



Australia China Business Council  
澳大利亚中国工商业委员会

# CHINA IN TOUCH

A newsletter for Northern Territory  
branch members

Northern Territory Branch  
December 19 2007  
Next issue January 9, 2008

## Presidents' message

We wish all members and friends a Merry Christmas and Happy New Year! We look forward to working harder for you in 2008.

From President, Jennifer Xi and Vice President, Daryl Guppy.

## Vice Presidents' observations

In the last few days The US and European central banks have been pumping liquidity into the financial market to ease the credit crunch triggered by the US sub-prime lending crisis. What role will the Chinese play in this unfolding market development? They have very large foreign currency reserves. This is one of the key questions I will be addressing at a financial conference in Beijing over the coming weekend. I also addressed this issue during a keynote address at the Shenzhen Finexpo two weeks ago.

Will the boat sink the water? This is the key question for 2008. In the 1997 currency and economic crises the problem was located in Asia. It required a strong US economy to 'rescue' the Asian economies. The 2007 sub-prime and credit crisis is the reverse. It requires a strong Asia, and particularly a strong China economy to 'rescue' the US economy. The weakness of the US economy is the boat that could sink the water.

Who is going to 'rescue' the US economy, and at what cost? US consumers simply cannot rescue the economy using their already extended credit cards to consume their way out of crisis.

This is a special time in history for China. China has the opportunity to take leadership and stop the boat sinking the water. This leadership will give Chinese characteristics to the new global financial market arrangements. This may include increased Chinese investment in foreign companies. It may include important changes in the way the world deals in foreign currency and currency trading.

The next issue of the newsletter will be available on January 9.

Daryl Guppy, Newsletter editor

## Events calendar

**ACBC branch meeting** – Usually second Tuesday in the month. Location to be advised.

- There will not be another committee meeting before Christmas.
- Christmas drinks are planned for Wednesday 19 December. This is for all members and invited guests.. Details below.
- ACBC NT Board members participated in phone conference national Board meeting on Wednesday. This approved in principle the new developments and upgrades for the national ACBC website.

**Date: 19/12/2007 (Wed)**

**Time: 3:30pm starts**

**Venue: Seafood & Maritime Industries Training  
Level 1, Darwin Shipstores Bldg.  
Fisherman's Wharf, Frances Bay Drive**

**RSVP by Tuesday 18 Dec 2007 for catering purpose  
8981 0495 or Email: helen@smitech.com.au**

## Members and associates China News

### Bringing Chinese and Northern Territory business together

Last month the Northern Territory Minister for Mines & Energy, Chris Natt returned to China to promote the Northern Territory as a place to invest in exploration and mining. The 12 person team included ACBC members the Department of Primary Industry, Fisheries & Mines (John Carroll and Lisa Mutch) and Clayton Utz (Margie Michaels).

The second Ministerial visit to China encouraged Chinese companies to work with local companies and invest in Northern Territory exploration projects. Local companies which include Mithril Resources, Thor Mining and Brumby Resources expressed interest to be involved and work with the Department to advance their exploration projects through potential Chinese funding.

The delegation set out to promote the exploration projects over a 5-day program of events which included the annual China Mining Congress. The activities successfully captured over 3000 people and many interested investors.

The team returned with many potential Chinese investment leads and now begin the exciting exercise of introducing these Chinese investors to the Northern Territory project holders.

Bringing Chinese and Northern Territory business together is an ongoing effort and an integral part of the Department's China Mineral Investment Attraction Strategy. The second visit to China solidified these efforts with the Department signing cooperation agreements with the China Chamber of Commerce Metals & Minerals and the China Mining Association.

The team is hopeful that the second visit to China will bring Chinese and Northern Territory business together for potential joint venture partnerships. As the only jurisdiction with a China strategy the team is focused on making the Northern Territory China's preferred destination for exploration and mining investment. – Lisa Mutch

### Diary advertising opportunity

The ACBC has been contacted by Times Publications in England. They have been commissioned by the Chinese government to make the official diary for the 2008 Beijing Olympics. The diary will be distributed as gifts to a select group of influential political and business leaders in China and also to foreign investors, delegations and competitors attending the Beijing Olympics in 2008. The project is supported by the PRC to promote Chinese industry, Beijing and the Olympic Games.

