China Economic Digest

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China..........RMB 75	Hong Kong..........HK$80	Pakistan..........Rs.500
U.S..........$5.00	India..........RS200	Korea..........Won11,000
Cambodia..........US$8.00	Indonesia..........Rp77,000	Malaysia..........RM24
Australia..........A$6	Japan..........¥1,200	Nepal..........NR90

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CHINA ECONOMIC Digest

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Nationwide breast feeding campaign on the way

BEIJING

The top legislature began reviewing a draft amendment to the Advertisement Law, which proposes a ban on baby formula advertising to promote breast feeding. "Dairy products, drinks and other food advertisements that claim to partly or completely substitute mother's milk are [banned from] mass media or public venues," said the draft.

The draft revision was submitted to the bimonthly legislative session of the National People's Congress (NPC) Standing Committee, which ran from Monday to Friday.

The proposal stipulates that advertisers, clients, agents and publishers that violate the rule could be fined up to 1 million Yuan ($163,260).

Many champions believe that breast feeding is the best source of nutrition for newborns, as it increases their immune systems and reduces the likelihood of obesity in adulthood.

However, only 28 percent of infants younger than 6 months were breast fed exclusively in China in 2008, well below the global average of about 40 percent, according to figures released by United Nations International Children's Emergency Fund (UNICEF) China.

Breast feeding rates might have increased in recent years as the government initiated measures to revive the practice, such as encouraging businesses to offer new mothers dedicated rooms to feed their infants or to express milk.

The State Council aims to raise the exclusive breast feeding rate to 50 percent by 2020, as outlined in its program for the development of women and children. – Agencies

'Strip shows' in rural areas to face govt wrath

CED Monitoring
BEIJING

Organizers of strip shows in rural areas will be severely punished in a campaign announced by the Ministry of Culture to curtail the illegal performances.

The ministry will work with various departments to intensify supervision of profit-oriented shows and boost law enforcement in rural areas, it said.

"Illegal performances such as strip dances have been occurring in rural areas from time to time that have disrupted the cultural market and created a negative influence on the social environment," the ministry said in a statement posted on its website.

The ministry will severely punish illegal activities such as strip shows and hold culprits criminally accountable if they violate laws, it said. It will also blacklist companies and individuals behind illegal operations and publish the list.

It cited two cases involving the staging of strip shows. The shows' organizers have been punished by cultural authorities and other departments, the ministry said. In one case, six performers with Red Rose Troupe, an art group from Handan, Hebei province, participated in a performance at the funeral of an elder in Handan's Cheng'an county on Feb 15. The performance included playing a suona - a Chinese double-red horn - as well as traditional dancing. At the end, the performers presented what the authorities characterized as a strip show. No details were provided.

A manager of the troupe, surnamed Li, was given 15 days in detention and a fine of 70,000 Yuan ($11,000) by the police and county cultural authorities.

In the other case, three performers delivered what was said to be an obscene act at a funeral in Zhangtang village of Suqian, Jiangsu province, on Feb 27. Again, no details were provided.

Some people in rural areas pay troupes to play folk music and perform racy acts, so that more people will come to a funeral, said Zhang Chengdong, vice-president of the Jiangsu Festivals and Events Association.

"They want to have as many people as possible attend the funeral. In this way, they feel they fulfill their obligation of fidelity to their elders," Zhang said.

Authorities should intensify supervision so performing troupes will not violate laws just to cater to the bad taste of some people in rural areas, he said.

Civil servant exodus reports denied

CED Monitoring
BEIJING

A senior government official has categorically denied reports of an "exodus" of the country's civil servants from their jobs, and said some job-hopping should be considered normal.

"Judging from statistical figures and our surveys at some central governmental agencies, there is no noticeable surge in the number of civil servants leaving their posts," said Li Zhong, spokesperson of the Ministry of Human Resources and Social Security, at a press conference.

Li made the remarks in response to a question on several reports by the media and job-hunting websites stating that the number of civil servants who

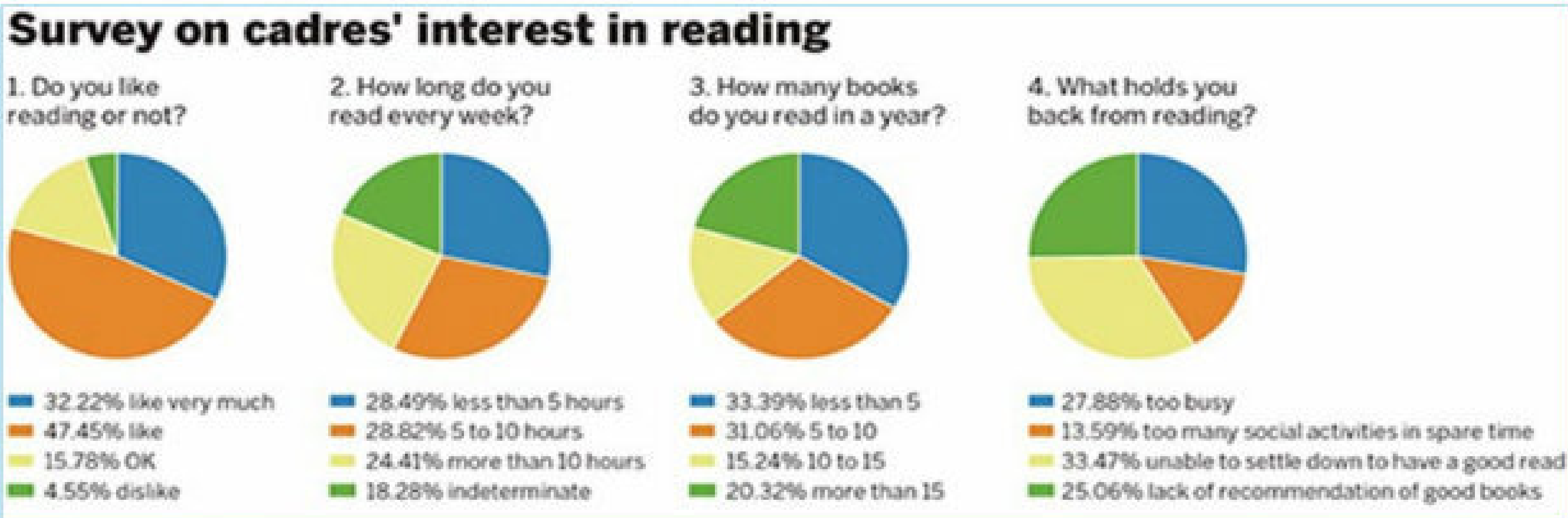
have quit their jobs has grown significantly.

Many think that heavy workloads, relatively low pay and pressure from the country's anti-corruption and frugality campaigns have led civil servant jobs to lose their appeal.

"Some members have quit, but that is generally normal," Li said, noting that the country's laws also encourage free flow of personnel.

Li also noted that the civil servant talent pool is constantly being filled through new member recruitment.

CPC members found absorbed book reading



CED Monitoring
BEIJING

Time spent with literature grows as social activities take back seat to new habits

As World Book Day arrived, reading events bloomed nationwide as the government encouraged a love of literature among the public. And surveys show that Party and government groups are taking the lead.

Jiangsu province launched a four-day reading festival in Nanjing during which scholars gave lectures, and a team of volunteers was created to read books aloud to the visually impaired.

The government also plans to turn the city's Xuanwu Lake Park into a readers' paradise by building a library and a book cafe for lectures and book fairs.

"Chinese people love reading. It is a tradition that goes back thousands of years," said Sun Shoushan, deputy director of the State Administration of Press, Publication, Radio, Film and Television, at the launch of the 5th Beijing Reading Season this week. "The government puts great emphasis on encouraging a love of reading among people and has included a policy to promote reading in the government's work report since 2014."

It's no easy task to promote reading across the country. Leisure time is decreasing in an increasingly fast-paced life. The average daily leisure time for Chinese people was 2.55 hours in 2014, less than half in developed countries, according to a survey by China Central Television of 100,000 sample households.

Only one-tenth of daily leisure time about 15 minutes was spent reading, while one-third was spent on the Internet and one-sixth on TV, the survey showed. Party members are required to set an example of valuing reading, and recent surveys show they devote more of their leisure time to it.

Among nearly 5,000 participants in a poll on cpc.people.com.cn last year, 79 percent of the polled Party members said they like reading, while 28 percent admitted reading less than five hours per week. Compared with a survey by People's Tribune magazine in 2009, Party members are doing more reading. Half of the participants in the 2014 survey said they read 10 books or more in a year, a growth of more than 10 percentage points over 2009.

Moreover, Party members experience less disruption of their reading by social activities of late, as the Party has advocated a thrifty lifestyle and cracks down on extravagance and abuse of public funds. In the 2009 survey, 22 percent of Party members polled said they were too busy attending social activities to read, while only 13 percent in the 2014 survey blamed social activities for holding them back.

"Besides participating in a reading club, I spend about eight hours every day reading," said Xu Bo, director of Jiangsu Local Taxation Bureau.

To help Party members develop a habit of reading, the Work Committee of the Jiangsu Party Committee organized after-work reading clubs, where participants engage in group discussions. The Work Committee conducted a survey of more than 3,200 Party members in the province last year, and 52 percent of those polled welcomed such events.

"I spend more time on reading than before, about 14 hours a week now," said Xu Shipei, deputy secretary of the Party Committee of the Jiangsu Provincial Commission of Economy and Information Technology. "What I learn from reading has helped me improve my work."

Hebei polluters fined heavily

CED Monitoring
BEIJING

Hebei province has fined waste water treatment plants tens of millions Yuan for polluting the environment.

Six plants were ordered to pay nearly 20.48 million Yuan ($3.3 million) in total as punishment for discharging excessive pollutants.

A plant in Zaoqiang county was ordered to pay more than 6.8 million Yuan, the highest fine among the six, for not taking corrective measures after being asked to, according to the Hebei Provincial Environmental Protection Department. The five other plants are in Chengde, Zhangjiakou, Langfang, Cangzhou, and Hengshui.

A further two plants, in Cangzhou city, were also punished with penalties ranging from tens of thousands of Yuan to millions.

Fines are accumulated on a daily basis based on a new national Environmental Protection Law, which took effect on Jan.1.

According to the legislation, dubbed the most severe environmental protection law so far if an enterprise refuses to or does not correct a polluting operation after being asked to, it will be further punished by being fined multiple times the penalty initially imposed.

This is Hebei's first order since the law took effect.

"This will become a normal action in Hebei," said Yang Yongjie, from the Hebei environmental law enforcement supervision department, adding that the punishment has greatly increased enterprises' costs. Yang said "the accumulated fine" will force enterprises to operate in accordance with the law.

In addition to fines, administrative punishment will also handed down to related responsible people, Yang said.

Hebei has spent 1.05 million Yuan on installing remote automatic inspection systems at 210 wastewater treatment plants.

Since launching inspections at the start of the year, Hebei has investigated and prosecuted more than 300 cases with more than 400 people punished.

Tibetan mastiff facing uncertain future

CED Monitoring
BEIJING

"If mastiffs are guns, then a Tibetan mastiff will be a gun that could be easily discharged accidentally," said Wang Yibo, who runs an online forum for fans of the dog in China.

The remarks were made two years ago to describe the unpredictable and aggressive nature of the breed but now also sound appropriate for the country's Tibetan mastiff market.

According to the Tibetan Mastiff Association, there were 95 puppy farms in the autonomous region selling nearly 10,000 dogs annually before 2012. Now only 66 farms survive with 3,000 of the exotic breed sold in 2014.

Earlier this year, animal rights activists in Beijing were reported to have saved 21 Tibetan mastiffs and 150 other dogs from a truck heading to a slaughterhouse where the animals would have been sold for $5 a head.

Shaggy, lion-like mastiffs, native to Tibet and neighboring Qinghai province, were traditionally used as shepherds and watchdogs by herders and known for a loyal but fierce disposition.

Like luxury cars and houses, a Tibetan mastiff was once deemed a status symbol for China's nouveau riche. Burgeoning in the 1990s, the market has skyrocketed over the past two decades.

In 2012, a pup was reportedly sold for 20 million Yuan ($3.23 million) in Qingdao, Shandong province.

The market also boosted related industries, including feed and exhibitions.

The growing number of breeders led to an oversupply of pups. "Many of the puppies are highly inbred and of questionable quality, which may threaten the species' existence in the long run and damage the reputation of the industry," said Wang Yonggang, chief of the Tibetan Mastiff Association, quoted by media.

The cooling of the market can also be attributed to strict regulations against large dogs in cities, said Wang Zhankui, chief of a mastiff research center in Henan province.

Cases of pet mastiffs injuring or killing family members and passersby are occasionally reported, leading to a ban on raising the breed in cities including Beijing, Shanghai and Tianjin.

China's ongoing anti-corruption drive has also taken its toll, Wang said.

The dogs were once a fashionable gift from businessmen to officials but now both avoid buying or receiving them.

Wang Yonggang said the industry can only return to normal with more effort on producing high-quality breeds and improving breeding skills.

Cops bust gang of fake handbags sellers

SHANGHAI

Chinese police have caught 25 suspects for allegedly selling fake luxury handbags online to overseas customers, including Louis Vuitton (LV) branded items, authorities have said.

Police from Shanghai Municipality and East China's Fujian province have confiscated more than 60 computers and servers and 1.75 million Yuan in cash (about 280,000 US dollars), Shanghai police said. Last August, French fashion house Louis Vuitton reported to Shanghai municipal public security bureau that it had found counterfeit LV handbags in international markets. Some of them came from Shanghai, the police said.

After several months of investigation, a gang attracted the police's attention. In 2009, gang leaders established Tengchuang Information Technology Company in Fujian and rented servers from a Shanghai firm to operate more than 200 English-language websites to sell the fake products, police said.

The websites, which used foreign IP addresses,

advertised authentic products at lower prices. The company collected counterfeit luxury handbags, watches and accessories from factories in Guangdong and Fujian, and transported them to Beijing and Shanghai by express courier.

They then delivered the fake luxury goods to foreign customers in more than ten countries, including the United States, Canada, Britain and Greece, said Qian Honghao, a Shanghai police officer.

Qian said more than 80 percent of the gang members have bachelor's degrees, and the company's average monthly sales hit 2 million Yuan. Further investigation is under way. – Agencies

Bonded zone in Kashgar goes operational

URUMQI

A comprehensive bonded zone has been opened in Xinjiang Uygur autonomous region's border city of Kashgar. The zone was approved by the State Council in September and passed joint assessment led by the General Administration of Customs in January.

Covering a plot of 3.56 square km, the bonded zone enjoys geographic advantages for trade thanks to its proximity to Kashgar International Airport and busy highways, as well as the China-Pakistan and China-Kyrgyzstan-Uzbekistan railways currently being planned.

Several areas have been set up to provide bonded warehousing, logistics and manufacturing. In addition, support services such as custom clearance, airfreight and exhibition halls are also available.

The bonded area has finalized investment agreements with 26 logistics and manufacturing companies, which have a combined registered capital of 400 million Yuan ($64 million) and is expected to create 500 jobs. Bordering on five Central Asian countries including Tajikistan, Kyrgyzstan and India, Kashgar boasts five national ports.

Xinjiang established its first bonded zone at the Alataw Pass, the country's largest land port, in the region's northwestern Mongolian autonomous prefecture of Bortala in 2011. – Agencies

NBA star Marbury graced on China's stamp

BEIJING

Former NBA star Stephon Marbury has a statue in front of the arena of Beijing's Wukesong Stadium, three Chinese Basketball Association titles and now he has a postage stamp named in his name and face.

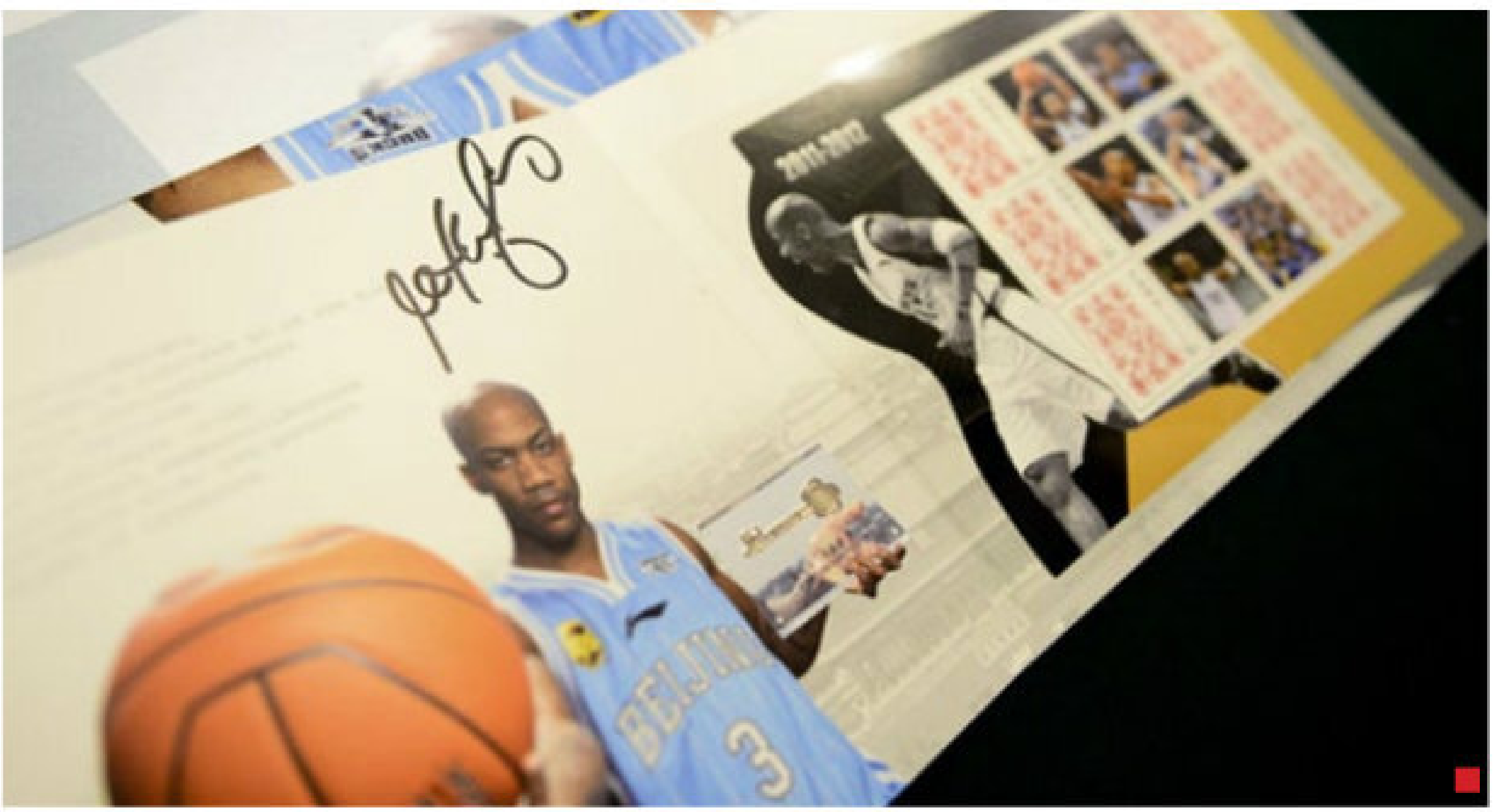
Marbury keeps winning in Beijing. Fresh off winning his third championship in the Chinese basketball league, Marbury was honored with a postage stamp in a ceremony at the National Museum of China this week. The 38-year-old left the NBA Knicks in 2010 and reinvented himself in China, where he was named one of its 10 "model citizens" in 2014 and honorary citizen of Beijing.

"I'm still trying to wrap my head around the fact that people will be able to buy a stamp of me to mail packages anywhere in the world," said Marbury, who plans to give a speech at the National Museum of China in Beijing.

"I am truly humbled. Never did I imagine in all of my 38 years of living that I - a kid who grew up 7,000 miles away from Beijing and a kid who came from the projects of Coney Island - would have a stamp of myself. I can never have dreamed it."

Marbury has applied for a Chinese "green card", or permanent residence permit. "I'm applying for a Chinese green card," Marbury wrote last week in his Weibo account, Chinese version of twitter. China started to grant permanent residence permits to foreigners in 2004. Since then, about 5,000 foreigners have received permits.

Marbury, who left a 20 million US-dollar NBA contract behind six years ago to play basketball in Beijing, is now a settled superstar in China. He led Beijing to their third and second straight Chinese basketball league title last month and was voted the CBA finals MVP. – Agencies



More overseas talent to be lured

CED Monitoring
BEIJING

Vincent H. Yu, a licensed physician in New York state, is thinking about setting up his own healthcare company in China.

He is not worried about funding, technology or a partner. His main problem is how to find the best place to start his business, with several Chinese cities offering attractive policies for overseas professionals like him.

At the Conference on International Exchange of Professionals in Shenzhen, Guangdong province, at the weekend, Yu witnessed many cities' policy incentives in various areas, such as free workshops, startup funds and taxation.

"I'm very eager to bring research results from the United States to China to help extend people's lives," he said.

"I simply want a platform to get started."

Yu is lucky, as China wants to lure more international talent and entrepreneurs to start businesses in the country. Coastal provinces including Jiangsu, Zhejiang and Fujian, are leading the way.

For example, Suzhou in Jiangsu, has attracted more than 300 foreign experts under its 1000Talent Plan to start businesses or carry out innovative projects.

Many overseas Chinese are being encouraged to start businesses as the nation aims to become more innovation-driven. This follows the success stories of companies such as e-commerce giant Alibaba Group, whose market capitalization has risen to more than $250billion.

Yuan Yuan, who works in the Suzhou Government Organization Department, said: "This idea of attracting overseas talent to start innovative businesses stems from our own situation. Suzhou, a tourism destination, has a good reputation among foreigners, and we have a solid industrial foundation.

"We have a long history of attracting outside talent despite the fact that we don't have many prestigious universities," Yuan added.

"With more overseas Chinese and foreigners wanting to seek opportunities in China, we want to take this opportunity to not only attract talent but to keep it in Suzhou."

Vice Premier Ma Kai has said that with the hard work of its people, China is now closer than ever to attaining its dream of national rejuvenation, meaning that it needs more talented people and is in a better position to give them "fame and glory".

Ongoing reform in politics, the judiciary, business and talent recruitment policy has also provided the opportunity and the environment for talented people to start their own businesses or perform innovative work.

"China is comprehensively pushing forward the rule of law and this will offer a legal environment featuring equality, justice and transparency for talent at home and abroad," Ma said.

Beijing Intl' Film Festival seeks to be top event

CED Monitoring
BEIJING

The rapidly expanding Chinese market for movies has drawn increasing attention from around the world. The recently concluded 5th Beijing International Film Festival, one of the country's major film events, has drawn a record number of participating stars, some 300 at the opening ceremony in northern Beijing last weekend, and hundreds of world-renowned filmmakers at the following meetings. There was also a long list of celebrities.

The event had a lift-off when Hollywood action star and former California governor Arnold Schwarzenegger gave warm hugs and handshakes to the screaming fans alongside the red carpet.

The festival's organizers have given themselves three to five years to make the Beijing International Film Festival rank as the top movie event in Asia, on a level with the Cannes Film Festival and Toronto International Film Festival, says Zhao Zhiyong, executive deputy secretary-general with the festival's committee, in a news release. French veteran filmmaker Luc Besson, who leads a seven-member panel to select the best picture and other nine awards for the festival's Tiantan (Temple of Heaven) Awards, believes that is achievable.

"So five years is very young. It's a baby, but I had never seen a baby so mature, and he has the maturity of a very old Chinese wise man," Besson says at the opening ceremony, referring to the five-year-old festival. Marco Solari, President of the Locarno International Film Festival

in Switzerland, says that he has been impressed with the fast development of China's movie market and the number of local talented moviemakers.

"There are now more than 3,000 film festivals in the world. Their influence is not judged old they are. Though the Beijing International Film Festival is still young, it has already taken its place in the world," Solari says.

The President of the earliest and largest film festival in Switzerland predicts that it is "quite possible" for China to overtake the United States as the world's top box-office market in the coming years.

Some big numbers may show the festival's potential and the possibility of its goal. More than 300 movies selected from more than 1,500 titles from 103 countries and regions were released in 23 Beijing cinemas and eight universities.

Some of them made their international debut in China, the world's second-largest movie market with a record box office hitting 29.6 billion Yuan ($4.8 billion) last year, up 36 percent year-on-year.

Online ticket booking statistics show that more than 10,000 tickets were sold in only three minutes after Gewara.com, the festival's authorized site, started presale, and 4.2million tickets were sold in the following three days.

