



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

CHINA IN TOUCH

A fortnightly newsletter
for Northern Territory
branch members

Northern Territory Branch
August 10, 2010

Vice President's observations

What drives your China strategy? It is a question I was forced to ask recently when working with a Singapore company board. The China unit in the company was effective. The small team had developed a good track record of success in developing and sustaining China business. The team had developed a formidable reservoir of intellectual property and expertise in relation to event organization, sponsorship and management. Better still, their recent work has been profitable, and the profits were sufficient to cover losses incurred in then early stages of the business development. The unit was in the black and contributing income to the broader company.

Yet their mood was depressing because, despite their best efforts, the momentum had gone out of the China strategy at a company level. China was just one part of the Company's domestic and international strategy. A change in the structure of the management board had seen the removal of a China champion. This person had been headhunted by another China orientated organization. The China champion believed passionately in the potential for the China market. He wasn't particularly skilled in terms of understanding Chinese business culture but he was convinced that the company had to be in China and that it had to develop long term business in China. This was China from the top.

The team he put together, and the team he empowered, had the skills, the knowledge and the experience to fill in the gaps and the detail in within the framework of the broader China strategy. In board meetings the China champion fought for his team, not just because they were good, but because he believed in the importance of what they were doing. He fought for the idea of China as a significant business opportunity.

When he left he did not take any particular China specific skills or knowledge with him. The China team remained behind. But when he left the dedication, commitment and belief in the China strategy also left the board room. Regrettably, failure of the China strategy for the company is now a high probability.

China business is different. Doing it well is very hard work. Doing it consistently successfully on a long term basis is exceptionally hard work. It requires a commitment to the idea rather than just long working hours and under high pressure. Unless the top levels of company management and the board can share this commitment then there is a tendency to treat China business as pretty much then same as business in other countries. All of the evidence of success, and of failure, suggests this is not correct.

Within 8 weeks most of the China team had left. They found work with several different companies. The best of the team are working with companies that have China champions at management level. They will carve out new business. The old company they left will probably find their China business first stalls, and then slides backwards because China business is high maintenance

What drives your China strategy? The answer is that it must be China from the top. Anything less is a waste of time.

Daryl Guppy
Vice president, NT Branch – Newsletter editor

Members and associates China News ACBC branch members meeting Thursday August 12 (Note change of date)

The next ACBC members branch meeting will be held on **Thursday August 12, 2010.**

Time: 5:00pm - 6:00pm

Location: Clayton Utz Board Room, 17-19 Lindsay Street, Darwin

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.

SCHEDULE FOR AGM AND NOMINATIONS

The AGM must be held before October so office bearers can be advised to the National Board AGM . The proposed schedule for the AGM, based on last years schedule, is:

- ◆ Notification of AGM to members and opening of nominations – send by email August 16. Nominations to be returned to the ex-officio returning officer
- ◆ ACBC NT AGM date – September 29
- ◆ Close of nominations – COB September 28

Nominations are for committee. Once elected at the AGM , the committee elects office bearers.

Office bearers are:

- President (National ACBC board member)
- 2x vice presidents (one of whom may be a second ACBC board member and the other a standby member)
- Treasurer.

This schedule will be discussed at the next ACBC meeting on Wednesday August 11.

VISA DOCUMENT CHANGES FOR CHINA

Sandra Lew Fatt Travelworld, Darwin, advises that applications for Chinese visas must now meet some additional requirements. People applying for a tourist visa have been asked to also send a copy of their birth certificate or a copy of their drivers licence. In some cases, Australian born Chinese applicants have also been asked to supply a copy of both their birth certificate and drivers licence. This is a change in requirements that has developed in the past few weeks.

Sandra Lew Fatt Travelworld has extensive experience in arranging travel in China.

SCHEDULE OF CHINA BUSINESS BRIEFINGS 2010

The Business Briefings will continue in 2010 and be provided free of charge for members only. Visitors are welcome to attend, but a small \$30 fee is payable. Briefings run for about 60 minutes. Business Briefing sponsorship options are also available.

