to facilitate even closer links and improve training and education.

More than 500 companies have cooperated with the Jiangxi College of Engineering and 163 practice and training bases have been built outside the college.

Computer manufacturers Great Wall and Hasee opened plants in the school in order to enhance cooperation and forge closer links with students and potential future employees.

The college has, in collaboration with enterprises, launched a number of training classes to prepare

students for jobs in hot sectors. Students have then been employed directly by those enterprises on completion of their courses.

More than 1,000 students studying photovoltaic technologies have been employed by collaborating new energy businesses since 2008.

In close cooperation with technological enterprises such as China Mobile, Huawei, Haier Group and Foxconn, Ganxi Vocational Institute of Science and Technology began offering courses including robotic technologies, finance, and law and digital media, and trained students according to enterprises' requirements.

Xinyu has witnessed huge growth in the vocational education sector as schools look for more innovative methods to prepare students for a rapidly-changing economy.

To date, 11 vocational schools in Xinyu have trained more than 300,000 skilled workers, said Hu.

Local model offers possible solutions to global problems

Innovation and imagination pay dividends as they show how economy can be boosted

By XIE CHUANJIAO
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As G20 leaders meet in Hangzhou to discuss potential reforms to the global financial system amid the current economic slowdown, a coastal city in East China's Shandong province could provide them with plenty of material for discussion.

The city already has a foreign advocate in the shape of former French prime minister Dominique de Villepin, who attended the China Wealth Forum held in Qingdao in early June.

After touring the city, he noted: "Qingdao's financial reform will stimulate financial innovation and reform in Shandong — and even across China. Qingdao's geographical closeness to Japan and the Republic of Korea, its historical connection with Germany and its great potential in many economic sectors expand the space for investment."

"The financial service that stresses sharing is a key factor. I believe in the importance of innovation and cooperation."

The development of the financial sector in Qingdao is giving a major boost to its real economy.

By the end of the second quarter, the total amount of direct financing, including initial public offerings and bonds, reached 71.9 billion yuan (\$10.7 billion), increasing by 50 billion yuan year-on-year, according to sources at the Qingdao Financial Affairs Office.

A total of 353 companies have been listed on the Qingdao Blue Ocean Equity Exchange, a regional equity trading market.

There are also many other overseas projects receiving financial support from the city.

The Bank of Communications Qingdao Branch joins the Banco BBM Bank in Brazil in offering financial services totaling \$90 million to support CRRC Qingdao Sifang's railway project in Sao Paulo, Brazil.

The Bank of China Qingdao Branch has granted non-financing letters of guarantee with a total value of 24 million yuan to Qingdao Huijintong Power Equipment, beefing up its market growth in Pakistan, Myanmar and Canada.

Qingdao has long prioritized inclusive financing to ensure the sector benefits the majority of its increasingly well-off residents.



Former French prime minister Dominique de Villepin (right) talks with Qingdao Party chief Li Qun during the 2016 China Wealth Forum, which was held in Qingdao from June 4 to 5. PROVIDED TO CHINA DAILY



A panoramic view of Qingdao in East China's Shandong province which is determined to become a leading wealth management city. YAN ZHENDONG / FOR CHINA DAILY

Financial sector set to drive city to regional hub

By XIE CHUANJIAO

In June, Haier Group, a leading maker of home appliances headquartered in Qingdao, Shandong province, completed the purchase of GE Appliances for \$5.58 billion. Sixty percent of the purchasing fund was backed by China Development Bank's Qingdao Branch.

The deal highlights the increasing strength of Qingdao's financial sector as the city moves full steam toward its goal of becoming a significant wealth management hub.

In February 2014, the city was approved by the State Council, China's cabinet, to build the Qingdao Wealth Management Financial Comprehensive Reform Pilot Zone.

"Qingdao's financial sector has been growing rapidly since 2014, with the support of the central government and the city's already developed economy, sound infrastructure and appealing living environment, as well as a slew of rapidly-implemented reforms and measures," said Zhang Xinqi, mayor of Qingdao.

London-based research institution Z/Yen Group announced as it released the Global Financial Centres Index in April that Qingdao now ranks 79th among the world's leading financial centers.

As of the end of June, profits generated from its financial sector hit 29.4 billion yuan (\$4.4 billion), increasing 8.5 percent year-on-year.

The financial sector contributed 6.5 percent of Qingdao's gross domestic product.

Total loans and deposits in local

29.4

billion profits generated from the financial sector during H1 of 2016

banks hit 1.26 trillion yuan, and 1.4 trillion yuan respectively, rising 13.1 percent and 11.49 percent respectively. Meanwhile, the ratio of nonperforming loans dropped 0.3 percent to 1.74 percent.

The insurance sector's accumulated premiums reached 19.1 billion yuan, a 45.2 percent increase compared with the same period last year.

"The central government has given its full backing to Qingdao's financial reforms, which has played a significant role in the achievements we have made," Zhang said.

More than 50 new financial policies have been introduced in Qingdao, including mortgaging patents to obtain loans which benefit small and medium-sized technology companies with financing, and pilot schemes for QFLP (qualified foreign limited partner) and QDLP (qualified domestic limited partner), enabling overseas investors to convert foreign currencies into yuan for private equity investments in China and raise funds to invest abroad.

In June 2015, Qingdao became the first of China's pilot cities allowing domestic companies to obtain loans in renminbi from banks in the Republic of Korea.

Guo Qiang, general manager of Sinopal, a local company which was



QINGDAO NEW LOANS IN H1 2016



Key projects in Qingdao grew by 10.3 billion yuan, up 67.42 percent year-on-year



Projects of affordable housing for local residents grew by 18.98 billion yuan, up 112.42 percent year-on-year



Ocean economy, strategic emerging industries, including ports, wind power and rail transportation sectors hit **21.4 billion yuan**

Source: Qingdao Financial Affairs Office
ZHOU YANG / CHINA DAILY

among the first to adopt this new financing channel, said the measure has given the company new access to low-cost financing. The interest rate in China is about 4.5 percent, while in the ROK it ranges from 3.8 percent to 4 percent.

The range of new measures have led to the establishment in Qingdao of the first foreign-owned wealth management company and first asset-financing consumption company.

There are now 229 financial institutions operating in Qingdao, 25 of which have legal representatives. There are nearly 500 financial companies in various forms, including asset management companies.

Adjacent to the picturesque Laoshan Mountain, Jinjialing Financial Zone was chosen as the core area for the Qingdao Wealth Management Financial Comprehensive Reform Pilot Zone.

Over the past two years, it has grown rapidly and is on course to realize its goal of joining China's leading financial districts. It has attracted more than 170 funds, raising more than 100 billion yuan.

Wang Zhengrong, general manager of Shandong Financial Asset Management Qingdao, recently moved into his new office in the CMB Tower in Jinjialing.

"Many financial institutions are swarming to build operations in the area because of its natural environment, infrastructure, preferential policies and the atmosphere of dynamic growth in the financial sector," he said.

国家财富管理金融综合改革试验区

财富青岛

FORTUNE QINGDAO

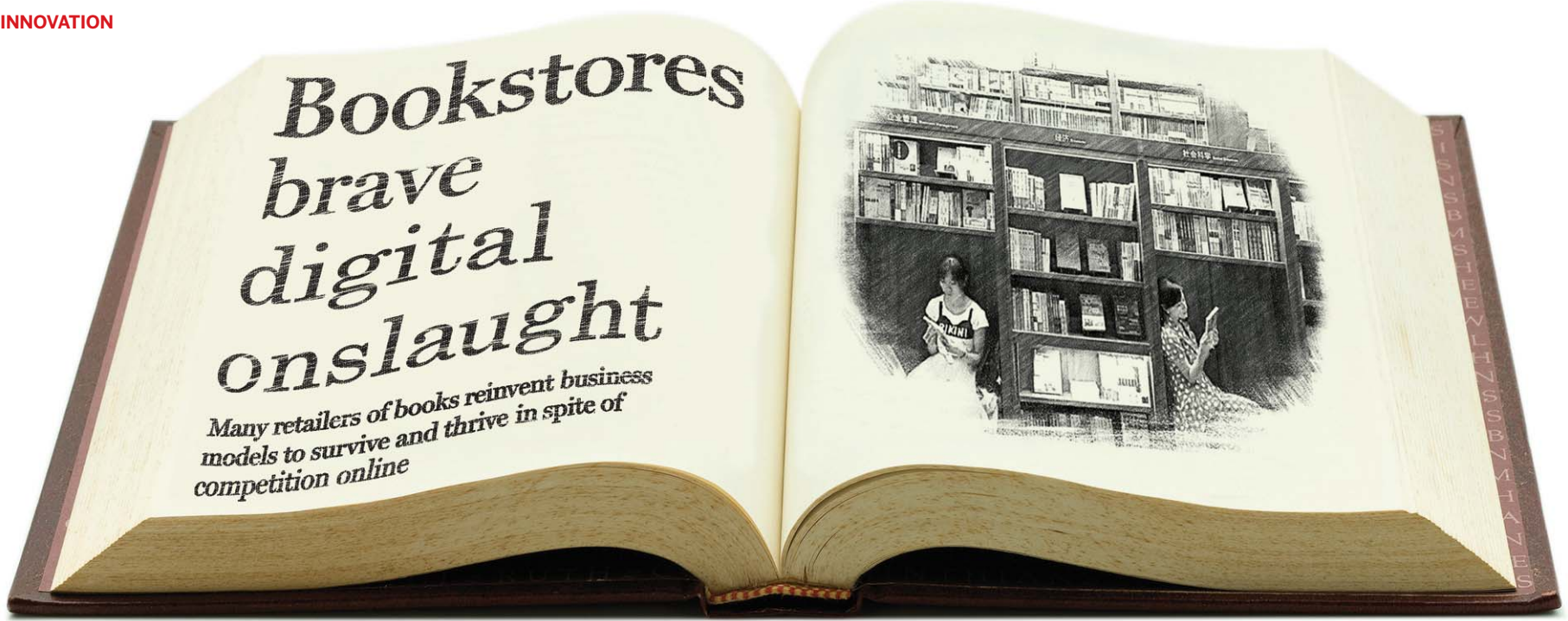
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China Wealth Management Financial Comprehensive Reform Pilot Zone

青岛市金融工作办公室
Qingdao Financial Affairs Office

青岛市人民政府新闻办公室
Information Office of Qingdao Municipality

INNOVATION



WANG XIAOYING / CHINADAILY

By WU YIYAO in Shanghai
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Every Saturday, accountant Liu Xincheng, 28, makes special efforts to reach the SiSY-PHE bookstore in central Shanghai's Joy City, a commercial complex, earlier than other customers.

"You have to arrive there early in order to secure a (good) place to read or a seat in the cafe within the bookstore. After 1 pm, the entire place is fully occupied, and you have to line up for a seat, for browsing a shelf, and to pay at the counter," said Liu.

The bookstore is divided into three main sections: books area, cultural area and creative products area. In addition, there is a coffee area and a "public study" area for many young readers such as Liu.

"I even bring my date here. We don't talk much because everyone is reading, and each of us just reads the books we pick. But we don't have to buy. It feels good when you can relax, have some quality time, read something and learn something. It does not cost much," he said.

SiSY-PHE is one of the scores of branded bookstore chains in China that has been trying to balance the need to be profitable with the urge to provide a book reader/buyer-friendly environment.

Rents at prime commercial properties have been soaring so much in key cities that many bookstores had to close down. The survivors are juggling costs and benefits, trying to offer more products and services to supplement the high cost of, and low profits from, selling books.

According to a research note from China Galaxies Securities, gross profit of book distributors is about 10 percent, while that on creative products such as notebooks, stationery, T-shirts and canvas bags could reach 50 percent, while bookstore cafes could see 75 percent margins.

Liu Gui, managing director

of JIC Books Investment Ltd, a cultural investment arm of comprehensive investment group JIC Group, said bookstores have been undergoing an evolutionary transition. The 1,500-square-meter bookstore of JIC Books focuses on biographies of business figures, celebrities, statesmen and cultural icons, and hosts a cafe, a function room, a library and a gallery.

"The bookstore is more like a space that attracts people with shared interests, and they can talk, appreciate art, listen to music, and hold meetings. It can serve as a gallery that displays creative works, and it can offer space for forums and salon. It is no longer just a pure-play bookstore. It is 'bookstore plus', offering a comprehensive space for guests," said Liu.

In Hangzhou, JIC Books cooperates with a trust company to function as a "book plus financial" destination, or a community targeting guests who need wealth management services.

In Wuxi, the bookstore is located in a hotel, thus becoming a meeting spot for the "book plus tourism" community mainly comprising tourists. In Beijing, the bookstore opened in a lifestyle complex targeting retirees, adopting a "book plus lifestyle" model, said Liu.

"I believe if such models work well, more capital will enter the market to help bookstores grow," said Liu.

Bookstores worldwide have had a difficult time during the 2008 Global Financial Crisis, and have been recovering since the past two years, with some outperforming others. But all the market players have been pondering how they could battle the electronic books or e-books, online sales, and e-book readers... all these mean there are fewer readers and lower sales at brick-and-mortar bookstores.

Barnes & Nobel, the largest book retailer in the US, is



A girl tries her fingers at a chess-like board game designed to develop children's intelligence, at an Eslite bookstore in Suzhou, Jiangsu province. XU CONGJUN / FOR CHINA DAILY

Three main versions: X + books versus internet-based outlets

Bookstore 1.0: Pure play in books.

Business model: Income/profit comes mainly from book distribution, or sublease of some retail space to stationery sellers.

Ownership: Usually family-owned, private enterprises or small-sized businesses. Plus State-owned bookstore chains. Attached to universities or publishers.

Location: Found often at owner's own property, or as a small outlet leased from a landlord, or on a street of bookstores. Some bookstores also serve as textbook outlets attached to schools and publishers.

Example: Xinhua Bookstore

Bookstore 2.0: Books plus X.

Business model: Income/profit comes mainly from sales of X,

not books that are part of the overall offerings at places like, say, a coffee house or a retailer of cultural and innovative products (such as a gift store, souvenir store or a branded stationery outlet). Income also comes from membership fees of a reading club at the premises and sales of tickets to book-reading events. Distribution of books contributes a small amount to sales revenue and profit.

Ownership: Various types. Some are seeking venture capital for expansion.

Location: Often found in a commercial complex, an office building, or a department store.

Examples: Blencre Beijing, SiSY-PHE and JIC in Shanghai; Librairie Avant-Garde in Nanjing; Xiaofeng Bookstore in Hangzhou.

Bookstore 3.0: X plus books.

Business model: Profit comes mainly from X, be they retail, real estate developer, or professional service provider (such as a clinic, a branded department store, a theater, a wealth management firm). Distribution of books is complementary to the X business in terms of attracting consumers and generating sales. This type of bookstore could also be a sightseeing spot or a tourist attraction.

Ownership: Various types. Some are attached to the X's core business group.

Location: Found often in a commercial complex, an office building, a department store, or the X's core business venue.

Examples: Fangsuo Commune in Guangzhou; Eslite in Suzhou; MUJI in Shanghai.

WU YIYAO

Where book-readers meet business partners

By WU YIYAO in Shanghai
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Zhao Yi, a 20-year-old engineering student from the University of Shanghai for Science and Technology, compares his shopping list for books with his friends in Popular Bookmall on Shanghai's Fuzhou Road. The mall hosts scores of bookstores of various sizes.

The sophomore has four books on his list: *Zero to One*, *The Hard Thing About Hard Things*, *The Innovator's Dilemma* and *Big Data: A Revolution*. All of them are about starting up a business. His friends also have these books on their lists.

Asked why they do not share these books, Zhao said each of these books is like a *Bible* for young students who aspire to become entrepreneurs, and they need to read them over and over. "It's like, you don't share your mobile phone with others," said Zhao.

At Popular Bookmall, shelves for startup self-help books host hundreds of varieties. Guides for writing up business proposals, team-building, marketing, networking are among the most popular categories, said Wang Yue, a shop assistant.

College students who wish to start up their own business are among the most frequent readers/buyers of these books, and sometimes they buy more than ten copies for entrepreneur club members in their college, according to Wang.

The "startups" section in bookstores has also become an "offline" corner for future entrepreneurs to meet their partners, said regular book-readers at bookstores.

Ruan Fang, a 32-year-old developer of mobile phone

“It's like, you don't share your mobile phone with others.”

Zhao Yi, an engineering student from the University of Shanghai for Science and Technology

applications for time management, said that she met her business partner for the first time in a bookstore when she was browsing through a book on application programming. Her 28-year-old business partner Xie Xiaotian was reading a book on marketing.

They both joined a lecture on entrepreneurship in the bookstore, and started conversing about books on starting up. Soon, they found they both wanted to offer time management tools to people. They discovered their skill sets were complementary.

"You are less likely to chat up other readers of fiction, textbooks or social science titles because you may have different interests, taste and goals. But in the 'startups' section of bookstores, you know that everyone is struggling with the same ambition and share the same passion. It is so interesting that books can link up people," said Ruan.

Chen Shaomin, founder of the Beijing-based Blencre bookstore chain, which has more than 20 stores, said that the "community-building power" and the interactions that brick-and-mortar bookstores create are exactly the benefits that online marketplaces for books may not be able to offer.

INTERNET

Line hunts for M&A with \$1.3b IPO war chest, aims to be one-stop shop

By BLOOMBERG in Singapore

Line Corp plans to use part of the \$1.3 billion it garnered from last month's initial public offering to bankroll acquisitions of content and technology, transforming its messaging service into a one-stop shop for Asian social media users.

Japan's most popular messaging service is gunning for companies in areas ranging from artificial intelligence chatbots and advertising to video streaming and games, including those with augmented reality features, CEO Takeshi Idezawa said in an interview.

The Tokyo-based company has assembled a dedicated team to scope out and review

possible targets across the globe. The idea is to build Line into a "smart portal," supplementing its mainstay features of chatting, stickers and games with commercial services such as food delivery, job searches and travel reservations in main markets.

