



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 1, 2009

Vice President's observations

Yesterday evening I enjoyed a meal in the Beijing palace built for the younger son of the last Empress of China, Xici, or the Empress Dowager as we know her. The original rooms have been turned into private dining rooms. It was a bitter cold Beijing night, and the heavy silken drapes were not enough to keep the cold out. The original under-floor heating system had ceased operation a century ago. Instead the room was heated with a freestanding gas heater made in Korea.

When I was growing up I can remember lighting the kerosene lamps of an evening to provide light in the farmhouse – and I am not that old. I have worked in many areas where every night you had to start up the generator, often a temperamental old Lister diesel with a wrist breaking kickback, if you wanted light. Telephone came soon after electricity, and they were a two piece instrument with a separate speaker and earpiece.

I repeat, I am not that old, but the changes I have seen are, in some ways, beyond imagination. My parents generation rode horses to school, then later caught a school bus, and later still owned fuel efficient cars. The 12 kilometer trip to town was over unsealed and difficult roads and not to be taken on a whim. Today I think nothing of jumping on a flight to Singapore or Beijing.

Life is measurably different.

And life in China is measurably different but across a much smaller time frames. Chinese people of my generation have seen much greater change than I have seen. They have seen this change compressed in time.

This is not generational change. It is inter-generational change and it buzzes through the changing skylines of Shanghai, Beijing, Chongqing and numerous other second tier cities – all much larger than Sydney. It also buzzes through the country side with increasing rapidity. Listen not too carefully and you can hear the rush towards the full benefits of the 21st century. Listen carefully and you can hear the stresses imposed on centuries and generations of old thinking as it adapts to new ways and pressures.

This is innovation, economic expansion, creativity and an entire nation with higher aspirations for themselves and their children. Think the US economic expansion in the late 19th and early 20th century. The difference is that globalization – that force that makes Beijing a mere 10 hours flying time from Darwin – delivers the benefits of this economic expansion. Our challenge is to equip ourselves to participate in this growth as partners.

I was reminded of this change while working in the past 2 weeks in Beijing, Xi'an and Shenzhen with Chinese and Western investment fund managers. I spent some time talking and comparing notes with Stephen Roach, the respected Morgan Stanley China fund manager and analyst. The depth of domestic demand in China is fathomless. The Global Financial Crisis curtailed China exports and kick started a behemoth of domestic business activity and production. The pace of change and progress in China has been spurred by the refocusing on domestic demand as a result of the decline in export demand. China production aspires to higher quality and valued added goods. Nobody aspires to be the bottom of the pile.

Later I spent some time looking at the fit out for new apartments. One of the astounding features was the high penetration of foreign produced goods. Light fitting from Japan, appliances from Korea, bathroom fittings from Germany. Domestic demand is also accelerating import demand and this moves the China economy towards fuller integration with world economies. Remember also, the so called undervalued Yuan makes these imparted goods even more expensive.

This is a broad spread pattern of growth and if we can step away from some deeply rooted prejudices we have the opportunity to participate. Once thing is clear, its oh so easy to be left far, far behind.

Our challenge is to position ourselves to build on these advances and incorporate them into our business development and planning. One of the roles of the ACBC is to help business get up to speed and catch the growth opportunities. 2010 is an opportunity not to be missed.

The last edition of newsletter for 2009 will be on December 15. The first edition for 2010 will be published on January 11, 2010.

Daryl Guppy
Vice president, NT Branch – Newsletter editor

Events calendar

ACBC branch members meeting– Usually every second Thursday in the month.

All meetings are open to all members of the ACBC, not just the committee members. Most matters discussed at the meeting are passed by general agreement. All members are encouraged to contribute ideas to the discussions.

ACBC NT Special Event –Outlook for future business opportunities between China and the Territory.

Invitation to Lunch with



The Hon Kon Vatskalis MLA
Minister for Primary Industry, Fisheries and Resources
And
Christopher Darby
from MinterEllison

ACBC NT is delighted to extend an invitation to all ACBC members and participants to attend lunch with The Hon. Kon Vatskalis MLA.

Minister Vatskalis will provide members and guests with an overview of his recent visit to China and his outlook for future business opportunities between China and the Territory.

We also are delighted to have Christopher Darby from MinterEllison to give us a briefing on the outcomes of his trip to China with the Minister.