Proposed briefing events in the second half of the year include:

- Economic/political/business forecasts
- Importing/exporting
- Translation tips
- Negotiation and deal structuring in China for Australian companies.
- Creating and using business cards in China

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

MEET YOUR ACBC NT EXECUTIVE MEMBERS

Tracy Watts



Tracy joined St John Ambulance NT as a volunteer with St John Palmerston Division in 1986. After the closing of Palmerston Volunteer Division Tracy transferred to St John Ambulance NT Darwin Division and continued her training towards Paramedic.

Prior to her employment within St John Ambulance NT Tracy worked in many varied roles around Australia including Shot firer, Bailiff, shop assistant, labourer and gardener to name a few, however, her most important role was motherhood.

Due to having a young family Tracy initially worked as a casual employee within St John Ambulance in a variety of roles including relief cleaner and Public Education First Aid Training Officer. Always willing to offer assistance where it was required.

Tracy began her full time career as an Ambulance Officer in 1987 and continued her Ambulance Officer training in Darwin to achieve the level of Intensive Care Paramedic (ICP).

Throughout this time she has performed additional duties within St John in conjunction with her Ambulance Officer qualifications, ranging from VJY outpost radio Operator for coordination of remote area communications and emergency assistance, Ambulance Communications Officer, Principle Training Officer for St John NT Paramedic Training College, relief Paramedic Officer for remote sites and assisting in relief positions such as Acting Deputy Operations Manager and Service Duty Officer.

Tracy has also represented the Northern Territory in the inaugural Ambulance Officer Exchange program to Nebraska USA, worked as a Paramedic and ICP in many different (and often remote) locations (including Bacau Timor in 2001).

Tracy was also selected to participate in an "Executive Stretch" long weekend with the Australian Military Reserves. This involved living on a military base and participating in a variety of training and physically demanding roles as required by the tri service military reserve staff.

In 2008 Tracy was appointed with coordination of the Contracts Department within St John Ambulance NT. This is an area of St John that had been growing steadily since its inception in 1993, and a more structured approach was identified.

Under Tracy's guidance the Contracts Department has seen continued growth and now offers a broader range and scope of services to industries. Services include the supply of first aid equipment, medical stores, vehicle modifications, first aid training, Paramedic and Nursing staff for sites both locally, and world-wide.

2010 NT ACBC Executive

Jennifer Xi - Randstad P/L (**President/Acting-Treasurer/National Board Member**)

Daryl Guppy - Guppytraders.com (**Vice President/National Board Member**)

John Carroll-John Carroll Consulting (**Vice President**)

Committee members

Lisa Mutch - Dept. Regional Development, Primary Industry, Fisheries & Resources

Tracey Watts - St. John Ambulance Australia (NT) Inc

Dominique Reeves - Clayton Utz

Christopher Darby - Minter Ellison

Ex-Officio members

Brendan Doran - Dept. of Chief Minister

Debra Chapman - Dept. of Foreign Affairs and Trade

Bernadette Eggington - Austrade

ACBC NT MEMBER BUSINESS PROFILES

GHD



CLIENTS | PEOPLE | PERFORMANCE

GHD is an international professional services company. Central to our clients' prosperity and GHD's success are more than 6,000 forward-thinking architects,

engineers, drafters, planners, scientists, surveyors, management consultants and economists, working together to deliver our services.

GHD has been established in the Northern Territory for more than fifty years and has played an integral role in the development of the NT during that time. GHD Northern Territory currently employs 60 people in our Darwin and Alice Springs offices and provides a comprehensive range of services to both public and private sector clients.

One of GHD's key strengths is our network of over 100 offices throughout Asia, Australia, New Zealand, the Middle East, the Americas and the United Kingdom. With offices in China in Beijing, Changsha, Wuhan and Hong Kong, GHD delivers services for clients in the following market sectors – Infrastructure, Mining & Industry, Defence, Property & Buildings and the Environment.