"We are very open-minded about the size and geography" of potential acquisitions, Idezawa said. "What's important is that they are the right fit." Both the business and the talent that comes with it are important criteria, he said.

Messaging services globally have become prime mobile destinations as they incorporate functions beyond simple chatting, such as media streaming and online shopping. Apps like Line and Face-



A customer uses WeChat to pay at a Carrefour outlet in Shenzhen, Guangdong province. CHAI SHIJUE / FOR CHINA DAILY

book Inc's Messenger will evolve into "virtual agents" that provide services well beyond communication in three to seven years, said Julie

Ask, an analyst with Forrester Research.

She said one example of such technology is Amazon.com Inc's Echo, which

550 million

WeChat users globally who use the app for many things like hotel-booking and shopping

deciphers, and acts on, spoken commands. The popular portable speaker can hail taxis or buy more shampoo, by analyzing a user's shopping preferences and history. Tencent Holdings Ltd's WeChat is increasingly woven into the fabric of its about 550 million users' daily lives in at least 200 countries and regions, letting them book hotels and buy products from a single app.

Line has the potential to offer the same and possibly more. Its users in Japan

spend at least five times as much time on the app as they do on Amazon, and their activities range from chatting to reading news and ordering food. That creates data the company can use to better understand its customers. Line in April announced the launch of an AI research lab, and funds from the IPO could allow it to buy startups that speed up development.

Beefing up the platform with more commercial services requires close ties with local partners like retail shops, taxi companies or banks, especially in developing countries such as Indonesia and Thailand. That's where the IPO cash war chest comes in, which may allow Line to invest in joint ven-

tures with local firms or swallow them whole.

"Integrating payments and commerce services — something we've already seen very successfully through WeChat in China — is a big opportunity for messaging apps," said Jack Kent, an analyst with IHS Markit Ltd. "But it's not the same as launching a game or content service, which scales easily. When you're integrating payments, taxi hailing or other forms of retail and commerce services, those are done at a local level."

As part of ongoing efforts to be more than just a messaging app, Line has teamed up with local partners in Southeast Asia such as motorbike taxi

SEE "APP" PAGE 39

Life support zone for innovation

Internationalization strategy seen as way to develop Shandong's high-tech sector

By TANG ZHIHAO
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Established in 1991, Weifang High-Tech Industrial Development Zone has achieved outstanding results in promoting innovation and high-tech industrial upgrading in the past two decades.

However, it took the Shandong-based national development zone a while to get going, according to Chu Baojie, director of communications at Weifang and secretary of the zone's Party Working Committee.

"The zone did not have leading universities and research institutions, and it had some deficiencies in the early days," Chu said. "But we created something from nothing for high-tech industries, and we are now striving to be better connected with global high-tech resources to support innovation in the region."

The zone has established five pillar industries, namely vehicle and equipment manufacturing, acoustics and optoelectronics, bio-technology, software information and new materials, and there are industrial clusters for smart equipment manufacturing, bio-health and semiconductor luminescence products, all of which have played significant roles in supporting the zone's development. There are also 10 industrial parks such as a software park and bioscience park and 26 provincial-level industrial bases in the region.

There are more than 1,000 technology-driven companies in the zone. Among these, more than 50 companies have an annual output value exceeding 100 million yuan (\$14.97 million).

The value of the development zone's high-tech industrial output in the first half of 2016 was 23.9 billion yuan, up 24.1 percent year-on-year, and fixed asset investment in the zone has increased 13.4 percent year-on-year.

In April 2016, the development zone obtained approval from the central government to upgrade to a national independent innovation demonstration zone.

Innovation platform

Blue Wisdom Valley is the technological hub in the zone. Decision-makers developed a "3+1+N" model to encourage research institutions to work with businesses to develop products based on real market needs.



The three refers to the three incubators in the valley, which are Yanyuan High-Tech Park, supported by Peking University; the CAS (Weifang) Innovation Park and Tuspark Innovation Park supported by Tsinghua University Science Park.

"Weifang is the only city in China apart from Beijing to have three innovation incubators," said Zhang Longjiang, deputy director of the zone's administrative committee.

The one refers to an international innovation support platform jointly developed by the zone and some of the world's leading business incubators.

The N refers to the valley's many development institutions, including the China Academy of Machinery Science and Technology.

Industrial pioneers

Aiming to enhance the vitality of businesses, the zone encourages companies to seek opportunities in overseas markets and attract foreign talents. A fund was established to support companies' global expansion strategies.

Shengrui Transmission Co's front-engine and front-drive 8AT transmission was granted a First Class National Science and Technology Progress Award issued by the Chinese Academy of Sciences on June 30.

The transmission, developed by the company in 2015, is the first of its kind in the world, according to Shengrui. The concept is from Germany, the engineering technology from the United Kingdom and the management skills of Japan. Shengrui is capable of producing 100,000 8AT transmissions annually. The development of the 8AT broke the monopoly of foreign transmission manufacturers in the Chinese market.

GoerTek, a leading electro-acoustic components and electrical accessories solution provider in the zone, acquired a 12.5 percent interest in the smart wearables company Mobvoi Inc in July, 2015.

The company is strengthening its innovation capabilities



A technician assembles a product at Shengrui Transmission Co's 8AT production line. The company in the Weifang High-Tech Industrial Development Zone broke the monopoly in the Chinese market of foreign transmission manufacturers. PHOTOS PROVIDED TO CHINA DAILY

HIGH-TECH ZONE LEADS REGIONAL CREATIVITY AND DEVELOPMENT



78

projects

have broken ground or continued construction in the first half of 2016



36

projects

are up for examination and approval



13.4

percent

increase in investment in fixed assets



24.1

percent

increase in high-tech output value



14

percent

increase in the zone's total industrial output value

ties by establishing research and development centers in countries including Denmark, Finland, South Korea and the United States. Samsung and Apple both use products from GoerTek.

International outlook

"The foundation for innovative technology is people, so the zone strives to attract and retain talent," said Song Chifeng, director of the zone's administrative committee. "We also accelerate commercialization of their research results."

Companies in the development zone have established over 100 representative offices, marketing centers, and research and development centers in overseas markets.

The number of international trademarks registered by businesses in the zone had reached 721 by the end of August.

The development zone will continue to support innovation and the development of high-tech industries by promoting further internationalization.



... we created something from nothing for high-tech industries ..."

Chu Baojie, director of communications at Weifang and secretary of the zone's Party Working Committee

520m yuan

the amount the development zone plans to invest in 2016 in 30 lifestyle enhancement projects in seven areas, as its first phase

Incubators help nurture startups so they thrive

By ZHUANTI

Virologist Zhang Guohua decided to base his bioscience business in Weifang High-Tech Industrial Development Zone after he visited the public service platform in the Weifang Biomedical Industrial Park in 2011.

Zhang, chairman of the board of MGD Biotech Co, said that the service platform has all the necessary equipment and facilities required to turn research results into reality. For instance, it includes a business accelerator, pilot platform, academic communication center and facilities to attract and retain talent. The zone also provides financing, tax and legal services to companies based on their needs.

The development zone is making a name for itself among high-tech businesses in China for its well-established innovation support.

"Businesses need support in their initial stages. The zone is a well-equipped support platform which can save millions of yuan for startups," Zhang said.

The zone's Weifang Biomedical Industrial Park has 93 businesses in incubation programs, and in the past few years, 32 companies have successfully completed incubation programs. It is also home to 17 large-scale businesses, including Wohua Pharmaceuticals and Top Sunshine Group.

The development zone has four national-level and three provincial-level business incubators to support the development of high-tech companies. Nine technological service platforms have been developed to support industries such as optoelectronic and bio technologies.

Apart from Weifang Biomedical Park, the zone is also home to Blue Wisdom Valley and Software Park Mass Entrepreneurship Space.

"Our goal is to foster leading innovative individuals and companies," said Ma Xiangkun, deputy director of the human resources department of the zone's Party Working Committee.

The local authorities established a talent service office in the Administrative Service Hall of the zone to



Virologist Zhang Guohua (right) observes a sample of probiotics with his assistant.

provide consulting and program application services to talents.

Supporting policies to provide residences, health services and education for their children have been introduced to retain expertise.

"All those are necessary to attract talent," said Hou Peng, director of the talents service office of the zone's human resource department.

The development zone introduced a new talent-support plan in 2016 to provide more financial support to talent.

"We want to strengthen the zone's ability to attract talent with our supporting policies and premium environment for talent development," Ma said.

The zone invested 1.8 billion yuan (\$270 million) to develop a technological financial service park that boasts 147 financial institutions.

The zone has exhibited strong vitality in recent years thanks to such policies.

Overseas expansion reaps rewards for Weichai Group

By ZHUANTI
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Weichai Group, a major manufacturer of engines for heavy-duty trucks and construction machinery in China, hopes overseas investment will support its growth in coming years.

Oversupply has become a major problem for many Chinese heavy-duty truck manufacturers, and the company is looking to overcome the challenge by expanding overseas.

"The most urgent challenge facing China's heavy-duty truck makers is oversupply," said Tan Xuguang, chairman and chief executive officer of Weichai.

In late June, Weichai's German branch company Kion announced plans to acquire US logistics company Dematic for \$2.1 billion, the latest move in Weichai's global strategy.

Tan said the acquisition will help Weichai reduce dependence on domestic government investment projects and promote overseas expansion to relocate its capacity.

"A global network that covers Europe, America, Asia and

Africa will be established after we acquire Dematic," said Tan. "We are confident this can help solve the oversupply problem."

Weichai has made huge inroads into the global market since 2009.

In 2009, Weichai acquired Moteurs Baudouin SA in France. It acquired a 25 percent stake in the world's second-largest forklift maker Kion Group, based in Germany, for 467 million euros (\$522 million) and a 70 percent controlling stake in Kion's subsidiary Linde Hydraulics for 271 million euros in 2012.

"We are expanding in both directions along the industrial chain," Tan said. "Synergy is always a factor that must be considered before we make any purchase."

Tan said Weichai acquired its stake in Kion because Weichai can partner with the latter to support its engine business. Dematic will supplement Kion with its leading software and logistic services.

The investment in Kion is proving to have been a good decision. According to Weichai, overseas income



Workers operate a Kion hydraulics production line. Weichai Holdings Group purchased a 25 percent stake in the company in 2012.

accounted for 57 percent of the group's 100 billion yuan (\$15 billion) total revenue in 2015, with the majority of overseas income from Kion.

However, not every invest-

ment has been so profitable. Weichai purchased a majority stake in Italian yacht maker Ferretti in 2012, but it has only started returning a profit this year.

Xu Hong, Party chief of Weichai, said even though some of its overseas investments have not developed as expected, Weichai had to seek new areas of business.



A global network that covers Europe, America, Asia and Africa will be established after we acquire Dematic."

Tan Xuguang, chairman and chief executive officer of Weichai

Its strategy seems to be working as Weichai's sales revenue increased 7.1 percent year-on-year to 21.8 billion yuan in the first quarter of this year. The net profit of the company is 760 million yuan, a 50 percent year-on-year increase.

MANAGEMENT

Connecting strategy and execution

Paul Leinwand of Strategy& says firms going global need to build their ‘capability’

By OUYANG SHIJIA and MENG JING

With China's economic growth slowing, it is becoming increasingly important for Chinese companies to gather new capabilities and gain more customers, said Paul Leinwand, a senior partner of Strategy&, PwC's strategy consulting business.

In his definition, a capability is a combination of processes, tools, systems, knowledge and people that create a very specific output for a company.

Leinwand is a thought leader on strategy, growth and capability building. Three of his books were published by Harvard Business Review Press. His take on slowing growth is that profitability of Chinese companies will slow as well. The right response to that would be not to cut prices to meet growth targets but to instead focus on building capability, he said.

“Any company, if it really wants to win, needs to deliver something unique to customers, something better than anyone else can provide,” said the Chicago-based Leinwand.

During his recent China visit, he said that two-thirds of executives surveyed said their organizations do not have the capabilities to support their strategy.

“Capability is very distinct to what that company is doing. Actually, there is no one or two capabilities that any company should have. What companies need to do is to make sure they are clear



Leinwand says that there are lots of opportunities for Chinese companies to offer differentiated products and services to the rest of the world. STRATEGY& / FOR CHINA DAILY

“Any company, if it really wants to win, needs to deliver something unique to customers...”

Paul Leinwand, a senior partner of Strategy&, PwC's strategy consulting business

about what they are making for the customers and what capabilities they need to execute that strategy,” he said.

According to him, there are lots of opportunities for Chinese companies to offer differentiated products and services to the rest of the world, despite the rising labor cost in China that seems to have weakened the price advantage of made-in-China products.

“I think it's important for companies to recognize what they are good at and which market would value

the type of differentiation.

“The biggest mistake most international companies make is that they have the sort of sense their business should be equally around the world. Before entering a new market, Chinese companies need to understand what that market values, who are the other competitors in the market and what capabilities they would need (in order to succeed).”

In his new book *Strategy That Works: How Winning Companies Close the Strategy-to-Execution Gap*, he dis-

cusses practices for connecting strategy and execution used by 14 successful enterprises, including Haier Group, a major home appliance maker in China.

In Haier's case study, he describes how a company actually evolves as it adopts capabilities. In his opinion, Haier kept its promise to its customers that it will make customized appliances.

He cites the instance of how Haier evolved its products based on customer demand. In the 1990s, when Haier accidentally found that

many of the farmers in Southwest China's Sichuan province used its washing machines to wash potatoes, it spotted a potential rural market for a new device and went on to produce a potato-washer.

“Haier grows around its identity rather than seeking growth in different places where it does not have advantages,” he said.

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Bookstores: Future business models grow

FROM PAGE 37

library, a Starbucks coffee shop and even a pet care center.

Cheng Sanguo, CEO of Book-Dao.com, a publishing and book market intelligence information platform, said the future of bookstore is “X plus books”.

“Reading is a solid demand but you don't have to read a book just in a bookstore. You can grab a book when waiting in a hospital, or choose a recipe when shopping groceries. I

am quite impressed with the model that MUJI, a Japanese zakka — it's a fashion and design phenomenon — store, follows. In MUJI you have food, clothing, bedding, furniture, coffee and interior designs.

“Buyers of these can always extend their shopping to lifestyle books. This is what we call the 3.0 version of a bookstore. If investors are interested in entering the book distribution market, bookstore 3.0 is a good option,” said Cheng.

App: Line teams up with Southeast Asian partners

FROM PAGE 37

on-demand service Go-Jek in Indonesia. In April, it also entered a joint venture with a Thai firm that enables users in the country to pay for subway rides, restaurant meals and online shopping through its app.

Last year, it partnered with a Visa Inc. subsidiary to bolster payment security, and bought a Japanese startup that provides payments software. And in January, it acquired another Japanese startup to strengthen its advertising on mobile devices.

While Line is the most popular chatting app in Japan, it's runner-up to BlackBerry Ltd's messaging service in Indonesia, a country with a population of at least 253 million. Idezawa said he will continue to focus on Southeast Asia, where the number of Line's monthly active users has risen in recent months, with a focus on winning the top spot in Indonesia.

71 percent

of Android devices are installed with Line in Indonesia. Line is the most popular chatting app in Japan

In Indonesia, Line is installed on 71 percent of Android devices, behind BlackBerry Messenger's 86 percent, according to researcher SimilarWeb. Besides beefing up marketing, analysts say Line's options in the country include striking partnerships to add more local content like news or music, and growing its commerce services. Doing so also works toward its long-term goal of completing the “smart portal”.

“What these platforms need besides audience is context, or data about the users. These platforms need to go wide to accomplish that: payments, calendar, maps, etc,” said Forrester's Ask. “Messaging platforms are not the end game.”

Auto special

All-new Tiguan makes its China debut at Chengdu show

By LI FUSHENG lifusheng@chinadaily.com.cn

Volkswagen Import's 16 flagship models are wowing visitors at the ongoing Chengdu Motor Show, with the all-new Tiguan making its Chinese debut.

Axel Schroeder, managing director of Volkswagen Import said: “We cannot wait to see the success this new vehicle will have with its new design language, intelligent configurations and forward-thinking connectivity technology.”

These features, combined with its German quality and reliability, mean the model sets a new benchmark in the compact SUV sector, he added.

The all-new Tiguan features R-line sport package. This perfect match of sporty dynamic with individualization options gives consumers even more from which to choose.

Schroeder said, “we are proud to offer this great driving experience of an authentic German-engineered SUV to Chinese consumers”.

He added the Chinese auto market has entered a stage of new normal, which is not only challenging but also presents it with many new opportunities.

“Volkswagen Import will move in unison with consumer demand for vehicles, high-end quality products and premium services to enhance the brand's competitiveness in the Chinese market.”

Also present at the booth are the Touareg Executive Edition, together with the New Sharan 380 TSI Highline designed for the Chinese family, the innovative Volkswagen Alltrack Premium 380 TSI, the leading plug-in hybrid Golf GTE, as well as the Beetle 1.4 TSI with its “true me” spirit, among others.

All-new German-engineered SUV

Schroeder said the long-awaited all-new Tiguan will appeal to a broad range of customers because it is good for both family and business use, and has good off-road capabilities.

The model is the first Volkswagen SUV based on the MQB platform, the company's Modular Transverse Matrix strategy that standardizes vehicle components and production processes. It features Volkswagen's newest design language that creates a “line dialogue” effect and boasts excellent proportions that give it a fashionable appearance.

In addition, the all-new Tiguan also



Axel Schroeder, managing director of Volkswagen Import, presents the all-new Tiguan at the ongoing Chengdu Motor Show. PHOTOS PROVIDED TO CHINA DAILY



Flagship models of Volkswagen Import hit the stage at the Chengdu Motor Show. From left: the all-new Tiguan, the leading plug-in hybrid Golf GTE, and the Beetle 1.4 TSI.

features the R-Line sport package, which includes sport bumpers, and R style spoiler and wheels, which all contribute to its sporty dynamic.