Time: 12.00pm for 12.30pm start
Date: Thursday, 3 December 2009
Venue: Hanuman Restaurant, Mitchell Street
Cost: \$45.00/member, \$60.00/non-member
Attire: Business

Bookings:

Contact Jennifer Xi on jennifer.xi@randstad.com.au or mob: 0412 048 144. Seats are limited so please register before Thursday, 26 November 2009.

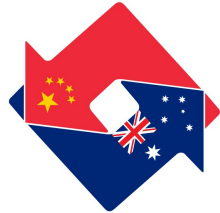
This event is kindly sponsored by:

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Members and associates China News

Shanghai Expo 2010

The Northern Territory Government is awaiting confirmation from the Department of Foreign Affairs and Trade regarding its participation in the Shanghai World Expo. The dates for the NT Government's VIP events at the Australian pavilion are expected to be confirmed in December. The ACBC will then work with the NTG in developing options to work the Shanghai Expo into any events calendar.



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www.chinaconnections.com.au

The Australia China Business Council is delighted to partner with our official journal Australia China Connections and offer an exclusive 20% discount to all Members interested in profiling their China business in this outstanding publication.

Australia China Connections is read by more than 20,000 people from a broad range of sectors in both China and Australia. This is your exclusive opportunity to engage with senior managers and key decision makers at the heart of the bilateral relationship and achieve maximum value from your membership of the Australia China Business Council.

All members who take advantage of this opportunity will receive free advertising on Australia China Connections' rapidly growing and dynamic website for between three and six months.

The magazine also features a new Mandarin language section offering Members the opportunity to profile their business to a wider audience in mainland China. In addition to trade statistics and comprehensive market intelligence, each bimonthly edition contains analysis and opinion from a range of prominent thought leaders including:

- Rowan Callick, The Australian's Asia-Pacific Editor
- Willy Lo Lap Lam, exceptionally well regarded Hong Kong based China watcher, CNN correspondent and reporter for The South China Morning Post
- Lynne O'Donnell, Asian Features Editor for Agence France Press
- Frank Tudor, National Chairman, Australia China Business Council

It is with great pleasure that the Council's National Board of Directors, National Secretariat and all Branches endorse Australia China Connections' latest exclusive offer for Members and encourages any company with an interest in China to consider supporting this outstanding publication.

For more information, please contact Publisher Carl Jetter on 03 9650 1598 or by email at carlj@chinaconnections.com.au

CHINA BUSINESS BRIEFINGS 2009

The Business Briefings will continue in 2009 and be provided free of charge for members only. Visitors are welcome to attend, but a small fee is payable.

Up coming topics for 2010 include:

- Construction industry opportunities in China
- Importing from China
- Working with interpreters and translators – a half day hands-on workshop

- Understanding expectations from business partners
- Marketing campaigns in China
- Creating and using business cards in China
- Working with media in China – building face

For more information, or requests for specific briefing topics, please contact Lisa.Mutch@nt.gov.au

CHINA REGIONS GUIDE - ZHE JIANG 浙江

If you know your Chinese tea then you know that the best green tea is called Xi Hu Longing. (Dragons Well West lake tea) It is grown in the hills surrounding , the capital of Zhe Jiang province. The water from the dragons well spring is clear and perfect for making tea. The Xi Hu, or west lake, is one of the ancient scenic attractions in China and remains a famous tourist spot. Or perhaps you use Shaoxing wine in your Chinese cooking. Shaoxing is also in this province and famous for both its wine and its smelly tofu. These notes are designed to give you more starter points so you can talk to guests from Hang Zhou about the distinctive features of the province. This series is designed to give some basic background information on some of the provinces and cities in China. Its not an exhaustive list but a starting point for conversation.



Map from www.wikipedia.org

General background

The most famous attraction is the West Lake complex in the center of . The edges of the lake are made up of gardens and paths. It has long been a cultural and education center of China, favored by rich merchants, public officials and emperors. The surrounding hills include massive stands of bamboo forests and tea plantations. This is an excellent place to buy good tea, particularly the fresh new season tea.

This is an area with strong Buddhist traditions and there are many mountain temples. Zhejiang consists mostly of hills accounting for about 70% of its total area. The highest peak of the province, Huangyajian Peak (1921 m), is found in the southwest. Mountain ranges include the Yandang Mountains, Tianmu Mountains, Tiantai Mountains, and Mogan Mountains, at altitudes up to 1000 m.