Our clients benefit from our local knowledge and experience, coupled with our ability to draw on global resources. Even in the most remote areas, we work with our clients to deliver successful outcomes.

Have your member business profile included in the newsletter. Send details to china@guppytraders.com

CHINA TIPS - Shanghai Restaurants

These are several restaurants in the modern Xintiandi area of Shanghai which serve good Chinese food, but also have menus available in English, or with English translations. They are suitable for business meals or for dining with your partner. They tend to be in the more modern areas of Shanghai.

Ye Shanghai

North Block Xintiandi, House 6, Lane 161 Taicang Lu

This is in trendy neighborhood. The decor is excellent. Drunken chicken, crispy eel and baked lamb dishes are all very good. Expect to pay a lot by Shanghai standards – about 300 RMB a person. Book ahead 021-6311-2323

Crystal Jade

Unit 2F, 12A, House 6-7, South Block Xintiandi, Lane 123 Xingye – near Madang Lu.

This is Singapore Cantonese style in Shanghai. The roast pork belly is excellent, as it is in Singapore. Seafood selection is good. You will need a reservation for this restaurant – 021-6385-8752 – as its often fully booked.

Xin Ji Shi

North Block Xintiandi, Building 9, number 4 Lane 169 Taicang Lu

This is set in an old traditional Shanghai house. This is called a Shikumen house. The food is excellent. Must try includes crispy rolled cucumber skin, grandmother braised pork, stir fried river shrimp and crabmeat tofu. Book ahead 021-6336-4746 There are several of these restaurants and they all have the same quality of service and food.

Bi Feng Tang

I love eating in these restaurants. They are crowded, busy, noisy and have around 180 selections on the menu. This is dim sum style, with many small dishes. The roast duck noodle soup is consistently good. Goose wings are also very good. Dou miao – pea sprouts with garlic is very good. This is Taiwanese style with Shanghai influences. The menu is a single sheet of paper, with some color

pictures around the side. Select by picture if you want to play it safe. Menu is in Chinese. Select by guesswork if you want some excitement. Dishes are small and cheap. This is cash only, but at 20 to 50 RMB per person its not a problem. These are open almost 24 hours a day, so you can grab a quick meal whenever you have time or feel hungry. There are multiple locations. I have listed just a few.

1333 Nanjing Xi Lu, (Nanjing west road)
37 Shuicheng Nan Lu, Changning district
358 Haining Lu , Honhkou District
175 Changle Lu, Luwan District

From Daryl Guppy

CHINA TIPS – TEN TIPS FOR TAKING CHINA TAXIS

Taxi horror stories in foreign places are a legion. I find I have been 'duded' more frequently in Sydney and Melbourne and never in Beijing. I did have a taxi driver who did get lost in Beijing. He turned the meter off and refused to take extra payment when we eventually arrived at the destination. Without exception I have found taxi drivers helpful, honest and pleasant.

1. Never go with a driver who approaches you at the airport. Drivers who approach you are usually 'hei che' -illegal and meterless "black taxi". Leave the building and head for the taxi rank. At Pudong Airport in Shanghai the taxi queue is a bit more difficult to locate. Its not directly out the front, so you have to look for the line of people. Ignore the taxi touts. At Hongqiao in Shanghai you cannot miss the (usually) very long taxi line.

2. If you have to flag down a passing taxi use the Singapore signal, arm outstretched and hand waving in a 'slow down' motion. Some people call this 'patting the dog'

3. Some people suggest that if you're staying in an upmarket hotel, do not go with taxis called by the doorman or waiting in line outside. They claim drivers pay kickbacks to the doormen to allow them to join the line on the forecourt. This may be true, but even if kickbacks are paid it is not a cost to you, and, it's the service you get that counts. (In the US you pay the kickback 'tip' to the doorman to get a taxi, and to the taxi driver for accepting you as a passenger!!) These will be metered taxis and if the driver wants continued support from the hotel he will make sure you get to your destination without complaints.