The SUV is equipped with intelligent technology that goes beyond the standard of its segment. Comfort, safety and convenience are taken to new levels, giving drivers and passengers a superior in-car experience, said the automaker.

The model has best-in-class active and passive safety features, such as Dynamic

Light Assist, Lane Departure Warning, Front Assist, and City Emergency Braking.

Its “360-degree protection” ensures the safety of both passengers and pedestrians. During the European NCAP impact test, the all-new Tiguan received a five-star rating.

Furthermore, with the LCD Active Info Display, Heads-up Display, and touch screen console, drivers can switch among three state-of-the-art screens for easier infotainment access, and enjoy a greater feeling of control and vehicle safety.

The connectivity technology present in the model represents the convergence of the ultimate car manufacturing technology with the newest trends in information technology and social networking.

The Car-Net feature allows drivers to remotely control their vehicle and access real-time information via the dedicated mobile app.

It also enables drivers to contact the call center at the touch of a button, for information and roadside assistance.

“Volkswagen Import will move in unison with consumer demand for vehicles, high-end quality products and premium services to enhance the brand's competitiveness.”

Axel Schroeder, managing director of Volkswagen Import

App-Connect offers added convenience by allowing drivers to reflect their mobile devices on the console and control them.

Equipped with the MIB II Infotainment System, the model features a larger, higher resolution, touch screen display, which allows passengers to interact with their vehicle as well as the outside world more conveniently.

The driver can rapidly switch between three off-road modes, while the DCC adaptive chassis control system integrates five on-road modes, which suits a variety of driving styles and makes it more fun to drive.

The TSI engine and the DSG transmission match each perfectly on the all-new Tiguan, providing drivers with excellent power response and fuel efficiency.

“It is a highly efficient model, and because of its low cost of ownership and usage, the all-new Tiguan is an ideal choice for cost-conscious customers,” said Schroeder

Calling the model an all-weather SUV, he said it provides drivers and passengers with a unique blend of quality and reliability that only a German-engineered vehicle can give.

“The all-new Tiguan is defining the segment, and its predecessor had quite strong sales, so we have correspondingly higher expectations,” said Schroeder. “We are looking to a strong finish to the year, and the all-new Tiguan will lay a solid foundation for the first quarter next year.”

Hao Yan contributed to the story.

A world-class business zone in Shanghai

Industry players weigh in on the perks of setting up shop in the Hongqiao central business district

By TANG ZHIHAO
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Located in the western part of Shanghai, the Shanghai Hongqiao central business district (CBD) is a popular business destination for companies who are keen to seize more opportunities in the Yangtze River Delta region and in China.

The CBD is a strategic development region in Shanghai that supports national strategies such as the Yangtze River Delta city cluster construction plan. The zone occupies an area of 86.6 square kilometers and its core area spans 4.7 sq km.

As of June 2016, more than 700 companies, including Chinese e-commerce giant Alibaba, multinational oil and gas company Shell and compression technology company Hoerbiger, decided to set up their offices in the core area within the Hongqiao CBD, according to the Shanghai Hongqiao CBD Administrative Committee.

Hans-Georg Frey, Jungheinrich AG's chairman, decided to apply and push the process of basing the company's China headquarters in the CBD after he took a short walk and discovered how close the zone was to Hongqiao Airport and Hongqiao High-speed Railway Station.

The time required to travel on foot from the Hongqiao CBD to Hongqiao High-speed Railway Station and Hongqiao Airport is between 7 and 15 minutes. The travel time by rail from the Hongqiao transportation hub to 16 Yangtze River Delta cities, such as Hangzhou and Suzhou, takes less than an hour.

"I often visit clients in Hangzhou of Zhejiang province in the morning before meeting another client in Shanghai in the afternoon.

I can do all this just by taking the train from Hongqiao CBD," said Wang Zhao, an employee of a trading company in Shanghai.

The transportation hub also provides flight, bus and subway services. More than 310 million people passed through the hub in 2015.

"Hongqiao CBD is the best gathering place for businesses because it is a world-class transportation hub, exhibition hub and business hub. This is why we chose Shanghai to be the development base for Jungheinrich," said Alexander Oezbahadir, general manager of Jungheinrich China.

More than 30 other companies, including New York-listed Vipshop and German automotive company KSPG AG, will be following in Jungheinrich's footsteps to set up headquarters or regional offices in the zone.

Established in 2009, the Hongqiao CBD has been a choice destination for many businesses because of its prime geographical location, a well-established transportation network and affordable business costs.

In addition, Hongqiao CBD enjoys strong support from the central and local governments which have desig-

nated the area as a modern service integrated pilot zone. Between 2012 and 2015, the Shanghai government provided a total of 2 billion yuan (\$300.38 million) in funding support to the zone.

In May 2016, the vitality of the business district was greatly enhanced after the launch of a business, tourism and culture demonstration zone, as well as a new travel route in the core area. The decision-makers of Hongqiao CBD said that this demonstration zone will help with the development of the creative industries as well as meet the cultural demands of white-collar workers and local residents in the zone.

The Hongqiao CBD also has the capacity to host major exhibitions. The National Exhibition and Convention Center (Shanghai) occupies an area of 1.47 million square meters and is the world's largest single block building and exhibition complex by size. More than 40 exhibitions were held in the NECC in 2015.

A series of activities including exhibitions and concerts were organized in the CBD in the past few months, allowing visitors to learn more about



The underground ways of Hongqiao CBD, which connects office buildings, shopping malls and the Hongqiao transportation hub. PROVIDED TO CHINA DAILY



Hongqiao CBD's advantages and development concepts.

One of the zone's key development concepts includes a focus on achieving low carbon emissions during their construction phase. All buildings within the CBD's core area have been certified with a two-star rating by the National Green Building Evaluation Standards, while more than 50 percent of the buildings have received three stars. Some buildings even have a Leadership in Energy and Environment Design qualification.

About 95 percent of the 352 buildings in the zone's core area will be completed by the end of 2016, according to the committee.

Because of this development concept, the Hongqiao CBD was recognized as a

national-level green biological demonstration zone by China's Ministry of Housing and Urban-Rural Development in 2014.

Hongqiao CBD has since its inception launched 21 key supporting facilities with a total investment of 6.01 billion yuan. Construction of some of these projects, including underground walkways, have already been completed.

The first combined cooling, heating and power supply system in China has also been put into operation in the CBD, according to the Hongqiao CBD committee.

Hongqiao a vital element in regional development

By TANG ZHIHAO
in Shanghai

The Shanghai Hongqiao Central Business District, the gateway between Shanghai and the Yangtze River Delta region, will play a vital role in supporting the development of the Yangtze River Delta world-class city cluster, according to the CBD's administrative committee.

Established in 2009, Hongqiao CBD has been positioned as a modern service industry cluster, a new international trade platform, a gathering place for headquarters, trading institutions and economic organizations and a high-end business service platform for businesses in China.

This positioning means that the CBD will serve Shanghai's industrial upgrading and urban layout adjustments, provide strong support to the Yangtze River Delta region's industrial and economic development and help companies in the Yangtze River Delta region better seize opportunities on the world stage.

The Yangtze River Delta city cluster development plan, released by the central government in June, stated that China is aiming to build a world-class city cluster with global influence by 2030, with Shanghai set to play a key role in this process.

The new cluster comprises 26 cities, including Shanghai



and parts of Jiangsu, Zhejiang and Anhui provinces. Eight cities in Anhui are new members of the cluster.

After more than six years of development, the Hongqiao CBD has become a key platform that provides strong support for the development of the cities in the Yangtze River Delta region.

Thanks to its extensive transport network, the travel time by rail from Hongqiao CBD to Hangzhou is a mere 47 minutes, and the zone has become a popular destination for major companies to set up offices. More than 700 organiza-

tions, including Alibaba, Keyence and Grundfos have opened offices in the CBD.

Looking ahead, authorities said that the Hongqiao CBD will take on more responsibilities to support the Yangtze River Delta city cluster development plan.

"Hongqiao CBD will leverage three key functions: transportation, exhibitions and business, which integrate all the available resources to enhance supply capacity of production, business, knowledge and information services," said Min Shilin, executive deputy director of the Shanghai Hongqiao CBD Administrative Committee.

Pillar for delta's integration

By TANG ZHIHAO
in Shanghai

The Shanghai Hongqiao central business district will focus on three key development areas: big exhibitions, big exhibitions and big business as it continues to upgrade itself as part of its 13th Five-Year Plan (2016-20).

In addition to these three key areas, the CBD will also be focus on "four services" and "five features" to support the zone's development.

The former refers to the role the CBD will play in the Yangtze River Economic Belt, the development of the city cluster plan for the Yangtze River Delta.

The latter refers to the five developmental aspects that the CBD will focus on: smart carbon development, low carbon development, modern business innovation development, industry development and city integration development.

According to the CBD's 13th Five-Year Plan, the Hongqiao Transportation Hub, which contains Hon-

gqiao Airport and Hongqiao High-speed Railway Station, will be developed into a first-class traffic hub that can serve people's various transportation demands including transfers and inner-city commuting. The hub will be capable of transporting more than 400 million passengers annually by the end of 2020.

In order to achieve this goal, Hongqiao CBD plans to further upgrade its traffic network and focus its attention on the enhancement of traffic services. Efforts will include upgrading road networks to better connect the CBD with other parts of Shanghai and the expansion of the metro service network to encourage more people to use public transport.

"A well-established traffic network is the standard configuration of many world-leading business districts. For instance, Manhattan is known for its chessboard-shaped traffic network, which ensures that people can find a metro station within 1 kilometer,"

120 billion yuan
the annual production output value of Hongqiao CBD by 2020

said Min Shilin, executive deputy director of the Shanghai Hongqiao CBD Administrative Committee.

"Hongqiao CBD is positioned to be a world-class gathering place for businesses and we will strive to enhance our transportation network to such a level," Min said.

According to a draft master plan released by the Shanghai government in August, Hongqiao CBD will establish a metro service network where station entrances are located within 600 meters of one another. About 45 percent of the CBD will be covered by this network.

On the exhibition front, the plan states that the CBD will play a crucial role in Shanghai's bid to become an "international exhibition city".

Min also said that the National Exhibition and Convention

Center (Shanghai) (NECC) in the CBD will be taking measures to ensure that the local exhibition industry achieves sustainable growth similar to its counterpart in Hanover, Germany.

The total exhibition area in the NECC is expected to reach 7 million square meters by 2020. About 67 percent of the exhibitions in the NECC will be held in exhibition areas measuring 100,000 sq m. The CBD also plans to host at least five major exhibitions and at least 30 small and medium-sized ones over the next five years.

Furthermore, the CBD will accelerate the process of developing exhibition-related industries such as warehouse and logistic services and more policies will be introduced to support a high caliber, meeting-focused exhibition industry as well as the development of an exhibition-related professional service industry.

For "big business", Hongqiao CBD will focus on developing commerce, trading and exhibition functions in the next five years.

Hongqiao CBD will be a platform for a headquarters economy, meeting and exhibition businesses, bonded trading businesses, tourism and retailing, aviation, culture and media businesses and technology innovation, according to the 13th Five-Year Plan.

The annual production output value of the CBD is expected to reach 120 billion yuan (\$18.03 billion) by the end of 2020. The zone is expected to host more than 20 Fortune 500-listed companies and more than 100 headquarters by 2020.

MONEY

Yuan funds abroad foresee pickup

A net \$604 million has flowed in via an RQFII program in the January-July period

By BLOOMBERG

Revived appetite for emerging market stocks and bonds is starting to include China -- and even its currency, the yuan renminbi.

The China Asset Management Company has seen more inflows into equity funds that invest off-shore yuan into mainland equities since Britain's June 23 vote to leave the European Union.

CSOP Asset Management Ltd had its strongest inflows in 14 months in June to an exchange-traded fund that pumps yuan held abroad into China's sovereign bonds.

A net \$604 million has flowed into China via the Renminbi Qualified Foreign Institutional Investors program in the first seven months, versus an outflow of \$4.1 billion last year, Z-Ben Advisors estimates. Inflows into stocks have dominated this year at about \$880 million.

"People are looking again at the emerging markets, which were undervalued, China for example," said Freddie Chen, Hong Kong-based managing director at China Asset, which has used just over half of its RQFII quota of 21.8 billion yuan (\$3.3 billion) and allocated 80 percent to equity with the rest in fixed income. "We have seen a lot more interest" after the Brexit vote highlighted developed nation risks, he said.

The inflows will help slow the decline in China's foreign-exchange reserves and support the yuan, which dropped 3.7 percent in the past 12 months in Asia's worst performance. They may also add fuel to a rally in the Shanghai Composite Index, which is up 5.3 percent this quarter but still down 13 percent for 2016. While the nation's sovereign



An employee at a bank counter in Nantong, Jiangsu province, counts renminbi and dollars. XU JINGBAI / FOR CHINA DAILY

“People are looking again at the emerging markets ... China for example.”

Freddie Chen, Hong Kong-based managing director at China Asset

bond yields have plunged this year, they are still high compared with negative rates in Japan and Europe, prompting global funds to boost holdings by the most in two years in June.

"Our overseas clients have shown more interest in RQFII lately," said Melody He, head of exchange-traded funds and index solutions in

Hong Kong at CSOP, which said on Aug 11 that its China 5-Year Treasury Bond ETF tripled assets to 2 billion yuan this year. "The two main reasons behind it are falling yields in developed markets and a stabilizing yuan."

Morgan Stanley wrote in an Aug 20 note there could be a "powerful" catchup rally in Chinese stocks as global investors are again targeting developing nations. While the Shanghai benchmark climbed 16 percent from a low on Jan 28, that trails a 24 percent rise for the MSCI Emerging Markets Index. The best-performing bond fund in China has also said government economic stimulus means money may flow from onshore corporate debt into stocks.

Since RQFII licenses were first awarded in 2011 to promote the global use of the yuan, official data show China has granted 508.4 billion yuan in quotes to 169 financial

institutions. The products suffered heavy redemptions since the currency's depreciation last August.

This year, China offered a quota of 250 billion yuan to US institutions, which will lead to more demand for yuan products, according to Li Liuyang, a senior analyst at Bank of Tokyo-Mitsubishi UFJ China Ltd.

One thing that could derail the momentum is a stronger dollar. Federal Reserve Vice-Chairman Stanley Fischer on Aug 21 signaled that a 2016 rate hike is still under consideration. The yuan, which closed at 6.68 per dollar on Friday, is forecast to weaken to 6.75 by year-end, according to a survey of economists by Bloomberg. Yields on the nation's 10-year sovereign bonds have fallen 10 basis points this year to 2.72 percent. That compares with a 50-basis-point drop in average yields for the Bloomberg Emerging Market Local Sovereign Index.

SECURITIES

H1 earnings: Down a tad but still solid

By CAI XIAO
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Interim results of the A-share companies for the first half showed earnings were strong, which could shore up market this year, experts said.

"A-share earnings growth in the first half has slowed but remained solid," said Gao Ting, head of China strategy at UBS Securities. "Given a high base in the same period last year, we see the level of growth as decent, which will likely shore up the market."

As of Aug 31, a total of 2,929 A-share companies had released their interim results for the first half. Their net earnings totaled 1.38 trillion yuan (\$206.6 billion), down 4.7 percent year-on-year, according to data from the Shanghai Stock Exchange and the Shenzhen Stock Exchange.

Chinese companies listed on the Shenzhen bourse -- most of them are small or medium enterprises or SMEs -- led the A-share market with total net profit of over 244 billion yuan, up almost 6 percent year-on-year.

For investors grappling with an economy where many sectors are showing signs of stress, there were clear earnings improvement in the much-maligned bloated sectors like coal and steel.

The steel industry has swung to a profit. The fall in profits of construction materials firms has narrowed sharply, according to UBS.

But the banking sector's profits fell as lenders will likely be hit by a plan that will encourage banks to convert loans given to struggling borrowers into equity. The swap plan is expected to be rolled out within weeks.

Among lenders, Industrial and Commercial Bank of China posted the largest earnings in the first half of 150.2 billion yuan.

China Oilfield Services Ltd made the biggest loss of 8.4 billion yuan during the period.

UBS forecast China's non-financial earnings will increase by 7.5 percent this year, compared with a 5 percent fall in financial earnings.

Hong Hao, chief strategist at BOCOM International Holdings Co, said preliminary earnings of A-share companies in the first half are mostly in line with expectation. Barring the financial services sector, there is some growth.

244 billion yuan

net profit of Chinese A-share companies listed on the Shenzhen bourse, for the first six months of 2016

7.5 trillion yuan

new loans in the first six months of 2016, up 15 percent year-on-year

"I think the earnings of A-share companies in the second half will be flat to slightly better than the first half, as the lagging effect from the dramatic credit creation in the first half starts to flow," said Hong.

New loans in the first half totaled 7.5 trillion yuan, up 15 percent year-on-year, according to July data from the People's Bank of China.

Hong said overall growth will be in single digits because banks will have zero or close to zero growth.

By Aug 31, 1,095 A-share companies forecast preliminary earnings for the first three quarters of the year. And 729 of them forecast that earnings will rise.

The Shanghai Stock Exchange said in a statement that companies listed on it pay attention to supply-side reform and operate their businesses well.

Auto special

Lexus powers ahead with uniquely Eastern dynamic balance

By HAO YAN
haoyan@chinadaily.com.cn

With its robust sales outpacing its competitors, Toyota Motor's luxury arm Lexus is now gearing up to write a new chapter in China, with a unique business philosophy that focuses more on quality than volume.

Lexus sold 67,224 units from January to August this year, an average increase of 35.7 percent year-on-year. In August alone, Lexus China increased sales by 70 percent year-on-year, the best growth rate in the luxury market.

"We are exerting ourselves during the following months this year, to accomplish the 100,000-unit objective set for this year," said Tetsuya Ezumi, executive vice-president of Lexus China.

Tetsuya said the excellent results were due to the strong product mix, with many models all featuring refined designs, and the good management of dealerships and operations.