Times Publications is offering advertising opportunities in the diary to large-scale companies around the world with business interests in China. The ACBC is not officially endorsing the publication but there may be ACBC members who would be interested in the opportunity. You might like to look through your state membership lists and circulate this information to your large and corporate members. Members can find out more about the publication by visiting [http://www.times-publications.com/publications/china%27s\\_olympic\\_diary/index.html](http://www.times-publications.com/publications/china%27s_olympic_diary/index.html) or by contacting [david.a.evans@btinternet.com](mailto:david.a.evans@btinternet.com)

## China travel tips – Daryl Guppy

### LAST MINUTE CHRISTMAS GIFTS – FOR YOURSELF OR OTHERS

Marco Polo was the first well-recognised writer to travel to China and return to write a book of observations, tips and suggestions for working in China. Since then there have been hundreds of books written and they include valuable travel and business tips. Below we list three that could make it into your Christmas buying list.

#### **MR CHINA** by Tim Clissold

This is a enjoyable book to read. It is also an excellent study of the problems in doing business in China. The frustrations come from cultural misunderstanding on both sides. There is much to learn from this book, about both the right way and the wrong way to go about business in China.

#### **THE WAY OF THE DRAGON** by Gavin Crombie

This book is particularly useful as its written from an Australian perspective. It is a handbook based on current experience. It has useful insights into Chinese thinking, establishing relationships and negotiating the red tape that accompanies every business development. The author has established a successful business in China, so his observations are relevant and useful. He includes a number of case studies which provide a useful introduction for people who are taking their first trip to China, perhaps to attend the Canton Trade Fair.

#### **THE CHINA ECONOMIC REVIEW**

This is a monthly magazine. It is particularly useful for keeping up with developments in China. This includes regulatory changes, policy decisions and growth areas. The magazine gives China coverage with reasonable depth. It also gives access to many industry surveys and the relevant statistics. For more topical news coverage, the **BEIJING REVIEW** is useful.

Do you have a travel tip you want to share with members. Please email us details at [china@guppytraders.com](mailto:china@guppytraders.com)

## China Culture Notes – Chinese idioms

**Ni qu nar?** 你去那儿

**Meaning:** Where do you want to go?

**Explanation:** This is the first question a taxi driver will ask.

**Wo yao qu ..... gou wu zhong xin** 我要去 购物中心

**Meaning:** -I want to go to the shopping centre

**Explanation:** First three words are “I want to go” followed by destination

**Ni cong nar lai?** 你从哪儿来。

**Meaning** –Where are you from?

**Explanation:** - Most people will recognise Australia when you answer

**Ting zai zhi** 停在止。

**Meaning** –Stop here

**Explanation:** -Stop the taxi here

## China News reports that did not make it into the local NT media.

### London official: UK welcomes investment from CIC

The UK welcomes investment from China Investment Corporation (CIC), said London's City minister Kitty Ussher, echoing previous support issued by a UK treasury minister, the Financial Times reported. Speaking at a conference on financial markets, Ussher acknowledged concerns over how China's sovereign wealth fund operates, but said she wants "to send a strong message today that Britain is open for business to investors from all nationalities." Other European countries such as Germany and France have shied away from investment by CIC on account of the firm's poor transparency and political nature.

### State firm dividends to total over \$6.8bn

China's national-level state-owned enterprises may return a total of about US\$6.8-10.8 billion of dividends from 2007 profits to the Ministry of Finance as part of a new profit-collection program, Shanghai Securities News reported (in Chinese). The ministry will use most of the dividends to support the country's social security fund, said a source familiar with the situation. According to the most conservative estimates, the China's social security fund is running a deficit of about US\$270 billion.

### Shoemakers squeezed in Guangdong

Nearly 1,000 shoe factories in Guangdong province have been shut down in the first three quarters of the year, as shoemakers struggle with increasing pressures in the region's business environment, Xinhua Net reported (in Chinese). A number of factors, such as a shortage of labor, raw material price increases, renminbi appreciation and foreign anti-dumping complaints, have been behind the closures, said Li Peng, secretary general of the Asia Footwear Association. Li also cited the adjustment of value-added tax rebate policies and the shift of preferential policies from lower-end processing trade to high-value-added products as weakening the profitability of shoe manufacturers in the province.

### Beijing to levy property tax

China will begin to impose a property tax in 2008, an advisor to the government told Xinhua Net (in Chinese) on Chinese Real Estate Summit. Feng Changchun, head of Real Estate Research Department at Beijing University, told the news service that the program was supposed to be launched this year but was delayed. China currently charges no tax on real estate, though buyers of property do pay a stamp tax. A pilot program for the scheme will start in commercial real estate and gradually expand to cover residential properties. The Ministry of Finance is working on appraising the tax base and rate for the new taxation, Feng explained.