The north of the province is just south of the Yangtze Delta, and consists of plains around the cities of Jiaxing, and Huzhou. The Grand Canal of China enters from the northern border to end at . Another relatively flat area is found along the Qujiang River, around the cities of Quzhou and Jinhua. Major rivers include the Qiantang River and the Oujiang River. Most rivers carve out valleys in the highlands, with plenty of rapids.

There are over three thousand islands along the ragged coastline of Zhejiang. The largest, Zhoushan Island, is Mainland China's third largest island, after Hainan and Chongming. There are also many bays, Bay being the largest.

History

In some ways this province has been on the borders for early Chinese history. It is one of the there Kingdoms that feature in the warring states period. From the fourth century China was invaded from the north. As a result, massive numbers of refugees arrived from the north and poured into South China.

The Sui Dynasty built the Grand Canal of China, which linked to the North China Plain and provided Zhejiang with a vital link to the centres of Chinese civilization. The Tang Dynasty (618–907) presided over a golden age of China. Zhejiang began to appear in references to its prosperity.

The Northern Song Dynasty re-established unity in around 960. The modern capital was the capital of the Han Chinese Southern Song Dynasty. Renowned for its prosperity and beauty, it may have been the largest city in the world at the time. Ever since then north Zhejiang has been synonymous with luxury and opulence in Chinese culture.

Marco Pole wrote: "On one side it skirts the city... and commands a distant view of all its grandeur and loveliness, its temples, monasteries, and gardens with their towering trees, running down to the water's edge. On the lake itself is the endless procession of barges thronged with pleasure-seekers... their minds and thoughts are intent upon nothing but bodily pleasures and the delights of society."

The Zhejiang province is renowned during the Southern Song and Yuan dynasty for its production of a celadon (greenware) ceramic. These were produced in large quantities for the Chinese export trade to Southeast Asia, the Middle East, and Europe.

Zhejiang became the most important bridge between Shanghai and wealthy Southern China. Following the Doolittle Raid during world war II, most of the B-25 American crews that came down in China eventually made it to safety with the help of Chinese civilians and soldiers. . The Imperial Japanese Army began the Zhejiang-Jiangxi Campaign to intimidate the Chinese from helping downed American airmen. The Japanese killed an estimated 250,000 civilians while searching for Doolittle's men.

Industry

The province is traditionally known as the "Land of Fish and Rice". Rice is the main crop, followed by wheat. North Zhejiang is also a centre of aquaculture in China, and the Zhoushan fishery is the largest fishery in the country. The province also leads the provinces of China in tea production Zhejiang's towns are also known for handcraft production of products such as silk, for which it is ranked second among the provinces, and as market towns connecting the cities with the countryside.

Zhejiang's manufacturing includes electromechanical industries, textiles, chemical industries, food, and construction materials. In recent years Zhejiang has develops its own development model based on prioritizing and encouraging entrepreneurship with an emphasis on small businesses responsive to the whims of the market, large public investments into infrastructure, and the production of low cost goods in bulk for both domestic consumption and export. As a result, Zhejiang has made itself one of the richest provinces.

Food

Zhejiang cuisine specializes in quick-frying, stir-frying, deep-frying, simmering and steaming, obtaining the natural flavour and taste. Special care is taken in the cooking process to make the food fresh, crispy and tender. Thanks to exquisite preparation, the dishes are not only delicious in taste and but also extremely elegant in appearance.

The lake was a favourite meeting place for many poets. The Dong Po pork dish was created by a poet and this is the best place to eat the original recipe. This is pork belly cooked with wine and soy sauce. Xi Hu fish is also a speciality, but it is better is the upper end restaurants. This is cooked in vinegar and has a distinctive and pleasant taste. Beggars chicken also comes from here .

Upper end restaurants include Louwailou Restaurant, Restaurant and Xizhongxi Restaurant. Louwailou Restaurant has a history of over 100 years and is noted for west lake fish in vinegar sauce, fried shrimps with Longjing tea. Unless you are lucky, you will need to book well ahead for Louwailou. I found the DongPo pork here sets the standard by which all others variations of the dish are judged.

Zhejiang cuisine is one of the Eight Culinary Traditions of China. It comes from the native cooking styles of the Zhejiang region. The food is not greasy and has a fresh and soft flavour with a mellow fragrance.