The new product lineups are designed toward a younger, progressive direction, in line with changes in the essence of the brand.

"Lexus offers both tranquility and dynamism," Tetsuya said. "The balance between them is in the characteristics of the Asian auto brand, and it cannot be copied by a Western carmaker."

Lexus said the tranquility lies in the refined interiors and its class-leading hybrid powertrains, featuring powerful rear-drive and high-performance hybrid technology. The dynamism comes from the Sport Marquee F model.

The hybrid technology is one of Lexus' vital pillars, producing high energy savings and environmental protection, without altering customers' usage habits.

Last year the carmaker took

a dominant position in the country's hybrid luxury segment, with almost 80 percent of sales. Hybrid models contributed 20,991-unit sales, or 24 percent, to Lexus China's total sales volume in 2015.

Lexus Full Hybrid Technology and product lineups have achieved wide recognition and popularity around the world, not only for their environmentally friendly attributes, but also for the responsibility shared between the manufacturer and customers.

By July, nearly 1.05 million car owners around the world had chosen Lexus Full Hybrid models.

Business philosophy

Lexus has met the expectations of Akio Toyoda, president and CEO of Toyota Motor Corp, in terms of both market performance and healthy operation in China, its second-largest market, Tetsuya said.

He pointed out that the company follows a customer-first philosophy, and does not offer models that do not meet Chinese customers' demands.

"Lexus enjoys peerless word-of-mouth in the luxury segment," he said. "We strictly follow the motto that 'the customer comes first, the dealer second and the carmaker last'. We believe our dealers are also customers."

The luxury carmaker helps its dealers make full use of resources in serving their customers instead of raising revenue by buying-in and relieving the financial pressure of car inventories.

Unlike its rivals, Lexus does not sell large numbers of cars to dealers as inventories to improve its sales figures. A luxury car dealer's inventory lasts for 10 weeks on average, but Lexus dealers' inventories last for only two weeks, according to the company.



Tetsuya Ezumi, executive vice-president of Lexus China



Lexus cars are characterized by the tranquility of their refined interiors and power produced by their class-leading hybrid powertrains and powerful rear-drive. PHOTOS PROVIDED TO CHINA DAILY



The Lexus LC500h. Lexus is positioned as a luxury brand with an image of oriental elegance, vigor and passion.

The difference shows that a Lexus dealer, who sells 100 units a month, needs only 50 cars in stock, 200 fewer than other dealers. This means much less capital spent in advance, and releases much higher cash flows for better operation.

"We ask dealers and investors to invest in their customers for higher satisfaction rather than paying the interest

generated from loans taken to buy in car stock," Tetsuya said. "I'm against overselling to dealers."

"Our target is to secure profits for dealers, even with Lexus' newly adopted mode of small scale dealerships."

Tetsuya's individual performance is assessed with dealers' revenue as the most critical factor, not wholesale figures.

Lexus' dealership network

expanded to 161 by August, and is expected to reach 165 by the end of the year.

Refreshed brand

Lexus has emerged as a luxury brand with an image of oriental elegance, vigor and passion.

Lexus is about to roll out a refreshed brand strategy in 2017, in which it will lead the world through a unique opera-

tional principle and a highly attractive product lineup, Tetsuya said.

"The Lexus brand will enter a completely new chapter next year, not only in China but also in the rest of the world, with its designs undergoing tremendous changes."

"As a luxury brand from the East, Lexus has unique charm and appeal, and the essence of the brand is balance."

MILESTONES IN CHINA

- **2005**
Establishes dealership network in China, and launches a four-year or 100,000-km free maintenance and repair program.
- **2006**
The first stretched Lexus sedan LS460L is launched in the Chinese market.
- **2007**
The brand's hybrid technology is brought to China with the Lexus RX400h SUV, which comes with free maintenance and repair for six years or 150,000 km.
- **2009**
Lexus becomes one of the most successful luxury brands in China, with sales exceeding 100,000 units in just 56 months.
- **2011**
The compact CT200h hybrid hatchback is launched in the Chinese market, becoming the first hybrid luxury model in the segment.
- **2015**
Lexus China makes a commitment to never release to the market the 783 cars parked in areas adjacent to the Tianjin port explosion.
- **2016**
More than 1 million hybrid Lexus cars sold worldwide since the birth of the first luxury hybrid Lexus RX 400h in 2005.

Forgotten city revitalized

A lost capital haunted by ghosts and history

By **RAYMOND ZHOU**
and **ZHANG YU** in Zhangjiakou

The Mongol Empire spanned much of Asia and Europe. It built four capital cities, the least known of which is Zhongdu, or Central Capital.

It is a confusing name because different places have been called Zhongdu, including Beijing, which, during the Yuan Dynasty (1271-1368), was named Zhongdu before it was changed to Dadu, or Big Capital. In the west, the most famous was Shangdu, or Xanadu, literally Upper Capital, thanks to Marco Polo's vivid description and Samuel Coleridge's opium-hazed imagination.

Zhongdu was 265 km north of Dadu and 195 km south of Shangdu, a short drive outside what is now downtown Zhangbei. It was en route when royal entourages traveled between the two capital cities. For those accustomed to galloping in the wilderness, there was not much reason to turn a stopover into a palace city.

But Emperor Wuzong (1281-1311), or Kulug Khan, was not the kind of monarch who thought rationally. During his three-and-half-year reign, he essentially bankrupted the country by lavishing gifts on those loyal to him and having huge armies of supernumeraries. Only 10 days after he ascended the throne, he ordered Zhongdu to be built. Miraculously, it was completed in just one year.

Wuzong was a military hero. He snatched the crown from his younger brother Ayurbarwada before the latter could get to it. Perhaps to appease him, he offered succession rights to the brother, reaching an agreement that their descendants would get the throne alternately.

But the battle for succession turned violent. After Wuzong's sudden death at the age of 30, Ayurbarwada killed his loyalists and removed Zhongdu from the exalted status of a capital city. It was a popular move considering it was a drain on the state's coffers and did not fulfill any functions. It was not even a summer retreat like Shangdu.

Zhongdu survived for 50 years, slightly longer than half of the 97 years of the Yuan Dynasty. (The Yuan started from the time Kublai Khan proclaimed it as a conquest dynasty, while the Mongol Empire can be traced further back to his

grandfather Genghis Khan.) It witnessed the comings and goings of seven emperors before it was torched in 1358 by peasant rebels.

The folly of a capricious overlord then lay in ruins for six and half centuries. The winds and sands of history were so relentless that for many years it was mistaken as a marketplace for cattle called "The White Sheep City".

But Yin Zhixian thought otherwise. The local history teacher had noticed fragments from the ruins that belonged more appropriately to a palace. Further archeological digs confirmed his suspicion, but it was not officially determined until 1997 that the ruins were the site of Zhongdu.

By then much damage had been done.

In the 1950s, a local dam used stones dug up from the ruins. And in the late 1970s, a new highway cut through it.

But legend has always pointed to the existence of something larger and mysterious in this particular place.

Fatal traffic accidents were reported to be frequent in the section of the road that transgressed the ruins.

In the 1930s, when local residents tried to erect buildings inside the grassy mounds, strange things happened.

The first household saw its roof collapse right after completion.

Ghost stories were so rampant that the few who dared to live inside had vacated it by 1960.

The palace area sat on a 3-meter-high platform, with a length of 620 meters north to south and 560 east to west.

There are 27 discernible ruins in this area.

The inner city with the palace at the center was 1,740 by 960 meters and was 1 meter higher than the outer city, which was about 3,000 meters on each side.

One of the places excavated is an animal ornament from one of the palace towers. It was usually ranked tenth in a 10-piece set. The only other place with similar ornaments is the Hall of Supreme Harmony inside Beijing's Forbidden City.

To see these artifacts and fill out gaps in your imagination, you need to visit the 9,000-sq-m Zhongdu Museum in downtown Zhangbei, and you will experience the glory days of the people on horseback and how they conquered and ruled far and wide.



Top: Workers sift through ruins at the Zhongdu site. **Above:** Images of Mongol emperors adorn the Zhongdu Museum. PHOTOS PROVIDED TO CHINA DAILY

HOW AN OBSCURE TOWN IS REINVENTING ITSELF

Zhangjiakou made headlines after winning a joint bid with Beijing to host the 2022 Winter Olympics. Now, people want to know how an unknown city made it.



Above and below: Vast and fertile steppes host fauna and flora as well as tourists. PHOTOS BY YUAN YUQIN / FOR CHINA DAILY

By **ZHANG YU**
in Zhangjiakou
zhangyu@chinadaily.com.cn

A little-known city in China has become well known, or is at least being mentioned globally, since its successful joint bid for the 2022 Winter Olympics.

Zhangjiakou, 180 kilometers northwest of Beijing, will host the Games together with the capital.

Most of the snow events will be held in the city's Chongli district, which boasts several ski resorts that meet international standards.

Before Zhangjiakou became an Olympic host, it was an old industrial base.

With a total population of 4.68 million, Zhangjiakou still has 450,000 people living in poverty, making it one of the poorest cities in Hebei province.

"But Zhangjiakou is transforming itself from a backward city into a modern one, which is *guojifanter*," Hou Liang, the Party chief of Zhangjiakou, says.

Guojifanter, which means "globally trendy", is the buzzword for the city's government officials and



local residents.

They aim to revive the city with advanced industries and fashionable resorts.

So, instead of focusing on old stalwarts like papermaking, cement production, metallurgy and mining, Zhangjiakou is now eyeing new energy and tourism.

In 2015, Zhangjiakou was approved by the State Council as China's first national-level renewable-energy demonstration area.

The National Wind and Solar Energy Storage Transmission Demonstration Project is a major new-energy project in the city.

Based on the rich wind resour-

ces and plenty of sunlight in Zhangbei and Shangyi counties, the project is expected to be the world's largest clean-energy facility.

With an investment of 10 billion yuan (\$1.5 billion), the project has installed wind-power capacity of 450 megawatts and photovoltaic power of 100 megawatts.

It can store 20 megawatts of energy and also has the ability to transmit electric power.

In the next five years, its parent company — the State Grid Jibei Electric Power Co — will invest another 23 billion yuan (\$3.5 billion) to develop 10 clean-energy projects for the 2022 Winter Olympic Games, according to a company white paper.

By 2020, 55 percent of the city's total power consumption will be covered by clean energy.

Tourism is another focus for Zhangjiakou, according to the Party chief, who says: "In Zhangjiakou, you can enjoy the grasslands and cool weather in summer, and skiing in winter."

In 2015, the number of tourists who visited Zhangjiakou was 38.5 million, up 16 percent from the



previous year.

In winter, people throng to the ski resorts in the Chongli district, while a small number visit other

scenic spots, such as the Zhangbei grasslands which holds a large music festival every summer.

Given the tourism boom, gov-

ernment officials are now accelerating the construction and upgrading of facilities in scenic spots.

“Zhangjiakou is transforming itself from a backward city into a modern one.”

Hou Liang, Party chief of Zhangjiakou

\$3.5 billion

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102

ski slopes totaling 112.6 km in Chongli make it a popular destination.

38.5 million

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Online

See more by scanning the code.



Online

See more by scanning the code.

Following grapes on a funneled path

By **RAYMOND ZHOU**
and **ZHANG YU** in Zhangjiakou

Grapes are grown almost everywhere there is human habitation. But most vineyards take up vast tracts and are not too close to human dwellings. In Xuanhua, 150 kilometers northwest of Beijing, grapes are the mainstay of residential backyards.

Within the 12-km old city wall are 1.5 square km of vineyards out of a total of 9.7 square km of land. That is the figure from 2013 when "Urban Agricultural Heritage of Xuanhua Grape Gardens" was listed by Food and Agriculture Organization of the United Nations as a "globally important agricultural heritage system".

For a regular tourist, that honor is not as easily recognizable as the name "milk grape", which accounts for 80 percent of all grapes grown in this 600-year-old town, now a district of Zhangjiakou, Hebei province.

However, this popular moniker is a misnomer. The Chinese term "*ninmā*" as used here is actually short for "cow's udder", the shape of the local variety. But since it shares the same two characters as the Chinese word for milk, it has led to the misunderstanding that the crop could contain the same taste or nutrients as milk.

Apart from the name, Xuanhua grapes are unique for their funnel-shaped trellises. Instead of rows of vines, grape gardens look like a canvas of upside-down umbrellas, with the vines slanting into a round pit about 3-5 meters in diameter and 0.2-0.4 meter in depth. Inside the pit is a mound 1-2 meters in diameter with a 30-35-degree slope, and this is where all the roots go. A whole trellis is 10-15 meters in diameter and rises up to 3 meters in height on the periphery.

A funnel-shaped trellis needs half of the soil of a regular one and it saves 40 percent of water. There are other benefits such as blocking the sun, reducing temperatures and raising humidity in summer. This has made such grapes a perfect shelter from the summer heat. And the local government is encouraging



Vineyards in Xuanhua are known for their funnel-shaped trellises. CHEN XIAODONG / FOR CHINA DAILY

tourism anchored around this advantage. According to Chinese historians, this form of grape trellis was popular in ancient times, but somehow it has faded out and Xuanhua is the only place where it has been preserved.

One explanation for the shape lies in its origin in Buddhist temples, where early growers framed a trellis like a lotus because both the lower and the round shape are auspicious symbols in Buddhism. There is also the story of a Tang Dynasty (AD 618-907) military officer named Liu Peng, who introduced grape planting to this place in the year 774.

Murals from 1093, unearthed in 1993 in a local village, depict wine drinking and — if that's not solid enough evidence — there were clusters of grapes in the tomb, dried but clearly discernible, and a glass of pink liquid, which was later tested and confirmed to be wine.

There are 40 some varieties of grapes grown in Xuanhua, one of which, the *longan* grape, is fermented by the Great Wall Winery, located in a neighboring county, into a dry white wine as well as a bubbly that is served at upscale banquets. But according to Zhang Wu, president of the Xuanhua Grape Research Insti-

tute, the milk grape — the most renowned kind — is not really fit for making wine because it contains too little sugar and acid. But it can be cooked as a dish.

Because Xuanhua grapes are a niche product unfit for large-scale planting, the number of hectares has varied over the ages by many factors. The imminent challenge is the encroaching urban landscape, which has made intra-city grape planting economically unfeasible.

To discourage farmers from selling their plots to property developers, starting in 2010 the local government doled out subsidies of 15,000 yuan (\$2,252) per hectare. Back in 1988, it sponsored the first grape festival to raise awareness.

Even though milk grapes fetch a premium price on the market, farmers, mostly the elderly, find it hard to make enough money out of the effort. This can be changed by boosting tourism with related services and revenues as well as special wineries that use the Xuanhua varieties. The trellises that yield the best wine, say experts, should be 50 years old and they are easy to find in Xuanhua. There's one vine that legend puts at 600 years old and, like a vintage wine, it is marked with a red bow tie.

A different kind of Great Wall

By **RAYMOND ZHOU**
and **ZHANG YU** in Zhangjiakou

When you visit Zhangjiakou, you've got to take a photo in front of the Big Mirror Gate. It's the landmark of the city. Also, who can resist a chance to scale the Great Wall in less than a minute and boast about it when other sections of the wall are so forbidding?

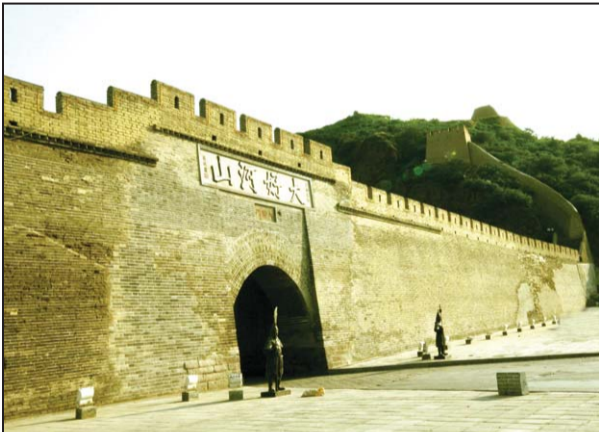
Built in 1644 in the Ming Dynasty (1368-1644), this is the only place along the wall where a crossing is not called a pass, but a gate. Inside the gate is a street flanked with shops, where merchants from various ethnicities conducted business.

Obviously there were also times of tension and military conflict. Not far from this gate is the Little Mirror Gate, which is so small no horse rider could gallop through. You can easily figure out the occasions for war and peace. This section of the wall was constructed in the Ming Dynasty and stretched 450 kilometers. When the subsequent Qing Dynasty (1644-1911) came around, the border was pushed further north, so the wall lost its use for defense.

For much of history, Zhangjiakou was the ultimate frontier town. It's the transitional area between the Mongolian Plateau and the North China Plains. To defend against the nomadic tribes up north, the Han started erecting barriers from 300 BC onwards. Even when some of the tribes vanquished areas south of the wall, they kept on building more. The sight of a cavalier charging down the mountains would strike fear into anyone.

Zhangjiakou has a total of 1,804 km of the Great Wall, or rather great walls, out of which 1,303 are still discernible. They date back to eight different dynasties and were built with mud, bricks, stones, slabs or various mixes. Half of what remains is from the Ming Dynasty, the latest of those represented here, but there are records of Tang Dynasty (AD 618-907) constructions, which exist nowhere else in China.

Sections of the walls run parallel



The Big Mirror Gate is a landmark of the downtown Zhangjiakou section of the Great Wall. ZHANG GUOQUAN / FOR CHINA DAILY

to each other and others form a special grid. Many are not easily detectable unless you climb to a nearby vantage point. If your impression of the wall is the touristy Badaling section in Beijing, you'll be amazed at the variety of forms that exist in this city, which locals proudly call "the Great Wall museum down the corridor of history".

Other than the walls, there were also military towns that grew out of barracks and, when peace came, turned into boomtowns for business. Xuanhua, controlled by Khitans, Jurchens and Han in succession, is such a place. It was one of the nine key military outposts outside the capital city of Beijing during the Ming Dynasty, when the city evolved into its current configuration.