Tickets of some US blockbusters, such as this year's Oscar winners Birdman and The Grand Budapest Hotel, were sold out at least two days before the screenings.

The overwhelming response from Chinese movie goers to the festival, with some attendees claiming on major film forums that they flew to Beijing just for the "precious" chance to enjoy the classical productions on the big screen, makes the 2015 festival the most popular since it was launched in 2011.

The festival also reached out to the international movie market. Latest available figures show that the movie industry fair, part of the festival that was held from April 17 to 20 in the China Millennium Monument, attracted 275 movie companies and institutions from 25 countries and regions, up 11 percent year-on-year.

Project Pitches, a major section of the market which aims to find film projects that have big commercial potential, have received 455 applicants, double the total of the previous year.

In the previous four festivals from 2011 to 2014, a total of 80 movie projects were picked up, hitting a trade value as high as 27.3 billion Yuan.

The fantasy thriller Warrior Gate,

Journey to the West, an adaptation from the Ming Dynasty (1368-1644) classic, will feature the Monkey King again in the summer of 2017. This time, the 3-D version of the popular legend is a collaboration between Paramount Pictures and Beijing Ruyi Xinxin Film Investment.

The Monkey King is a world-famous character and the story will work well with the latest movie technology, says Rob Moore, Paramount's Vice President. Many of the principal actors in the 1986 classic TV series, who are still remembered by a generation of Chinese viewers, will star in the film that will be produced by Mark Johnson, famed for Rain Man and Breaking Bad.

Hollywood blockbusters also made their pitches during the festival.

"I'll be back."

The signature line in the Terminator franchise was Schwarzenegger's last sentence in his speech at the opening ceremony.

The 67-year-old American star refers to his possible promotion back in China for the upcoming action, titled Terminator 5 or Terminator: Genisys, which will be released in July in North America.

Feng denies attending gambling tourney

CED Monitoring
BEIJING

Chinese veteran rocker Wang Feng has denied attending a poker tournament which was suspended for involving illegal gambling.

The star said he had only attended the opening ceremony and the following charity poker championship. The 2015 China (Jiangsu) Poker Championship was suspended by Nanjing police after allegedly involving illegal gambling activities.

According to the investigation, the championship is suspected because participants are allowed to purchase multiple chips.

More than a thousand people and nearly eight million Yuan ($1.3 million) are said to be involved.

Beijing film fest generates $2.2b in contracts

CED Monitoring
BEIJING

The 5th Beijing International Film Festival generated over 13.8 billion Yuan (about $2.2 billion) in contracts.

The figure is a 32 percent increase year on year, and is more than any other film festival in Asia, according to the organizing committee. On April 20, a ceremony was held for 36 major projects, including creation, production, release and marketing, the committee said.

The projects included an animated film, "Beast of Burden", which will be co-produced by China Film Animation Ltd. and New Zealand-based Huhu Studios. It is an adventure story about how animals living an arduous life under oppressive masters, find love and learn to walk upright.

Chairman Trevor Yaxley of Huhu Studios said both production teams believe this story could bring joy and tears to the global audience. In the first four annual festivals, 80 projects were signed with a total transactions of more than 27 billion Yuan. – Agencies

The Gold Era grabs best picture Award at 34th HK film fest

CED Monitoring
BEIJING

The Golden Era, a biographical movie of Xiao Hong, one of

China's most famous essayists and novelists, won the Best Film of the 34th Hong Kong Film Awards this week.

Actor Sean Lau from Hong Kong and actress Zhao Wei from the Chinese mainland respectively won the Best Actor and the Best Actress by staring the latest Hong Kong action movie series Overheard 3, and Dearest, a movie on kidnapping in China.

Kong Trade Development Council late last month.

Nearly all the biggest-name US producers were there, rubbing shoulders with Chinese movie moguls and business tycoons keen on joining the star-studded business. In the past, the Chinese mainland was valued by Hollywood producers as nothing more than a money spinner with an ever-increasing number of moviegoers captivated by US-produced big-budget blockbusters.

Now, however, they have found something that promises to be even more tantalizing: investment funds. To further tap the potential of the Chinese market, Hollywood producers are trying to knit more and more Chinese elements into their blockbusters by filming on location in China and featuring Chinese stars.

Such exploits have attracted the attention of many Chinese real-estate tycoons, coal mine bosses and rags-to-riches industrialists, who have the money and a growing desire to buy their own slice of showbiz glamour.

"There is huge energy and interest among our members to navigate their way into China, which is now the world's second-largest film market after the United States," said Elizabeth Dell, head of a China Task Force formed by the Producers Guild of America, the highly influential trade organization representing television producers, film producers and new media producers in the US. Dell is also acting as an independent film producer.

The PGA set up the task force last autumn to meet soaring interest from its members in China-especially about how to get money from the market.

"We have also been receiving more requests to participate in China-based, or China-focused, projects in the United States. It is explosive," Dell said.

What is particularly exciting many Hollywood movie producers is that Chinese investment funds are beginning to pour millions into projects, big and small.

A growing number of producers, she said, are working Chinese angles into their movie plots, simply in the hope of attracting calls from eager investors with jumbo-sized egos on the other side of the globe.

This huge surge in interest has happened only in the past two years, and already some of China's most successful entrepreneurs, flush with cash, have been eyeing Hollywood and throwing money into creating their own dreams there.

The latest move came in mid-March when Hollywood mini-studio Lions gate Entertainment Inc, which produced the blockbuster Hunger Games, announced it had reached a three-year agreement with China's Hunan TV & Broadcast Intermediary Co Ltd to co-finance movie productions for the next three years.

The Golden Era was the biggest winner at the awarding ceremony. With nominations for up to ten titles, the movie also won the Best Cinematography, the Best Art Direction, the Best

Costume and Makeup Design, with its Hong Kong director Ann Hui winning the Best Director title. The Golden Era had been selected as the Hong Kong entry for the Best Foreign Language Film at the 87th Academy Awards, although it was not nominated.

It was the first time for Zhao to win a Hong Kong Film Awards title, though she has been nominated twice. Zhao said at the ceremony that she really did not expect anything from the awards this time and attributed the success to the movie's director Peter Chan.

With a total of 13 nominations, Overheard 3 also helped Alan Mak and Felix Chong win the Best Screenplay for writing a sophisticated story in the crime-thriller movie. Ivana Wong, a 35-year-old Hong Kong actress who started a career as a singer ten years ago, starred four movies in 2014, three of which were nominated for the Best New Performer this year. Wong won this title for performance in Delete My Love, and also won the Best Supporting Actress for Golden Chicken SSS.

Coming Home, which tells a love story through China's cultural revolution directed by Zhang Yimou, won the Best Film from Mainland and Taiwan. Founded in 1982, the Hong Kong Film Awards has been the most prestigious movie awards in the region and one of the most recognized in the Chinese mainland and Taiwan.

China looks to top the bill in Hollywood productions

CED Monitoring

LA moguls are looking longingly East as the mainland becomes a hefty box-office market, reports Xie Yu in Hong Kong.

Imagine Hollywood actor Matt Damon engaging in mortal combat with a bunch of sleazy-looking villains on the stone parapets of the imposing Great Wall of China. You're right. Hewins against all the odds, as he always does.

Or if you prefer something less violent, but just as tantalizing, how about another scenario: Raven-hair Chinese beauty Li Bingbing races through the mean streets of Los Angeles on an even meaner Harley Davidson, chased by a group of burly bikers. She escapes but has the last laugh, of course.

In fact, you do not really need to stretch your imagination because you could be able to buy a ticket to watch these scenes on a big screen near you soon, and you can count on Hollywood to produce many more such box-office hits centered on increasingly East-meets-West themes, in partnership with Chinese producers and funded by Chinese money.

"China-connect" was the buzzword of the annual Hong Kong International Film and TV Market, Asia's largest film and entertainment market, hosted by Hong

Under the agreement, Hunan TV's wholly owned subsidiary, TIK Films, will bankroll one-quarter of Lions gate's film production budget of $1.5 billion.

The planned list of titles includes Gods of Egypt, Now You See Me 2, The Last Witch Hunter starring Vin Diesel, Sicario and Age of Adalin featuring Blake Lively and Harrison Ford.

Hunan TV is China's second-largest broadcaster after China Central Television, and it is not the only Chinese enterprise trying to court Lions gate.

Other suitors are thought to include e-commerce giant Alibaba Group Holding Ltd and property group Dalian Wanda Group Co Ltd, both of which are well-known to have been shopping around for up-and-coming Hollywood studios.

It had been widely reported in the Chinese media that Alibaba and Wanda had separately initiated talks with Lions gate that could lead to either acquiring a substantial interest in the studio. A Lions gate's spokesman declined to comment on the reports.

"As Chinese people spend more on leisure and entertainment, the film business is seen by many Chinese entrepreneurs as a very important channel to further diversify their revenue sources," said Alex Wang, an analyst with Beijing-based iResearch Consulting Group.

The PGA's Dell said: "The major studios in Hollywood are what we call the 'Big Five,' but there are many smaller producers. Lions gate sits in the middle of the ranking.

"Irrespective of its size, the studio has got a library that keeps generating revenue and stabilizing the financing. What's more, Lions gate isn't so big that makes it hard for potential suitors to buy into." Past transactions have shown that Chinese buyers are targeting the smaller players just to whet their appetites.

Last year Fosun International Ltd, for instance, acquired an interest in Jeff Robinov's new film company Studio 8 for $200 million. Insiders said Fosun had beaten Huayi Brothers Media Corp, the country's largest privately owned filmmaker, in landing Robinov's signature.

> **"A growing number of producers, she said, are working Chinese angles into their movie plots, simply in the hope of attracting calls from eager investors with jumbo-sized egos on the other side of the globe."**

Huayi, meanwhile, has reportedly closed its own deal with producer Robert Simonds' new movie and TV studio STX Entertainment to finance, produce and release movies. The Los Angeles Times quoted a source as saying that its total investment in STX was around $50million.

Chinese private equity fund Hony Capital is STX's largest single shareholder after making a major capital injection in the studio in February.

"Chinese people are global. They are shopping, going to school, buying properties all over the world. That's where we come in. We can show them around Hollywood," said Renee Hartmann, a producer from Los Angeles-based Hollyluxe Entertainment.

Hartmann is promoting a movie project featuring the life of Chinese students in the US with a modest budget of $3 million to $5 million, and TV shows focusing on Hollywood Lifestyle in the Hong Kong Film Festival. Nicole Beckett, also from Hollyluxe, said it is on the hunt for investors.

"They can invest in our movie or TV shows and can be investment companies, TV stations, or online media operators like Youku Tudou Inc," she said.

Tough nuts to crack

As US film producers and Chinese investors continue to snuggle up to each other, industry insiders said making money from these potential marriages is harder than many think.

The Chinese market, on the one hand, remains partially closed to foreign films. Just 34movies produced outside of China are allowed to be screened in the Chinese mainland each year.

Some foreign, particularly US, filmmakers are seeking to circumvent the restriction by seeking Chinese partners to jointly produce movies for the Chinese market.

'Furious 7' rules China's box office with $190 million

Furious 7 raced ahead of its competitors for the second week, which ended April 19, with1.17 billion Yuan ($191 million) in ticket sales. The seventh film in the stunt-filled "Fast and Furious" street-racing franchise easily beat all rivals and remained dominant after a record opening of 401 million Yuan on April 12.

Domestic romance "Ever Since We Love," which debuted on April 17, was at the number two-spot, pulling in 72 million Yuan in the week, China Film News reported. Domestic action film "Wolf Warriors", which debuted April 2, landed in third place with 54million Yuan in the week. The film has rung up 493.8 million Yuan as of April 19.

"Mortdecai," a comedy-action starring Johnny Depp, came in fourth, with 13 million Yuan. The film was released here on April 17.

Rounding out the top five was domestic romance "The Queens," which earned 11.8 million Yuan in the week after opening on April 15. – Agencies

France honors Chinese celebrities

CED Monitoring
BEIJING

Chinese director Feng Xiaogang, "godfather" to the 10th Croisements Festival and the 12th Panorama, was named a Knight of the Order of the Arts and Letters by Maurice Gourdault-Montagne, French ambassador to China.

The ceremony was held as part of the French evening of the 12th Panorama organized by the French Embassy and uni-France Films at Chinese Zen House in Beijing. The order was created in 1957 to honor those who have distin-

guished themselves through their work in the artistic or literary domain or by their contribution to the dissemination of art and literature in France and the world.

Feng said the order is a great honor and encourages him to promote cooperation between the Chinese and French film industries.

He thinks France is a romantic country and expects film's third sequel to If You Are the One there.

Many other Chinese luminaries have also been recognized by France for their contribution to the arts, literature, or the propagation of these fields.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IMF sees China's growth as safer

Cover Story

WASHINGTON

China's economy slowed to a safer and more sustainable range, marking the transition to its economic "new normal", says a senior official of the International Monetary Fund (IMF).

In a recent interview with China's State run news agency, Steven Barnett, a division chief in the Asia and Pacific Department of the IMF, said China's economic growth which moderated to 7 percent in the first quarter, the slowest pace since 2009, is in line with what IMF expects China's growth range which stands between 6.5-7 percent.

"We think this marks the transition what in China is being called 'new normal'. We will call you get on a slower but safer and more sustainable growth path," he said on the sidelines of the World Bank-IMF Spring Meetings.

In IMF's biannual World Economic Outlook (WEO) report, the Washington-based lender forecast China's economy would ease to 6.8 percent in 2015 from7.4 percent in 2014. The growth is expected to cool to 6.3 percent in 2016.

For China, the main risk is the failure to implement the reform agenda to address

financial risks, rebalance the economy and tap new sources of growth," the report warned.

"We see it will continue in a safe range in the end ... How fast China can grow depends on how successful China is in implementing the reform agenda," Barnett said.

He singled out key areas where reforms should be accelerated, including liberalizing the financial sector, giving private business equal treatment with the state-owned companies and beefing up the social security system.

"We think China still has policy space to support growth if needed," he noted, saying one is to accelerate the reduction of social security contributions, and the second relates to strengthening the social security system.

"These will help boost consumption by boosting labor market and income, and accelerate the shift away from investment towards consumption as a driver of growth," he said. – Agencies

ICBC topples Wells Fargo

CED Monitoring
BEIJING

Industrial & Commercial Bank of China Ltd (ICBC) is now the world's most valuable bank, winning its duel with Wells Fargo & Co, foreign media has reported.

ICBC's market capitalization was $315 billion this week, 11 percent more than Wells Fargo based in San Francisco.

According to analyst Steven Chan, of Maybank Kim Eng Securities Pte in Hong Kong, Chinese banks' gains may be supported by monetary easing lowering their funding costs and limiting bad loans, the report said.

China has cut interest rates and lenders' reserve requirements twice since November.

"The next round of the rally is likely to be related to some of the foreign institutional investors realizing that they've been too pessimistic about China's banks," Chan said.

ICBC reported a net profit rise of 5.1 percent year on year to 276.29 billion Yuan ($45.29billion) in 2014.

Business revenue gained 11.7 percent in 2014 from 2013 to 658.89 billion Yuan. Among the total revenue, the net interest income gained 11.3 percent year on year to 493.52 billion Yuan.

The bank's total assets hit 20.61 trillion Yuan, up 8.9 percent year on year.

Turnover explosion crashes SCE software

CED Monitoring
BEIJING

China's stock trading fever has made the Shanghai Stock Exchange the world's biggest in terms of turnover, surpassing the New York Stock Exchange, but the explosion in volumes has exceeded the ability of the exchange's software to report it.

The exchange's trading turnover exceeded 1 trillion Yuan ($161.28 billion) for the first time, but the data could not be properly displayed because its software was not designed to report numbers that high.

"This is a software configuration issue, not a technical glitch," the Shanghai Stock Exchange said in a statement, adding that trading and price quotes for individual stocks were not affected.

The exchange said it would need to replace its current software files that handle volume reporting to resolve the issue. China's stock market has nearly doubled over the past six months on hopes of monetary easing, with the world-beating performance luring retail investors who have been opening accounts at a record pace.

Trading turnover on the Shanghai and Shenzhen stock exchanges totaled $1.85 trillion and$1.56 trillion respectively in March, making the two bourses the world's biggest that month, according to the World Federation of Exchanges.

The New York Stock Exchange had a turnover of $1.53 trillion in March, and the Nasdaq OMX a total turnover of $1.1 trillion.

The Shanghai Stock Exchange said that the current software package, called SHOW2003, can only support trading turnover below 1 trillion Yuan, and was being gradually replaced by new software.

RMB being made more freely usable

WASHINGTON

China will take a series of reforms to further increase the capital account convertibility of Renminbi, and make Yuan, a more freely usable currency, governor of the People's Bank of China (PBOC) Zhou Xiaochuan has said.

In a statement at the 31st meeting of the International Monetary and Financial Committee meeting held in Washington, Zhou said that China will further expand cross-border investment channels for individual investors, such as via pilot program of Qualified Domestic Individual Investor.

The country will also introduce Shenzhen-Hong Kong stock connect program, relax foreign exchange regulations, facilitate access to the Chinese capital markets by overseas institutional investors, and further facilitate the international use of Renminbi, he added.

Zhou said that China will adopt a concept of managed convertibility in order to limit risks from cross-border capital flows and safeguard the stable value of the currency and a safe financial environment.

This year, the International Monetary Fund (IMF) will conduct review of including Yuan into the basket of the Special Drawing Rights (SDRs). Zhou told reporters that the evaluation process of the Renminbi's inclusion is proceeding, and China would speed up relevant reforms to promote the process.

SDRs are international foreign exchange reserve assets. Allocated to nations by the IMF, an SDR represents a claim to foreign currencies for which it may be exchanged in times of need.

According to the IMF, the selections of currencies for the SDR basket are based on two criteria -- the size of the country's exports and whether its currency is freely useable, and the latter requires a certain degree of capital account convertibility.

Zhou said that there are only a few capital account items that are completely inconvertible, adding that this year China plans to launch a series of reforms that will target currently inconvertible items under the capital account, with the aim of further promoting capital account liberalization and making Renminbi a more freely usable currency.

Commenting on China's current economic conditions, Zhou said China's macro-financial condition remains stable, while the economy is facing some downward pressure.

He reiterated that the Chinese government will maintain continuity and stability of the monetary policy to ensure reasonable credit growth and liquidity, continue proactive fiscal policy, and stay vigilant on nonbank financing. In regard to real estate policy, Zhou said China will continue to implement a differentiated housing mortgage policy to support the healthy housing demand. – Agencies

Reserve ratio cut to boost developers' lending

CED Monitoring
BEIJING

The unexpectedly large cut in banks' required reserve ratio announced will put more money into the market and ease developers' borrowing costs, giving a big boost to the flagging real estate sector, analysts said.

The one percentage point reduction to 18.5 percent by the People's Bank of China, the central bank, was twice the usual adjustment. Analysts estimated that it will allow banks to boost lending by unleashing about 1.2 trillion Yuan ($194 billion).

Investors agreed, with shares of property developers rallying and the Shanghai Property Index rising 1.2 percent for the best performance among five industry groups, even as the Shanghai Composite Index dipped 1.64 percent.

China State Construction Engineering Corp jumped 9.1 percent to 9.85 Yuan. Rongan Property Co, based in the second-tier city of Ningbo, Zhejiang province, rallied by the 10percent daily limit to 26.93 Yuan.

With the new liquidity, banks are likely to boost lending to homebuyers and developers, said Yang Hongxu, vice-president of the E-House China R&D Institute. Yang added that the banks have a "natural tendency" to lend more to "big clients" who borrow a large amount of outstanding debts. That tendency will likely reduce heavily leveraged developers' financing costs.

The central bank lowered the reserve ratio by 0.5 percentage point on Feb 4 and the benchmark interest rate by 0.25 percentage point on Feb 28. Those moves combined to reduce the average corporate borrowing cost by 0.5 percentage point from the year-earlier level to 6.83 percent, according to central bank data.

Zhang Hongwei, chief analyst of Tospur Real Estate Consultancy, said that the reserve ratio cut will boost home sales by making it easier for banks to implement previous support policies, such as the PBOC's announcement on March 30 that it was cutting the minimum down payment for second-home buyers.

Zhang said that housing sales stayed flat in the first half of April despite these policies because banks had not implemented them at the local level. Before the ratio cut this weekend, banks were required to set aside 19.5 percent of their deposits as reserves, which hurt their lending ability.

With the lower reserve requirement, banks will be more willing to implement the 40 percent down payment ratio for second-home buyers who have outstanding mortgages.

Many in-house analysts at property agencies have urged potential buyers to snap up properties in first-tier cities at the lowest prices in some time.

Silk Road Fund makes maiden investment

CED Monitoring
BEIJING

The 'Belt and Road Initiative' gets a major boost with Pakistan project, say experts

The Silk Road Fund's first overseas investment project is expected to demonstrate a new financing model that supports infrastructure construction and improves connectivity across the regions involved in the "Belt and Road Initiative", experts said.

The $40-billion Silk Road Fund, set up in December 2014, will inject capital in China Three Gorges South Asia Investment Ltd, a subsidiary of China Three Gorges Corp, to develop the Karot hydropower project on the Jhelum River in northeastern Pakistan.

The project will be funded through a mix of equity and loan investments, said a statement released on the website of the People's Bank of China, the central bank.

"The investment structure includes global investors and follows international standards, which means the project is feasible and can achieve mutual benefit and win-win results for partners," Jin Qi, chairwoman of the Silk Road Fund Co Ltd, told media.

The infrastructure construction project, under the framework of the China-proposed Silk Road Economic Belt and the 21st Century Maritime Silk Road initiative, is expected to ease electricity shortage in Pakistan and support its economic development, said Jin.

"It also shows the fund's attitude of being open and inclusive," she said. The fund will take a stake in a subsidiary of China Three Gorges Corp the Three Gorges South Asia Investment Ltd, which is jointly developing the hydropower station with Pakistan's

Private Power and Infrastructure Committee. It will also invest in other clean-energy projects in the South Asian region. The International Finance Corp, a member of the World Bank Group, is another shareholder in the Chinese construction company.

The Silk Road Fund has also joined a consortium comprising the Export-Import Bank of China, China Development Bank and the IFC to provide loans. But the fund has not yet disclosed further information about the ownership ratio or amount of the loan.

John Zhou, an economist at HSBC Holdings Plc, said that the fund's investment structure is a balance between both opportunities and risks under the "Belt and Road Initiative".

"In terms of the equity investment, investors' returns are more correlated with the performance of the projects, giving them every incentive to perform detailed due diligence, "said Zhou. "For the recipient countries, direct equity investment is generally considered the most beneficial."

As for the loan, it needs to be serviced immediately and continuously, but the returns are more stable, he said.

"But it is equity investment where the 'Belt and Road Initiative' will look to truly innovate by involving public and private investors, as well as international organizations old and new."

"The fund could become a model of public-private cooperation", as the central bank Governor Zhou Xiaochuan has stressed that it will operate like a private equity fund but with a longer investment horizon, the HSBC economist said.

The launch of the fund's first project also means that China has started to diversify the investment of its foreign exchange reserves, said Zhang Xiaoji, a researcher at the State Council's Development Research Center.

Initial capital of the fund was $10 billion, with 65 percent coming from the nation's foreign exchange reserves.

"By using the foreign exchange reserves for equity and debt investment purposes, the fund will provide more opportunities for Chinese enterprises going overseas," he said.

Lawmakers protect retail investors

BEIJING

Chinese lawmakers called for better protection for retail investors in the stock market while discussing an amendment to the Securities Law.

The Standing Committee of the National People's Congress (NPC) is weighing a revision requiring a more transparent information disclosure system.

According to the draft, tabled for its first reading, issuers must disclose information to all investors at the same time and are strictly forbidden from leaking information to any organization or individual in advance.

The majority of investors in China's stock market are individuals, many of whom are taking a gamble on fluctuations of share prices rather than making long-term investments, said He Yicheng, an NPC Standing Committee member.

Preventing securities dealers from manipulating the stock market is crucial, He said, and new provisions in the amendment will protect their interests.

Another change is abolishing much of the red-tape surrounding stock issues. A stock issue registration system would replace the current system and the examination committee of the Securities Regulatory Commission would be dissolved.

Registration will increase the market's role in pricing, said Wu Xiaoling, deputy head of the NPC Financial and Economic Affairs Committee.

The draft amendment establishes a multi-level capital market, promotes innovation insecurities, and better protects investors. It increases the range of securities regulated by law, from stocks and corporate bonds at present to stocks, bonds, depository receipts and other securities identified by the State Council.