4. Take the hotel's business card in Chinese to show to a taxi driver when you want to get back.

5. Look to see if the supervision card, usually with a photo of the driver and a telephone number, is prominently displayed, as regulations require. If it isn't then it's a black taxi. Choose another taxi.

6. Black taxis are a risk, but at times they are a necessary convenience. Standing in the snow in Shanghai at 6 pm I found its almost impossible to flag down a taxi. I eventually caught a black taxi and agreed on the price before getting in. I paid extra in conversation as the driver quizzed me on how to say Valentines Day. She was interested in what it signified and involved.

7. Always make sure you hear the meter reset. In Beijing it delivers a recorded greeting in Chinese and English 'Welcome to my taxi.' Some say that of you didn't see the flag pushed down, which shouldn't happen until you actually move off, then you may end up paying for the time the taxi was in the rank. This is supposed to be a particularly popular scam outside Western hotels. Its difficult to see how this scam works as meters have an automatic flag fall minimum based on distance. In any case, its demeaning to argue over a few renimbi.

8. If you are by yourself, sit in the back seat. As soon as you sit in the front seat you indicate you don't know the correct procedure. Where possible give the driver the destination written in Chinese. Its pointless to pretend to look as if you know where you are going if you don't know. If the driver looks confused, then ring your destination and get them to talk to the driver and give directions.

9. The flag drop of ¥10 includes 3km or 4km, after which the standard kilometre rate begins. But in Beijing, after 15km, the rate jumps by 50% if the driver has pushed the "one-way" button on the front of the meter.

10. Pay what's on the meter. Tips are not required. The driver will insist on giving change. Always ask for a receipt - wo yao fa piao – as it has the taxi number and a phone number. If you leave something in a taxi, I am told there's a remarkably high success rate at getting even valuable items back if you call the number on the receipt and provide the details. You'll need the assistance of a Mandarin speaker. If you decide to give a tip for exceptional service than do so after the correct payment has been made. I gave a tip to a driver who used back streets to avoid an unexpected 15 km Beijing traffic jam to get me to the airport in time to catch my flight. She was reluctant to accept because she felt she had just done her job. The idea of customer service in China could be usefully exported to a few Australian cities.

From Daryl Guppy

CHINA REGIONS GUIDE - SHANG HAI 上海

Shanghai is almost a region in itself and has its own local language. It is the most Western of Chinese cities and it shows the influence of past colonial powers on the Bund and surrounding streets lined with European elm trees. Walk down Nanjing Lu for shopping and its an Chinese European mix that would not be out of place in Singapore. This is the financial and trade heart of China and a showpiece of the expanding China economy. These notes are designed to give you more starter points so you can you talk to guests from Shanghai about the distinctive features of the city. 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

Shanghai is located at the mouth of the Yangtze river. The economy is driven by automobiles, steel, chemicals, semiconductors, electronics, manufacturing and shipping. During the early decades following the Communist revolution the city was treated poorly as punishment for its Western decadence. Trade is the driving force in the city and it attracts more direct foreign investment than any other city in the world. The port is the second busiest in the world and infrastructure development is never ending. The city attracts a massive flow of migrant workers and has a sophisticated middle class growing at rapid speed. The development of Pudong New Area is a symbol of the growth and development of the city.

Summers can be very hot, and winters quite cold with occasional snow.

History

During the Qing Dynasty, Shanghai became one of the most important sea ports in the Yangtze Delta region. The importance of Shanghai grew radically in the 19th century, as the city's strategic position at the mouth of the Yangtze River made it an ideal location for trade with the West. During the First Opium War (1839–1842), British forces temporarily held Shanghai. The war ended with the 1842 Treaty of Nanjing, opened the treaty ports, Shanghai included, for international trade.