Nowadays you can ramble from the Bell Tower to the Drum Tower and get a feeling of a smaller Beijing. The 12-km city wall, under repair, encloses 9.7 square kilometers of bustling businesses, fertile vineyards and several structures from the early dynasties. Faiths of various denominations and people of as many as 20 ethnicities have found a home here.

Outside the wall in the Xuanhua suburb are more ancient traces of human civilization, including tombs from the Liao Dynasty (916-1125) and relies from 6,000 years ago.

Before a military messenger from Beijing could travel the 170-km distance to reach Xuanhua, his horse would get exhausted and need a respite or he simply needed to change horses. The Rooster Crowing Postal Stop, which is 30 km closer to Beijing, looks like a smaller Xuanhua. The square-shaped town has a 300-meter wall on each side, fully repaired and ready for tourists.

The 500-year-old town (also called a village) has played host to one royal guest, the Empress Dowager, who, in 1900, on her route to flee the foreign invasion of Beijing, spent a night here. (She also stopped over in Xuanhua and savored the local grapes. Which tickled my mind: Was that running for her life or was that a summer getaway?)

Nowadays you can rent a room from a local resident and enjoy a meal of freshly harvested local food. Afterward you can take a walk on the wall and gaze out into the mountains. You have to resort to a hyperactive imagination if you want to conjure up the battle scenes that took place centuries ago on this land.

Chongli stands as the Chinese equivalent of Davos

By **RAYMOND ZHOU**
and **ZHANG YU** in Zhangjiakou

Much of Zhangjiakou lies in the transitional terrain between the mountains and the plains. Called "*ba*" by the locals, it refers to an elevation of 1,200-1,400 meters above sea level, which means it is several degrees cooler in summer than places like Beijing and hence a perfect retreat from the heat.

Hidden among the rolling steeples and gently sinuous mountain ranges is a 133-km road officially called "Grass Skyline" and often compared to Route 66 in the United States.

Meandering from Zhangbei all the way to Chongli, this scenic drive has been a big attraction since it opened in 2012.

You're advised to avoid the congested stretches by taking the byway so to speak, the section that leads to Chongli, which provides abundant photo opportunities but not the crowds.

Upon entering Chongli, one gets the impression that summer here is just a hiatus from one long mag-

ic winter. The streets are clean, and rows of resort apartments await their vacationing visitors or owners.

This county of 126,000 residents is blessed by snowfall six months of the year, making it a popular destination for skiers.

In 2015, it received 2.77 million visitors, generating 1.94 billion yuan (\$291 million) in tourism revenue.

Ever since some ski lovers stumbled upon this place in the late 1990s, Chongli has grown into a hot spot for winter sports and vacationing.

As of now, it has 102 ski slopes totaling 112.6 km. As many as 34 of these slopes, with five aerial tramways, belong to the Genting Group, a Malaysian conglomerate that invested 15 billion yuan into a huge complex of hotels, restaurants, theme park and other facilities.

On July 31, 2015, Zhangjiakou won the right, together with Beijing, to host the 2022 Winter Olympics.

Half of the medals for the event



Left: Chongli county in Zhangjiakou, with snowfall for six months in a year, has become a popular destination for skiers. **Right:** Scenic drives on the "Grass Skyline", a 133-km road in sinuous mountain ranges. PHOTOS BY SHI JIASHENG AND YUAN YUQIN / FOR CHINA DAILY

will emerge from events in Chongli, which will be connected with the capital city via a high-speed train.

By that time, the travel time will be shortened from the current three hours to less than one hour. The train station will be right next to the Olympic village, which is under construction, and all sport-

ing venues will be within a five-minute drive.

But you don't need to wait until Jack Frost kisses your face to visit this charming town.

We bumped into many sports fans on the mountains, which are covered with wild flowers of vibrant colors. Some were biking on trails and others hiking and



taking in the spectacular views. Still others were sipping coffee in the warmly paneled atrium of a Genting building that overlooks the slopes.

Chongli used to be a secret known only to sports fans and those who do not depend on public transportation.

But with the upcoming rail line

and the hosting of the Olympics a couple of years, it will ring in a new era of higher awareness and easy accessibility.

According to Suthichai Yoon, a veteran Thai newsmen who recently visited, Chongli could well turn into the Chinese equivalent of Davos when all the big hoopla is over.

Forgotten city revitalized

A lost capital haunted by ghosts and history

By RAYMOND ZHOU
and ZHANG YU in Zhangjiakou

The Mongol Empire spanned much of Asia and Europe. It built four capital cities, the least known of which is Zhongdu, or Central Capital.

It is a confusing name because different places have been called Zhongdu, including Beijing, which, during the Yuan Dynasty (1271-1368), was named Zhongdu before it was changed to Dadu, or Big Capital. In the west, the most famous was Shangdu, or Xanadu, literally Upper Capital, thanks to Marco Polo's vivid description and Samuel Coleridge's opium-hazed imagination.

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Top: Workers sift through ruins at the Zhongdu site. Above: Images of Mongol emperors adorn the Zhongdu Museum. PHOTOS PROVIDED TO CHINA DAILY

HOW AN OBSCURE TOWN IS REINVENTING ITSELF

Zhangjiakou made headlines after winning a joint bid with Beijing to host the 2022 Winter Olympics. Now, people want to know how an unknown city made it.



Above and below: Vast and fertile steppes host fauna and flora as well as tourists. PHOTOS BY YUAN YUQIN / FOR CHINA DAILY

By ZHANG YU
in Zhangjiakou
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local residents.

They aim to revive the city with advanced industries and fashionable resorts.

So, instead of focusing on old stalwarts like papermaking, cement production, metallurgy and mining, Zhangjiakou is now eyeing new energy and tourism.

In 2015, Zhangjiakou was approved by the State Council as China's first national-level renewable-energy demonstration area.

The National Wind and Solar Energy Storage Transmission Demonstration Project is a major new-energy project in the city.

Based on the rich wind resour-

ces and plenty of sunlight in Zhangbei and Shangyi counties, the project is expected to be the world's largest clean-energy facility.

With an investment of 10 billion yuan (\$1.5 billion), the project has installed wind-power capacity of 450 megawatts and photovoltaic power of 100 megawatts.

It can store 20 megawatts of energy and also has the ability to transmit electric power.

In the next five years, its parent company — the State Grid Jibei Electric Power Co — will invest another 23 billion yuan (\$3.5 billion) to develop 10 clean-energy projects for the 2022 Winter Olympic Games, according to a company white paper.

By 2020, 55 percent of the city's total power consumption will be covered by clean energy.

Tourism is another focus for Zhangjiakou, according to the Party chief, who says: "In Zhangjiakou, you can enjoy the grasslands and cool weather in summer, and skiing in winter."

In 2015, the number of tourists who visited Zhangjiakou was 38.5 million, up 16 percent from the



previous year.

In winter, people throng to the ski resorts in the Chongli district, while a small number visit other

scenic spots, such as the Zhangbei grasslands which holds a large music festival every summer.

Given the tourism boom, gov-

ernment officials are now accelerating the construction and upgrading of facilities in scenic spots.

“Zhangjiakou is transforming itself from a backward city into a modern one.”

Hou Liang, Party chief of Zhangjiakou

\$3.5 billion

to be invested to develop 10 clean-energy projects in Zhangjiakou.

102

ski slopes totaling 112.6 km in Chongli make it a popular destination.

38.5 million

tourists visited Zhangjiakou in 2015, up 16 percent from the previous year.



Online

See more by scanning the code.



Online

See more by scanning the code.

Following grapes on a funneled path

By RAYMOND ZHOU
and ZHANG YU in Zhangjiakou

Grapes are grown almost everywhere there is human habitation. But most vineyards take up vast tracts and are not too close to human dwellings. In Xuanhua, 150 kilometers northwest of Beijing, grapes are the mainstay of residential backyards.

Within the 12-km old city wall are 1.5 square km of vineyards out of a total of 9.7 square km of land. That is the figure from 2013 when "Urban Agricultural Heritage of Xuanhua Grape Gardens" was listed by Food and Agriculture Organization of the United Nations as a "globally important agricultural heritage system".

For a regular tourist, that honor is not as easily recognizable as the name "milk grape", which accounts for 80 percent of all grapes grown in this 600-year-old town, now a district of Zhangjiakou, Hebei province.

However, this popular moniker is a misnomer. The Chinese term "*ninmā*" as used here is actually short for "cow's udder", the shape of the local variety. But since it shares the same two characters as the Chinese word for milk, it has led to the misunderstanding that the crop could contain the same taste or nutrients as milk.

Apart from the name, Xuanhua grapes are unique for their funnel-shaped trellises. Instead of rows of vines, grape gardens look like a canvas of upside-down umbrellas, with the vines slanting into a round pit about 3-5 meters in diameter and 0.2-0.4 meter in depth. Inside the pit is a mound 1-2 meters in diameter with a 30-35-degree slope, and this is where all the roots go. A whole trellis is 10-15 meters in diameter and rises up to 3 meters in height on the periphery.

A funnel-shaped trellis needs half of the soil of a regular one and it saves 40 percent of water. There are other benefits such as blocking the sun, reducing temperatures and raising humidity in summer. This has made such graperies a perfect shelter from the summer heat. And the local government is encouraging



Vineyards in Xuanhua are known for their funnel-shaped trellises. CHEN XIAODONG / FOR CHINA DAILY

tourism anchored around this advantage. According to Chinese historians, this form of grape trellis was popular in ancient times, but somehow it has faded out and Xuanhua is the only place where it has been preserved.

One explanation for the shape lies in its origin in Buddhist temples, where early growers framed a trellis like a lotus because both the lower and the round shape are auspicious symbols in Buddhism. There is also the story of a Tang Dynasty (AD 618-907) military officer named Liu Peng, who introduced grape planting to this place in the year 774.

Murals from 1093, unearthed in 1993 in a local village, depict wine drinking and — if that's not solid enough evidence — there were clusters of grapes in the tomb, dried but clearly discernible, and a glass of pink liquid, which was later tested and confirmed to be wine.

There are 40 some varieties of grapes grown in Xuanhua, one of which, the *longan* grape, is fermented by the Great Wall Winery, located in a neighboring county, into a dry white wine as well as a bubbly that is served at upscale banquets. But according to Zhang Wu, president of the Xuanhua Grape Research Insti-

tute, the milk grape — the most renowned kind — is not really fit for making wine because it contains too little sugar and acid. But it can be cooked as a dish.

Because Xuanhua grapes are a niche product unfit for large-scale planting, the number of hectares has varied over the ages by many factors. The imminent challenge is the encroaching urban landscape, which has made intra-city grape planting economically unfeasible.

To discourage farmers from selling their plots to property developers, starting in 2010 the local government doled out subsidies of 15,000 yuan (\$2,252) per hectare. Back in 1988, it sponsored the first grape festival to raise awareness.

Even though milk grapes fetch a premium price on the market, farmers, mostly the elderly, find it hard to make enough money out of the effort. This can be changed by boosting tourism with related services and revenues as well as special wineries that use the Xuanhua varieties. The trellises that yield the best wine, say experts, should be 50 years old and they are easy to find in Xuanhua. There's one vine that legend puts at 600 years old and, like a vintage wine, it is marked with a red bow tie.

A different kind of Great Wall

By RAYMOND ZHOU
and ZHANG YU in Zhangjiakou

When you visit Zhangjiakou, you've got to take a photo in front of the Big Mirror Gate. It's the landmark of the city. Also, who can resist a chance to scale the Great Wall in less than a minute and boast about it when other sections of the wall are so forbidding?

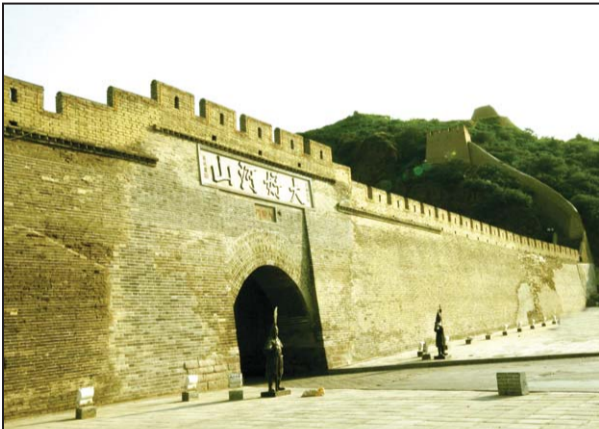
Built in 1644 in the Ming Dynasty (1368-1644), this is the only place along the wall where a crossing is not called a pass, but a gate. Inside the gate is a street flanked with shops, where merchants from various ethnicities conducted business.

Obviously there were also times of tension and military conflict. Not far from this gate is the Little Mirror Gate, which is so small no horse rider could gallop through. You can easily figure out the occasions for war and peace. This section of the wall was constructed in the Ming Dynasty and stretched 450 kilometers. When the subsequent Qing Dynasty (1644-1911) came around, the border was pushed further north, so the wall lost its use for defense.

For much of history, Zhangjiakou was the ultimate frontier town. It's the transitional area between the Mongolian Plateau and the North China Plains. To defend against the nomadic tribes up north, the Han started erecting barriers from 300 BC onwards. Even when some of the tribes vanquished areas south of the wall, they kept on building more. The sight of a cavalier charging down the mountains would strike fear into anyone.

Zhangjiakou has a total of 1,804 km of the Great Wall, or rather great walls, out of which 1,303 are still discernible. They date back to eight different dynasties and were built with mud, bricks, stones, slabs or various mixes. Half of what remains is from the Ming Dynasty, the latest of those represented here, but there are records of Tang Dynasty (AD 618-907) constructions, which exist nowhere else in China.

Sections of the walls run parallel



The Big Mirror Gate is a landmark of the downtown Zhangjiakou section of the Great Wall. ZHANG GUOQUAN / FOR CHINA DAILY

to each other and others form a special grid. Many are not easily detectable unless you climb to a nearby vantage point. If your impression of the wall is the touristy Badaling section in Beijing, you'll be amazed at the variety of forms that exist in this city, which locals proudly call "the Great Wall museum down the corridor of history".

Other than the walls, there were also military towns that grew out of barracks and, when peace came, turned into boomtowns for business. Xuanhua, controlled by Khitans, Jurchens and Han in succession, is such a place. It was one of the nine key military outposts outside the capital city of Beijing during the Ming Dynasty, when the city evolved into its current configuration.

Nowadays you can ramble from the Bell Tower to the Drum Tower and get a feeling of a smaller Beijing. The 12-km city wall, under repair, encloses 9.7 square kilometers of bustling businesses, fertile vineyards and several structures from the early dynasties. Faiths of various denominations and people of as many as 20 ethnicities have found a home here.

Outside the wall in the Xuanhua suburb are more ancient traces of human civilization, including tombs from the Liao Dynasty (916-1125) and relies from 6,000 years ago.

Before a military messenger from Beijing could travel the 170-km distance to reach Xuanhua, his horse would get exhausted and need a respite or he simply needed to change horses. The Rooster Crowing Postal Stop, which is 30 km closer to Beijing, looks like a smaller Xuanhua. The square-shaped town has a 300-meter wall on each side, fully repaired and ready for tourists.

The 500-year-old town (also called a village) has played host to one royal guest, the Empress Dowager, who, in 1900, on her route to flee the foreign invasion of Beijing, spent a night here. (She also stopped over in Xuanhua and savored the local grapes. Which tickled my mind: Was that running for her life or was that a summer getaway?)

Nowadays you can rent a room from a local resident and enjoy a meal of freshly harvested local food. Afterward you can take a walk on the wall and gaze out into the mountains. You have to resort to a hyperactive imagination if you want to conjure up the battle scenes that took place centuries ago on this land.

Chongli stands as the Chinese equivalent of Davos

By RAYMOND ZHOU
and ZHANG YU in Zhangjiakou

Much of Zhangjiakou lies in the transitional terrain between the mountains and the plains. Called "*ba*" by the locals, it refers to an elevation of 1,200-1,400 meters above sea level, which means it is several degrees cooler in summer than places like Beijing and hence a perfect retreat from the heat.

Hidden among the rolling steeples and gently sinuous mountain ranges is a 133-km road officially called "Grass Skyline" and often compared to Route 66 in the United States.

Meandering from Zhangbei all the way to Chongli, this scenic drive has been a big attraction since it opened in 2012.

You're advised to avoid the congested stretches by taking the byway so to speak, the section that leads to Chongli, which provides abundant photo opportunities but not the crowds.

Upon entering Chongli, one gets the impression that summer here is just a hiatus from one long mag-

ic winter. The streets are clean, and rows of resort apartments await their vacationing visitors or owners.

This county of 126,000 residents is blessed by snowfall six months of the year, making it a popular destination for skiers.

In 2015, it received 2.77 million visitors, generating 1.94 billion yuan (\$291 million) in tourism revenue.

Ever since some ski lovers stumbled upon this place in the late 1990s, Chongli has grown into a hot spot for winter sports and vacationing.

As of now, it has 102 ski slopes totaling 112.6 km. As many as 34 of these slopes, with five aerial tramways, belong to the Genting Group, a Malaysian conglomerate that invested 15 billion yuan into a huge complex of hotels, restaurants, theme park and other facilities.

On July 31, 2015, Zhangjiakou won the right, together with Beijing, to host the 2022 Winter Olympics.

Half of the medals for the event



Left: Chongli county in Zhangjiakou, with snowfall for six months in a year, has become a popular destination for skiers. Right: Scenic drives on the "Grass Skyline", a 133-km road in sinuous mountain ranges. PHOTOS BY SHI JIASHENG AND YUAN YUQIN / FOR CHINA DAILY

will emerge from events in Chongli, which will be connected with the capital city via a high-speed train.

By that time, the travel time will be shortened from the current three hours to less than one hour. The train station will be right next to the Olympic village, which is under construction, and all sport-

ing venues will be within a five-minute drive.