Issue and trade of asset backed securities, listing and trading of government bonds, and securities investment funds were also covered in the amendment. – Agencies

SCB on path to profits in China's Northeast

CED Monitoring
BEIJING

Standard Chartered Bank (China) Ltd officially opened a branch in Heilongjiang province , notwithstanding the slowdown in the national and regional economy.

The London-headquartered global lender is looking to play a key role in the construction of the Heilongjiang Land and Maritime Silk Road Economic Belt, part of the country's "Belt and Road Initiative" proposed by President Xi Jinping, and it remains confident in the successful transition of the Chinese economy.

Jerry Zhang, executive vice-chairwoman and chief executive officer of Standard Chartered Bank China, said:

"It will take some time for China to realize economic restructuring. We expect that the country will turn from an economy relying heavily on industries with overcapacity to a new form of economy in two years.

Banks are already under pressure to cut lending to oversupplied industrial sectors and many loan applications from small and highly energy-intensive coal firms have been rejected.

But the report said regulators should crack down harder on financial institutions that continue to lend money to polluters, adding that cutting coal-related lending to 40 percent of the 2013level would help bring coal consumption down to around 4 billion tons by 2020.

China aims to cap consumption at 4.2 billion tons by that year and reduce coal's share of the total energy mix to 62 percent from 65 percent.

The authorities have struggled to encourage banks to lend to cleaner businesses, which lack collateral.

"Most banks have no clue how to evaluate the cost of the environmental impact from projects," said Yuan Jia, a researcher with the institute.

Outstanding loans to energy conservation and environmental protection projects had reached416.2 billion Yuan by June 2014, just 6.43 percent of total bank lending from China's 21 major banks, according to the China Banking Regulatory Commission.

"(China) should offer easy access for (clean) energy companies to borrow money at a lower rate, build a green investment bank and issue green bonds to direct investment into green and clean businesses," the report said. ■

Local banks urged cut coal lending

CED Monitoring
BEIJING

China needs to cut lending to coal-related industries and shift more financing to cleaner businesses in order to address a huge funding gap that is hindering the country's war on pollution, a study drawn up in part by central bank researchers has said.

Some 2.9 trillion Yuan ($468 billion) a year was required over the next five years to boost clean energy and tackle pollution, said the study published by the Financial Research Institute of the People's Bank of China and Green ovation Hub, a non-governmental organization.

The researchers found that bank loans to the coal sector rose sharply from 2012 and more than doubled in 2013, a period when growth in Chinese energy demand remained high and coal firms were rapidly expanding. After reviewing loans made to 168 Shanghai-listed companies, the report found that 5.5 trillion Yuan went to borrowers specializing in coal mining, coal-fired power generation, coal chemicals and building materials from 2008 to March 2014.

However, the cheap loans have saddled the sector with a massive capacity glut that has brought down prices, especially with coal consumption falling for the first time in more than a decade last year.

Xi meets Abe in Jakarta

JAKARTA

Chinese President Xi Jinping and Japanese Prime Minister Shinzo Abe held a meeting at the request of the Japanese side afternoon on the sidelines of the Asian-African Summit in Indonesia's capital city. As the general principle for handling the China-Japan ties, Xi stressed the need to strictly follow the spirit of the four political documents reached between them, so as to ensure the bilateral relations develop on a right track.

The four documents refer to the China-Japan Joint Statement inked in 1972, the China-Japan Treaty of Peace and Friendship of 1978, the China-Japan Joint Declaration of 1998 and a joint statement on advancing strategic and mutually-beneficial relations in a comprehensive way that was signed in 2008.

It was the second meeting between the Chinese and Japanese leaders since November last year, when Xi and Abe met on the sidelines of the 22nd Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in Beijing. That meeting took place after the two countries reached a four-point agreement to improve bilateral ties, in which the two sides agreed to resume political, diplomatic and security dialogue while acknowledging different positions on the Diaoyu Islands.

Stressing the significance of the four-point principled agreement, Xi said that the history issue is a major matter of principle concerning the political basis of the China-Japan relations. Xi voiced the hopes that the Japanese side will seriously treat the concerns of its Asian neighbors and send out positive signals on the history issue.

Calling for a positive policy toward each other, Xi said China stands ready to enhance dialogues and communication with Japan to build up mutual trust and reduce doubts and take joint steps to make it a social consensus in both countries that "China and Japan are partners that do not impose a threat to each other." He said the two countries should maintain communication in various fields to enhance the two peoples' mutual understanding.

Noting that China's initiatives of the Silk Road Economic Belt, the 21st Century Maritime Silk Road and the Asian Infrastructure Investment Bank have been echoed positively worldwide, Xi said that peace, development and win-win cooperation represent the irreversible trend of the times. "China will firmly stick to the path of peaceful development," said the president, urging the Japanese side to work together with China to make more contribution to peace, stability and prosperity in the region and the world at large. The two countries' leaders should shoulder their responsibilities and duties, Xi stressed.

For his part, Abe said that he was very happy to meet President Xi again and that he keenly looked forward to improvements of the bilateral ties. The development of the Japan-China relationship benefits the two peoples and helps promote global peace and development, Abe said, adding that he agrees with Xi that the development of the two countries does not pose threats to each other.

Abe said the Japanese side will implement the four-point principled agreement reached with China last year and boost the exchanges and dialogues between the two countries in various fields so as to enhance mutual understanding between the Japanese and Chinese peoples. – Agencies ■

The short-term economic downturn will not affect our long-term strategic layout in China, which is still one of our most important markets."

The branch in Harbin, capital of Heilongjiang province, is Stan Chart's second unit in Northeast China. It had upgraded its representative office in Dalian, Liaoning province to a branch in2009. At present, the bank has 106 outlets in 29 cities across China.

Although it is a relatively hard time for lenders to expand in Northeast China, Zhang remained hopeful that Stan Chart would be able to take advantage of the potential business opportunities.

She said the lender has a strong advantage in agriculture and commodities-related business. By opening a second branch in the region, it hopes to fully exploit the benefit of policies earmarked for the "Belt and Road Initiative", namely the Silk Road Economic Belt and the21st Century Maritime Silk Road.

With a network mainly concentrated in Asia Pacific, Africa and the Middle East, the bank has more than 400 outlets in the Association of Southeast Asian Nations and more than 200outlets in Africa. Its history in 12 sub-Saharan African countries can be traced back to over100 years ago.

Zhang said the geographical layout of Standard Chartered along the Belt and Road is highly overlapped with the countries related to the initiative. Apart from having a distribution of outlets that goes hand in hand with the national strategy, the bank also has advantages incommodity finance, corporate finance and project finance.

Wen Bin, principal researcher at China Minsheng Banking Corp Ltd, said: "The Belt and Road Initiative will become a new growth engine for banks and companies in China, while domestic demand continues to decline. It will also provide an opportunity of mutual benefit for relevant countries."

Standard Chartered expects that Yuan-denominated payments will exceed $3 trillion by 2020and the Yuan will become the fourth-largest global payment currency.

As China is gradually opening up its capital market to offshore investors, it is expected that dim sum bond issuance will reach 3 trillion Yuan ($483.9 billion) in 2020, with an annual growth of 30 percent on average in the next five years.

The bank is promoting Renminbi business in more than 70 countries and regions. It has formed professional teams specializing in Renminbi transactions in five major foreign exchange trading centers, including New York, London and Hong Kong, to utilize its global resources effectively.

Concern voiced over Philippines-US drill

BEIJING

China has said a military drill by the United States and the Philippines is "muscle flexing", and not good for the region's peace and stability.

"Some countries consolidate their military alliances, hold large-scale military exercises and create tension in the region. This goes against the trend of the times of peace, development, cooperation and reciprocity," said Defense Ministry spokesman Geng Yansheng at a regular press briefing.

"To reinforce military alliances and flex muscles is not good for regional peace and stability," Geng said while commenting the "Balikatan", (shoulder-to-shoulder) maneuvers that began on April 20.

According to Philippine media, this year's annual drill involved more than 11,000 U.S. and Philippine military personnel and 61 Australian soldiers, the largest in 15 years. – Agencies

Exodus from border town hit by Nepal quake

XIGAZE (Tibet)

China has evacuated more than 4,000 people trapped in a border town in Tibet Autonomous Region due to a high risk of landslides in the area following the powerful quake in neighboring Nepal.

Nearly 1,000 displaced residents from Zham Town in Nyalam County arrived at a resettlement site in Lhatse County, some 300 km away from Zham, in army trucks, private cars and taxis. The rest of the evacuated will arrive later. About 1,000 tents have been set up with water and power supply at an open ground resettlement area.

"Our house collapsed. Rock debris fell all over. Here we have food and shelter. We feel safe and relieved," said Basang Degyi, a farmer from Zham Town, who reached the resettlement site at 4 a.m. Thursday with her mother and grandson. Her husband is still on the way with other evacuees.

Access to Zham Town was cut off after rescuers cleared the road of obstructions triggered by 8.1-magnitude earthquake in Nepal and the subsequent aftershocks.

The quake killed nine people in the hillside town, which lies at a busy land crossing between Tibet and Nepal in the south of the Himalayas. The rescue headquarters in Tibet decided to evacuate the nearly 6,000 people in Zham as the risk of more landslides is high. – Agencies

China, EU to hold strategic dialogue

BEIJING

China and the European Union (EU) will hold their fifth round of high-level strategic dialogue from May 5 to 6, said a Foreign Ministry spokesperson.

Chinese State Councilor Yang Jiechi will co-chair the dialogue with EU High Representative for Foreign Affairs and Vice President of the European Commission Federica Mogherini in Beijing, said spokesperson Hong Lei at a routine press briefing.

This round of talks comes as the two sides celebrate the 40th anniversary of China-EU diplomatic ties and will be an important part of the celebrations, said Hong.

China believes that the dialogue will help increase strategic mutual trust, promote pragmatic cooperation and create favorable conditions for the building of the China-EU partnership for peace, growth, reform and civilization. – Agencies

China Southern set to gain lot from 'Belt and Road'

China urges Abe to abide by former statements on history

The Chinese Foreign Ministry urged Japanese Prime Minister Shinzo Abe to abide by previous statements issued by former prime ministers on war anniversaries.

Spokesman Hong Lei's remarks came after Abe said that he will follow the "basic way of thinking" in the previous statements but "[doesn't] need to write them again."

Hong told a routine press briefing that the Japanese leader's statement on the 70th anniversary of the end of World War II will be a "touchstone" for the international community to judge whether Japan will choose a path of peaceful development.

Hong called on the Japanese side to earnestly listen to the voice of justice at home and abroad and show sincerity.

Abe suggested during an appearance on a TV news program that he is not concerned about whether key phrases from previous statements will be repeated in the statement he plans to issue on the war anniversary, according to a Kyodo report.

As for Abe sending a ritual offering to the notorious Yasukuni Shrine, Hong said: "The Japanese side should face up to and deeply reflect on the history of invasion and properly handle the issue, especially as this year marks the 70th anniversary of the end of World War II."

He also urged Japan to regain trust from neighboring countries and the international community through practical action. Abe dedicated a "masakaki" tree offering to the shrine, which honors Japan's war dead, including 14 Class-A criminals of World War II. – Agencies

US-Japan defense terms blasted

BEIJING

China has voiced its concern about new U.S.-Japan defense guidelines.

"We are very concerned about the new U.S.-Japan defense cooperation guidelines and high-ranking officials' comments on China," Chinese Defense Ministry spokesman Geng Yansheng told a monthly press briefing.

Geng's comments came days after the United States and Japan issued new guidelines for U.S.-Japan defense cooperation following their foreign and defense ministers' meeting in New York.

Washington has reiterated its position that the Diaoyu Islands in the East China Sea fall under Japanese administration and are within the scope of the 1952 U.S.-Japan Treaty of Mutual Cooperation and Security.

"Any attempt to improve military capacity by means of military alliance, contain the development of other countries and seek its own interests will doom to fail," Geng said. China has always maintained the settlement of disputes by peaceful means and resolute protection of territorial sovereignty and maritime rights, Geng said. – Agencies

China, Rwanda FMs hold talks

BEIJING

Chinese Foreign Minister Wang Yi held talks with his Rwandan counterpart, Louise Mushikiwabo.

In line with South-South cooperation, China-Africa cooperation aims to be a mutually beneficial and win-win relationship, Wang said.

He said China is an ideal partner for Africa on its industrialization path, and China is willing to help the region with its independent sustainable development.

In recent years, China and Rwanda have strengthened mutual trust, and economic and trade cooperation has been fruitful, Wang said, adding that there is more potential for cooperation in the fields of agriculture, tourism, infrastructure, human resources and health services.

Mushikiwabo thanked China for its assistance and support, and emphasized that capacity cooperation with China would be advantageous for Rwanda.

Capacity cooperation is a program whereby China will export its advanced equipment and technology, to assist regional and foreign development.

Rwanda is willing to take cooperation to a new level, Mushikiwabo said.

The two sides also agreed a political consultation mechanism between the two foreign ministries should be established. – Agencies ■

Cyber-security strategy of US opposed

BEIJING

China has opposed a new Pentagon cyber security strategy, saying it makes groundless accusations against Beijing and will increase the online arms race.

"We are following the new U.S. cyber security strategy and concerned about it...The report makes groundless accusations about China, and we resolutely oppose it," Chinese Defense Ministry spokesman Geng Yansheng said at a monthly press briefing.

The 33-page cyber security strategy, the second released by the Pentagon following a first strategy in 2011, says the Defense Department "should be able to use cyber operations to disrupt an adversary's command and control networks, military-related critical infrastructure and

weapons capabilities."

The strategy lists China, Russia, Iran and the Democratic People's Republic of Korea as potential targets. It also includes a section on U.S. concerns about Chinese cyber espionage against U.S. companies and agencies.

"With its great edge in cyber technology and the strongest and largest cyber force in the world, the U.S. declaration of offensive cyber strategy will not help manage or settle differences in cyberspace, but will strain conflicts and increase the arms race," Geng said.

China has been the victim of cyber attacks and has opposed hacking in any form, Geng said, urging the United States to abandon its double standards and stop disparaging other countries.

Stressing that China proposes a peaceful, safe, open and cooperative cyberspace, Geng said China opposes cyber warfare and an online arms race. "We oppose turning cyberspace into a new battlefield," said Geng.

The United States should do more to promote common security in cyberspace rather than seek its own security using its military strength, Geng said. – Agencies ■

CED Monitoring
BEIJING

China Southern Airlines Co, the country's largest carrier by fleet, expects its hubs in Guangzhou and Urumqi to be strengthened by the country's "One Belt, One Road" initiatives. The action plan on these initiatives issued late last month calls for international hub airports such as Shanghai and Guangzhou to assume additional functions, said Guo Jianye, director of the marketing committee of the airline, which is listed in Shanghai, Hong Kong and New York.

With its role as a window of westward opening-up, the Xinjiang Uygur autonomous region, of which Urumqi is the capital, will become a core area on the Silk Road Economic Belt.

Given the Guangxi Zhuang autonomous region's proximity to the Association of Southeast Asian Nations, an important gateway connecting the Silk Road Economic Belt and the 21stCentury Maritime Silk Road will be formed, said Guo. That will be another advantage for the Guangzhou-based airline.

Compared with its domestic competitors, China Southern has more flights, destinations and market share in South Asia, Southeast Asia, the South Pacific, Central Asia and the Middle East, Guo said.

It transported 4.5 million passengers last year on routes related to the "One Belt, One Road" strategy, up 15.1 percent year-on-year, and 900,000 passengers on those routes in the first two months of this year, up 26.4 percent.

The airport of Guangzhou, in South China's Guangdong province, has become a hub for the airline's transit passengers, The airport served 27.23 million passengers last year. The carrier's network from Guangzhou extends to 135 cities, including 38 overseas ones.

China Southern Airlines will accelerate the development of routes to Southeast Asia, with the priority going to higher frequencies of flights from Guangzhou to Kuala Lumpur, Jakarta, Manila and Phnom Penh, Guo said.

It plans to launch routes between Guangzhou and Sabah, Malaysia, as well as Vientiane, Laos; Mandalay, Myanmar; Cebu, the Philippines; Nha Trang, Vietnam and Koh Samui, Thailand. For the African market, it plans to launch direct flights between Guangzhou and Nairobi in June or July.

Flight frequencies will be increased on routes between Guangzhou and Sydney, Melbourne, Perth, Brisbane and Auckland. From Urumqi, China Southern plans to add flights to the eastern, southern and southwestern parts of China. It will also develop direct routes in Xinjiang to Kashgar, Yining, Kuerle and Hotan.

It will expand its networks in Central Asia, the Middle East, eastern and central Europe, Japan and South Korea, with routes to be launched between Urumqi and Dubai, Tokyo, Tel Aviv, Kabul, Karachi, Kiev, Lahore, Pakistan and Prague.

Flights will be added on the routes to St Petersburg and Seoul. With the Netherlands being a gateway to Europe and one end of the Asia-Europe shipping route, Amsterdam is a key point on China Southern's global network, Guo said. The airline is scheduled to deploy the Airbus A380, the world's largest passenger aircraft, for the Beijing-Amsterdam route in June.

"The airport of Guangzhou, in South China's Guangdong province, has become a hub for the airline's transit passengers, The airport served 27.23 million passengers last year."

"The domestic aviation industry is set to gain from the major opportunities from the 'Belt and Road' initiatives," said Shen Zhengyuan, a senior researcher at market research firm CIConsulting. Involving 64 countries and about 900 projects, the initiatives will lead to substantial growth in personal and commercial aviation demand, he said. The "Belt and Road" strategy will support industrial upgrading in the Pearl River Delta, and that in turn will lead to growth in air cargo, said Zheng Tianxiang, professor at the Center for Studies of Hong Kong, Macao and the Pearl River Delta at Sun Yat-sen University.

Guangzhou's airport is handling a large share of the nation's 100 million-plus outbound travelers, a group that is forecast to increase. With the construction of new runways and upgrading of the infrastructure, the airport will have a higher profile, which will be positive for China Southern, Zheng said.

The "Belt and Road" strategy prioritizes the connectivity of facilities and urges efforts to expand the platforms and mechanisms for comprehensive civil aviation cooperation, as well as an improvement in the aviation infrastructure. "China Southern Airlines will benefit from the strategy in its logistics and e-commerce business," Guo said.

The economies of the countries and regions along the Belt and Road are valued at $21 trillion, accounting for 29 percent of the world's GDP. Those globalizing economies have an "urgent demand" for air logistics services, and there will also be opportunities generated by the just launched free trade zones across the country, he said.

Recording 21.97 billion Yuan ($3.53 billion) in output from the airport economic area last year, the government of Huadu district, where the Guangzhou airport is located, will develop sectors such as aircraft maintenance, manufacturing and leasing, air logistics and cross-border e-commerce. ■

Three more FTZs launched on Shanghai model

BEIJING

Operations formally kicked off at three new free trade zones (FTZ), this week as China opens itself wider to the outside world.

The three new zones come 18 months after the first FTZ was unveiled in the financial hub of Shanghai, which was designed to showcase efforts to streamline the overloaded administrative approval system and encourage innovation and internationalization.

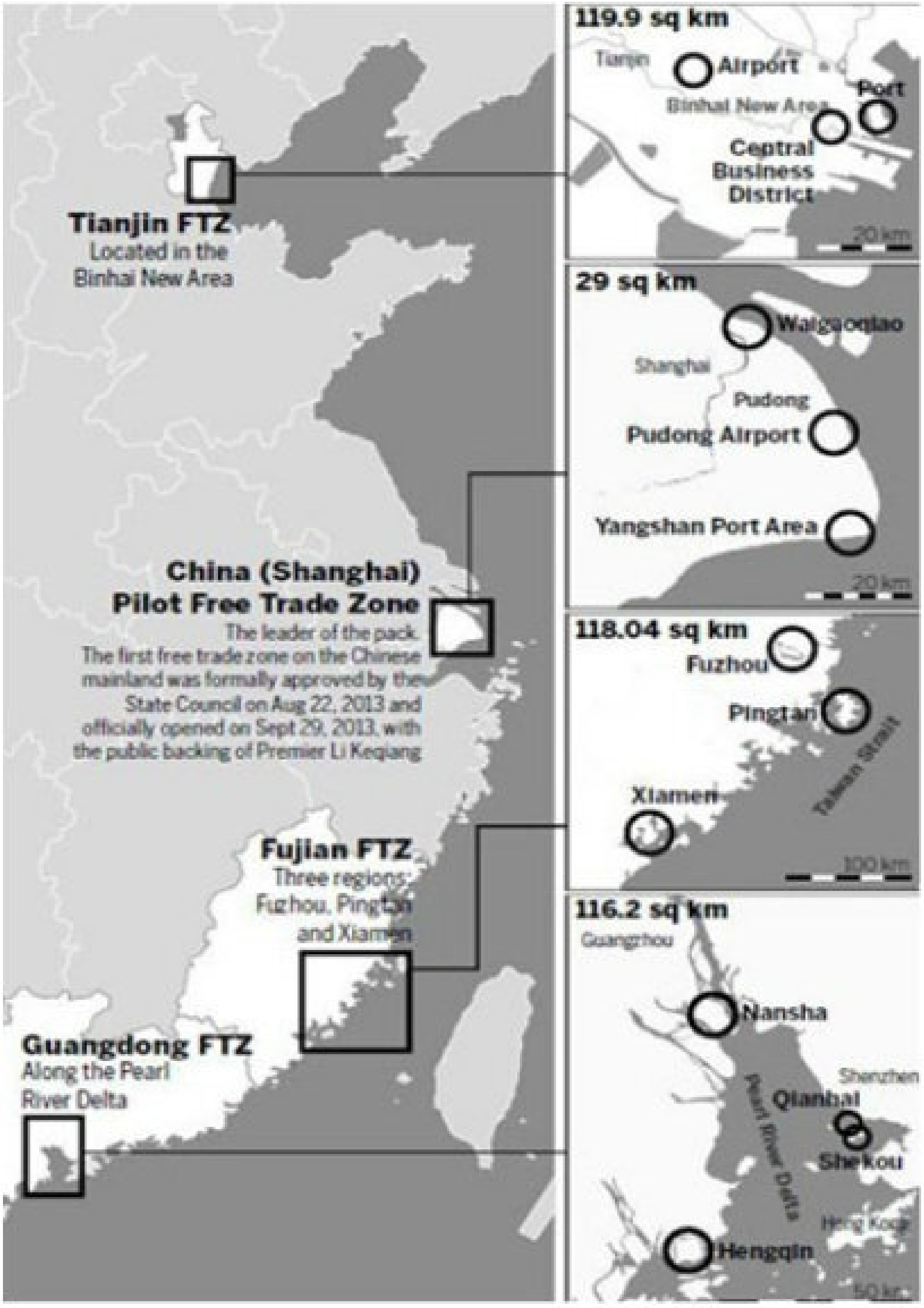
Officials expect the three new FTZs – in Tianjin, Guangdong and Fujian -- will boost economic reform, promote trade and facilitate investment in new areas, as the world's second largest economy moves away from its unsustainable export-dependent model. Some businesses have already felt the efficiency of the new zones.

Liu Qiya, the chief financial official with Tuwei Tongli Electrical Technology based in Xiamen, an open coastal city of Fujian, said his company was granted an operational license for the zone just three days after the application was submitted. The same procedure in other parts of the province could take weeks.

According to a detailed plan released, the new zones will be based on the Shanghai FTZ but with a focus on the potential of their geographical locations.

By its first anniversary, the Shanghai zone had seen nearly 12,000 registered enterprises lured by a better trade and investment environment.

The Tianjin zone aims to better integrate the northern municipality with Beijing and Hebe province. It will prioritize modern service industries, including shipping, culture and equipment manufacturing. – Agencies



The Guangdong zone will deepen economic cooperation between the mainland and the neighboring special administrative regions of Hong Kong and Macao. It will have three bases in the cities of Guangzhou, Shenzhen and Zhuhai.

The Fujian zone will focus on developing economic cooperation between the mainland and Taiwan. It will cover three areas in Xiamen, Fuzhou and Pingtan, a new industrial park targeting investment from Taiwan.

The Shanghai zone, which has been more than quadrupled in size since it was established, will continue to strive for "the greatest openness" to facilitate investment and trade with currency convertibility and a sound legal environment. It will also further open its service and manufacturing industries. All zones must adhere to the negative list, which details 122 prohibited or restricted areas for foreign investment, ranging from Internet news service, production of radio and television programs to non-ferrous metal mining. This number has been reduced from 139.

Foreign investors will be subject to the same rules and regulations for new investment as domestic firms. Experts believe that these fresh zones are strategically important for the "belt and road "initiative, which aims to better connect Asia, Europe and Africa, as a way to boost investment and consumption.