In 1854 the Shanghai Municipal Council was created to manage the foreign settlements. In 1860-1862, during a civil war Shanghai had been invaded two times. In 1863, the British settlement, located to the south of Suzhou creek (Huangpu district), and the American settlement, to the north of Suzhou creek (Hongkou district), joined in order to form the International Settlement. The French opted out of the Shanghai Municipal Council, and maintained its own French Concession, located to the south of the International Settlement, which still exists today as a popular attraction. Citizens of many countries and all continents came to Shanghai to live and work during the ensuing decades; those who stayed for long periods — some for generations — called themselves "Shanghailanders". In the 1920s and 1930s, almost 20,000 White Russians and Russian Jews fled the newly established Soviet Union and took up residence in Shanghai. . By 1932, Shanghai had become the world's fifth largest city and home to 70,000 foreigners. In the 1930s, some 30,000 Jewish refugees from Europe arrived in the city.

The Battle of Shanghai in 1937 resulted in the occupation of the Chinese administered parts of Shanghai outside of the International Settlement and the French Concession. The International

Settlement was occupied by the Japanese on 8 December 1941 and remained occupied until Japan's surrender in 1945.

On 27 May 1949, the Communist People's Liberation Army took control of Shanghai, which was one of only three former Republic of China municipalities not merged into neighbouring provinces over the next decade. Shanghai underwent a series of changes in the boundaries of its subdivisions, especially in the next decade.

During the 1950s and 1960s, Shanghai became an industrial center and center for revolutionary leftism. In most of the history of the People's Republic of China Shanghai has been the largest contributor of tax revenue to the central government. This came at the cost of severely crippling Shanghai's infrastructure and capital development. Its importance to China's fiscal well-being also denied it economic liberalizations that were started in the far southern provinces such as Guangdong during the mid-1980s. Shanghai was finally permitted to initiate economic reforms in 1991, starting the huge development still seen today.

Industry

Shanghai is the center of finance and trade in mainland China. Modern development began with the economic reforms in 1992, a decade later than many of the Southern Chinese provinces, but since then Shanghai quickly overtook those provinces and maintained its role as the business center in mainland China. Shanghai also hosts the largest stock market in mainland China.

Shanghai container traffic has surpassed Hong Kong to become the second busiest port in the world, behind Singapore. Shanghai has strong links to both the Chinese interior and the central government, and a stronger base in manufacturing and technology. Shanghai has increased its role in finance, banking, and as a major destination for corporate headquarters, fuelling demand for a highly educated and modernized workforce.

Industrial zones in Shanghai include Shanghai Hongqiao Economic and Technological Development Zone, Jinqiao Export Economic Processing Zone, Minhang Economic and Technological Development Zone, and Shanghai Caohejing High and New Technological Development Zone (

Food

This is where I get my favourite Guo Tie served directly from large hot plates. These are buns which are steamed and then fried on the bottom. The restaurant in Yuyuan garden always has a long line of customers.

I buy breakfast (and snacks) from corner stalls which sell Shengjian mantou (literally "fried bun") and Guo Tie (fried jiaozi), all eaten dipped in black vinegar. A typical breakfast combination is youtiao, a deep fried dough stick accompanied by soy milk.

Shanghai is the home of Xiao Long Bao, sometimes known as Shanghai Dumplings in English-speaking countries. Xiao Long Bao, is a type of steamed bun that is filled with pork or minced crab, and soup. Although it appears delicate, a good xiao long bao is able to hold in the soup until the xiao long bao is bitten. They are steamed in bamboo baskets and served with vinegar and in some places, shredded ginger. A common way of eating the Xiao Long Bao is to bite the top off, suck all the soup, then dipping it in vinegar before eating.