But you don't need to wait until Jack Frost kisses your face to visit this charming town.

We bumped into many sports fans on the mountains, which are covered with wild flowers of vibrant colors. Some were biking on trails and others hiking and



taking in the spectacular views. Still others were sipping coffee in the warmly paneled atrium of a Genting building that overlooks the slopes.

Chongli used to be a secret known only to sports fans and those who do not depend on public transportation.

But with the upcoming rail line

and the hosting of the Olympics a couple of years, it will ring in a new era of higher awareness and easy accessibility.

According to Suthichai Yoon, a veteran Thai newsmen who recently visited, Chongli could well turn into the Chinese equivalent of Davos when all the big hoopla is over.

VIETNAM

Baguette leaves a taste of the past

By AGENCE FRANCE-PRESSE in Hanoi, Vietnam

It has been more than six decades since the end of French colonial rule in Vietnam, but when President Francois Hollande arrives this week he'll struggle to avoid a quintessential legacy of his country's rule: the baguette.

Smearred with pate and loaded with fresh coriander and cucumber, or just enjoyed with a pat of fresh butter, *banh mi* are a delicious symbol of Vietnam's lasting links with its former occupiers.

"The French were very proud of *banh mi*. I think French cuisine has had a lot of influence on Vietnamese cuisine," said baker Nguyen Ngoc Hoan from his busy boulangerie in Hanoi's French Quarter.

Hoan started baking *banh mi* — which refers to plain bread or the popular *petit pain* loaded with meat, vegetables or fried egg — in 1987 and five years later got a stint at the bakery in the storied Metropole hotel, built by the French at the turn of the 20th century.



A baker carries plates of baked baguettes at the Hoan Boulangerie workshop in Hanoi, capital of Vietnam, last week. JENNY VAUGHAN / AGENCE FRANCE-PRESSE

The sandwich has become a foodie favorite in hipster enclaves around the globe, sold from food trucks and sipped with craft beer in both its classic form and a flurry of new varieties.

Hoan's father was also a baker but discouraged his son from following in his floured footsteps.

"The baking profession chose me, it was not my decision," Hoan said, speaking in front of a wall of ovens as his workers tirelessly knead dough nearby.

French bread was first made in Vietnam to feed hungry soldiers in Indochina, France's empire which spanned much of Southeast Asia from 1858 to its crushing defeat in the Dien Bien Phu battle in Vietnam in 1954.

Other culinary influences leaked in too. Local cooks used meat scraps and unused bones from French butchers to create pho — the national dish of beef or chicken noodle soup, according to Peters. Coffee and creme caramel are some of the other French culinary leftovers.

INDONESIA

Buffalo racers sustain tradition

What started off as a bit of fun evolved into a competition for locals each year

By AGENCE FRANCE-PRESSE in Banjar Jembrana, Indonesia

Wearing crowns and colorful horn coverings, the buffaloes haul wooden carts at high speed past paddy fields on Bali, with the racers aboard cracking whips in a bid to push their beasts on to victory.

Hundreds of spectators cheer from the sidelines, hoping their team will come out on top in the annual festival on the Indonesian island reminiscent of chariot racing.

The buffalo racing, known as *Makepung*, pits two farming communities against each other in western Jembrana district, in a tradition that marks the rice harvesting season.

A world away from the popular tourist hangouts further south on the island, the races are an awe-inspiring spectacle that see participants stand on speeding carts with flags fluttering from the top, as two buffaloes pull each of the rudimentary vehicles.

But the races, which have been held annually for decades, are falling out of favor — regular competitors are now elderly and few of the younger villagers are keen to take up the sport.

"I am old now, and there is no new generation," said Kadek Nuraga, 51, who has been racing for the West Ijo Gading community for over 35 years.



Participants compete in a *Makepung* or bull race with domestic water buffaloes in the Jembrana district on Bali island, Indonesia, in July. SONNY TUMBELAKA / AGENCE FRANCE PRESSE

200 people

can often make up a team taking part in the buffalo race in Bali, Indonesia

"Many of the older racers would like to retire, some are already over 60, but they simply don't have much choice. Somebody needs to preserve the tradition."

Nowadays younger people tend to leave Jembrana once they have reached adolescence in search of better education in cities, and community elders complain that those who stay are more

interested in playing video games than the high-speed buffalo races.

One of Nuraga's sons, now aged 27, has already left his village, and he is training his neighbor's teenage son at the weekends so he can take up the reins of the sport in the future.

But training a good competitor takes time and the older a competitor gets, the easier it is for him to fall off a speeding cart, said Makepung chief organizer Made Mara. Some veteran racers have even died after tumbling off speeding carts.

There is such a shortfall of people wanting to take part

some teams are having to hire racers, said Komang Hendra, Jembrana tourism chief.

But this costs 100,000 rupiah (\$7.50) per race, a hefty sum in a country where many earn the equivalent of two to three dollars a day.

Still for many Jembrana residents the investment is worthwhile due to the potential financial gain.

The typical prize money for each session of the Makepung race is 25 million rupiah (\$1,900) but that is split among the whole winning team, often involving 200 people.

But the value of a pair of victorious animals tends to

soar on the local market and some can reach prices of 175 million rupiah.

The *Makepung* tradition started in the 1960s when two communities on either side of the Ijo Gading river took a competitive approach to working their fields, with farmers racing each other as they labored.

What started off as a bit of fun evolved into a serious competition and now the communities field teams each year for the racing season.

The season runs from July to November, with races roughly every two weeks, and this year involved about 300 water buffaloes.

Company special

Sinotruk eyes overseas markets for growth

By TANG ZHIHAO tangzhihao@chinadaily.com.cn

A global strategy will be crucial to supporting the growth of China National Heavy Duty Truck Group, also known as Sinotruk, in the coming years, according to company executives.

Ma Chunji, chairman of the company based in Shandong province, said their target was to have the overseas market contribute 50 percent of Sinotruk's overall sales revenue by 2020, compared with 30 percent last year.

"Sinotruk has established a strong level of competitiveness in the global market. Our exports will support our overall sales performance," Ma said.

Sinotruk's income from exports increased 13.7 percent year-on-year to 8.08 billion yuan (\$1.21 billion) in 2015. It has ranked first among Chinese heavy truck exporters by volume for 11 consecutive years.

Since implementing a "going global" strategy in 2004, the company has transformed itself from a heavy truck producer to a service provider in overseas markets, according to Ma.

A global marketing and service system that is able to provide marketing, sales service and react to clients requests in an efficient and effective manner has been developed, he said.

The company has established six regional service centers in Southeast Asia, the Middle East, South Africa, North Africa, Central Asia and Russia and South America.

It has more than 250 service stations, 225 parts warehouses and upward of 330 sales dealers in nearly 100 foreign countries.

Sinotruk not only encourages its sales staff to learn



Cooperation with leading German commercial vehicle maker MAN allows Sinotruk to produce trucks that meet European standards. WANG QIAN / CHINA DAILY

foreign cultures and languages to better integrate into the local society, but has established trust among clients in overseas markets for its life-cycle vehicle services, according to Liu Wei, deputy general manager of the company.

"Premium after-sales service has played a more significant role in supporting brand building in overseas markets than premium products themselves. Services can create more brand value," said Liu, adding that the company has maintained strict quality standards in foreign markets aimed at supporting its brand building, capital management, talent, technology and market development.

In 2009, Sinotruk established a long-term strategic partnership with German commercial vehicle manufac-



Sinotruk has established a strong level of competitiveness in the global market. Our exports will support our overall sales performance."

Ma Chunji, chairman of Sinotruk

turer MAN, aimed at upgrading its technologies. MAN obtained 25 percent-plus-one share in Sinotruk Hong Kong for 560 million euros (\$627 million) and agreed to transfer its advanced technologies to the Chinese firm.

The partnership allows Sinotruk to produce trucks that meet European standards and enhance its competitiveness in the global markets.

"I can proudly say that Sinotruk's engines and spare parts can compete with those produced by the world's leading truck makers in many aspects, including reliability and life cycles," said Cai Dong, chief executive officer of Sinotruk. "We know those are preconditions for us to enter into high-end markets in developed countries."

Sinotruk has implement-

ed a multi-brand strategy to strengthen its competitiveness in segment markets, Cai said, adding that it has developed four brands — Sitrak, Howo, Steyr and Hohan — to serve different market segments.

To date, the company has expanded its offering to more than 3,000 truck types in nine categories, compared with the 78 types under one category that it offered in 2001.

It also ranks first among Chinese truck makers for the number of drive formats and engine power. It now has a distribution network covering 96 countries and regions including Southeast Asia, Africa, the Middle East, South America, Central Asia, as well as some developed markets such as New Zealand, Australia and Singapore.



Clients in Africa study trucks that the company has launched in the local market. PROVIDED TO CHINA DAILY

Belt and Road Initiative supports firm's sales

By ZHUANTI zhuantiant@chinadaily.com.cn

Exports driven in part by the Belt and Road Initiative have helped support the sales of China National Heavy Duty Truck Group, according to an official from the company that is also known as Sinotruk.

Figures from China Automotive Technology and Research Center show that Chinese heavy truck companies exported 31,717 vehicles in the first half of 2016, a 31.4 percent year-on-year decrease.

However, Sinotruk managed to beat the industry average, reporting only a 14.8 percent decrease in exports year-on-year.

Lan Junjie, general manager of the company's international department, said that the key factors supporting export performance were a well-established network in traditional markets such as Africa and Southeast Asia, as well as the launch of new projects in other Belt and Road countries such as Pakistan.

In the first six months of 2016, a total of 7,030 heavy trucks from Sinotruk were exported to countries along the Belt and Road routes, contributing 47.88 percent to its overall exports, compared with 42.2 percent in the same period last year.

Demand in some Central Asian countries more than

doubled between January and June. For instance, sales in Kazakhstan increased 243 percent year-on-year.

Sales in Pakistan reached 517 units in the first-half, increasing nearly 600 percent year-on-year. Lan revealed that the average annual demand for heavy trucks in Pakistan is around 1,000 units.

"As infrastructure construction in the Belt and Road countries gets a boost, Sinotruk will see more opportunities," Lan said, adding that as the largest heavy duty truck manufacturer in China by revenue, the company has long been committed to seeking business opportunities in Belt and Road countries.

"Sinotruk is not only keen to seize business opportunities along the Belt and Road routes, but also strives to be a pioneer," said Ma Chunji, chairman of Sinotruk. "We will support the Belt and Road Initiative by bringing our products to these regions and strengthening production capacity cooperation."

By the end of August, Sinotruk had a sales network that covered 33 of the 65 Belt and Road countries, including Pakistan, Russia and Malaysia.

Since 2011, Sinotruk has exported more than 8,000 heavy trucks to Kazakhstan, contributing to urban construction and industrial development there.

UZBEKISTAN

President Karimov is laid to rest

The long-serving leader is hailed as a true statesman

By AGENCIES in Moscow and Samarkand, Uzbekistan

Uzbekistan's leader Islam Karimov was hailed as a statesman and democrat by his government as he was laid to rest on Saturday in the ancient silk road city of Samarkand.

The coffin of 78-year-old Karimov, whose death from a cerebral hemorrhage was announced on Friday, was placed in the renowned Registan Square, flanked on three sides by Islamic schools covered in intricate, colorful tiles and topped with aqua cupolas.

Thousands of men packed the square — women were excluded in adherence to Islamic norms — to hear a mufti give a funeral prayer that said “Islam Karimov served his people.” The body was then taken to the Shah-i-Zinda necropolis, another architecturally significant site, for burial.

Premier Li Keqiang visited the Uzbekistan Embassy in Beijing to pay his respects.

Chinese Vice Premier Zhang Gaoli, special envoy of Chinese President Xi Jinping, was among the mourners and international dignitaries.

“The Chinese leaders, government and people are deeply grieved at the death of President Karimov. On behalf of Chinese President Xi Jinping, the Chinese government and people, I am extending



Mourners carry the coffin of Uzbek President Islam Karimov in Registan Square in Samarkand, Uzbekistan, on Saturday. The only leader the country has ever known since its independence died following a stroke. REUTERS

deep condolences and sincere sympathy to the Uzbek government and people as well as Karimov's relatives,” Zhang said at the funeral after laying a wreath in front of Karimov's portrait.

Karimov became the leader of Uzbekistan in 1989, when it was a Soviet republic, and held power throughout all of Uzbekistan's independence.

His Cabinet said in a statement that Karimov “attained a high authority in the country and in the international community as an outstanding statesman, who has developed

and implemented a deeply thought-out strategy of building a democratic constitutional state with a civil society and a market economy.”

Karimov cultivated no apparent successor, something some fear its Islamic radical movement could exploit.

Uzbekistan is ex-Soviet central Asia's most populous country and borders Afghanistan, making it of strategic interest to Russia and the United States.

In a statement, President Obama said the US remains committed to its partnership

with Uzbekistan as the country “begins a new chapter in its history.”

Alexei Pushkov, head of the Russian parliament's foreign affairs committee, retorted on Twitter that Obama “is mistaken if he thinks this new chapter will be written in Washington.”

Given the lack of access to the strategic country, it's hard to judge how powerful the Islamic Movement of Uzbekistan might be. Over the years, the group has been affiliated with the Taliban, al-Qaida and the Islamic State group, and it

has sent fighters abroad.

Under the Uzbek constitution, if the president dies his duties pass temporarily to the head of the senate until an election can be held within three months. However, the head of the Uzbek senate is regarded as unlikely to seek permanent power.

Two top officials are seen as likely successors to Karimov — Prime Minister Shavkat Mirziyoyev and Rustam Azimov, who is the finance minister and deputy prime minister.

AP—XINHUA

MIDDLE EAST

Stray dogs find shelter in battered Gaza

By AGENCE FRANCE-PRESSE in Gaza City

In an impoverished and war-battered territory suffering food shortages and a scarcity of jobs, Saeed al-Ar knew it was a tall order opening a dog shelter in Gaza.

The Palestinian coastal enclave crammed with 1.9 million people has been devastated by three wars against Israel since 2008, and it remains under blockade by the Jewish state and Egypt.

The fate of hundreds of stray dogs outside towns or near the Israeli security fence have been anything but a priority.

“How can we create a shelter for strays when we need shelter ourselves?” is the typical view, as expressed by a 27-year-old unemployed Gazan, Jasser al-Sheikh. “We must first feed our children and find jobs for thousands of

How can we create a shelter for strays when we need shelter ourselves? We must first feed our children and find jobs for thousands of unemployed graduates.”

Jasser Al-Sheikh, 27-year-old unemployed Gazan

unemployed graduates.” But Ar, a 45-year-old father of seven, has taken it upon himself to intervene, spending his own money to rescue the strays.

Last month, he opened the territory's first dog sanctuary in a relatively well-off suburb south of Gaza City.

His Al-Soulala Association for Protection, Rehabilitation and Training covers 2,700 square meters, complete with kennels which currently house around 75 former strays.

Behind beige tarpaulin on a vast sandy expanse, dogs are fed and given training to run and jump obstacles.

“This is the first kennel in Palestine that supports stray dogs and domesticates them,” Ar said.

He used to run a police unit for dogs specializing in the detection of explosives and drugs, and admits that canines have always been his passion.

When the Islamist movement Hamas seized power in

Gaza in 2007, Ar found himself out of a job. But he still collects a salary and now dedicates all his time to the dogs.

In the predominantly Muslim territory, religious authorities consider dogs to be unclean or impure.

Some Gazans even shoot at stray dogs that approach their children or orchards, while others find them scary and blame them for accidents.

The authorities lack the resources even if they were inclined to intervene.

In the past they even tried to poison strays, but stopped the culling over concerns that it was also dangerous to humans, a municipal official said on condition of anonymity.

The kennel aims to catch stray dogs, provide veterinary services and help domesticate them.

Since its opening, the kennel has attracted a growing

number of visitors, many of them children. Some have asked to adopt a pet, a trend picking up in Gaza.

The phone rings constantly with people reporting strays in their neighborhood.

In such cases, search teams are sent out, said Mohammed al-Hindi, 24, a recently graduated nurse and one of 25 volunteer helpers.

Every morning, the volunteers tour participating restaurants and stores to collect leftover meat and chicken for the dogs, in a sign of changing attitudes in Gaza.

But Ar said he has already spent \$35,000 and cannot make ends meet on his own much longer.

The center needs \$5,000 a month to function properly, said Ar, who has launched an online appeal to animal protection groups and lovers across the world.

IRAN

Pistachio farms left dry by climate change

By AGENCE FRANCE-PRESSE in Sirjan, Iran

The pistachio trees at the village in southern Iran are long dead, bleached white by the sun — the underground water reserves sucked dry by decades of over-farming.

The last farmers left with their families 10 years ago, and the village has the look of an abandoned Martian colony.

The dome-roofed, mud-walled homes are crumbling, once-green fields are now nothing but dirt furrows, and the only sign of life is a couple of drifters camping out in an old storehouse.

Pistachios are Iran's biggest export after crude oil, with 250,000 metric tons of the nut produced last year — a figure only recently topped by the United States.

In Kerman province in

southern Iran, cities have grown rich from pistachios, but time is running out for the industry as unconstrained farming and climate change take a devastating toll.

Near the city of Sirjan, a long line of enormous sinkholes like bomb craters mark the points where an underground aquifer was pumped completely dry, and the ground simply collapsed.

“Farming is being destroyed,” says Hassan Ali Firouzabadi, who has lived in the nearby village of Izadabad for half a century.

His business is barely clinging on. Some of his pistachio trees are old enough to remember the golden age of Shah Abbas in the 17th century, but the leaves have turned yellow-green from the salty water he now dredges up.

“The well was six to 10

meters (deep) when I was a child, but now it's 150, and the water is bitter and salty,” he said. “This used to be a village full of people. Most have left to become laborers and drivers. Ten more years and there will be nothing left.”

Iran faces two key challenges — dealing with a year-long nationwide drought that shows little sign of abating, and trying to convince farmers to stop the uncontrolled pumping of water.