Shao Yu, Shanghai-based chief economist of the Orient Securities Co, Ltd, said the four FTZs will be crucial "supporting points" for the belt and road initiative. "More opening-up moves are needed in regions such as southwestern Yunnan and Tibet for the new strategic layout," he said.

Wang Shouwen, assistant minister of commerce, has said that the new zone will not just copy the Shanghai zone but also break fresh ground in areas such as the investment administration, trade regulation and financial systems.

The replication of successful reform measures is a common strategy in the reform and opening-up drive. The Shenzhen Special Economic Zone, founded in 1980, has been rolled out along the entire east coast over the past three decades.

That zone allowed foreign investment to develop the manufacturing industry, a driving force behind the economic boom of previous decades.

The FTZ fever has caught the attention of officials across the country, with many pushing for their regions to be included in the next batch of FTZs. However, observers warned that the central government must ensure that the FTZs are used to pioneer reform measures, and that their policies are correctly implemented.

Dragged down by a housing downturn, softening domestic demand and unsteady exports, the once sizzling economy registered its lowest annual expansion in 24 years in 2014 and the weakness has continued into 2015.

Authorities have called for more opening-up policies to shore up development amid concerns of the slower growth, officially dubbed the "new normal."

Foreign business groups have said that the Shanghai zone brought improvements but they expected "more tangible benefits" of financial reforms, such as full convertibility of the Yuan.

The China (Tianjin) Pilot Free Trade Zone will cover 119.9 sq km and consist of three parts:

1. The North Port Area of Tianjin Port (30 sq km) It will focus on modern services such as air logistics, international trade, financing and leasing.

2. The Tianjin Airport Area (43.1 sq km) It will focus on advanced manufacturing industries such as aviation, equipment of various kinds, next-generation information technology and producer services including research and development and design.

3. The central business district in the Binhai New Area (46.8 sq km) It will focus on modern services such as financial innovation. The China (Shanghai) Pilot Free Trade Zone will expand from 29 sq km to 120.72 sq km. It will encompass Pudong (the city's main business district), the Lujiazui financial district, the Qiantan area and two development districts.

> "The FTZ fever has caught the attention of officials across the country, with many pushing for their regions to be included in the next batch of FTZs."

It will incorporate and unify four existing bonded zones that focus on customs services, logistics and trade. The 34.26 sq km Lujiazui financial district is a national financial and trade hub.

Both Jinqiao development district (20.48 sq km) and Zhangjiang High-tech Park (37.2 sq km) are national-level industrial development districts focusing on high-tech manufacturing and research. The Fujian FTZ will cover 118.04 sq km and consist of three regions:

The Pingtan (43 sq km) section, which will focus on building a "common home" for people across the Taiwan Straits and developing an international tourism island.

The Fuzhou (31 sq km) section, which aims to become a demonstration zone of cross-Straits service trade and financial innovation cooperation, will comprise the Fuzhou Economic and Technology Development Zone and the Fuzhou Bonded Port Zone Area.

The Xiamen (44 sq km) section, which will build a cross-Straits demonstration zone for emerging industries and cross-Straits trade, financial services and shipping centers.

The Guangdong FTZ will cover 116.2 sq km and include the districts of Nansha in Guangzhou, Shekou in Shenzhen and Hengqin in Zhuhai.

1. Guangzhou Nansha New Area (60 sq km) – It will focus on modern industries and production-based services and comprehensive services.

2. Shenzhen Shekou Area (28.2 sq km) – It will focus on promoting in-depth cooperation between Guangdong province and Hong Kong Special Administrative Region, and it is intended to become a pilot demonstration "window" for the opening-up of China's financial industry.

3. Zhuhai Hengqin New Area (28 sq km) – It will focus on in-depth cooperation between Guangdong province and Macao Special Administrative Region and cultural and educational opening-up.

New platforms to push power trade prospects

CED Monitoring
BEIJING

China's new pilot free trade zones are expected to increase the nation's flexibility to compete with more established rivals in the Asia-Pacific region, experts have said here.

A FTZ refers to an area within which goods can be imported, processed and re-exported without the intervention of customs authorities. Foreign investment also has the chance to enter the fields which are still restricted outside the zone.

The government has officially added Tianjin, Guangdong and Fujian into its pilot free trade zone list after the first FTZ the China (Shanghai) Pilot Free Trade Zone was unveiled in the financial hub of Shanghai 18 months ago, which was designed to simplify the often cumbersome official approval system and encourage innovation and internationalization.

Liu Chenyang, a researcher at the APEC study center at the Tianjin-based Nankai University, said establishing more free trade zones will be inevitable due to the other FTZs such as those in Taiwan facing Fujian province across the Straits and Hong Kong, Busan in South Korea and Singapore.

"The nation certainly cannot afford to be detached from the FTZs ... China has been keen to play a bigger role in the free trade chain not only in East Asia, but in the whole Asia-Pacific region. Quality FTZs can enable it to reach this goal," said Liu.

Huang Xingguo, mayor of Tianjin, said the key task of the Tianjin FTZ is institutional innovation. The basic requirements are practical methods in the zone and can be extended and promoted in other areas such as Beijing and Hebei.

The overall plan of the Tianjin FTZ identifies clear functions for three areas the North Port Area of Tianjin Port, Binhai New Area CBD and Tianjin Airport Area with different priorities to develop maritime and air logistics, financial services, high-end manufacturing industries such as aircraft and aerospace.

Huang said the Tianjin FTZ will make further progress in shipping services and finance, ship registration, maritime law and arbitration to compete with other international shipping hubs such as Hong Kong and Singapore.

Guangdong Governor Zhu Xiaodan said the Guangdong FTZ will enhance in-depth cooperation between the Chinese mainland and Hong Kong and Macao, and further remove or relax market access limits for investors from both regions, including requirements on qualifications, restrictions on equity ratios and limits on business scope.

The newly established Guangzhou Intellectual Property Rights Court will explore ways to build a rapid protection mechanism to protect the interest of all these companies. International arbitration and commercial mediation systems will also be instituted.

Su Shulin, the governor of Fujian, said the Fujian FTZ is strategically positioned on the western side of the Taiwan Straits, and is expected to be a demonstration area for intensified economic cooperation across the Straits and a core area of the 21st Century Maritime Silk Road.

The modern Maritime Silk Road begins in major port cities of Fujian and Guangdong provinces and heads south into the ASEAN region. From the Strait of Malacca, it then turns west to South Asia, the Persian Gulf region and Europe.

By the end of its first year, the Shanghai FTZ had managed to attract nearly 12,000 registered enterprises on the back of a better trade and investment environment.

The FTZ fever has caught the attention of officials across the country, especially in major cities such as Chengdu, Dalian and Qingdao, with many pushing for their regions to be included in the country's next batch of FTZs.

Lin Guijun, vice-president at the University of International Business and Economics in Beijing, said although the new FTZs may unavoidably develop toward uniformity in financial services, fierce competition among them will eventually result in a shift to policy optimization and infrastructure improvement, as well as in attracting talent and foreign capital.

For foreign businesses, Lin said, many undeveloped social service industries such as education, social security, and health and elderly care can become market growth points, as demand in these areas has surged over the past decade. ■

China will contribute more to global stage

CED Monitoring

President Xi Jinping's "Belt and Road Initiatives" are the most significant and far-reaching that China has ever put forward. It has aroused great interest in the international media.

To understand the initiatives, we need to take a closer look at the world, China and the initiatives themselves. The "Belt and Road Initiatives" span 65 countries and 4.4 billion people. They are China's most important and strategic initiatives.

They are well thought out initiatives which take into account the world's need, the reality in Asia and China's own situation. In regard to the world's need, we can find three significant features.

First, the Middle East and North Africa have become the epicenter of turbulence and regional conflicts. The "Arab Spring" of 2010 triggered a major political earthquake in the region that fell many strong men. The Syrian civil war has been going on for more than four years, claiming the lives of about 200,000 people and rendering millions homeless.

The war between the Islamic State and the anti-IS alliance has been raging for more than a year. Some parts of Libya have become the stronghold of the IS in North Africa. And we can't foresee the end of turbulence in the region despite the tireless efforts of the international community.

Second, Europe finds itself at the epicenter of a financial crisis. The crisis broke out in the United States in 2008, but the worsening sovereign debt crises in Portugal, Spain, Italy and Greece shifted its epicenter to Europe.

And the European Union is still struggling to overcome the consequences of this crisis.

Third, East Asia has become the global growth center. The last three decades have seen steady and robust growth in East Asia

making the region the most dynamic and fastest growing in the world. Its steady growth is not only important for Asia but also for the rest of the world.

Moving to Asia, we can see East Asia, with 2.2 billion people, is continuing to grow steadily. South Asia is catching up but Central Asia still lags behind. But the economies of these three regions are highly complementary. And the "Belt and Road Initiatives" aim to promote the development of all these three regions together.

If the initiatives succeed, they will provide Asia with a powerful engine for further growth, which is good news not only for Asia, but also for the whole world.

Coming to China, we see that it became the world's second-largest economy in 2010. True, the Chinese economy is slowing down, but it still achieved a 7.4 percent growth rate in 2014. The target for this year is 7 percent, more than double the global growth rate. Given China's growth potential, the international community expects it to provide more public goods and services. The "Belt and Road Initiatives", the Asian Infrastructure Investment Bank and the Silk Road Fund are the precise mechanisms and services China is willing to help provide for the peace and prosperity of the region.

How should we realize these initiatives? Xi has proposed three "togethers". The first "together" is discussion among the parties concerned to identify projects of cooperation for mutual benefit. The second is working together to realize the projects on the basis of common interest. And the third is enjoying together the fruits of this common endeavor. The "Belt and Road Initiatives" are inclusive rather than exclusive. The United States, European countries, Japan and the rest of the world are welcome to join this huge undertaking. ■

eBay plans to think small

CED Monitoring
BEIJING

EBay plans to grow by thinking small as it prepares for life apart from PayPal.

The company says it is focusing on getting more people, as well as small- to mid-size businesses, to buy and sell items on its popular online marketplace.

The effort comes as it attempts to address investor concerns about how it will fare later this year after it spins off its PayPal payments division, which has long been EBay's fastest-growing segment. CEO John Donahoe has said the company is moving toward the spinoff with "clarity and speed."

EBay's first-quarter earnings may have mitigated investors' concern somewhat. The results beat expectations and revenue, excluding the impact of the stronger dollar, grew in both segments. A stronger dollar cuts into revenue generated overseas when it's translated back into dollars.

"We are deeply committed to setting up eBay and PayPal to succeed and to deliver sustainable value to our shareholders," Donahoe said. The e-commerce company is seeking to reinvigorate its marketplace business, which includes the e-commerce arm of eBay. It stumbled last year when it had to deal with a change in Google's algorithms that made eBay products come up in search results less often. It was also hit by a data breach that led to all its users being required to change their password.

For the quarter ending March 31, marketplaces revenue fell 4 percent to $2.07 billion, hurt by the stronger dollar. But the company said it sees signs of stabilization in active buyers and gross merchandise volume, or the total amount of goods sold, excluding the impact of the stronger dollar.

"Our quarter one results are encouraging," said Devin Wenig, who will be CEO of eBay after the spinoff, in a call with investors. "We are certainly not ready to declare victory over last year's (Google algorithm) and password reset challenges but we are making progress."

Wenig said eBay will focus on growing its 25 million sellers and 157 million active buyers by focusing on small- and medium-size merchants that make of 70 percent of the global retail market. He said eBay is a "partner, not a competitor," to those businesses, perhaps a nod to online retailer Amazon, which is eBay's biggest competitor in the third-party seller area.

Individual consumers are another focus. "There is $100 billion of value trapped in people's closets and garages, and that's just in the US," Wenig said.

Earlier this month EBay and PayPal agreed in an SEC filing that PayPal will still process at least 80 percent of transactions on eBay after the split off, even though both can work with new partners. The agreement lasts five years with a one-year transition period. The companies will continue to share data and will not build competing products during the agreement period.

Shares of eBay Inc, which is based in San Jose, California, rose $3.01, or 5.3 percent, to$59.76 in aftermarket trading. The stock had been up about 1 percent since the beginning of the year.

Factory activity contracts at fastest pace in a year

CED Monitoring
BEIJING

China's factory activity contracted at its fastest pace in a year in April, a private survey showed, suggesting that economic conditions are still deteriorating despite increasingly aggressive policy easing by the central bank.

The flash HSBC/Markit Purchasing Managers' Index (PMI) fell to 49.2 in April, below the 50-point level that separates growth in activity from a contraction on a monthly basis.

After a brief rebound in February, the index has now been back in negative territory for two consecutive months.

Economists polled by Reuters had forecast a reading of 49.6, equal to March's final reading.

The sharp decline in employment witnessed in March moderated somewhat and export orders rose for the first time in three months, but most of the news was bad.

New orders declined further to a one-year low of 49.2 from March's 49.8, pointing to softer domestic demand.

Meanwhile, declines in input and output prices, which had appeared to moderate in March, showed signs of accelerating again, signaling intensifying deflationary pressures which are a key worry for policymakers.

The weak PMI adds to a growing number of signs that China's economy is decelerating more rapidly than most analysts had expected, and perhaps some policymakers as well.

March money supply and industrial production year-on-year growth both came in at or near multi-year lows, with the latter posting its worst performance since the global financial crisis.

Economists have cautioned that some of the extreme weakness in March may be a reflection of the very late

Lunar New Year celebrations in 2015, which distort year-on-year comparisons based on the western calendar. Many factories and offices shut for lengthy periods during the holidays.

But the continuing weakness in the April flash PMI adds to evidence that the world's second-largest economy is still slowing.

Particularly worrying from a policymaking perspective are renewed signs of rapidly falling prices. The Chinese government and central bank have closely studied lessons from neighboring Japan, Asia's former dynamo whose policy mis-steps plunged it into decades of deflation from which it is still struggling to escape.

Weighed down by a cooling property market, industrial overcapacity and local debt, China's economy grew 7.4 percent in 2014, its slowest expansion in 24 years. Economists expect growth to cool further to 7 percent in 2015, even with additional stimulus measures. The central bank has cut interest rates twice since November, on top of a raft of other monetary and fiscal measures announced over the past year, most recently a 100 basis point cut to banks' required reserve ratios early this week.

More such support measures are seen in coming months, with the central bank expected to embark on its boldest easing campaign since the depths of the global financial crisis. "Although momentum appears to have weakened recently we don't see a reason to be overly concerned," said Julian Evans-

Pritchard of Capital Economics in Singapore.

"Cut to the required reserve ratio will have come too late to have much impact on today's reading but should help shore up activity over the coming months and we also expect policymakers to roll out more support measures to ensure that growth doesn't slip much further."

Agencies Add: A Chinese manufacturing gauge fell to a 12-month low in April, suggesting government efforts to cushion a slowdown are yet to revive the nation's factories.

The preliminary Purchasing Managers Index from HSBC Holdings Plc and Markit Economics was at 49.2, missing the median estimate of 49.6 in a Bloomberg survey, which was also March's final reading. Numbers below 50 indicate contraction.

The first reading of the economy's health in April may deepen concern over a slowdown after first-quarter data showed the weakest economic expansion since 2009. Policy makers have stepped up efforts to halt the slide, cutting banks' reserve requirement ratio by 1 percentage point.

"The growth momentum remains weak in April, which calls for further policy easing," said Zhao Yang, chief China economist at Nomura Holdings Inc in Hong Kong.

"The next step might be a cut in interest rates and I expect they will do that this quarter."

New orders and prices deteriorated, with job losses reported for an 18th month, the survey said.

Premier Li Keqiang has flagged the labor market as key, pledging last month to step in to support the economy if the slowdown hurts jobs and wages. Gross domestic product expanded 7 percent in the three months through March from a year earlier.

Highlighting the strains on China's traditional growth drivers, revenue at State-owned enterprises declined 6 percent to 10.3 trillion Yuan ($1.7 trillion) in the January to March quarter from a year earlier, the Finance Ministry said in a statement.

China business mending, says Yum boss

CED Monitoring
BEIJING

Yum Brands Inc, owner of KFC and Pizza Hut chains has said that business in its biggest market China is recovering from a meat scare at one of its minor suppliers and the division would finish the year strong.

Yum's comments on China, its No. 1 market for revenue and profit, sent company shares up4.5 percent to $84.52 in extended trading.

Yum said China sales at established restaurants fell less than expected for the first quarter as it works to recover from allegations of improper meat handling at OSI Group's Shanghai Husi Food Co Ltd, which was a small supplier to Yum but a key supplier to rival McDonald's Corp. Both companies immediately stopped using the supplier.

Yum is making "continued progress" in China, Chief Executive Greg Creed said in a statement. Creed also stood by Yum's earning forecast.

"We will deliver full-year EPS growth of at least 10 percent, with a strong second half in China and solid brand-building initiatives under way at each of our divisions," Creed said.

Same-restaurant sales in China, where Yum is the biggest Western brand with nearly 6,850establishments, declined 12 percent for the latest quarter on continued fallout from the Shanghai Husi scandal.

Analysts polled by Consensus Metrix had expected China sales to drop 14.4 percent.

Yum China's same-restaurant sales fell 16 percent for the fourth quarter and were down 14percent in the third quarter.

They were up 15 percent in the second quarter, which ended roughly a month before news of the supplier scandal broke on July 20.

"Slowly but surely, it's turning," Edward Jones analyst Jack Russo said of Yum's China business, which has suffered two food safety scares in two years. "It's still a long way to go."

Consumer perceptions have improved in China, where sales also got a lift from KFC's ongoing premium coffee rollout, spokesman Jonathan Blum said.

Yum Brands' first-quarter net income fell more than 9 percent to $362 million, or 81 cents per share, from a year earlier.

Foreign currency translation took a $20 million bite out of operating profit during the latest quarter, when revenue decreased to $2.62 billion from $2.72 billion.

Yum will host a conference call with investors and analysts.

Yum's China first quarter included only the months of January and February, while Yum Brands' first quarter ran from Dec 26 to March 21.

VC, PE firms expect much from rise in clean energy

CED Monitoring
BEIJING

Clean energy investments by venture capital and private equity firms totaled around $1.24billion in China last year and are set to see substantial growth this year on the back of favorable policies, said a study from PricewaterhouseCoopers.

There were about 96 VC and PE investments made in China's clean energy and technology industry, the global consultancy firms said in the report published.

It said the environmental protection industry was the major beneficiary and accounted for more than 50percent of the total deal amount and investment value.

The clean energy and technology industry mainly includes environmental protection (such as smart power grids, new energy automobiles and water treatment plants), new energy (such as solar and wind power) and new materials.

"The outlook for the clean energy and technology industry remains bright this year and the industry is expected to benefit from a series of environmental protection acts rolled out in2014 and 2015," said Gavin Chui, leader for energy, utilities and mining industry at PwC China.

"VC and PE investors will certainly increase investments this year. The good investment environment and availability of funds will act as positives for the long-term development of the industry," Chui said. A water pollution prevention and control action plan was released in April to improve the water quality of major waterways in China by 2020 and achieve overall improvement in water quality control and conservation across the country by 2030.

In December, the Ministry of Finance rolled out 30 projects worth about 180 billion Yuan ($29.32 billion) in the clean energy and technology industry to attract private capital, mainly as a public-private partnership.

The PwC report said wind power will see renewed focus this year as outlined during the national energy conference in December. Industries like smart power grids, new energy automobiles are also expected to see fresh momentum.

However, some sectors like new materials are facing challenges as companies are not too keen to innovate. In addition, the sector is also facing problems due to unreliable supplies of key materials, it said.

The study showed 12 Chinese clean energy and technology companies launched initial public offerings last year, raising $4.1 billion in total. Nine firms received VC and PE investment, it said. Avin Liu, leader for the renewable & clean tech industries at PwC China, said that the VC and PE contributions have played an important role in getting the companies listed.

Liu said that financing can be done through capital markets in the later stages to enable full integration of technology and capital and to facilitate VC and PE exits.

According to a survey released by the Global Electricity Initiative, energy storage technologies have been an important factor for the growth in renewable energy sources.

Philippe Joubert, executive chairman of the Global Electricity Initiative at the World Energy Council, said that advanced storage technologies are crucial for the development of new energy in China.

"The advanced battery technologies for wind and solar power help integrate clean energy into the electric grid," he said.

In addition, water supply will be a top concern for China's utility companies seeking to develop clean energy, Joubert said, as alternatives to coal such as gas, nuclear and hydropower are all constrained by the availability of water. ■

Country's IPO process being overhauled

CED Monitoring
BEIJING

China will switch to a "registration system" for initial public offerings (IPO), ending the current approval process, the China Securities Journal has reported, soon after parliament began reviewing draft changes to the Securities Law.

A registration system - used in markets such as the United States, where the market decides who gets to list, when, and for how much - will obviate the China Securities Regulatory Commission's (CSRC) role as the approval agency, industry sources say, and leave companies to register with stock exchanges to float shares.

"The promulgation of the share issue registration system will focus on information disclosure and thus enable market participants themselves to judge the issuers' quality of assets and investment value," the newspaper quoted Wu Xiaoling, a lawmaker at the National People's Congress (NPC), China's parliament, as saying.

"It will move toward allowing the market to play a decisive role in asset allocation."

Investors hope the changes will address multiple problems, notably the possibilities for corruption in a system that requires official sign-off, share price spikes on launch days, and companies queuing for years to list.

Chinese regulators have historically closely managed the pace of IPO issuances, given their tendency to drag down the market if they come too close together, draining net liquidity.

As a result, the CSRC has often seen fit to freeze IPOs during market slides; in late 2012 it froze IPOs for over a year. Now that markets are rallying strongly, however, there is more liquidity available in the market than new issuers and secondary issuers can tap.

The draft also stipulated requirements for share issuance by foreign companies in China, the newspaper said, without going into details. The move would be a step toward creating an "international board", which China has said it would launch eventually.

Other proposed changes included allowing professionals in the securities industry to trade stocks themselves for the first time, the report said. Requirements for companies to show profit and earnings sustainability would be dropped, but corporate executives would need clean criminal records for the previous three years, and companies' financial reports should not have been rejected by qualified accounting firms during that time, the newspaper said.

The amendments will also add provisions enforcing compulsory corporate cash dividend distribution as part of official efforts to protect the interest of ordinary investors, it said.

Creative industries to get boost by Industrial Park

BEIJING

Beijing plans to build an industrial park in the city's outskirts in an attempt to boost its creative industries, local authorities said.

"China Creative City", to be established in Yizhuang Economic and Technology Development Zone in southeastern Beijing, will help creative start-ups with research and development before their products enter mass production, said Yang Zhiyong, Secretary General of the China Creative Industry Alliance. Creative industries are economic activities concerning the exploitation of knowledge and information, which includes film, music, advertising, software, among others.

With an investment of more than 5 billion Yuan ($815.9 million), it will help generate some 10,000 jobs in the area. The 127,000-square-meter park is expected to be completed in three years, Yang said.

Beijing is stepping up development efforts for the creative industry. The city plans to build 20 such industrial parks on an area of 442 square km, with added values accounting for at least 15 percent of the city's gross domestic product by the year 2020. – Agencies

Fosun buys 20% shares of circus giant

CED Monitoring
BEIJING

Chinese private conglomerate Fosun International has broadened its business scope by backing the takeover of Canadian circus and entertainment giant Cirque du Soleil.

One of the world's largest and best-recognized entertainment brands, Cirque du Soleil reaches an audience of 150 million worldwide.

Fosun will take a 20 percent stake in Cirque du Soleil, while TPG, a leading private investment company based in Texas, will hold the majority 60 percent stake in the circus company by closing the deal at about $1.5 billion, Reuters cited insiders as saying.

Canada's second-largest pension fund, Caisse de depot et placement du Quebec, will hold a10 percent stake and Cirque founder Guy Laliberte's family trust will keep the remaining 10percent. The sale is expected to close in the third quarter of the year.

TPG has a successful track record of growing leading brands, including J. Crew and Neiman Marcus, which Daniel Lamarre, president and chief executive officer of Cirque du Soleil, believes will help fuel new growth in the company's business together with the other stakeholders.

Although Fosun will hold a minority stake, Lamarre thinks the cooperation is important in the sense that Fosun will help the circus to further develop in China and boost its chances of success.

Fosun had no response to media reports that said the first show in China after the deal will be staged in Hangzhou, Zhejiang province. But it did say the first show will be staged in June.

Guo Guangchang, chairman of Fosun International, said the cooperation with Cirque du Soleil will provide a major new growth platform within Fosun's lifestyle services and content portfolio. "To date, Fosun has established a global prototype for platforms that capture lifestyle

trends in China," Guo said.