Shanghai cuisine is the youngest among the ten major cuisines in China though with a history of more than 400 years. Traditionally called Benbangcuisine, it originated in the Ming and Qing Dynasties (1368-1840). Shanghai dishes usually look red and shiny, for they are often pickled in wine and their cooking methods include baking, stewing, teaming, deep-frying, etc. In the later part of 19th century after Shanghai became a major domestic and international trading port, Benbangdishes underwent some substantial changes by adopting certain merits of other cuisines. Shanghai Dishes aim at lightness in flavor.

Shanghai cuisine is characterized by a greater use of soy sauce, sugar, rice wine and rice vinegar than other regional cuisines. That's not surprising, since China's finest rice wine is produced in the city of Shaoxing in eastern Zhejiang province, while famous Chenkiang black rice vinegar originated in Jiangsu province. The use of sugar is common in Shanghainese cuisine, especially when used in combination with soy sauce. The most notable dish of this type of cooking is "sweet and sour spare ribs." One of the local favourites in Shanghai is Shanghai crispy chicken. In season, Shanghai Hairy Crab is an excellent dish.

Some Shanghai dishes are very oily, although health concerns in recent years have seen a reduction in the amount of oil used. Shanghai is a cosmopolitan city and almost any cooking style from the regions of China is available.

Attractions

A stop at the hotels concierge desk will give you a full list of Shanghai attractions. These notes cover a few of my favourites.

Yuyuan Garden is believed to have been built in the Ming Dynasty, more than 400 years ago. The exquisite layout, beautiful scenery and the artistic style of the garden architecture have made the garden one of the highlights of Shanghai. It is located in the center of Shanghai's Old City, a few blocks south of the Bund. It has a total area of about two hectares (five acres) and more than 40 attractions. The inner and outer gardens were both built in the Ming Dynasty classical style, with numerous rock and tree garden areas, ponds, dragon-lined walls and numerous doorways and zigzagging bridges separating the various garden areas and pavilions.

Shanghai Museum has been famous for its large collection of rare cultural pieces. The museum now houses over 120,000 pieces of cultural relics in twelve categories, including Chinese bronze, ceramics, paintings and calligraphy, and artifacts.

The Shanghai Museum is especially well-known for its collection of bronze pieces. The main exhibition room delivers a panoramic picture of China from 18th century BC to the 3rd century BC. This is an excellent introduction to the history of China. Allow plenty of time.

The Bund stretches from Suzhou Creek to Jinling Lu along the western shore of the Huangpu River. The Bund is Shanghai's most popular landmark. Providing a striking contrast to Pudong's ultra-modern skyline, The Bund is characterised by a row of well-preserved colonial buildings lining its streets - especially along the western side of Zhongshan Dong Yi Lu - which have been converted into financial institutions, F&B outlets, hotels and administrative centres.

Fronting the pre-war buildings is a wide avenue and situated on the east side of the road is a raised promenade on which visitors can have pleasant strolls along its length, with magnificent views of both The Bund and Pudong New Area just across the river. At night, the whole area turns into a spectacular display of colours as the buildings are bathed in multi-coloured lights.

Nanjing Road is a walking street that is always packed with people. It is regarded as the first commercial road in Shanghai. The 5.5-km long Nanjing Road is the most bustling and prosperous street in Shanghai.

Shanghai Xintiandi is situated at Lane No.181 of Taicang Road Shanghai. It occupies an area of about 30,000 square meters. It was a former old Shikumen which has been restored. Shikumen are two or three-story townhouses, with the front yard protected by a high brick wall. Each residence is connected and arranged in straight alleys. This is now an elegant shopping and dining area.

Capital city – Shanghai . Population 19 million

In Shanghai the modern architecture is notable for its unique style, especially in the highest floors, with several top floor restaurants which resemble flying saucers. The bulk of Shanghai buildings being constructed today are high-rise apartments of various height, colour and design. There is now a strong focus by city planners to develop more "green areas" (public parks) among the apartment complexes in order to improve the quality of life for Shanghai's residents, in accordance to the "Better City - Better Life" theme of Shanghai's Expo 2010.