### Beijing to eliminate export rebate on grains

The Ministry of Finance and State Administration of Taxation will abolish export rebates on grain products from December 20, Beijing Business Today reported (in Chinese). According to a circular released jointly by the two government agencies, the list covers 84 types of products in five categories including wheat, rice, corn and soybeans. The move was seen as part of a series efforts to increase domestic grain supply and stabilize food prices. China has also lowered import tariffs for soybean from 3% to 1% in October, and released corn from central reserves onto the market last previous week to ease grain-price fluctuations.

## Chinese banks allowed to invest in UK market

Chinese citizens will be allowed to invest in the UK stock market through their local banks, as Chinese commercial banks will be permitted to buy UK stocks and mutual funds under an expansion of China's Qualified Domestic Institutional Investor (QDII) program, the Wall Street Journal reported. China's banking regulator also said it agreed in principle with US regulators to sign a similar pact to allow Chinese commercial banks to buy US securities. The continued opening of the QDII program is thought to be aimed at helping Chinese banks expand their investment portfolios, as well as letting capital flow out of China to address the country's large balance of payments surplus. Australia can expect to be added to this list of approved QDII destinations in 2008.



Many of these notes are extracts from the China Economic Review. We find this an excellent publication with good coverage of current China issues. Please visit <http://www.chinaeconomicreview.com/> for more details.

## MEMBER PROFILES –

Have your member profile included in the newsletter. Send details to [china@guppytraders.com](mailto:china@guppytraders.com)

## FORWARD THE NEWSLETTER TO A FRIEND

NEWSLETTER CONTRIBUTIONS ARE WELCOME. Keep other members informed about China experiences. Please email notes or comments to [china@guppytraders.com](mailto:china@guppytraders.com). Please use email header ACBC NOTE. Information received up to the day prior to publication will be included. (The views expressed in the newsletter are the personal views of individual contributors. They are not the views of the ACBC or the ACBC NT unless noted)



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## MEMBERSHIP APPLICATION (2 pages)

Please complete this Membership Form with your details if you are applying to join the Australia China Business Council for the first time. Please see over for additional details

### BASIC DETAILS

Company Name	
Company name in Chinese	
Industry sector	
Branch membership	<b>NT Branch</b>
Member Type - This is based on the annual turnover (See page 2 for details).	
Company email address	
Company web site http://	
Date of application	

### PERSONAL DETAILS

Title	
First name	
Last name	

Job title	
Personal email address	
<b>CONTACT DETAILS</b>	
Company phone	
Company fax	
Direct phone	
Direct fax	
Mobile phone	
<b>LOCATION DETAILS</b>	
Street address	
City	
State	<b>Northern Territory</b>
Post code	
Postal address	
Country	<b>Australia</b>
<b>PAYMENT METHOD</b>	
Cheque	Please post to: GPO Box 2769, Darwin NT 0801
Cash Deposit	ANZ Darwin, BSB: 015901, A/C: 487 379 699
Credit Card	Card type / VISA / Mastercard
Card number	
Name on card	
Expiry date	
Amount paid (See member type)	\$

PLEASE RETURN COMPLETED FORM TO ACBC NT GPO BOX 2769, Darwin NT 0801  
Or Email: [acbcnt@acbc.com.au](mailto:acbcnt@acbc.com.au)

<b>Membership</b>	<b>AUD</b>	<b>GST</b>	<b>TOTAL</b>
<b>NT Government Departments</b>	550.00	55.00	605.00
<b>Companies</b>			
Annual turnover:			
More than \$ 50 million *	1,500.00	150.00	1,650.00
\$ 15 million to \$ 50 million	825.00	82.50	907.50
\$ 5 million to \$ 15 million	550.00	55.00	605.00
Less than \$ 5 million	300.00	30.00	330.00
<b>Individual membership</b>	300.00	30.00	330.00
<b>Associate membership ** (non-voting)</b>	200.00	20.00	220.00
<b>Student member (non-voting)</b>	60.00	6.00	66.00

\* Companies with turnovers greater than \$50m are entitled to nominate a representative from each of the other states in which they have a business presence. For additional nominees, please provide contact details on a separate sheet, giving title, given name, surname, postal and street address, telephone and facsimile numbers, and email address.

\*\* Associate members are academics or retired business people

**Thank you for joining Australia China Business Council NT Branch!**