"Building on top of this model, we aim to become one of the global leaders in businesses driven by lifestyle needs, which are taking root quickly in China."

Guo said last month that Fosun will further its investment in the health and lifestyle sector, rollout ecosystem planning and speed up participation in global industry consolidation.

The groundwork for this has been laid step by step. Fosun took a controlling stake in US film making company Studio 8 in June of last year before acquiring all of Portugal's Luz Saude healthcare group four months later.

In January, Fosun took over the French resort chain Club Med for $1.3 billion before taking a5 percent stake in UK tour operator Thomas Cook two months later.

The company's health and fashionable lifestyle sector has grown significantly in the past financial year, with revenue rising by 20.3 percent year-on-year to 11.94 billion Yuan ($1.93billion), contributing 19.3 percent of Fosun Group's revenue.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HILTON
HHONORS
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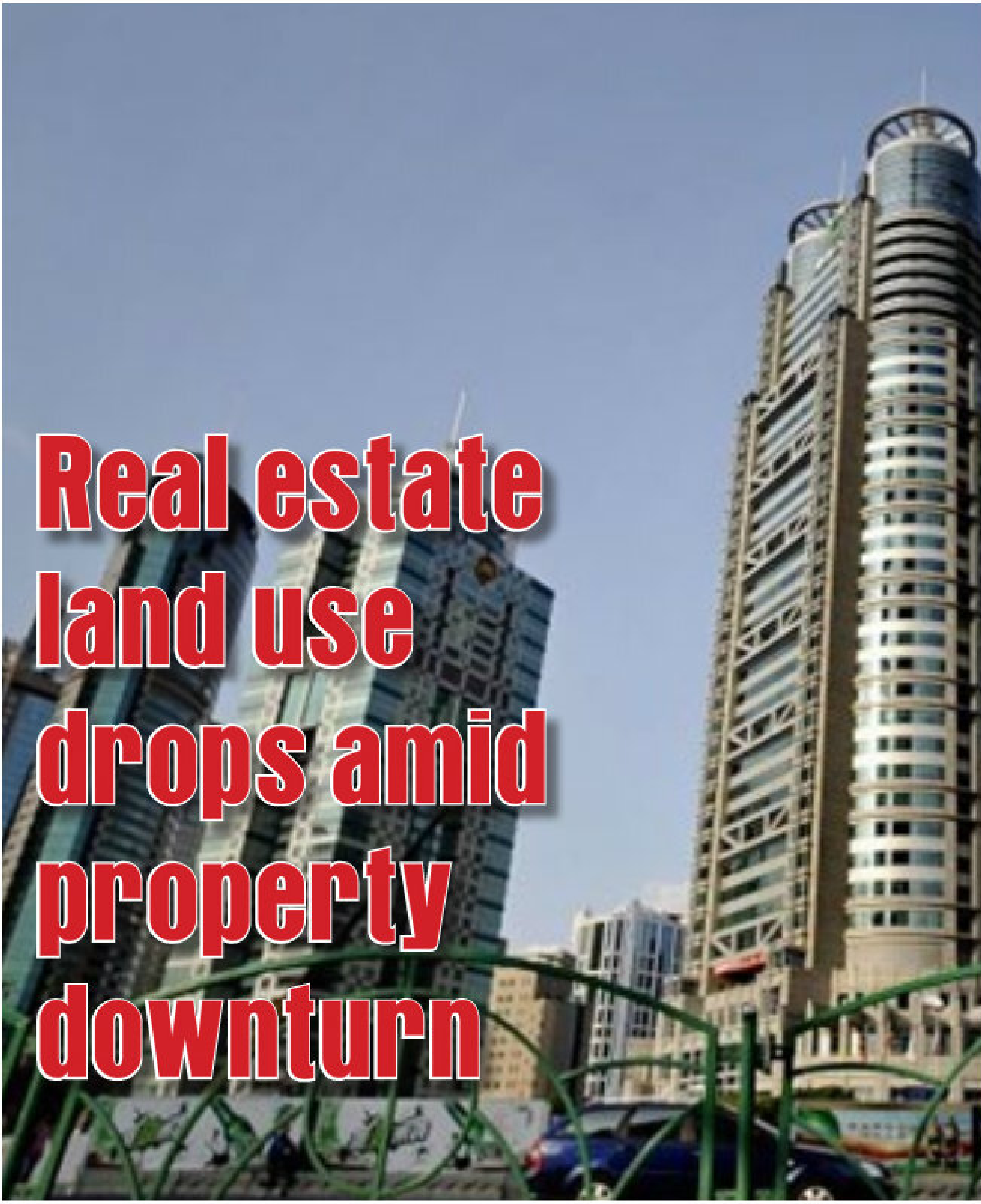


Real estate land use drops amid property downturn

BEIJING

China's land area used in real estate development fell sharply in the first quarter as the chilling house market sees cooled land sales, official data showed here this week.

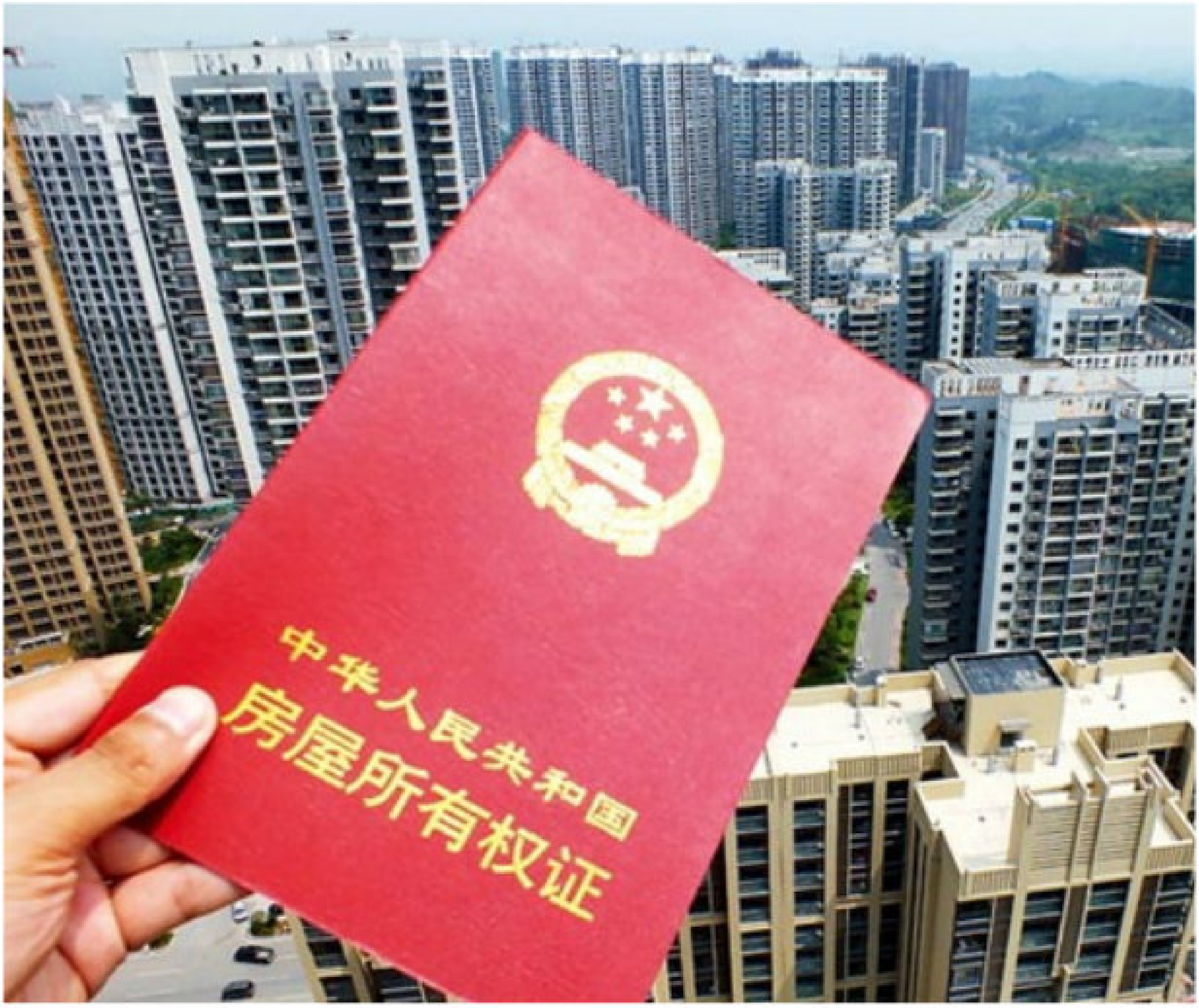
New home construction used 24,700 hectares of land in the first quarter, plummeting 38.7percent year on year, the Chinese Ministry of Land and Resources said in a monitoring report.

Prices of land for residential buildings slowed most noticeably in the first quarter compared to land for commercial and industrial purposes.

A major contributor to China's economic expansion, the property market has been affected by weak demand and an excess of unsold homes since 2014.

The cooling trend has continued into 2015, with both sales and prices falling, and investment slowing. Of 70 large and medium-sized cities surveyed, 50 cities saw new home prices dip on a monthly basis in March. – Agencies

Property registration process being eased



CED Monitoring
BEIJING

China will merge its property registration agencies before the end of this year, according to central government departments.

Implementing the provisional property registration regulation, which has been effective for nearly two months, requires government bodies that now carry out such registration works to consolidate, the Ministry of Land and Resources and the State Commission Office for Public Sector Reform said in a statement.

The two departments have issued guidelines that request local governments at or above county-level to retrieve registration functions from different government agencies and select one of these agencies to take on the task.

Currently, a wide range of government bodies registers properties such as real estate and farmland.

"So far, 27 out of 32 provincial level regions on the mainland have consolidated their provincial registration departments," the Ministry of Land and Resources' Property Registration Bureau said in a statement.

"But when it comes to lower level places, only 151 out of 3,100 cities and counties have done the work, which means more than 95 percent of them have yet to begin the consolidation."

It urged local government to speed up the process of combining registration agencies and duties.

China released a provisional property registration regulation on March 1, asking authorities to begin collecting ownership data on a unified platform.

The regulation stipulates that property ranging from buildings to maritime areas, and forests to rural homesteads, must be registered and the data used during property transactions and upon request from government agencies.

Analysts say the registration system will address problems such as duplicate or wrongful registration by different government agencies and transaction risks resulting from a fragmented, uncoordinated system.

The data acquired through registration will also provide the government with a more reliable reference for designing a property tax in coming years, which many analysts believe will add to the cost of holding assets and precipitate the sale of homes previously bought as investments.

Another unspoken goal of the registration system is to make it harder for corrupt officials to possess multiple homes, said Han Changyin, a business law professor with the Ko Guan Law School of Shanghai Jiao Tong University.

"If ownership data is better managed and shared with government watchdogs, it will be easier to pin down questionable assets in the ongoing campaign against corrupt officials," Han said. "A lack of ownership data and information sharing has created loopholes for corrupt officials to play the system and hide illicit properties."

CRBC to buy steel from Kenyan manufacturers

NAIROBI

China Road and Bridge Corporation (CRBC) has said it plans to buy over 5,000 tons of steel worth over 3.7 million U.S. dollars from Kenyan manufacturers for the construction of the Standard Gauge Railway.

CRBC Procurement Manager Zhang Chen said the purchase will be a first large scale local purchase of steel by CRBC since construction of the new railway began.

"We have tested the steel suppliers' steel products that are participating in this process in our SGR Project center lab and they have met the requirements for the project," Zhang said in a statement issued in Nairobi.

The firm has previously purchased smaller consignments from different Kenyan steel makers.

CRBC said the 5,250 tons of steel bars are expected to meet steel requirements for the construction of culverts and bridges foundation construction for about three months.

Kenya Association of Manufacturers (KAM) members were seeking ways of gaining from the construction of the high speed railway which is expected to create a local workforce of about 30,000.

CRBC is the main contractor of the 38 million U.S. dollar project. The first phase which beings later this year will see the railway built from Mombasa to Nairobi.

The project is expected to end in 2017. The second will extend that line from Nairobi to Malaba and Kisumu.

Already, Kenya is in talks with Uganda, Rwanda and Sudan to extend the lines for regional interconnectivity due to concerns that most of the cargo traffic will be from Mombasa to Nairobi, but not vice versa.

Kenyan and other East Africa Community (EAC) exports need to go through rail to create down traffic to the port and justify the project.

Zhang said five steel manufacturers presented their bids to supply the steel bars to CRBC at the firm's offices in Nairobi. CRBC will select one or more suppliers from their prequalified list of suppliers.

The company will now evaluate the quotations and will select a suitable supplier based on the stability of their production capacity, good sales performance, excellent quality control and lower price variations.

CRBC will evaluate the tenderer's business, service ability, quality proof and price stated in the bidding document. Eventually, one or several suppliers will be awarded the tender, said Zhang.

The companies that presented their bids are Apex Steel Mill Corporation, Steel Makers Limited, Devki Steel Mills, Prime Steel Limited and Tononoka Steel.

The companies said the local steel industry has adequate capacity to provide steel for the construction of the new railway while at the same time continuing regular supply to other local steel intensive industries.

The steel makers expect the railway to boost the industry by driving up demand for steel products.

Senior officials from the steel manufacturers have also allayed fears of shortage or spikes in the prices of steel during the SGR project construction phase.

They noted that the industry has in the past supplied steel to other mega projects in the country and East African region while at the same time servicing other local industries.

The 5,000 tons of steel is expected to meet demand for steel for a period of about three months. CRBC expects to undertake another round of procurement for steel towards end of this year.

Zhang added that the firm was keen on buying most of the materials used in the SGR project locally. Sourcing within Kenya has the benefits of availing materials to the contractor in a fast and efficient manner and at the same time contributing towards the growth of local Kenyan businesses.

"This project will play a critical role in the growth of different local industries. We have been paying close attention to local procurement of materials, except for rail and locomotive, materials such as cement, steel, fuel and ballast are sourced locally," Zhang said.– Agencies

Country's property loans increase

BEIJING

China is lending more to the property sector, especially affordable housing projects, the central bank has said.

Outstanding Yuan-denominated loans to the property sector at the end of March stood at 18.4 trillion Yuan (3.02 trillion U.S. dollars), up 19.4 percent from the previous year.

In the first quarter, such lending expanded by 994 billion Yuan, 196 billion Yuan more than the same period last year. The expansion took about 27 percent of the total lending in the first three months. The ratio was up 0.6 percentage point year on year.

Loans to affordable housing construction hit 1.28 trillion Yuan at the end of March, up 64.3 percent year on year.

In January-March, loans to affordable housing construction grew by 135 billion Yuan, 86 billion Yuan more year on year, 43.7 percent of the total lending to the property sector. The ratio was 24.4 percentage points higher year on year.

China's real estate market continued to weaken but with smaller price drops in March, leaving analysts to expect a further rebound with new relaxed mortgage rules.– Agencies

Real Estate market diverges further

BEIJING

China's property market diverged further in the first quarter, with a slowdown in new commercial and residential housing sales and an uptick in affordable housing investment and high-end houses.

Vanke, the country's largest developer, reported that its net profit in the first quarter of this year more than halved year on year, citing a high comparison base and little project settlement.

Ten Fitch-rated Chinese homebuilders, including leading developers Poly and China Overseas Land, reported negative year-on-year contracted sales growth in the first three months of this year.

Only six of the 20 best-per-

forming real estate developers reported year-on-year growth, while others suffered an average year-on-year fall of 15.37 percent in the first quarter, according to the statistics from CRIC China, a property consulting firm.

While the new commercial and residential property market lost steam in Q1,the Chinese government has been lending more to the property sector, especially affordable housing projects, during the past three months.

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Fitch Ratings said there were signs the slide is bottoming out thanks to a string of government support policies such as down payment cuts, home sales tax exemption and land supply and usage conversion.

High-end property saw surging growth after the central bank reduced the down payment ratio for second homes on March 30. Sales of houses with an average price above 100,000 Yuan per square meter grew four-fold year on year during the past three weeks, according to data from Centaline Group.

Zhang Dawei, a senior analyst with Centaline, predicted that sales of second homes would pick up in May due to expectation of further interest rate cuts by the central bank.

"It is obvious that government-subsidized housing and second homes are getting more policy support," said Chen Huai, a property expert with China Academy of Social Sciences.

The government will take more steps this year to rebuild poor housing, targeting one million homes in rural China and one million in cities, according to this year's government work report. Rebuilding urban and rural rundown areas may help optimize structural development of cities from within instead of expansive urbanization," Chen said.– Agencies

Solar Impulse 2 travel through Nanjing

CED Monitoring
BEIJING

The Swiss pilots and maintenance team of Solar Impulse 2, the world's most advanced solar-powered airplane, attended a series of exchange and promotional activities to advocate energy-efficient technologies after landing in Nanjing, Jiangsu province this week.

In its second stop in China and the sixth stop on the round-the-world adventure, the team and the two pilots, Bertrand Piccard and Andre Borschberg, visited schools where they met and talked with Chinese students.

The plane took off from Chongqing metropolitan, where it stayed for about three weeks and delayed taking off several times due to weather conditions.

Piccard, who controlled the flight to Nanjing, said that compared with his work as a pilot, the work of weather specialists and engineers turned out to be more challenging.

"We simulated all possible trajectories and exhausted all different strategies to get Solar Impulse 2 in the air, from defining pit-stops at airports along the route, to trying different speeds, altitudes and holding patterns."

Piccard was busy during the 17-hour flight to Nanjing; he had food, took pictures and received

satellite interviews. But he was sleepless because the thick clouds he encountered along the way required intense concentration.

"Throughout the entire process, the Chinese authorities have been unfailingly helpful and open to our ideas," said Piccard. "We are amazed by the spirit of our team and the willingness of our partners to help us achieve our goal."

After landing in the United States, the plane will stop in either North Africa or Southern Europe before returning to Abu Dhabi to complete its 12-leg world adventure.

The adventure is scheduled to take five months starting from March 9. Powered by 17,248 solar cells installed on its wings, the plane can fly day and night without fuel. The single-seater aircraft, which is made from carbon fiber and weighs only as much as a car, needs two pilots to take turns to fly.

During a previous interview with media, the pilots said that what they want to promote is not the use of renewable energy, but the importance of using more energy-efficient technologies.

To welcome the aircraft, the Nanjing Lukou International Airport has established a 3,200-square meter hangar and set aside an area of 30,000 square meters to the east of the runway for it to "sunbathe" in fine weather.

The hotel where the team is staying has also prepared local Nanjing specialties and various kinds of cheese, sausages and desserts for the Swiss guests.

Agri microbiology draws Chinese researchers to Argentina

BUENOS AIRES

Microbiology applied to agricultural products is connecting China with Argentina, two emerging markets with complementary economies and strategic partners looking to increase bilateral exchanges.

Among the many links between Beijing and Buenos Aires, Argentine firm Rizobacter stands out. The company, which uses microbiology to boost soy output while cutting production costs, has been in business for 38 years

and reports an annual turnover of 100 million U.S. dollars, 20 percent from exports.

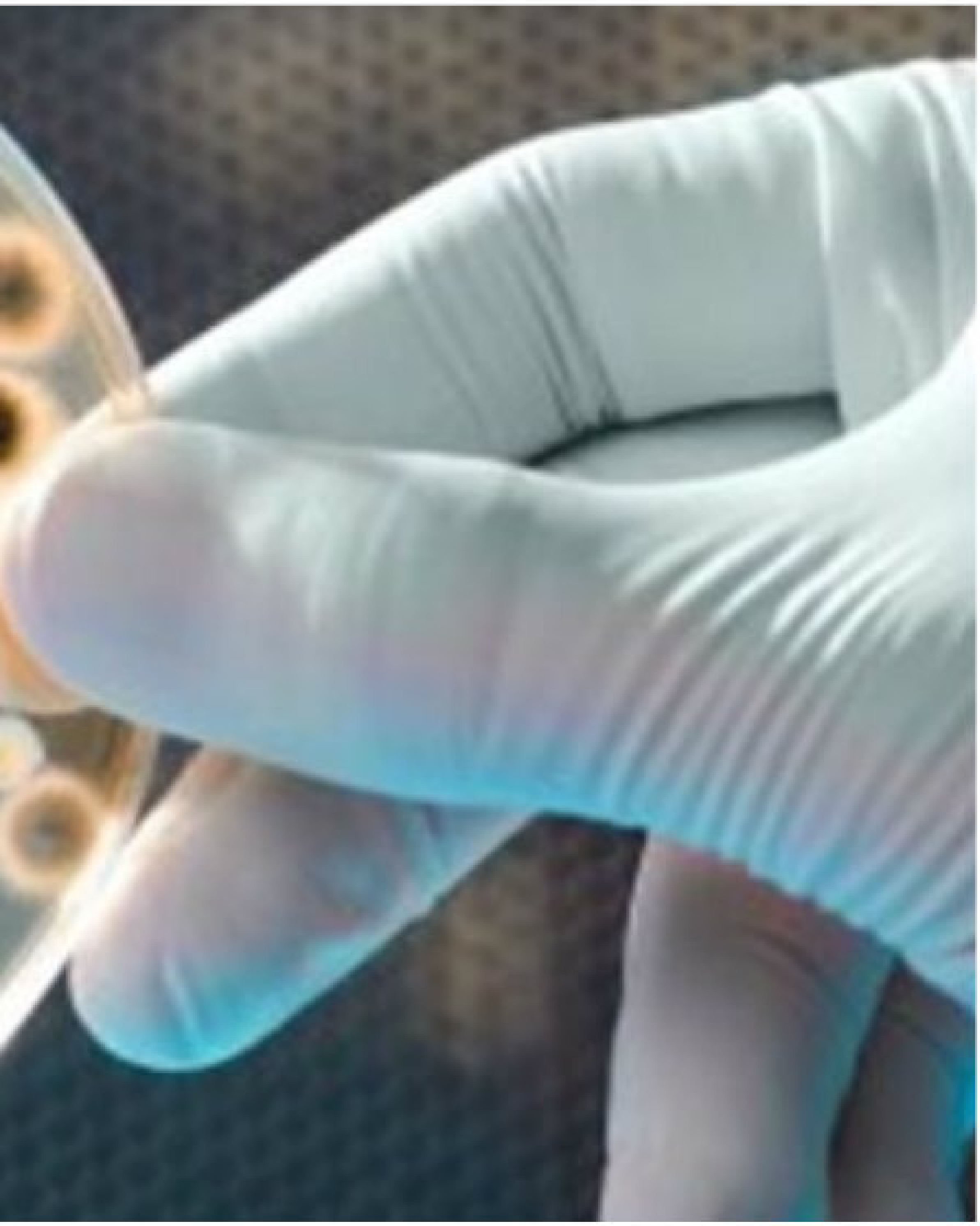
In December, a delegation of the Academy of Sciences from China's Heilongjiang province visited the firm in Pergamino, a city located 180 km northeast of the capital Buenos Aires.

The delegation came to explore the possibility of signing an agreement for joint research and development of microbiological technologies, to improve Chinese soil and output.

"We are here to visit and get to know the Rizobacter plant," said Wang Gang, vice president of the academy.

"We are very interested in getting to know the technology being developed by this company and all of the efforts on the production of soybean, mainly related to soybeans and rhizobia," Wang added.

The Argentine company "sends products to countries like Brazil, Uruguay, Paraguay, Bolivia, the U.S., Canada, Germany, Turkey, Ukraine, Russia and China, and has 400 employees. It is a very technological and professional company," Rizobacter CEO Ricardo Yapur said in an interview.



Rizobacter produces microbial, or soil, inoculants that are used to boost soybean production. The inoculants are applied to the seeds so when they germinate, and they can better absorb the highly nutrient nitrogen in the air.

The method is not only highly sustainable, because unlike chemical fertilizers, it doesn't pollute the air, water or soil, and it's also cost effective, said Yapur.

The microbe costs between 5 dollars and 10 dollars per hectare, in contrast to urea fertilizer, which needs high pressure and temperatures to function, requiring burning petroleum, and costs 150 dollars per hectare, said Yapur.

"This technology has been fully adopted in Argentina, where 90 percent of producers use inoculants, because the technology and the data shows it binds enough nitrogen to produce good results," he said, adding "it increases output by about 150 kg of soy."

At its plant, the company has the ability to carry out tests, quality control, and strain selection, and to experiment with different factors, such as temperature and light. – Agencies

Chinese satellites monitoring Nepal quake zone

BEIJING

Chinese satellites are monitoring areas affected by Nepal's quake while providing hi-resolution images for relief effort, the State Administration of Science, Technology and Industry for National Defence (SASTIND) has said.