Some 300,000 of Iran's 750,000 water pumps are illegal — a big reason why the United Nations says Iran is officially transitioning from a state of “water stress” to “water scarcity.”

In 2013, Iran's chamber of commerce carried out a survey showing that Kerman province was losing about 20,000 hectares of pistachio farms



A worker at a pistachio farm in Izadabad, a village in the southern Iranian Kerman province, inspects the plants. Cities in the province have grown rich from pistachios. ATTA KENARE / AGENCE-FRANCE PRESSE

every year to desertification.

For centuries, Iran relied on one of the world's most sophisticated irrigation systems — a web of underground canals known as *qanats* that carried water from under mountains to the arid plains.

But then came the electric

pumps. The need to preserve water was little understood and secondary to self-sufficiency in food production.

“We are slowly moving past a long-held illusion that we have endless resources,” said Mohsen Nasserri at the National Climate Change Office in Teheran.

HEALTH

Scientists conclude Singapore Zika strain came from SE Asia

By AGENCIES in Singapore

Singapore on Saturday reported 215 cases of Zika infections as scientists in the city-state said the virus strain comes from within Asia and was not imported from Brazil.

The Ministry of Health and National Environment Agency said in a joint statement on Saturday evening that of the 26 new cases reported on Saturday, 24 were linked to a cluster in the Aljunied district where the country's first locally-transmitted cases were reported.

The statement did not say where the other two cases were from.

A week after Singapore reported its first case of locally transmitted Zika infection, local scientists said they have completed genetic sequencing of the virus.

“The analysis found that the virus belongs to the Asian lineage and likely evolved from the strain that was already circulating in Southeast Asia. The virus from these two patients was not imported from South America,” the statement said.

The Aedes mosquito-borne Zika, which has been detected in 67 countries and territories including hard-hit Brazil, causes only mild symptoms for most people such as fever and a rash.

But pregnant women who catch it can give birth to babies with microcephaly, a deformation marked by abnormally small brains and heads.

Malaysia on Saturday confirmed its first locally transmitted case of Zika infection in a man living in the eastern



The virus from these two patients was not imported from South America.”

Joint statement, Singapore Ministry of Health and National Environment Agency

Malaysian state of Sabah.

This comes two days after the first case on Malaysian soil was reported in a woman who is believed to have contracted it while visiting her daughter in neighboring Singapore.

Meanwhile, a 61-year-old man diagnosed with the first case of a locally transmitted Zika infection in Malaysia has died from heart disease complications, and not from the mosquito-borne virus, the health ministry said on Saturday.

The ministry had said earlier that the patient was already suffering from high blood pressure, coronary heart disease, chronic kidney disease, kidney stones and gout before he sought medical attention on Aug 30. He had developed a fever three days before that and sought further treatment as he experienced worsening fever, muscle aches and diarrhea.

The patient died on Saturday from complications caused by his underlying heart disease, Malaysia's Health Director-General Noor Hisham Abdullah told Reuters, adding that the patient was due for bypass surgery next month.

AFP—REUTERS

Briefly

AFGHANISTAN 35 killed in bus, fuel tanker crash

At least 35 people were killed early Sunday when a passenger bus struck a fuel tanker in a head-on collision in the southern province of Zabul, officials said. “The passenger bus was on its way from Kandahar to Kabul when it collided with a fuel tanker. In the accident, 35 people were killed and more than 20 others were wounded,” said Zabul's Governor Bismillah Afghanmal.

UNITED STATES Violence erupts over oil pipeline

A protest of a four-state, \$3.8 billion oil pipeline turned violent on Saturday after tribal officials say construction crews destroyed American Indian burial and cultural sites on private land in southern North Dakota. Morton County Sheriff's Office spokeswoman Donnell Preskey said four private security guards and two guard dogs were injured after several hundred protesters confronted construction crews at the site just outside the Standing Rock Sioux reservation.

Hurricane kills 2, dampens holiday

Hurricane Hermine regained strength on Saturday as it moved slowly up the Eastern Seaboard and made a mess of the Labor Day holiday weekend. Hermine caused at least two deaths, damaged properties and left hundreds of thousands of people without electricity from Florida to Virginia. It spawned a tornado in North Carolina and closed beaches as far north as New York.

THE PHILIPPINES Mindanao struck by earthquake

An earthquake of 6.1 magnitude struck the southern Philippine island of Mindanao on Sunday, the US Geological Survey said. The quake struck at a shallow depth of 10 kilometers, 12 km northwest of the town of Hinatuan, the USGS said. The quake sent panicky people into the streets, but there were no immediate reports of any casualties or property damage and no tsunami warning.

SOUTH SUDAN Sudanese ask UN for peacekeepers

Displaced civilians and religious leaders in war-torn South Sudan appealed to the UN Security Council on Saturday to urgently deploy extra foreign troops as government ministers questioned whether more peacekeepers were needed in the capital, Juba. The 15-member council met with President Salva Kiir's cabinet, religious and civil society leaders and visited two UN compounds in Juba where tens of thousands of civilians have been sheltering.

SYRIA Cease-fire deal could come soon

A deal in Syria being discussed by the United States and Russia, which would involve a countrywide ceasefire and focus on delivering aid to embattled Aleppo, could be announced soon, said Washington's Syria envoy. The deal would oblige Russia to prevent Syrian government warplanes from bombing areas held by the mainstream opposition.

AFP — REUTERS — AP

SOCCER

Kosovo ready for historic qualifier

Uncertainty remains over players as nation prepares for 1st Cup campaign

By AGENCE FRANCE-PRESSE in Pristina

Despite several potential players remaining in limbo, Kosovo will make history on Monday, playing their first ever competitive match in a World Cup qualifier against Finland.

Kosovo became the 210th member of FIFA in May, but excitement ahead of the Balkans outfit's historic match has been marred by questions over who will be allowed to play for the team.

According to FIFA's rules, someone who has played for another national team cannot normally switch allegiance, so a number of Kosovo's potential players have had to apply individually for special permission — which is still awaited.

“It is unprecedented as they played for other national teams while Kosovo was not a member of FIFA. ... Now they should be given this opportunity,” the head of Kosovo's soccer association Fadil Vokrri told AFP.

“FIFA should allow a one-off exemption for Kosovo.”

A FIFA spokesman said the various applications “are currently pending and being investigated”, but he could not give an estimation of how long the decision process would take.

Kosovo unilaterally declared independence from Belgrade in 2008 and remains unrecognized by several countries.

“It is a dream come true,”

“It is unprecedented as they played for other national teams while Kosovo was not a member of FIFA. ... Now they should be given this opportunity.”

Fadil Vokrri, head of Kosovo's soccer association

midfielder Alban Muja wrote on his Facebook page. He intends to play for Kosovo after switching from the Albania.

A total of 24 players with roots in Kosovo currently play for six other national teams.

Most of them play for Albania, who are mourning the decision of four players so far from their European Championships squad this summer to play for Kosovo.

Others include Belgium's Adnan Januzaj, Finland's Perparim Hetemaj and Sweden's Arber Zeneli, who all await the green light from FIFA.

‘Just the beginning’ Amid the uncertainty ahead of the game at Finland's Turku

Stadium, coach Albert Bunjaki has had to operate with two lists of footballers — 15 who can definitely play and 11 awaiting permission.

He decided to assemble the first meeting of the team on Sept 1 in Turku for intensive training ahead of the match.

Despite the complications, Bunjaki remained upbeat.

“This is just the beginning of the project of creating a good team for the next European Championships,” he said.

Choosing to switch teams was an agonising decision according to Norway's Valon Berisha, who has applied to play for Kosovo.

“I was born in Norway and everything I achieved was thanks to Norway. I was in limbo for three to four weeks not knowing what to do.”

In the end, he decided to play for Kosovo while his brother Veton will stick with Norway, he said.

Along with Finland, Kosovo will face Croatia, Turkey, Iceland and Ukraine in their debut World Cup qualifying campaign.

As they don't yet have a stadium that meets international standards, Kosovo will play the opening home qualifier against Croatia on Oct 6 in the Albanian city of Shkoder.

Kosovo's officials are hoping the stadium in the capital Pristina will be ready for World Cup qualifiers by June next.

Bajram Jashanica, a defender for Albanians Skenderbeu Korce, has already made his debut for Kosovo in a friendly against Turkey, and said the long wait for Monday's match was motivating the team.



Not just a game

Canadian Prime Minister Justin Trudeau (center) helps tip off the ball as NBA China CEO David Shoemaker (rear in blue) and former NBA All-Star center Yao Ming (rear in black) look on during a visit to a Shanghai high school on Friday. Trudeau, as a guest coach, led his squad, called the Raptors, to face a team coached by Yao. This activity aimed to enhance cultural and sports exchanges between Chinese and overseas youngsters. PROVIDED TO CHINA DAILY

BASKETBALL

Wade mourns cousin, urges tougher gun laws

By ASSOCIATED PRESS in Chicago

Dwyane Wade has lashed out against Chicago's gun laws, calling them weak and saying he's urged officials in his hometown to enact changes to make the city safer.

The Chicago Bulls star, whose cousin was shot dead last week, also said his children are afraid of police officers in the same way he was growing up and that prisons need to better rehabilitate inmates.

Wade added that he was left with “a bad taste” in his

mouth when Republican presidential candidate Donald Trump tweeted about his cousin's murder.

Wade spoke to ABC News in the city is bigger than basketball,” Wade said. “Basketball is a big part of it, of course. It's what I do for a living. But I think my purpose at the end of the day is hopefully to come to Chicago and be a part and be the voice that can

help bring people together.” Aldridge, 32, was pushing her baby in a stroller near a school where she'd planned to register her children when she was shot in the head and arm. She wasn't the intended target, police said.

Two brothers have been charged with her killing.

Chicago's 90 homicides in August match the city's most in any month since August 1996. Chicago police say 5,900 illegal guns have been confiscated this year, and have said a fifth of the guns used in crimes in the city come in from neighboring Indiana.



Dwyane Wade

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Mareike Muller

Vice General Manager

Upper East Side

ID:15795

Bedrooms 4+1 | Bathrooms 3 | Size: 320sqm | Monthly Rental ¥ 42,000

As a perfect combination of traditional Chinese residential culture and modern industrial civilization, this delightful quadrangle house equipped with floor-heating system and suitable for both commercial and residential use welcomes you with agreeable outdoor relaxing and entertaining space offered by its nice yard featuring vivifying plants, pleasant swing chair and practical tea area as well as its amazing rooftop terrace. Together with the comfortable indoor space provided by its stylish living room featuring Chinese style furniture and decoration, impressive dining room coming with rotating-disk table, practical office, 4 cosy bedrooms, 3 modernly-equipped bathrooms as well as a fully-furnished tidy kitchen, this impeccable courtyard is really an ideal choice for those who want to keep a perfect balance between work and life. What's more, it has 2 parking lots.

APARTMENTS		
CBD Area		
Central Park		
1Br.	86sqm	¥ 15,000
2Br.	138sqm	¥ 20,000
3Br.	190sqm	¥ 30,000
4Br.	220sqm	¥ 44,000
4Br.	286sqm	¥ 47,000
4Br.	391sqm	¥ 65,000
CBD Private Castle		
2Br.	150sqm	¥ 17,000
3Br.	170sqm	¥ 20,000
3Br.	230sqm	¥ 27,000
Fortune Plaza		
2Br.	138sqm	¥ 18,000
2Br.	166sqm	¥ 20,000
3Br.	205sqm	¥ 25,000
3Br.	180sqm	¥ 22,000
3Br.	256sqm	¥ 28,000
Global Trade Mansion		
3Br.	168sqm	¥ 20,000
3Br.	200sqm	¥ 22,000
4Br.	368sqm	¥ 35,000
Gemdale Int'l Garden		
3Br.	168sqm	¥ 20,000
3Br.	200sqm	¥ 22,000
4Br.	368sqm	¥ 35,000
Xanadu Apartment		
1+1Br.	110sqm	¥ 17,000
2+1Br.	170sqm	¥ 27,000
Sanlitun Area		
Guangcai Int'l Apartment		
3Br.	217sqm	¥ 23,000
4Br.	270sqm	¥ 30,000
5Br.	500sqm	¥ 60,000
Sanlitun SOHO		
1Br.	115sqm	¥ 15,000
2Br.	160sqm	¥ 21,000
3Br.	209sqm	¥ 30,000
3+1Br.	250sqm	¥ 32,000
Shimao Int'l Center		
Studio	78sqm	¥ 13,000
1Br.	108sqm	¥ 15,000
2Br.	143sqm	¥ 21,000
Lufthansa Area		
Beijing SOHO Residences		
2Br.	150sqm	¥ 26,000
2+1Br.	200sqm	¥ 30,000
2+1Br.	270sqm	¥ 35,000
3+1Br.	310sqm	¥ 40,000
Four Seasons		
2+1Br.	256sqm	¥ 44,000
3Br.	321sqm	¥ 54,000
United Apartment		
2Br.	166sqm	¥ 20,000
3Br.	199sqm	¥ 22,000
3+1Br.	230sqm	¥ 24,000
Chaoyang Park Area		
Beijing Golf Palace		
3Br.	270sqm	¥ 35,000
4Br.	310sqm	¥ 54,000
Palm Springs		
3Br.	180sqm	¥ 25,000
3Br.	220sqm	¥ 32,000
4Br.	370sqm	¥ 47,000
Park Avenue		
3Br.	173sqm	¥ 26,000
3Br.	250sqm	¥ 35,000
4Br.	370sqm	¥ 50,000
Park Apartment		
3+1Br.	265sqm	¥ 30,000
Lido Area		
Upper East Side		
2Br.	131sqm	¥ 14,000
2Br.	150sqm	¥ 16,000
3Br.	200sqm	¥ 22,000
3+1Br.	220sqm	¥ 23,000
4Br.	280sqm	¥ 32,000
4Br.	325sqm	¥ 45,000
Andersen Garden		
2Br.	150sqm	¥ 18,000
3Br.	234sqm	¥ 30,000
4Br.	288sqm	¥ 35,000
Lido Serenity City		
2Br.	110sqm	¥ 15,000
Richmond Park		
2Br.	140sqm	¥ 14,000
3Br.	170sqm	¥ 21,000
4Br.	230sqm	¥ 25,000
4Br.	350sqm	¥ 40,000
Dongzhimen Area		
Pop Moma		
3Br.	205sqm	¥ 28,000
4Br.	275sqm	¥ 38,000
4Br.	400sqm	¥ 53,000
Seasons Park		
3Br.	150sqm	¥ 17,000
3Br.	210sqm	¥ 27,000
4Br.	250sqm	¥ 33,000
3Br.		
3Br.	170sqm	¥ 25,000
4Br.	220sqm	¥ 28,000
3Br.	170sqm	¥ 21,000
4Br.	230sqm	¥ 25,000
4Br.	350sqm	¥ 40,000
VILLAS		
Beijing Riviera		
4BrA.	402sqm	¥ 45,000
4BrB.	405sqm	¥ 45,000
4BrC.	294sqm	¥ 40,000
4BrD.	251sqm	¥ 35,000
4BrE.	400sqm	¥ 45,000
Rose and Ginkgo		
4Br.	350sqm	¥ 38,000
Lane Bridge Villa		
4Br.	370sqm	¥ 38,000
6Br.	430sqm	¥ 48,000
Grand Hills		
4BrB.	565sqm	¥ 60,000
4BrN.	550sqm	¥ 64,000
5BrL.	450sqm	¥ 52,000
Orchid Garden		
4Br.	275sqm	¥ 27,000
4Br.	350sqm	¥ 32,000
4Br.	400sqm	¥ 40,000
Beijing Euroville		
4Br.	200sqm	¥ 25,000
5Br.	500sqm	¥ 33,000
Dragon Bay Villa		
4Br.	370sqm	¥ 35,000
4Br.	500sqm	¥ 50,000
Dynasty Garden		
4Br.	365sqm	¥ 28,000
4Br.	412sqm	¥ 32,000
4Br.	600sqm	¥ 35,000
Rits Garden		
4Br.	410sqm	¥ 40,000
4Br.	500sqm	¥ 45,000
Yosemite		
4BrB1.	498sqm	¥ 50,000
4BrB3.	596sqm	¥ 55,000
4BrC1.	360sqm	¥ 38,000

APARTMENTS FOR RENT IN BEIJING

Beijing Yintai Centre - 北京银泰中心
• ID: 43247 245sqm, 2Br. 2Ba. ¥43,000
• high floor, good view, open kitchen

Beijing SOHO Residences - SOHO北京公馆
• ID: 04216 230sqm, 3+1Br. 3Ba. ¥43,000
• middle floor, big balcony and terrace

United Apartment - US联邦公寓
• ID: 02057 179sqm, 2Br. 2Ba. ¥24,000
• middle floor, good view

Central Park (II) - 新城国际
• ID: 07052 234sqm, 3Br. 2Ba. ¥50,000
• high floor, good natural light

Shoukai Bojun - 首开铂郡
• ID: 39476 155sqm, 3Br. 2Ba. ¥25,000
• high floor, good sunlight, floor heating

Four Seasons - 四季世家
• ID: 39232 270sqm, 3Br. 2Ba. ¥50,000
• middle floor, good view, floor heating

Sanlitun SOHO - 三里屯SOHO
• ID: 18862 249sqm, 3+1Br. 2Ba. ¥33,000
• high floor, good view, value for money

Centrium Residence - 瑞安君汇
• ID: 40997 210sqm, 3Br. 3Ba. ¥38,000
• high floor, garden view, floor heating

Park Apartment - 天安豪园
• ID: 43941 440sqm, 3Br. 3Ba. ¥62,000
• duplex, south facing, big balcony

Park Avenue - 公园大道
• ID: 06569 190sqm, 3Br. 2Ba. ¥27,000
• middle floor, nice balcony, good sunlight

VILLAS FOR RENT IN BEIJING

Cathay View(C) - 观唐
• ID: 39787 460sqm, 4Br. 4Ba. ¥50,000
• big garden, big balcony, floor heating

Yosemite - 优山美地
• ID: 11045 463sqm, 4Br. 3Ba. ¥50,000
• detached, big garden, open kitchen

Beijing Riviera (III, B) - 香江花园
• ID: 01413 406sqm, 4Br. 4Ba. ¥50,000
• detached, big garden, big balcony

Beijing Euroville (III) - 欧陆苑
• ID: 03768 500sqm, 5Br. 4Ba. ¥35,000
• detached, big garden, high ceiling living room

Le Leman Lake Villa - 莱蒙湖
• ID: 08174 662sqm, 4Br. 4Ba. ¥51,000
• detached, big garden, value for money

Lane Bridge Villa (I) - 长岛澜桥
• ID: 40426 450sqm, 4Br. 4Ba. ¥42,000
• semi-detached, floor heating, value for money

River Garden Villa (D) - 裕京花园
• ID: 07966 380sqm, 4Br. 4Ba. ¥55,000
• detached, big garden, sunroom

Orchid Garden - 卓锦万代
• ID: 43947 350sqm, 4Br. 3Ba. ¥45,000
• big garden, high ceiling living room, floor heating

Dragon Bay Villa (IV) - 龙湾别墅
• ID: 11740 450sqm, 4Br. 2Ba. ¥38,000
• townhouse, floor heating, value for money

LA GRANDE VILLA - 誉天下
• ID: 07123 270sqm, 4Br. 3Ba. ¥23,000
• semi-detached, nice garden, floor heating

SERVICE APARTMENTS FOR RENT IN BEIJING

Kerry Center - 嘉里中心
• ID: 40577 225sqm, 3Br. 2Ba. ¥77,000
• high floor, garden view, nice terrace

East Gate Plaza - 东环广场
• ID: 43773 270sqm, 3Br. 2Ba. ¥43,000
• high floor, spacious living room, good view

Oakwood Residence Beijing - 奥克伍德华庭
• ID: 40698 143sqm, 2Br. 2Ba. ¥37,000
• middle floor, open kitchen, good view

Grand Millennium Beijing - 北京千禧公寓
• ID: 40633 188sqm, 2+1Br. 2Ba. ¥38,000
• duplex, good sunlight

China World Apartment - 国贸公寓
• ID: 43953 264sqm, 3+1Br. 3Ba. ¥50,000
• high floor, spacious living room, garden view

TENNIS

Serena solid for record 23rd major title

By ASSOCIATED PRESS
 in New York

So about that inflamed right shoulder that was supposed to hinder Serena Williams at the US Open as she seeks a record 23rd major title: It sure seems to be just fine.