The cooking consists of at least three styles, each originating from a city in the province. The style has many rich variations and makes extensive use of bamboo shoots. Many of the dishes on a menu contain bamboo shoots. They are very different from the type served in Western restaurants.

Shaoxing cooking style specializes in poultry and freshwater fish. The area is famous for its Shaoxing wine and its chou tofu (Smelly tofu) Most westerners cannot get past the smell, but if you do you will find the tofu as delicious as a good camembert cheese. In Shaoxing there are great tubs of smelly tofu bubbling away ready to be sold to the tourists who throng the area.

The Ningbo style is seafood based with emphasis on freshness and salty dishes

About half the dishes on a menu contain bamboo shoots, which add a tender element to the food.

Attractions

Personally I find the area surrounding Xi Hu (West lake) to be interesting. It is always pleasant walking along the shoreline during the evening. It has landscaped gardens on its banks, tree-shaded walks, and in the nearby hills, temples, pagodas, and monasteries. Climbing the mountains that border the lakeside edges is also an interesting experience with many small temples and rugged paths. A journey through the mountain pass and into the bamboo forests and tea plantations is also useful.

Where possible you should not miss the spectacular evening performance production that takes place on the surface on the lake. The actors work on a platform that is set inches below the lake surface.

I also enjoy Shaoxing with its street vendors selling smelly tofu, the winding canals, and the public gardens and parks dedicated to poets and scholars. The Hu Xueyan Residence merchants house in is also worth visiting as it is a well preserved example of life during the Ming dynasty. It includes elaborate rock gardens, caves and grottos all contained within the walls of the house complex.

The more formal tourist destinations in Zhejiang include:

Baoguo Temple, the oldest intact wooden structure in Southern China,

Putuo Shan, one of the most famous Buddhist mountains of China. Chinese Buddhists associate it with Guan Yin, the goddess of mercy who hears the cries of the world. .

Qita Temple, Ningbo.

Shaoxing, Wuzhen and other waterway towns.

The ancient capital of .

Tiantai Shan, a mountain important to Zen Buddhism.

Yandang Shan, a mountainous scenic area north of Wenzhou.

Qiandao Lake, also known as thousand-island lake.

Guoqing Temple founded in the Sui Dynasty and the founding place of Tiantai Buddhism

Moganshan: a scenic mountain an hour from with many pre-WWII villas built by foreigners, along with one of Chiang Kai-shek's Kuomintang compounds. This is the area described in the recent book China Cuckoo.

Capital city –

Population 4 million. It's a noisy, bustling city, with a calm heart at its centre. is renowned for its historic relics and natural beauty. has been through many recent urban developments but it still retains its historical and cultural heritage. Tourism is an important factor for the economy. The most popular areas is West Lake. The lake itself covers an area of 600 hectares and includes some of the most famous historic and scenic places. Adjacent to the lake is a scenic area of gardens and walks covering over 50 square kilometres. The area includes historical pagodas, cultural sites, as well as the natural beauty of the lake and hills. There are two causeways across the lake, including the broken back bridge.

Weather

July/August 24 to 33. Jan/Feb 2 to 9

Additional Resources

<http://english.zjol.com.cn/>

Compiled by Daryl Guppy. If you have a province you would like reviewed please send your request to china@guppytraders.com

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

Colombia invites Chinese firms for oil and gas bids

Colombia's minister of mines and energy said the country has invited Chinese companies to bid for exploration rights to energy projects, the South China Morning Post reported. Hernan Martinez said he had been in discussions with China National Petroleum Corp, China Petrochemical Corp and Sinochem during a visit to Beijing. Colombia, the fourth-largest oil producer in South America, hopes to increase production of gas and oil by 50% in six years, and has taken steps such as reducing royalties and allowing foreign firms to hold 100% stakes in oil projects. The country produced 618,000 barrels of oil a day last year. Chinese firms have been invited to bid on 170 exploration blocks covering a total of 50 million hectares.