Four land observation and mapping satellites have been targeting the epicenter of the quake, Nepal's capital Kathmandu and its northern area as well as two affected counties in southwest China's Tibet Autonomous Region, the administration said in a statement.

These satellites have offered 209 sets of images to ten departments including China Earthquake Administration and the ministries of civil affairs, science, land and resources.

Meanwhile, the SASTIND has been processing hi-res image archives of the quake zone in the past as references for image analysis.

The 8.1-magnitude earthquake struck Nepal at midday, followed by strong aftershocks. More than 4,300 people in Nepal and at least 25 in Tibet were killed in the disaster.

The SASTIND vowed to keep close track of the situation and share satellite images with quake-affected areas. – Agencies

Local research team sequences cotton genome

BEIJING

A joint biological research team led by Chinese scientists has completed genome sequencing of cultivated upland cotton, a new breakthrough in cotton genome studies.

The research sequenced and assembled the genome (AtDt) of gossypium hirsutum, an important fiber crop cultivated worldwide, providing insights into the genomic evolution of the cotton, the Chinese Academy of Agricultural Sciences (CAAS) said.

The results will not only support multiple areas of cotton study but also speed up seed selection, said Li Fuguang, one of the researchers.

The research was completed with the combined effort of scientists from several organizations, including Peking University, BGI-Shenzhen, Wuhan University and Southern Plains Agricultural Research Center under the U.S. Department of Agriculture. – Agencies

Bat-winged dinosaur fossils found in Hebei

BEIJING

Chinese scientists have discovered the fossil of a small dinosaur with bat-like wings that might have been able to glide short distances, according to a Nature report published.

The fossil remains of Yi qi (meaning strange wings in Chinese), which lived around 160 million years ago, was unearthed in northern China's Hebei Province. It belongs to the scansoriopterygids, a group of small dinosaurs that have only been found in China, and is closely related to the lineage that ultimately gave rise to birds.

The dinosaur had rod-like bones extending from each wrist, similar to those found on flying squirrels and bats, said Xu Xing, a researcher at the Institute of Vertebrate Paleontology and Paleoanthropology in Beijing and lead author of the report.

However, it is the first time this bone structure has been seen in dinosaurs, he said.

Xu said the bones might have helped support wing membranes that Yi qi used to glide or fly, adding that small patches of membranous tissue were found clinging to the bones.

Nonetheless, researchers said Yi qi would not have been a competitive flyer, but may have glided only short distances between trees.

"Yi qi was a pioneer in dinosaur flight evolution and a reminder of how different limbs of the evolutionary tree ended up at a dead end in the early history of flight," said Zheng Xiaoting, co-author of the Nature report. – Agencies

Study aims to transform manufacturing

BEIJING

China launched the second phase of a national research project to transform the country into a manufacturing power, according to the Chinese Academy of Engineering (CAE).

The joint project by the CAE and the Ministry of Industry and Information Technology began in 2013 and is looking for ways to raise the quality of Chinese products and reshape the country as a manufacturing power.

Zhou Ji, president of the CAE and head of the project, said the second phase will focus on an index system for manufacturing nations, a roadmap for China's pillar industries, smart manufacturing, quality, brands, green production and manufacturing services.

The research team will consider areas like 3D printing and robots.

According to the research team, China should become a manufacturing power by 2025, reach a medium level among the world's best manufacturers by 2035, and rank near the top of the league table by 2045.– Agencies

New deep-sea research launched in Pacific Ocean

GUANGZHOU

China's first self-designed deep-sea exploration vessel, Haiyang Liuhao, left the port city of Guangzhou for research in the Pacific Ocean.

The vessel, on its fifth research expedition since being delivered for use in October 2009, set off at 10 a.m. with 130 researchers on board and carrying unmanned submersible Haima. It is due to return in the middle of November, according to China's marine geological authorities.

Haiyang Liuhao, also known as Ocean No. 6, will use advanced technology to collect samples and measure micro-topography near the sea bed. This will be the first time that Haima, which can dive to 4,500 meters via remote control, has explored deep sea resources in the Pacific Ocean.

Haiyang Liuhao finished its last research expedition in November after a 162-day exploration of the Pacific Ocean.– Agencies

First marine science lab opened in Qingdao

QINGDAO (Shandong)

China's first national-level lab for marine science and technology opened in the coastal city of Qingdao in the eastern province of Shandong, provincial authorities said.

Qingdao National Laboratory for Marine Science and Technology was approved by the Ministry of Science and Technology in early 2014 and jointly built by the provincial government of Shandong and the government of Qingdao City.

Scientists from 11 marine-related organizations, including Ocean University of China and the Institute of Oceanology of the Chinese Academy of Sciences, will participate in the lab's research.

According to Chen Yiyu, an academician of the Chinese Academy of Sciences and head of the laboratory, the lab is expected to become one of the world's seven largest marine science research centers within 10 years.

With a total investment of 1.3 billion Yuan (200 million U.S. dollars), the laboratory covers an area of 150,000 square meters and has eight main labs covering the research areas of marine and climate change, evolution and protection of marine environments, and sustainable use of marine biological resources.

According to Chen Lianzeng, deputy head of the State Oceanic Administration, the laboratory will focus on cutting-edge marine science research and is expected to boost international cooperation and scientific achievements to benefit marine-related industries. –Agencies

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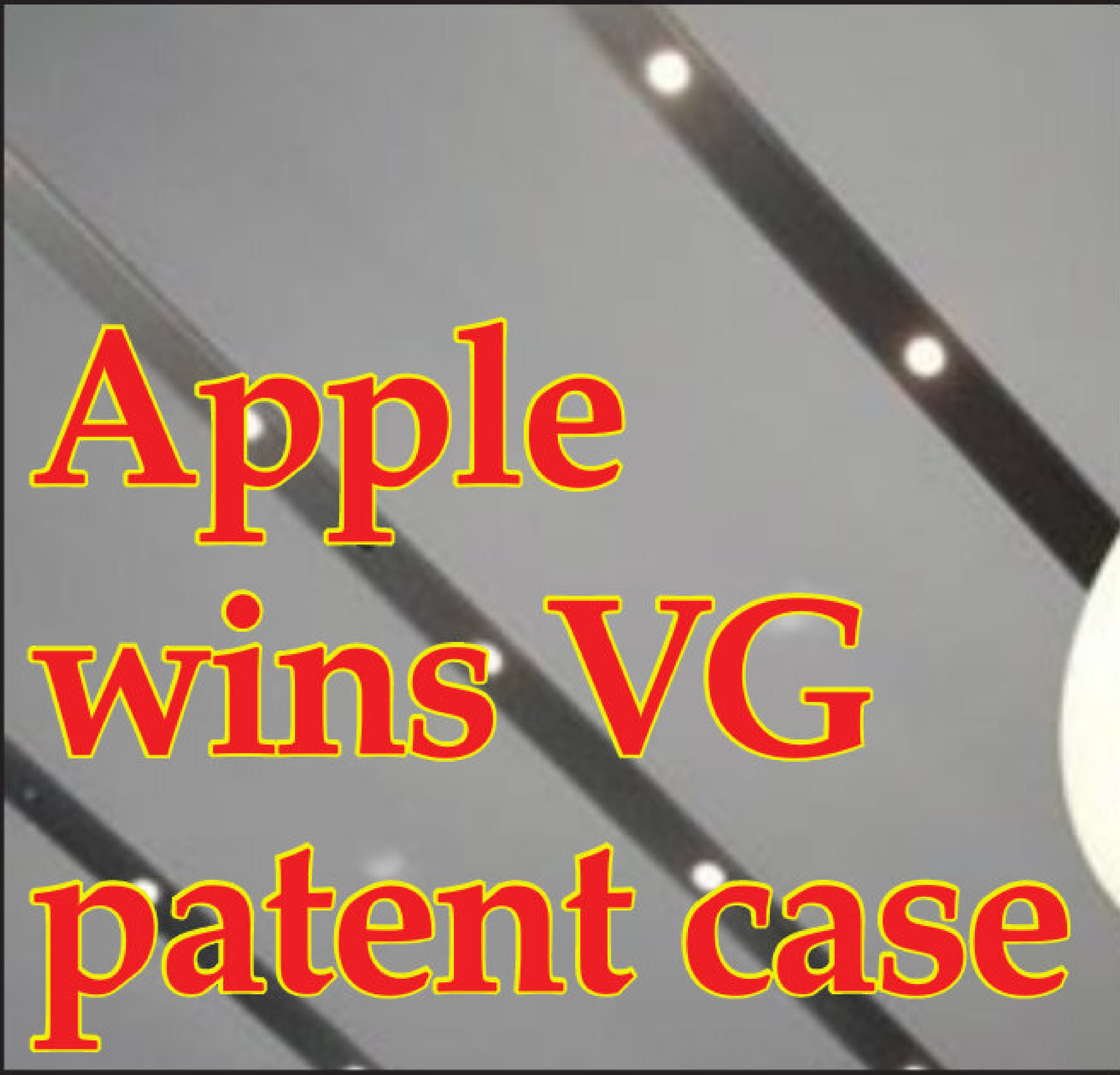


Apple wins VG patent case

BEIJING

Beijing Higher People's Court has finally ruled in favor of Apple Inc over a Chinese government agency and a Shanghai technology company for a patent on voice recognition technology.

The court decision was made after Beijing No 1 Intermediate People's Court ruled last July against Apple, which sued the Patent Review Committee under the State Intellectual Property Office and Shanghai Zhizhen Network Technology Co Ltd, accusing the latter of infringing the copyright on its voice recognition software, Siri.

The patent infringement dispute between Apple and Zhizhen goes back to June 2012, when Zhizhen, developer of speech recognition technology Xiao i Robot, filed a case against Apple for infringement of intellectual

property rights, claiming that Siri technology violates its patent for "a type of instant messaging chat robot system."

Xiao i Robot, which began in 2003 as a chat bot for MSN, Yahoo Messenger and other chat programs, has expanded to iOS and Android, where it bears a striking similarity to Siri.

Siri, on the other hand, made its debut with the release of the iPhone 4S in 2011. It was first developed in 2007 by Siri Inc., a start-up company acquired by Apple in 2010. No verdict was given after trials at a Shanghai court opened in 2013.

At the same time, Apple applied to the Patent Review Committee under the State Intellectual Property Office to invalidate the Xiao i Robot patent. When the committee supported Xiao iRobot, the US-based tech giant sued the committee and the Shanghai Company. – Agencies.

Alibaba emerges as top taxpaying Internet firm

CED Monitoring
BEIJING

Alibaba Group Holding has become China's highest tax-paying Internet firm, handing in paying 10.9 billion Yuan ($1.76 billion) in taxes last year, says a local official.

Li Qiang, governor of Zhejiang province, where Alibaba Group is based, said that the Internet giant had made "a huge contribution to tax revenues last year, paying almost 30 million Yuan on an average per day"."

The total tax Alibaba paid rose 56.4 percent in 2014 from 7 billion Yuan in 2013.

Revenue at the world's largest e-commerce platform rose 40 percent to 26.18 billion Yuan in the fourth quarter last year, according to the company's earnings report.

Jack Ma Yun, executive chairman and CEO of Alibaba Group, was listed as the fourth wealthiest Chinese, with a total net asset of $22.7 billion, according to a ranking compiled by Forbes China released this week

According to the list, Hong Kong tycoons Li Ka-shing of Cheung Kong Group and Lee Shau Kee of Henderson Land Development were ranked the top and the second richest Chinese, followed by Wanda Group's Wang Jianlin.

BAT CEOs, Pony Ma Huateng of Tecent, Robin Li Yanhong of Baidu, together with Ma Yun, were all on the top 10 list, with the first two ranked as the sixth and eighth wealthiest Chine.

Foxconn introduces cheap used iPhones

CED Monitoring
BEIJING

Apple-certified used iPhones have gone on sale in China with price tags less than half that of brand-new products.

The e-commerce platform of Foxconn Technology Group, the biggest Apple Inc manufacturer by shipment, is taking online orders at flnet.com for iPhone 5S with 16 gigabytes of storage and iPhone 4S with 8GB.

Selling at 2,099 Yuan ($338), the restored iPhone 5S is more than 2,300 Yuan cheaper than the official retail price. The refurbished iPhone 4S, sales of which Apple has stopped in China, is 899 Yuan.

It is unclear when Foxconn will start delivering the products. The handsets were "out of stock", according to the e-commerce site.

The company had said devices would be ready for retail by mid-April.

Apple announced its "reuse and recycling program" earlier this month. It is the first time the California-based giant has launched a trade-in project in its largest market outside the United States.

Offering iPhones with lower price tags gives Apple an additional measure to counter local vendors who introduce high-performance handsets at a fraction of the price of iPhones.

Xiaomi Corp, LeTV Holdings Co Ltd and a number of China-based manufactures are trying to weaken Apple by joining the above-3,000-Yuan market.

Apple is the second-largest smartphone maker in China by shipment as of the first quarter. Its19.9 percent market share trails South Korean maker Samsung Electronics Co. which has about a third in market share, according to research firm Trend Force.

Russians throng local e-commerce sites

CED Monitoring
BEIJING

China's e-commerce sites have captured 70 percent of cross-border online sales with Russia, valued at $3.5 billion in 2014, says China Securities Journal, citing a research report from Russia.

The country's booming e-commerce market has received widespread popularity, as evidenced in the research report jointly conducted by East-West Digital News, a Russian digital news information provider, and Internet company Yandex, which operates Russia's largest domestic search engine.

It said that online Chinese stores received 50 million orders from Russia last year, up 40percent year-on-year.

Among China's popular online shopping websites, Ali Express, the cross-border e-commerce site of Alibaba Group Holding Ltd, received the most orders, followed by Taobao.com, Tmall.com, DX.com, Dangdang.com and the Light in the box, according to the research report.

Most of the transactions are paid through Yandex. Money, Russia's largest electronic payment service operated by the company. Yandex provided payment services for about 40 Chinese online shopping stores by 2014, the report showed.

35 online dating websites closed in crackdown

CED Monitoring
BEIJING

Authorities have shut down 35 online dating websites for "seriously violating regulations and presenting false information", according to the Cyberspace Administration of China.

The violators were the second batch of websites reported by the public and jointly investigated by the administration and other related government bodies. The illegal portals also circulated pornographic content, the administration said.

The administration launched its latest crackdown on illegal online dating websites in February. It shut 65 websites on Feb 17 with the help of reports from the public.

The websites were closed for various reasons, including the circulation of pornographic content and taking part in pornographic scams.

The violators face penalties based on their illegal activities. The administration also urged online dating portals to register their businesses. Those which are suspected of breaking the law will also be tracked, it said.

Many online dating websites have built trust among the public by protecting the rights of users, the administration said. Regulating the sector is a long-term effort and needs public support, it said.

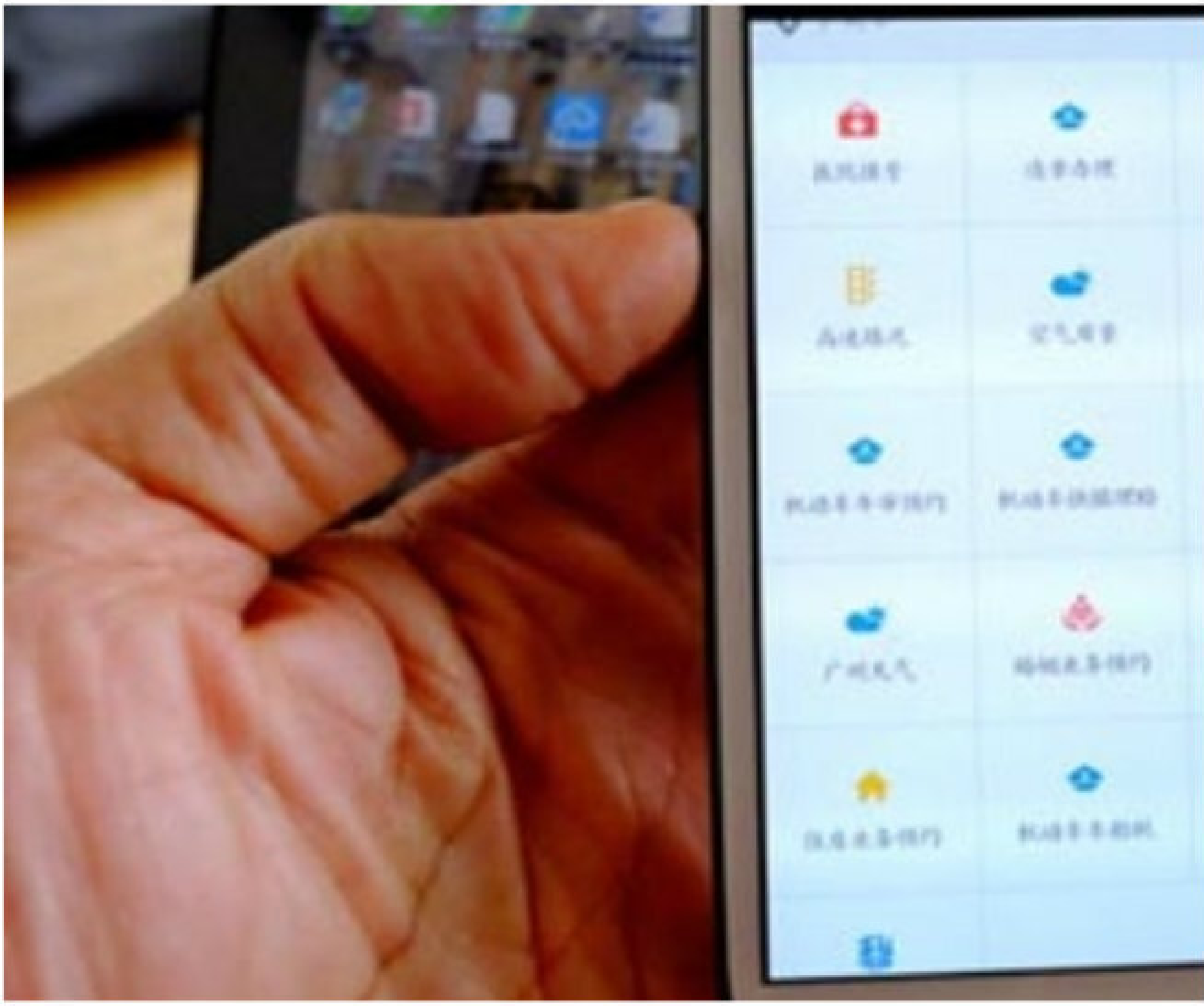
Alibaba expects slice of smart city pie

CED Monitoring
BEIJING

Alibaba Group Holding Ltd has made its biggest step to facilitate the government-backed smart city projects in which Tencent Holdings Ltd, its strongest rival, is also eyeing apiece.

The e-commerce giant's finance arm said it will partner with the country's largest microblogging platform Sina Weibo and Taobao.com, a retail site of Alibaba, to help local governments' efforts to improve administrative efficiency and transparency.

"We are looking to leverage on Internet and cloud computing to offer one-stop solutions for building smart cities," said Fan Zhiming, president of Ali-



pay Zhejiang Ant Small and Micro Financial Services Group Co Ltd, which runs the mobile payment platform Alipay.

"We are planning to provide mobile public services in 50 cities by the end of this year, which could cover 100 million people," Fan said.

Under the partnership, some administrative services will be moved to Alipay, Weibo and Taobao.

Users of these three mobile applications will be able to make hospital appointments, check for traffic tickets, pay utility bills and other services. Aliyun, the cloud computing arm of Alibaba, will also help local governments build unified cloud systems to tap the value of massive data.

The service is currently running in 12 cities, including Shanghai and Guangzhou, the company said. Alipay has 270 million active users and Weibo, in which Alibaba has an 18percent stake, has about 176 million users.

It is the latest move by Alibaba to deepen its involvement in the administrative sector, putting the company in direct competition with Tencent, which has also teamed up with local governments to offer similar services via its popular instant messaging application WeChat.

Earlier this month, Tencent said its smart city project has already covered more than 60million people in five cities, including three that Alibaba is also setting foot on.

The Internet firms' growing interests in the smart city projects came after Premier Li Keqiang urged local governments to take advantage of the Internet and cloud computing to improve work efficiency.

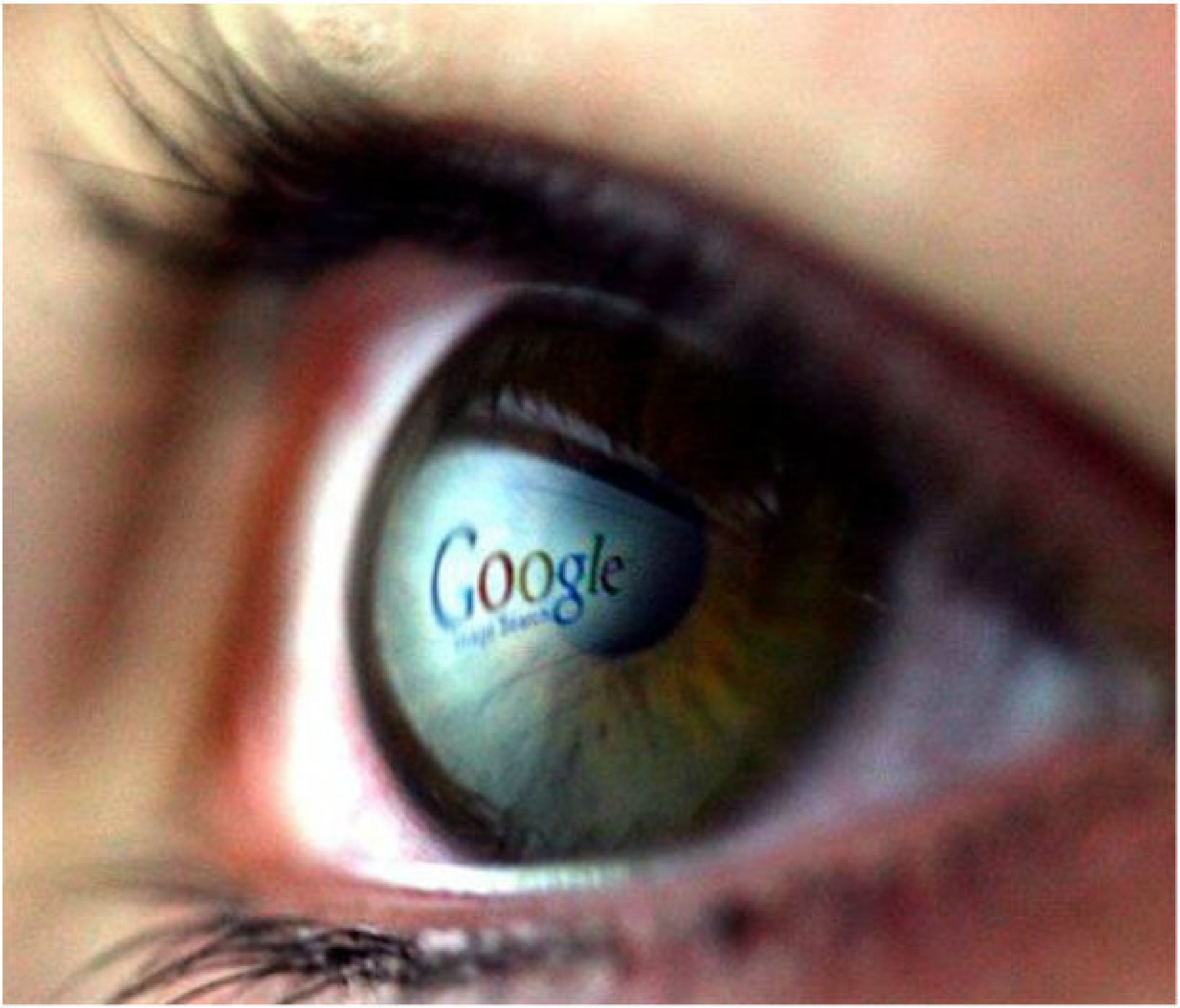
The Internet companies are pouncing at the opportunity to further diversify their mobile offerings into multiple areas, analysts said.

Tencent and Alibaba hope that making public services accessible on mobile platforms could help boost the user base of their mobile apps.

Looking forward, the smart city initiative demands more cooperation among Internet companies, said Ding Baogui, a senior researcher at consultancy IDC.

"The smart city initiative is a massive project for a single company. Instead of turning against each other, they need to make joint efforts to complete the project."

Disclosures threaten reputations of Internet giants



CED Monitoring
BEIJING

Just a month after e-commerce leader Alibaba Group Holding said it was being probed for possible violations of US securities laws, former online video high-flyer Youku Tudou Inc revealed it is also being questioned by the US stock regulator for aggressive accounting practices that may have misled investors. The nature of the potential violations is different in each case, but both create a worrisome larger picture since they involve two of China's biggest and most trusted Internet companies.