“Definitely feels solid,” Williams said.

Not sure? There's plenty of evidence. No need to take her word — or her coach's — for it.

Look at the way Williams beat 47th-ranked Johanna Larsson 6-1, 6-1 on Saturday to reach the fourth round at Flushing Meadows and collect the 307th Grand Slam match victory of her career, surpassing Martina Navratilova for most by a woman in the Open era and equaling Roger Federer for most by anyone since 1968.

Williams reached 194 km/h on a serve. She had a half-dozen aces, bringing her total this week to 31. She faced only one break point — her first of the tournament — and saved it. She smacked seven return winners. She compiled a 24-5 total edge in winners.

“Tennis-wise, I think it was very satisfying in all aspects. It's not perfect, of course,” said

her coach, Patrick Mouratoglou. “But for someone who didn't play many matches in the last two months, I think she's competitive.”

Now there's an understatement.

“There is no pain. Maybe she feels a little. I don't know; I'm not in her shoulder. But I see she plays normal. She serves normal. At practice, she serves the quantity that we usually do, full power,” Mouratoglou said. “So I don't see any problem. And she doesn't even talk about it. I know it's under control now.”

That sounds like bad news for upcoming opponents, starting with 52nd-ranked Yaroslava Shvedova, who advanced to the round of 16 in New York for the first time by beating Zhang Shuai 6-2, 7-5.

Monday's other fourth-round women's matchups will be Williams' older sister Venus versus No 10 Karolina Pliskova, No 5 Simona Halep versus No 11 Carla Suarez Navarro, and No 4 Agnieszka Radwanska versus Ana Konjuh.

Venus Williams advanced comfortably Saturday night by beating No 26 Laura Siegemund 6-1, 6-2. In that half of the draw, only the players with



Serena Williams of the United States prepares to serve to Johanna Larsson of Sweden during the third round of the US Open tennis tournament on Saturday. ASON DECROW / ASSOCIATED PRESS

the last name Williams have won a Grand Slam title; the sisters could meet in the semifinals a year after Serena eliminated Venus in the quarters.

Williams is 4-0 against Shvedova, who is best known for the first “golden set” in the Open era, which began in 1968: She won all 24 points of the first set against Sara Errani at Wimbledon in 2012.

“She's dangerous,” Mouratoglou said. “But I think Serena is even more dangerous.” Larsson would probably agree.

“You're out there, you're trying to find ways to win,” Larsson said, “but sometimes, it's just not happening.”

Mouratoglou said Williams' shoulder began bothering her a day or two after Wimbledon,

where she teamed with Venus to win doubles and tied Steffi Graf's Open-era record with Grand Slam singles title No 22.

This was Williams' first day-time match of the US Open, so she debuted a new outfit — a white dress accessorized with neon pink compression wraps on her arms, which she called “my Wonder Woman sleeves.”

TENNIS

Dimitrov ‘back in love’ with sport

By AGENCIES

Grigor Dimitrov was once in danger of spending his career either struggling to live up to being dubbed the “new Federer” or being known as the boyfriend of Maria Sharapova.

But with Federer sidelined from the US Open, and with Dimitrov and Sharapova no longer the sport's golden couple, the 25-year-old Bulgarian is enjoying having the spotlight lifted from him.

“I think a lot has changed over the past year and a half for me. I fell in love with tennis again. It's simple as that,” said Dimitrov, a former world No 8, now down at 24 in the rankings.

A 6-4, 6-1, 3-6, 6-2 win over Portugal's Joao Sousa on Saturday gave him a place in the second week of a Grand Slam tournament for the first time this year.

World No 2 Andy Murray awaits him on Monday with a spot in the quarterfinals at stake.

Dimitrov appeared to have the world at his feet in 2014. Sharapova was his girlfriend and he reached the semifinals of Wimbledon and quarterfinals of the Australian Open.

But his form went downhill in 2015 and in the first half of this year.

Between May and June, he endured a six-match losing streak and his ranking slumped to 40, his lowest in three years.

The summer has seen a resurgence, with Danny Vallverdu — once part of Murray's coaching team — in his corner becoming the Bulgarian's sixth coach since 2009.

At the Toronto Masters, he reached the last-eight, losing to Kei Nishikori.



Grigor Dimitrov of Bulgaria reacts after winning a point against Joao Sousa. AP

In Cincinnati, on the eve of the US Open, Dimitrov made the semifinals at a Masters for the first time, defeating world No 3 Stan Wawrinka in the third round before losing to eventual champion Marin Cilic in three sets.

“I have started to enjoy the process again. I'm enjoying the work again. I'm enjoying waking up in the morning early to come to practice. I'm enjoying doing the ice baths again. I'm enjoying pretty much everything that I do,” he said.

“You don't think of anything else. I started to enjoy those butterflies before a match, complaining to your coach that you're, like, short of breath because you're so nervous to come on court.

“Those are moments I'm sure I'm always going to appreciate hopefully for the rest of my career.”

Against Wimbledon and Olympic champion Murray, he has a 6-3 losing record, but he came out on top in their last clash in Miami in March.

“I think our styles just kind of fit our games. There's going to be a lot of challenges against Andy,” he said.

“He's going to be ready as ever. He's just really confident right now. He's been playing extremely good tennis. He knows what to do.”

Scoreboard

BASEBALL

Results of MLB games on Saturday (home teams in CAPS):
 San Francisco 3 CHICAGO CUBS 2
 TEXAS 12 Houston 4
 CINCINNATI 9 St. Louis 1
 TAMPA BAY 7 Toronto 5
 Atlanta 6 PHILADELPHIA 4 (10 innings)
 Milwaukee 7 PITTSBURGH 4
 BALTIMORE 2 NY Yankees 0
 MINNESOTA 11 Chicago White Sox 3
 CLEVELAND 8 Miami 3
 NY METS 3 Washington 1
 KANSAS CITY 5 Detroit 2
 Arizona 9 COLORADO 4
 Boston 11 OAKLAND 2
 LA Angels 10 SEATTLE 3
 LA DODGERS 5 San Diego 1

GOLF

Deutsche Bank Championship
 Leading scores after second round of Deut-

sche Bank Championship at TPC Boston on Saturday (par-71, USA unless stated):
 131 - Kevin Chappell 67-64
 132 - Paul Casey (ENG) 66-66, Jimmy Walker 68-64
 133 - Brian Harman 68-65
 134 - Smylie Kaufman 68-66, Dustin Johnson 68-66
 135 - Brian Stuard 66-69, Daniel Berger 67-68, Ryan Moore 65-70, Gary Woodland 69-66, Justin Rose (ENG) 68-67, Patrick Reed 68-67

Manulife LPGA Classic

Leading scores after the third round of the Manulife LPGA Classic at Whistle Bear Golf Club on Saturday (par 72, USA unless stated):
 202 - Lee Mi-Hyang (KOR) 69-67-66
 203 - Kim Hyo-Joo (KOR) 68-67-68
 204 - Ariya Jutanugarn (THAI) 70-68-66, P.K. Kongkraphan (THAI) 69-66-69

205 - Lee Min-Jee (AUS) 70-69-66, Caroline Masson (GER) 68-69-68
 206 - Lydia Ko (NZL) 70-72-64, Catriona Matthew (SCO) 72-68-66, Lizette Salas 71-69-66
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European Masters

Leading third round scores on Saturday from the European Masters at the Crans-sur-Sierre Golf Course in Switzerland (GBR & IRL unless stated, par 70):
 197 - Scott Hend (AUS) 65-67-65
 198 - Alex Noren (SWE) 69-63-66
 200 - Richard Bland 67-64-69
 201 - Mikko Ilonen (FIN) 66-67-68, Alejandro Canizares (ESP) 69-64-68, Andrew Johnston 65-68-68, Romain Langasque (FRA) 68-63-70
 202 - David Drysdale 70-68-64, Florian Fritsch (GER) 67-69-66, Richard Green (AUS) 65-66-71

203 - Li Haotong (CHN) 65-70-68, James Morrison 65-70-68, Alexander Levy (FRA) 68-67-68, Graeme Storm 66-69-68, Marcus Fraser (AUS) 65-69-69, Callum Shinkwin 66-68-69, Joachim Hansen (DEN) 65-68-70
 Selected others
 205 - Matthew Fitzpatrick 75-65-66, Lee Westwood 72-66-67
 207 - Danny Willett 65-72-70
 210 - Thongchai Jaidee (THAI) 72-68-70

TENNIS

US Open

Results from the sixth day of the 2016 US Open tennis championships at Flushing Meadows on Saturday (x denotes seeded player):

Men's 3rd rd

Dominic Thiem (AUT x8) bt Pablo Carre-Busta (ESP) 1-6, 6-4, 6-4, 7-5; Juan Mart Del Potro (ARG) bt David Ferrer (ESP x11) 7-6 (7/3), 6-2, 6-3; Ilya Marchenko (UKR) bt Nick Kyrgios (AUS x14) 4-6, 6-4, 6-1 - retired;

Stan Wawrinka (SUI x3) bt Dan Evans (GBR) 4-6, 6-3, 6-7 (6/8), 7-6 (10/8), 6-2; Kei Nishikori (JPN x8) bt Nicolas Mahut (FRA) 4-6, 6-1, 6-2, 6-2; Ivo Karlovic (CRO x21) bt Jared Donaldson (USA) 6-4, 7-6 (7/3), 6-3; Grigor Dimitrov (BUL x22) bt Joao Sousa (POR) 6-4, 6-1, 3-6, 6-2; Andy Murray (GBR x2) bt Paolo Lorenzi (ITA) 7-6 (7/4), 5-7, 6-2, 6-3

Women's 3rd rd

Serena Williams (USA x1) bt Johanna Larsson (SWE) 6-2, 6-1; Yaroslava Shvedova (KAZ) bt Zhang Shuai (CHN) 6-2, 7-5; Carla Suarez Navarro (ESP x11) bt Elena Vesnina (RUS x19) 6-4, 6-3; Simona Halep (ROM x5) bt Tímea Babos (HUN x31) 6-1, 2-6, 6-4; Agnieszka Radwanska (POL x4) bt Caroline Garcia (FRA x25) 6-2, 6-3; Ana Konjuh (CRO) bt Varvara Lepchenko (USA) 6-3, 3-6, 6-2; Karolina Pliskova (CZE x10) bt Anastasia Pavlyuchenkova (RUS x17) 6-2, 6-4; Venus Williams (USA x6) bt Laura Siegemund (GER x26) 6-1, 6-2

CEFC China in long line of Chinese M&A titans

By ZHUAN TI

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Shanghai-based CEFC China Energy Co Ltd's acquisition of the Czech steel producer ZDAS, which has an annual sales revenue of nearly 1.3 billion euros (\$1.5 billion), was recently approved by the Czech antitrust office. The acquisition includes not only the purchase of ZDAS, but also its machinery manufacturing enterprise TS Plzen and one of its branches in Germany.

With a history of about 50 years, ZDAS is a first-class iron and metallurgy engineering company in Europe.

The acquisition is one of China's largest investment projects in the Czech Republic.

The strategy is in keeping with the aggressive overseas

merger and acquisition tactics adopted by Chinese companies in recent years. According to statistics from Thompson Reuters, Chinese companies have so far this year announced about 300 merger and acquisition deals, totaling more than \$100 billion, which is close to last year's total.

Located in the heart of Europe, the Czech Republic plays a crucial role as the bridge between Europe and Asia, having an influence on Western Europe, Central Europe and Russia. It is China's second-largest trading partner in Central and Eastern Europe, and China is the Czech Republic's largest trading partner outside the European Union.

CEFC China, which currently ranks 229th on the Fortune Global 500 list, has



A man works at ZDAS, a Czech steel engineering company acquired by CEFC China Energy Co Ltd. PHOTOS PROVIDED TO CHINA DAILY

\$1.5 billion

investment of CEFC China in the Czech republic

“Its (CEFC China's) upstream businesses will be in Central Asia, the Middle East and Africa.”

Ye Jianming, CEFC China's chairman of the board

invested more than 10 billion yuan (\$1.5 billion) in the Czech Republic and is China's biggest investor there.

To promote the Belt and Road Initiative, the company has built a second headquarters in the country, expanding its finance, manufacturing, tourism and air transportation businesses.

At the Sino-Czech economic and trade roundtable on March 30 in Prague, CEFC China signed contracts to acquire ZDAS and purchase a 50 percent stake in J&T Finance Group, becoming the first Chinese private company to control a European bank.

It also became a shareholder in Travel Service, the

second-largest airline in the Czech Republic, with the aim of making Prague a European air transport hub, which would also make it easier for Chinese companies to enter the European market.

In the energy sector, CEFC China has agreed to acquire 51 percent of KMG International, which has an industry chain covering oil storage, refinery and sales, owning more than 2,000 gas stations in Spain, France and Romania.

“Following the Belt and Road Initiative, CEFC China will build the downstream and terminal oil and gas stations in Europe, and its upstream businesses will be in Central Asia, the Middle East and Africa,”

said Ye Jianming, CEFC China's chairman of the board. “The terminals in Europe will connect Central Asia, the Middle East and Russia.”

He said CEFC China has established branches in several European countries and also its European headquarters in the Czech Republic and its Eurasian headquarters in Georgia.

This is, however, just part of CEFC China's plan. It has also purchased Le Palais, a renowned luxury five-star boutique hotel located in the center of Prague, as well as brewer Pivovary Lobkowicz Group. CEFC China now has diversified business interests throughout Europe, and has even branched into sports.

One of the Czech Republic's leading soccer teams, SK Slavia Praha, was on the brink of bankruptcy before it was acquired by CEFC China last year. Now, thanks to the company's investment, the club's fans are looking to the future with renewed optimism.

“Keeping promises and paying attention to the emotional bond are some of the main reasons for CEFC China and many other Chinese companies to successfully expand overseas and win the recognition of local administrations and people,” said Chen Qiutu, president of the company.

CEFC China's investments in the Czech Republic appear to have spawned further opportunities with Georgia inviting cooperation with the company in areas such as power facilities and postal savings banks. It has also agreed to cooperate with Bulgaria in telecommunications, power grids, airport construction and infrastructure.

Company special

Public face of a private firm

CEFC China Energy Co Ltd is a private collective enterprise with energy and financial services as its core business. The company was established by Ye Jianming in 2002 and holds shares and controlling interests in several foreign public companies. It has a workforce of nearly 30,000.

With expanding international economic cooperation in the energy sector as its strategy, CEFC China seeks to establish a well-organized international investment bank through its operations and investment in the energy sector.

CEFC China has been actively exploring and plotting the possible future development path for private enterprises. It has injected its core values into its corporate culture based on the business philosophy of “arising with strength and achieving with goodness”.

Its innovative corporate governance model is reflected by a system that combines strategic and financial control from its headquarters with partnership systems at its subsidiaries. The model aims to promote core business, talent professionalism, asset securitization and refined management.

The company saw its revenue exceed 263.1 billion yuan (\$39.5 billion) last year, and it placed 229th on its third consecutive appearance in the Fortune Global 500 this year. It has also been recognized with a number of awards and titles, including the World's 500 Most Influential Brands, Asia's 500 Most Influential Brands, Most Influential Chinese Enterprises and Top 10 Most Internationally Competitive Chinese Enterprises.

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CEFC China has purchased SK Slavia Praha, one of the leading soccer clubs in the Czech Republic.



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