Beijing to expand use of RMB for HK trade settlements

Beijing may expand the use of renminbi for trade settlements with Hong Kong, the South China Morning Post reported, citing comments from the head of the Hong Kong Monetary Authority. Officials from the central bank and the China Banking Regulatory Commission are considering giving more mainland companies the right to use renminbi in trades with Hong Kong, as well as promoting the use of the currency in trade with neighbouring countries. Late last year, the State Council began a pilot program to allow Hong Kong and Macau to use renminbi to settle deals with designated companies in Guangdong and in the Yangtze River Delta area. Beijing has been pursuing the long-term goal of developing the renminbi as an international currency, but is unlikely to give up its tight control in the short term. Vice Foreign Minister Zhang Zhijun said on Tuesday that China would keep the currency's exchange rate basically stable, and at a "reasonable and balanced level."

China's banking regulator slams US monetary policy

China's chief banking regulator has said the US Federal Reserve's weak monetary policy is fueling "speculative investments in stock and property markets" and endangering the global economic recovery, the Financial Times reported. Liu Mingkang believes the combination of a weak dollar and the Fed's low interest rates are facilitating a "huge carry trade" that is distorting global asset prices. China, which is the largest US creditor by virtue of its massive Treasury bond holdings, has previously focused its criticism on US fiscal policy, arguing that Washington's rising debt burden is undermining the dollar. Liu's remarks come at time when China's own monetary policy is also attracting scrutiny, following the massive credit expansion seen so far this year. Qin Xiao, chairman of China Merchants Bank, said last week that Beijing urgently needed to tighten monetary policy to avoid stock and property market bubbles.

Hu pledges to boost domestic consumption

President Hu Jintao on Friday promised to boost China's domestic consumption and reduce its reliance on exports, but stressed that the world must continue to push for trade liberalization, the Financial Times reported. Addressing the Asia Pacific Economic Cooperation summit in Singapore, Hu said it was important to entrench new sources of growth given that the global economic recovery was not yet certain. He also spoke out against protectionism, highlighting "the unreasonable trade and investment restrictions imposed on developing countries." China's economy has rebounded impressively this year, prompting the IMF to increase its growth projections to 8.5% in 2009 and 9% in 2010. However, there are fears that growth might slow once the stimulus measures wear off. Hu said China had been working hard to improve domestic consumption – widely seen as the key to long-term sustainable growth – through structural tax cuts and addressing issues such as medical care, housing and old-age support.

FDI up 5.7% in October, third consecutive rise

Foreign direct investment (FDI) in China rose 5.7% year-on-year in October to US\$7.1 billion, the South China Morning Post reported. It was the third consecutive month of increases, but significantly slower than the 18.9% year-on-year growth posted in September. For the first 10 months of the year, FDI fell 12.6%. The year-on-year increase in October is seen as a further sign of economic recovery, and is attributed to expectations that China's economy will outperform the global economy in the near to medium term. Some observers note, however, that the rising investment could also signal a renewed risk of speculative inflows as foreign investors bet on the appreciation of the renminbi.

Copyright group demands payment from Google

The China Written Works Copyrights Society wants an apology and compensation for the authors it represents from Google, whom it accuses of illegally scanning and distributing works by thousands of prominent Chinese authors, the South China Morning Post reported. The society collects copyright information on behalf of journalists and authors. Google has scanned hundreds of books by Chinese authors since September that can be viewed for free from its digital library in the US. Google has claimed that under US law it has not violated the author's copyrights. Copyright law in most countries exempts libraries from reproduction-rights regulations. The copyright group insists that the Chinese authors reproduction rights have been violated and is therefore demanding that Google stop scanning Chinese works without authorization. In a similar case in 2004 in the US, Google ultimately paid US\$60 to the author for each book that was scanned.

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NEWSLETTER CONTRIBUTIONS ARE WELCOME. Keep other members informed about China experiences. Please email notes or comments to china@guppytraders.com. Please use email header ACBC NOTE. Information received up to the day prior to publication will be included.

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

Northern Territory

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	NT Branch
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	

CONTACT DETAILS

Company phone	
Company fax	
Direct phone	
Direct fax	
Mobile phone	

LOCATION DETAILS

Street address	
City	
State	Northern Territory
Post code	
Postal address	
Country	Australia

PAYMENT METHOD

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)	\$

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Or Email: acbcnt@acbc.com.au

Membership	AUD	GST	TOTAL
NT Government Departments	550.00	55.00	605.00
Companies			
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

Individual membership	300.00	30.00	330.00
Associate membership ** (non-voting)	200.00	20.00	220.00
Student member (non-voting)	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!