The companies themselves would be mostly to blame if found guilty of misleading investors, but their overseers should also take some responsibility. In both instances, regulators and third-party auditors were privy to information that prompted the latest probes by the US Securities and Exchange Commission (SEC), and could have taken steps much earlier to force corrective actions.

All of these parties are under a lot of pressure and must make difficult choices every day. But failure to act quickly and responsibly could have huge consequences for some of China's most trusted private companies, undermining broader investor confidence in names that are considered some of the country's most financially responsible.

Last week was a turbulent time for Youku Tudou, which was once China's most valuable online video company but lately has seen its share price sag as it fails to find a formula for profitability. The company's stock was already down by nearly half over the last year, when it informed investors last week it would release its latest quarterly earnings just two days later.

The short notice period set off alarm bells for investors, who had little time to prepare and speculated that bad news could be coming. Youku Tudou lived up to that expectation, reporting that its quarterly loss skyrocketed more than 10 fold to $51 million.

But equally worrisome was the company's disclosure that it was being queried by the SEC about some of its accounting practices. Many money-losing US Internet companies faced similar scrutiny during the dot-com bubble of the 1990s, when they were accused of inflating their size by posting revenues that were backed by barter deals rather than actual money.

Youku Tudou's stock tanked 15 percent during the week, including an 11 percent sell-off on the day it announced its results and the SEC probe, sending the shares to an all-time low.

“In cases like these, everyone needs to become more proactive about raising red flags when questionable practices occur, and taking quick action to correct those practices.”

The company was once a sector leader and widely respected name, but the growing losses and now disclosure of the SEC probe are certain to undermine investor confidence in its prospects.

In that instance, one of China's top commerce regulators found nearly two-thirds of goods traded on Alibaba's popular Taobao online marketplace were fakes. The regulator informed Alibaba of the findings last summer but didn't make the report public until January. That led some to say that Alibaba should have disclosed the findings before its blockbuster IPO last September, since it should have known the situation could materially affect investor views of the company.

Alibaba's shares also took a beating after the government report was publicly released, and are now down nearly 20 percent from their levels before the scandal.

This kind of behavior was quite common among smaller US-listed Chinese companies four years ago, and sparked a confidence crisis that ultimately forced many firms to delist. That clean-up left only the largest, most trusted companies with US listings, allowing investors once again to focus on company financial results rather than the reliability of their accounting and timeliness of major news disclosures.

Alibaba and now Youku Tudou deserve the largest responsibility for these latest cases if they are found to be in violation of US securities rules. But a number of other parties also bear some responsibility for failing to force corrective action earlier, including the companies' independent auditors, investment banks and the regulator involved in the Alibaba scandal.

Failure to do so could spark a new confidence crisis toward big names like Alibaba, which would have much bigger fallout than the earlier credibility crisis and would deal a huge setback to Chinese companies listed overseas. ■

Local brands see surge in SUV sales

CED Monitoring
BEIJING

Chinese automakers' targeted approach pays off with rising Chinese brands saw a sudden surge in sales in the first two months of 2015 in the passenger vehicle, or PV, segment, which IHS Automotive said included sedans, sport utility vehicles, or SUVs, and multi-purpose vehicles, or MPVs only.

Sales of local Chinese brands rose by 41.71 percent in the PV segment in the first two months of the year to 972,833 units. The top brand was Changan, followed by Haval from Great Wall Motors.

Sales of Changan, the inhouse brand at Changan Auto, soared 102.69 percent year-on-year, in the first two months. Haval, Great Wall's SUV brand, witnessed an even higher growth rate of 131.50 percent year-on-year.

The models that predominantly pushed up sales of domestic players in the first couple of months of the year were SUVs.

Some Chinese consumers consider SUVs to be family vehicles and rate them as safe and spacious; therefore, the SUV segment continues to see double-digit growth in China.

Sales of SUVs produced by local brands in China rose 52.17 percent year-on-year to 424,770units in the year-to-date period in February.

Great Wall's Haval brand

was the top-volume seller in the SUV segment with a 56.8 percent year-on-year hike to 99,102 units in the first two months of 2015.

Haval has more SUVs on offer this year. The Hover H1, H2 and H9 are all new SUV models boosting sales for the brand.

Changan followed as second-best seller, with the CS35 and the new CS75 SUV models boosting sales. The brand sold 61,318 SUVs in the first two months of the year, up 71.2percent year-on-year.

The third-highest SUV-selling local brand was Jianghuai from automaker Anhui Jianghuai Automobile Company, or JAC. The brand added the Refine S3 to the Refine S5 SUV, which helped SUV sales grow by 78.44 percent year-on-year to 40,231 units in the two-month period.

Beijing Auto, the in-house brand of Beijing Automotive Industry Group Co, or BAIC, witnessed an SUV sales jump of 96.63 percent year-on-year in the two-month period, with 36,397 units of its eight SUVs sold.

BYD's SUV sales rose 10.49 percent in the January-February period, with 22,479 units sold following the addition of the S7 SUV to the existing S6.

In the first two months of 2015, FAW's SUV sales were up 31.92 percent year-on-year, Zotye's were up 81.43 percent, Haima's were up 61.87 percent, Dongfeng's rose 99.38percent and Geely's increased 51.58 percent. These brands all added SUVs to boost sales.

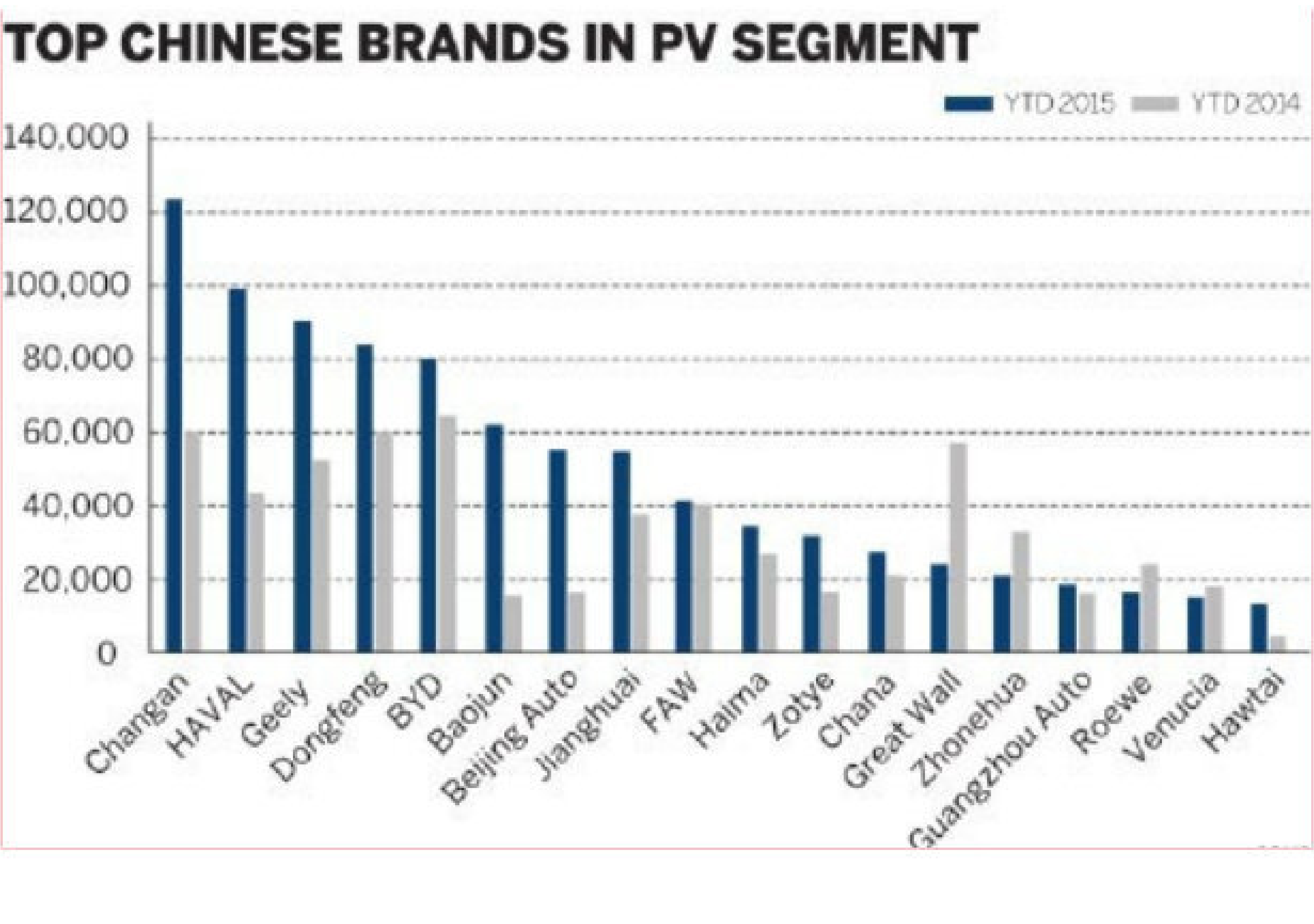
Outlook and implications

In 2014, final sales data showed that most Chinese brands suffered a difficult year.

The situation today is a stark contrast as local Chinese brands are suddenly witnessing sales growth rates often in double digits.

The reason is that local brands raised their in-house technical standards, partnered with international suppliers and built better-quality models. More importantly, they have begun to target the high growth segment of SUVs.

Brands that reported low single-digit sales increases at the end of 2014 are now seeing double-digit growth, while those



with negative growth are reporting positive numbers.

The focus of these Chinese automakers has shifted from producing many different models to targeting sales of models in growth segments and catering to specific target consumer groups.

The sheer volume increase in sales of local-brand SUVs shows that 2015 is the beginning of a targeting exercise from local brands, bringing better-quality products tailored for specific segments of the Chinese consumer market.

In the first two months of 2014, Chinese brands sold 203,136 SUVs. This rose by 52.18percent to 424,770 units in the first two months of 2015.

The question is whether this growth of Chinese SUV sales will continue, and whether overall Chinese brands will continue to see growth in their local domestic market?

In the January-February period, Chinese Original Equipment Manufacturers, or OEMs, managed to increase their market share in PV sales, excluding imports and exports, to 32percent from 26 percent in the same period last year. Meanwhile, Japanese OEMs seemed to lose momentum again in PV sales as their market share decreased to 15 percent from 17percent in January-February 2014.

The strong rebound in domestic OEMs' performance is attributable, in particular, to the positive reception of their SUV products, especially those of Great Wall, Changan and JAC.

With more SUV products from Chinese OEMs to be launched this year, we expect domestic OEMs to at least increase their market share from 27 percent in 2014 to 28.8 percent in 2015.

International brands witnessed a rapid slowdown in sales growth rates of locally produced PVs in China, with a number of brands in negative territory.

Volkswagen's sales were up 4.1 percent year-on-year during the first two months this year with 543,896 locally produced PVs sold in the two-month period.

Hyundai's sales were down 6.3 percent year-on-year, Buick's were down 6.1 percent year-on-year, Ford's were up 16.8 percent year-on-year, Chevrolet's were down 1.2 percent year-on-year, Toyota's down 11.4 percent year-on-year, Kia's down 2.7 percent year-on-year, Honda's down 2.3 percent year-on-year and Nissan's down 13.6 percent year-on-year.

This is in stark contrast to the sudden jump in growth rates of local brands in China. ■

Auto industry profits tumbling down

CED Monitoring
BEIJING

China's auto industry's profits have been on a downward trend this year, plagued by a slowing market and plunging car prices.

The sector's profits dropped by 5.4 percent in the first quarter from a year earlier, according to data from the National Bureau of Statistics.

This is the first quarterly profit decrease in three years, said Chen Xi, a senior analyst from the bureau's China Economic Monitoring and Analysis Center.

The industry's sales profit ratio slumped 0.6 percentage points to 7.9 percent in the first quarter of this year, from the last quarter of 2014.

Almost one-fifth of the automakers and spare parts producers in China were in the red, a 7percentage point increase, according to the data.

"The hardship could be attributed largely to the market deceleration, car price cuts and growing marketing costs," Chen said.

Total vehicle sales in China climbed by 3.9 percent to 6.15 million units in the first quarter, according to the China Association of Automobile Manufacturers.

Sales of passenger cars decreased by 0.36 percent to 3.10 million units and micro bus sales plunged by 17.84 percent to 32.64 million units.

A slew of carmakers cut prices this year in an attempt to boost sales amid the slowing market.

China's top automotive group

Polo, Tiguan, Passat and Lamando models by as much as 10,000 Yuan on April 5. The Lamando compact sedan hit the market just three months ago.

Earlier, Sino-US joint venture Chang'an Ford offered price concessions of 7,000 to11,000 Yuan by paying car purchase tax for buyers.

Hyundai Motor's joint venture with Beijing Motor also started providing customers interest-free

said the overall market downturn would push the auto industry to further polarize.

"Carmakers which have competitive products will continue to have decent profits, but those without competitive products will have meager profits and even losses," Shi said.

According to the statistics bureau, fixed-asset investment in the auto industry has also slowed due to the market downturn.

Mercedes penalized for $57m over parts' monopoly

CED Monitoring
BEIJING

Jiangsu province has announced a 350 million Yuan ($57.1 million) fine on Mercedes-Benz, and 7.87 million Yuan fine on some of its dealerships for their monopolies in finished vehicles and auto parts.

Jiangsu Provincial Price Bureau has announced that Mercedes-Benz and the dealerships in Jiangsu province entered into monopoly agreements that violated the Chinese Anti-monopoly Law.

The German luxury carmaker said in its written reply that "Mercedes-Benz fully respects and accepts the findings and punishment decision, and will comply immediately.

"At the same time, we have developed, through a comprehensive self-examination, a series of targeted reform measures guided by the law enforcement authorities. Having drawn important lessons from this, we will ensure strict compliance with relevant laws, strengthening the legal and regulatory controls within our company, dealer network, and various business divisions to resolutely ensure that these issues do not arise again."

The bureau said from January 2013 to July 2014, the company forced the floor prices of Mercedes-Benz E-Class, S-Class finished cars through phones, verbal notices, or dealer meetings. The company also warned of reducing the support to dealers who did not comply with the price-fixing.

The carmaker also organized regional dealer meetings and entered the price fixing agreement of some auto parts with dealers from Suzhou since November 2010, and with dealers from Wuxi and Nanjing, capital of Jiangsu province, from January 2014.

Mercedes-Benz has lead and impelled the monopoly practices, so it was fined with 7 percent of its last year's sales revenue in the related market. The dealers were fined with 1 percent. The price bureau mitigated or waived the fines to those dealers who provided critical proofs.

Volvo to export more cars from China

CED Monitoring
BEIJING

Volvo Cars China is set to take more responsibility in the Asia Pacific region, and is looking to export more China-made models to more countries, to achieve higher growth and profits.

Volvo Cars Group CEO Hakan Samuelsson said, "The China Company has done an excellent job, and grew from less than 100 people five years ago to around 4,000 people." "The Shanghai team will take over responsibility for operations in more countries, including Australia, New Zealand, Japan and India, everything to the east of India."

When asked if Volvo would export more China-made products to more countries, the Swedish CEO answered, "Absolutely". The carmaker is going to utilize its stronger presence in China to strengthen its presence in the region – in Malaysia, Vietnam and Indonesia. "That's definitely what we are looking for," he continued, "We want to be very strong in Asia, US, and Europe. That's why we've been in three organizations."

Volvo Cars are going to test its autopilot function in 2017 with 100 cars with ordinary drivers in its home, Gothenburg, Sweden's second largest city. Authorities will also be on board in the field test. Ning Shuyong, Volvo China's vice-president in charge of public relations, said that in order to develop autonomous driving, an ecosystem involving universities, research institutes, and the Swedish Transport Administration is necessary.

Samuelsson said, "Autonomous driving involves other issues, not only new technology, but also a new legal framework."

Report uncovers auto world's innovation trends

CED Monitoring
BEIJING

Geely is leading Chinese automakers in terms of innovative capacity, according to a report unveiled by an intellectual property and science business of information provider.

The report examined recent patent trends in the automotive field, including companies involved in innovation and segments that have grown the fastest, based on data during the past five years.

Toyota had more than 7,000 patent assignments during the five-year period and is the auto world's top innovator from a patent perspective, according to the report. Toyota was one of five Japanese companies ranked in the top 10, the most of any country. The others were Honda, Denso, Seiko Epson and Mitsubishi.

In contrast, the United States had only one representative in the top 10, General Motors, which was seventh on the list with less than 3,000 patents, according to the report.

The report ranked Chinese carmaker Geely 15th, with about 1,500 patents, not including those belonging to Volvo, which the company acquired in 2010. Geely's ranking was ahead of several foreign firms such as Ford, Audi, BMW and Renault.

The report noted that Toyota was a "perennial leader" in automotive innovation, while South Korea's Hyundai "appears to be an up-and-coming organization". The report also said that from 2011 Hyundai "increased its rate of patent filing dramatically and could soon end up with more patent publications than any other automotive company".

The report looked into innovation activities in five broad categories of the automotive industry propulsion, navigation, handling, safety and entertainment. Within each category, researchers analyzed the total number of unique inventions issued in published patent applications and granted patents between 2009 and July 2014.

Findings showed that propulsion attracted more patents than any other technology area. Propulsion patents jumped from less than 2,000 to nearly 12,000 during the five-year period.

"The clock is quickly ticking towards Model Year 2025, where US automakers' fleets will be required by law to boast an average fuel efficiency of 54.5 miles per gallon, and the industry is working diligently to comply," said Bob Stembridge, an IP analyst at Thomson Reuters.

"The 2012 Corporate Average Fuel Economy Mandate seems to have set the agenda for the next decade of car manufacturing, and the huge spike in propulsion patents reflect this prevailing trend," he said.

Patents in the safety and security category also increased from less than 1,000 in 2009 to about 2,500 in 2013, said the report.

Patent activity in the other three categories stayed flat or dipped, the report showed. ■

Dongfeng-Volvo JV brings new opportunities for both sides

CED Monitoring
BEIJING

Chinese automaker Dongfeng Motor Corporation is now another step closer to its dream of selling its trucks in more overseas markets after it established a joint venture with Sweden's Volvo Group.

Volvo holds 45 percent of the newly founded Dongfeng Commercial Vehicles Co Ltd, which has registered capital of 9.2 billion Yuan ($1.4 billion) in Shiyan, Hubei province.

The deal cost Volvo 5.5 billion Yuan and it took two years to gain approval from both Chinese and European authorities.

Huang Gang, general manager of the joint venture, said the top management is ready to work immediately as a strong team as they have known each other for two years.

Four members of the joint venture's board of directors, including the chairman, are from Dongfeng, while Volvo appointed the rest.

Huang said the joint venture would develop, manufacture and sell Dongfeng brand vehicles, including heavy-duty and medium-duty trucks, large and medium-sized buses, special purpose vehicles as well as their chassis, engines and transmissions.

Volvo will provide technological support and share its global sales experiences, said its president and CEO Olof Persson. He said a deal was made to transfer Volvo's technology for manual transmissions for heavy-duty trucks into the joint venture. He added that these would be produced in Shiyan.

"We believe that in 10 to 15 years Dongfeng will deliver the best and latest technology to customers in the Chinese and overseas markets," said Persson.

The two sides have created a three-step roadmap for the joint venture: to consolidate Dongfeng commercial vehicles' leading position in the Chinese market, to

establish a solid presence in key overseas markets and finally to make Dongfeng a globally recognized brand.

Dongfeng is one of the largest commercial vehicle makers in China.

It sold more than 170,000 medium-duty and heavy-duty trucks in 2013. However, the figure fell to 150,000 in 2014 due to China's slowed economic growth as well as the government's announcement in June that stricter emission requirements would be introduced in 2015.

Industry insiders said weaker demands yet fierce competition in the Chinese market is one of the major reasons that Dongfeng would like to foray into overseas markets.

Xu Ping, chairman of the joint venture's parent company Dongfeng Motor Corporation, said: "The partnership will improve the competitive edge of our commercial vehicles by enhancing the capacity in power train and vehicle development and facilitating Dongfeng's inroads into overseas markets."

The partnership is also expected to help improve Volvo's popularity in the Chinese market. "This strategic alliance is a real milestone and entails a fundamental change in Volvo Group's opportunities in the Chinese truck market, which is the largest in the world," said Persson.

When asked whether there will be competition between the joint venture and Volvo in the market, Persson said he believed the market is big enough and there will not be trouble in this respect.

Headquartered in Gothenburg, Sweden, Volvo has about 100,000 employees worldwide. It has production facilities in 18 countries and regions and its products are sold in more than 190 countries. In 2013, its net sales revenue amounted to $42 billion, according to its website.

BYD aims to revolutionize Brazil's urban transport

RIO DE JANEIRO

BYD, a Chinese electric vehicle and solar panel manufacturer, will open its first factory in Brazil this year, with the aim of revolutionizing the country's urban transport.

Adalberto Maluf Filho, director of the company's marketing and governmental affairs in Brazil, told media that BYD is ready to provide non-polluting buses and taxis for large cities such as Rio and Sao Paulo.

As most large Brazilian cities do not have complete subway networks – Sao Paulo, the largest city, has four subway lines while Rio has only two, public transportation faces major challenges.

BYD is part of a consortium that won a bid last week to develop a car-sharing scheme in Rio, initially with a fleet of 300 electric cars.

BYD will have an advantage as the company is familiar with the project' s requirements, said Maluf. "Those who carried out the implementation studies will have more knowledge about it."

BYD is establishing a factory in Campinas, Sao Paulo state, which will be operational by mid-2015. The factory will produce batteries, solar panels and assemble electric buses with imported parts.

Battery cells, currently being made only in China, South Korea, Japan and the United States, will also be produced in the factory with the aim of further reducing costs.

As the battery for electric vehicles makes them more expensive than cars that use fossil fuel, BYD will offer a leasing option in Brazil by which taxi companies and drivers can get cars(without battery) at the same price they would pay for a regular car while electric buses will be offered at the same price (without battery) as diesel vehicles, and the money that would have been spent on fuel pays for the battery leasing.

"It is the best deal in the world for taxi drivers, because today they are spending both on fuel and on car payments," Maluf said.

Several Brazilian cities have been testing BYD's electric buses. Campinas and Sao Paulo, both in Sao Paulo state, are purchasing BYD's electric buses, and other cities like Rio are in negotiations with the company for bus fleets.

"We expect to be able to provide a large fleet by early 2016, in time for the Olympic Games," Maluf said. Rio will host the Summer Olympics next year and several projects are under way to prepare the city for the event. – Agencies

Shanghai car owners line up for license plates

CED Monitoring
BEIJING

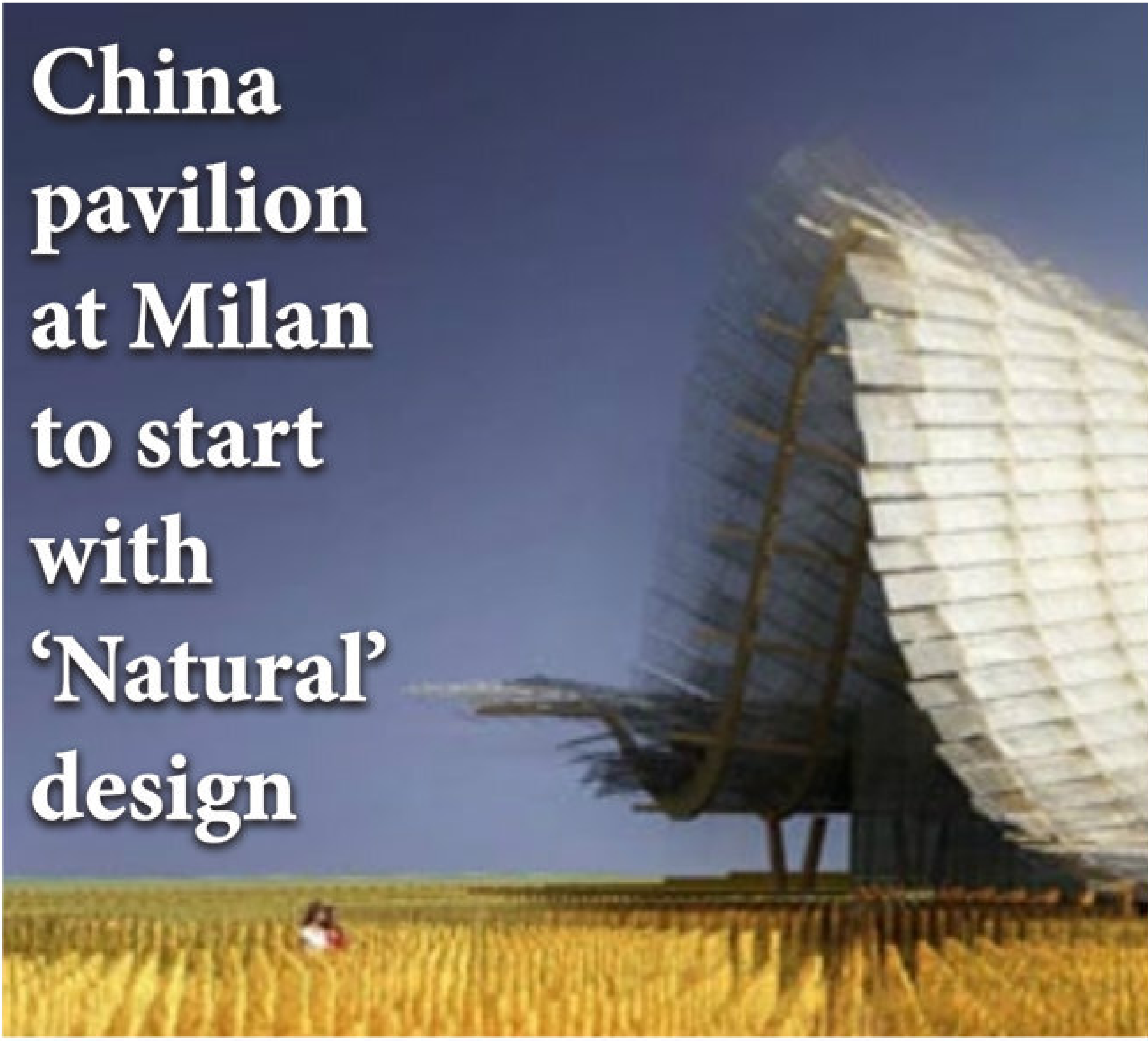
It is hard work to attain a license plate in Shanghai. Throngs of people lined up outside the Shanghai International Auction House, braving the cold and waiting for hours outside, they are there to register for the upcoming automobile license plate auction.

The next license plate auction will be held on Feb 7 and Feb 9, and perhaps due to Chinese New Year holiday, many prospected motorists are looking to get a head start on the auction process.

This round of auctions will issue 7,653 license plates. The average price for a license plate in the last quarter of 2014 was 73,700 Yuan ($11,784), which is more expensive than the average car.

Shanghai implemented the automobile license plate auction system in 1986 in an effort to curb traffic congestion. In 1994, Shanghai started to limit the number of license plates put into the auction, since then license plates in Shanghai have become a coveted commodity.

China pavilion at Milan to start with 'Natural' design

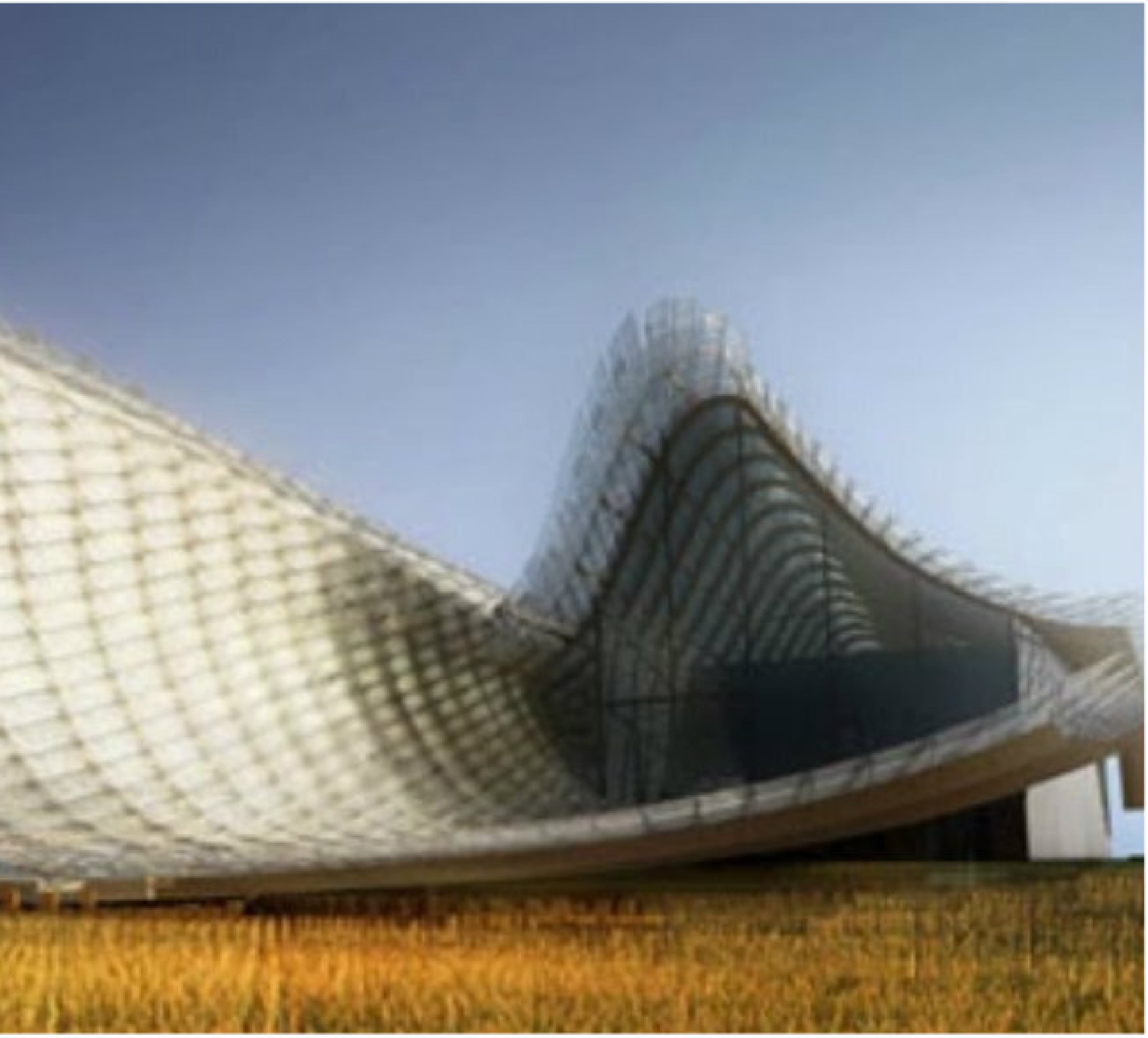


CED Monitoring
BEIJING

China's first overseas exposition pavilion will debut in Milan on May Day. With an area of 4,590 square meters, it will be the second largest national pavilion after Germany's. The theme for this year's Milan Expo is agriculture and food, in a bid to raise awareness about food security and better lifestyles. The China pavilion has been designed by a team from the Academy of Arts and Design at Tsinghua University. It is built on the idea of "the land of hope", inspired by China's vast fields and natural resources.

Chinese agriculture, based on the routine of nature, is at the "root" of the design, says SuDan, project leader and president of the environmental art council at Tsinghua University. "Chinese agriculture is heavily influenced by the thinking of 'man being an integral part of nature'. And we want to share that with the audience," he says.

The architecture integrates the inner space with



the outside. The waving roof connects with the skyline of the city. The interior is decorated with imitations of the field. The roof of the pavilion is covered with bamboo mesh, which acts as an energy-efficient filter for daylight.

The visitors can enter the pavilion on the southeastern corner and exit on the southwest, which is the most efficient route through the pavilion. The waiting area is inside the building so the audience can sit and watch an introduction to Chinese agriculture on LED screens while waiting.

Inside, the exhibition will introduce the most influential people in China's agricultural history like Yuan Longping, developer of the first hybrid rice varieties, and Song Yingxing, a Ming Dynasty (1368-1644) scientist and encyclopedist.

The visitors will then see a demonstration of the diversity of China's landscape in different seasons, as well as explanation of the philosophy of "harmony" and its impact on Chinese agriculture. Expo Milan runs from May 1 to Oct 31. More than 150 countries and organizations are expected to participate.

Heiress enjoys hot pot with organic farming

CED Monitoring
BEIJING

Wealthy heiress Stephanie Ho may be something of a fashionista in her spare time, but these days she prefers discussing culinary matters in her role as the founder of two organic-restaurant brands, Green & Safe and Qimin Hotpot.

"Organic food is seen in the Chinese mainland as a luxury for the rich and a comfort for those in poor health. I want to change that to make it more affordable and more widely available," said the 37-yearold, whose family owns Yuen Foong Yu group, Taiwan's largest paper-manufacturing conglomerate.

"People are slowly getting more familiar with organic food, but I'm not sure if it's getting that popular yet," added Ho.

She recently launched the second branch of Qimin in Shanghai, where shelves full of homemade soy sauce separate the main dining area from private cubicles. Together with Green & Safe, a more Western style restaurant, the two promise to use only natural ingredients untainted by chemicals, pesticides or MSG.

The restaurants are supplied by her organic farm in Kunshan, Jiangsu province, which covers

more than 33 hectares. It is about an hour's drive from Shanghai and close to the mainland headquarters of Ho's family business. By cutting out middlemen and growing her own ingredients, she has attracted a devoted following among Shanghai's expat community and health conscious locals.

Her interest in food goes far beyond her own farm. While her friends in Taiwan busy themselves in the front rows of fashion shows and department stores, she takes great delight learning about all the latest food trends from exhibitions and expositions around the world.

Broccolini, a specially grown hybrid of broccoli and kai-lan (Chinese kale), is one trendy new "superfood" Ho is trying to promote. Meanwhile, pomegranate seed oil is the new olive oil, she said. And spices from the Middle East are leading the exotic movement in the culinary world.

In an era of processed food, pollution and food safety scares, more people in Shanghai and other parts of China are now growing their own food. It is not uncommon to hear tales of well-paid white collars leaving the city to farm the land and reconnect with their roots.

The growing market for organic food is also attracting investors. One of them, speaking on the condition of anonymity, told Caixin, a leading Chinese business weekly, that people can buy a license to run an organic farm in China for as little as 20,000 Yuan ($3,225). Only some of the land has to grow organic food for the whole farm to benefit from the organic label, he added.

But putting the integrity of their food above profit may be a bitter pill to swallow for some. First, the land must be left barren for three years to restore its fertility, as this is usually lost during years of over-plowing through conventional growing. And even when the crops are harvested, there is no guarantee they will sell.

"It's hard for consumers to trust farmers these days because of all the stories about safety problems in the food supply chain," said Chang Tianle, who runs Beijing Farmer's Market.

The non-profit organization selects small farms in and near the capital and runs a regular fair in both the capital city and Shanghai so that consumers can get to know the farmers they are buying from in person. It serves as a crucial trust building exercise.

But the jury is still out when it comes to just how beneficial organic food really is. A 2012 study by Stanford University discovered that on average it is no healthier than regularly grown produce, despite the fact that the latter shows much higher levels of pesticide residue.

For some, like Li Shuguang, a professor at Fudan University's School of Public Health, it is just another form of comfort food.

Ho's father, Ho Show Chung, was diagnosed with Hepatitis B in the 1990s. The chronic liver infection "completely deconstructed the life" of the businessman and his family, as he told local media in Taiwan after his condition improved a few years later. He serves as chairman of the conglomerate, which also has interests in finance and scientific technology.

After he was diagnosed, the family embarked on a strict diet to improve their collective health, drastically cutting down on their intake of salt, oils and processed foods. In 2005, they turned this interest into an enterprise: Yuen Foong Yu Biotech Company. Stephanie Ho, who graduated from Brown University's political science department, took over as CEO.

Qimin, her first restaurant, proved an immediate hit. It was named after Qi Min Yao Shu, a Chinese culinary encyclopedia compiled in the 5th century.

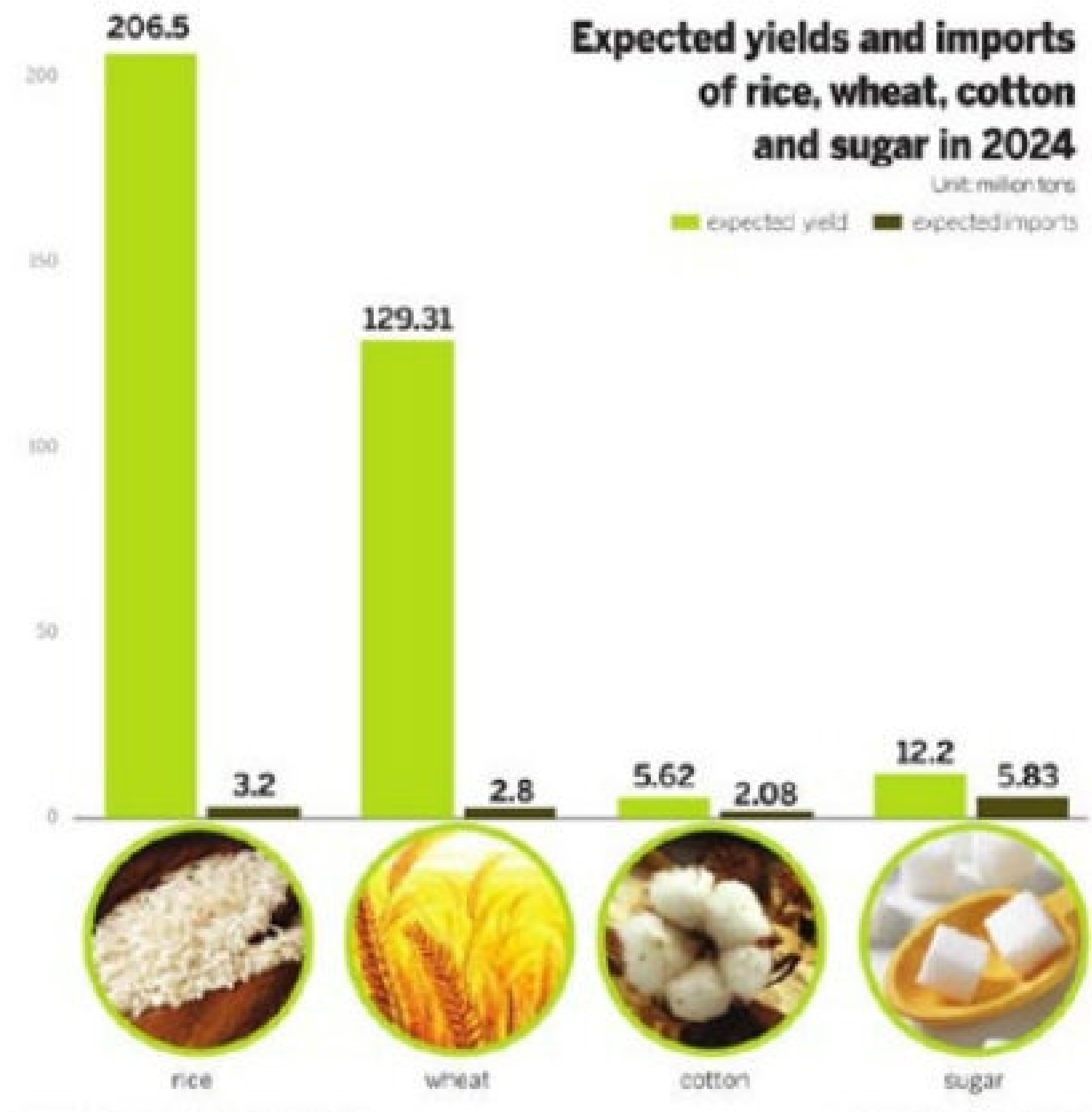
Ho said she opted for hot pot because having raw meat and vegetables dipped in simmering stock best preserves the original taste of the food. She attributes her success to her early entry into the market while also putting premium food above profit.

"At the end of the day, organic farming is a business, so we need to make money and get recognition from customers. But we want to do it in a sustainable, environmentally friendly way," she said.

"The major difference between me and other successful businesspeople is that I'm not greedy." ■

Soybean imports to touch new horizons by 2024

CED Monitoring
BEIJING



China's imports of soybeans will continue to grow in the coming decade because of limited farmland and a rising population.

An official report showed that China, the world's largest soybean importer, is forecast to import 82.66 million metric tons of soybeans by 2024, up 15.8 percent from 2014. At the same time, consumption of soybeans will rise 12.7 percent in 2015 to 96.71 million tons by 2024, according to the China Agriculture Outlook 2015-24.

Experts said that limited farmland and a rising population would force China to seek more soybean imports from Brazil, Argentina and the United States.

Ding Lixin, a researcher at the Chinese Academy of Agricultural Sciences in Beijing, said that the country was still well placed to meet its needs in soybeans, rapeseed and sorghum through imports to produce edible oil and animal feed.

While imports of soybeans will rise, staples such as corn will remain steady. Corn imports are unlikely to surpass 7.2 million tons in 2024 due to quota restrictions. But corn consumption in the next decade will continue to increase with an annual growth rate of 3.1 percent, the report said.

These estimates came after the US Department of Agriculture cut its import estimates to 7.2million tons from China because of the rising stockpiles which have supported domestic prices, damping demand for overseas supplies.

Ding said that China is determined to keep staple grain output at 97 percent which will slow demand for imported products. "The country also plans to introduce potatoes into its list of staples to diversify the category," he said.

Wheat imports will climb up to 2.8 million tons from 1 million in 2014. Cotton imports in 2024are estimated at 2.08 million tons, down 14.8 percent from 2014, because of lower Chinese textile exports and a greater use of cotton substitutes, the report said.

Dairy imports are also

expected to grow 3 percent a year during the coming decade to 16million tons. This is lower than the average of 15.5 percent growth during the past decade as a result of increased production at home, the report said.

Imports of pork, lamb and beef are likely to slow by 2024 compared with the past decade as the growth in meat consumption declines. This will restrict pork imports to less than 1 million tons a year by 2024, while those of beef and lamb will be less than 500,000 tons each.

"The stable growth of China's agricultural output and rising national incomes have provided diversified access to food with a higher protein content and better taste," Ding said.

Changes in food consumption also reflect greater economic vitality. Urbanization and an upwardly mobile population are key elements that have shifted Chinese diets from being mostly grain-based to ones that include more meat and dairy products.

Top sugar region faces further decline in output

CED Monitoring
BEIJING

China's top sugar growing region Guangxi may see acreage fall 11.5 percent in the 2015/16 season, indicating a further drop in sugar output after production declines by around a quarter so far in the 2014/15 season, an official of the region's sugar association said.

Initial estimates suggest the region could plant 867,000 hectares of cane in the coming season, 100,000 hectares less than the prior year, Nong Guang, secretary general of the Guangxi sugar association told a conference.

The forecast, which could be revised as planting progresses, backs trade expectations of a further decline in Chinese sugar output in 2015/16 and stronger demand for imports, boosting global benchmark prices, which are hovering around five-year lows.

Nong did not comment on total Chinese output, which is expected by the trade to reach 10.5 million tons this year, down from 13.3 million tons in 2013/14.

"This gives people a lot more confidence for a 4 million ton plus import number for calendar 2015," said Tom McNeill, managing director at Brisbane-based Green Pool Commodities, adding that imports could easily reach 4.5 million tons, more than 1 million tons higher than in 2014.

China is the world's second-biggest sugar consumer but is struggling to maintain output of the sweetener as farmers grapple with rising labor costs and a lack of mechanization on small farms often located on hilly terrain in the south.

With government-mandated cane prices falling in recent years in line with lower sugar selling prices, many farmers have switched to less labor-intensive crops such as eucalyptus trees, fruit and cassava. That trend has resulted in a large drop in output this year in Guangxi, which produces about two thirds of China's sugar. Output reached 6.3 million tons by April 20, down from 8.5 million tons last year, said Nong, although four mills have yet to finish crushing.

The region's output is set to be the lowest since 2005/2006, prompting Nong to call for new subsidies for farmers as well as tougher controls on imports, seen as pressuring demand for the local crop.

While Beijing has said it is closely monitoring imports and is reported to have restricted some imports of white sugar, it also recognizes the challenge in maintaining output on inefficient farms.

A recent forecast by the agriculture ministry said China will import close to 6 million tons of sugar in 2024 as output shrinks and demand rises.

Assessment of hybrid rice varieties to get tougher

BEIJING

The assessment of hybrid rice varieties will be reviewed following substantial losses by farmers, a senior official has said. The hybrid rice variety Liangyou 0293, developed by Yuan Longping High-Tech Agriculture Co. Ltd. (Longping High-Tech), is vulnerable to rice blast. Farmers growing this variety in east China's Anhui Province reported massive crop failure after it was infected with rice blast, a serious fungal disease.

Zhang Taolin, vice minister of

agriculture, said at a press conference held at the State Council Information Office that a rice variety assessed as suitable for one location may not be appropriate for another.

"We need to cultivate a more resilient rice variety," said Zhang.

More than 10,000 mu (about 667 hectares) of rice had low yield or even outright crop failure last October, according to the provincial seed management station in Anhui. The province planted around 40 million mu of rice last year, including 180,000 mu of Liangyou 0293.

Longping Hi-Tech, was established by Hunan Academy of Agricultural Sciences in 1999. Yuan Longping, the "father of hybrid rice" is its honorary chairman and shareholder, according to the company's official website.

Liangyou 0293 has been available in China for eight years. In Hunan, where Longping High Tech is headquartered, it has been replaced by more resilient varieties. – Agencies

Country to curb farm pollution

BEIJING

The Ministry of Agriculture urged farmers to do more to address water and soil pollution. Annual water consumption in agricultural irrigation should not exceed 372 billion cubic meters by 2020, said Zhang Taolin, vice minister of agriculture, at a press conference held at the State Council Information Office.

Currently, one cubic meter of water is needed for every kilogram of grain harvested in China, lower than the average of 1.2-1.4 kilograms in advanced countries, Zhang said.

Zhang urged farmers to reduce the use of chemical fertilizers and pesticides by limiting waste and switching to organic alternatives.

Chemical fertilizer use hit 59 million tons in 2013, up 5.2 percent on average when compared with the past three decades, according to earlier reports. Pesticide consumption should be cut to 300,000 tons, from the current 320,000 tons, said Zhang.

Fecal residue and waste, agricultural films and crop straw resources should be managed properly, he added.– Agencies

Oversight of GM crops under development bolstered

CED Monitoring

China plans to increase its oversight of genetically modified crops due to heightened public concern over Beijing's ability to keep illegal GM products out of the food chain.

Beijing supports genetically modified organisms (GMO) technology, which it sees as crucial to future food security. But critics have alleged the technology could pose health risks, and while China allows imports of some GMO crops it is yet to permit domestic cultivation of GM food crops.

The planned changes to China's safety administration regulation do not alter its GMO policy but will increase the supervision of biotech products under development, said Huang Dafang, professor at the Biotechnology Research Institute under the Chinese Academy of Agricultural Sciences.

The revisions, published by the agriculture ministry on its website, stress the primary responsibility of research institutes to ensure that GMO products are developed according to safety rules.

They also require organizations doing research and testing on GMOs to clearly document each procedure. Agriculture officials at county and town level will also need to increase supervision of GMO trials.

"The ministry couldn't manage everything so it wants lower levels to help them oversee things," said Huang.

Last year the ministry launched a media campaign to inform the public about the science behind GMOs after a wave of negative reports around the technology.

But anti-GMO sentiment remains. The ministry was recently sued by members of the public for its alleged lack of transparency in approvals of GMO and related products, underlining the lack of confidence in its ability to guarantee safe food.

Proponents of biotech crops in China argue that commercializing GMO products will reduce the need for farmers to resort to unapproved varieties to boost their yields.

The ministry's proposed amendments to the regulation on safety administration of agricultural GMOs are open to public comment until 24 May.

Namibia gets support of Chinese agri experts

WINDHOEK

Fifteen Chinese agricultural experts have arrived in Namibia where they will serve a two-year term to offer assistance in agriculture.

The delegation's work is under the South-South Cooperation project initiated by the United Nations Food and Agriculture Organization (FAO).

Last year, Namibia and China signed a FAO/Government Cooperative Program Agreement on providing Chinese technical assistance for Namibia's development.

Speaking at the welcome ceremony, Chinese Ambassador to Namibia, Xin Shunkang, said it is the first time that China has involved in agriculture in Namibia and China expects more win-win projects.

"We can benefit from each other through this initiative," said Xin.

Namibia's Minister of Agriculture Water and Forestry, John Mutorwa, welcomed the Chinese delegation.

The experts will work with the ministry's staff and be assigned to different projects in four regions within the country.

Some will undertake cereal production and horticulture projects in the northern town of Omusati, while some will help work in a veterinary laboratory in the central region of Khomas.– Agencies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