Weather

July/August 24 to 30. Jan/Feb 0 to 9

Additional Resources

<http://www.shme.com/>

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

Australian Pavilion Business Program

This snapshot of business program events at the Australian pavilion has been compiled exclusively for Australia-China Business Council members. All events are invitation-only, but members wishing to register their interest in involvement in a particular event should contact the organising agency as follows:

Commonwealth Agencies

Stakeholder	Contact
Attorney-General's Department	shanghaiexpo@ag.gov.au
Austrade	Web: www.austrade.gov.au/shanghaiexpo2010 Email: ShanghaiWorldExpo2010@austrade.gov.au
Department of Agriculture, Fisheries and Forestry	shanghaiworldexpo2010@daff.gov.au
Department of Broadband, Communications and the Digital Economy	richard.desmond@dbcde.gov.au
Department of Climate Change	vicki.cronan@climatechange.gov.au
Department of Education, Employment and Workplace Relations/Australian Education International	ShanghaiWorldExpo2010@deewr.gov.au
Department of the Environment, Water, Heritage and the Arts	Web: http://www.environment.gov.au/ Email: ciu@environment.gov.au
Department of Health and Ageing	expo2010businessprogram@dfat.gov.au
Department of Innovation, Industry, Science and Research	emma.lumb@innovation.gov.au
Department of Resources, Energy and Tourism	Max.Whitby@ret.gov.au
Tourism Australia	rmatkowski@tourism.australia.com
The Treasury	ShanghaiWorldExpo2010@treasury.gov.au

The Department of Foreign Affairs and Trade has approved the NT's request for access to the VIP area at the Australian pavilion 24 - 26 August 2010.

This means the NT will host a daily event in the VIP area of the Australian pavilion on the 24, 25 and 26 August. These three VIP events will form the basis of a planned NT week where the NT Government will look to involve the local business community to develop events surrounding the week.

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

Beijing orders 2,000 inefficient factories to close

Beijing has ordered the closure of more than 2,000 highly polluting and energy-hungry industries by the end of September, Reuters reported, citing state media. Industries such as cement, coking, iron, paper and dyeing have been particularly targeted by the order, and companies could see their business licenses revoked if they do not comply. The decision fits in with Beijing's larger goal of cutting national energy intensity by 20% from 2005 levels in the five years to the end of 2010, but the closures will negatively affect industrial production data. China's energy efficiency improved in the second quarter following a crackdown on wasteful industries earlier in the year.

China loosens restrictions on gold market

China has further relaxed gold market restrictions, increasing the number of banks permitted to trade the yellow metal as the country's investors pour record amounts of money into gold, the Financial Times reported. Chinese investors bought 73 tonnes of bullion last year, up from 18 tonnes in 2007. The trend is becoming a significant factor on global prices. China, the world's largest gold producer and second-largest consumer after India, also announced measures that will encourage development of

gold-linked investment products. The People's Bank of China is effectively opening the door for Chinese banks to hedge their gold risk overseas. The move is being seen as part of the gradual internationalization of China's banking system.

July PMI expands at slowest pace in 17 months

China's Purchasing Managers' Index (PMI) fell to 51.2 from 52.1 in July, expanding at the slowest pace in 17 months amid government restrictions on property speculation and investment in polluting factories, Bloomberg reported. A PMI reading above 50 reflects an expansion. "The Chinese economy is slowing down mainly due to the ongoing property tightening measures," said Lu Ting, a Hong Kong-based economist at Bank of America-Merrill Lynch. Other analysts believe the slowdown is concentrated in heavy industry, partly reflecting a government campaign to shut down inefficient businesses to meet national energy-saving goals. The PMI is released by the logistics federation and the Beijing-based National Bureau of Statistics, and covers more than 730 companies in 20 industries, including energy, metallurgy, textiles, automobiles and electronics.

NSSF to target private equity investments abroad

China's National Social Security Fund (NSSF) will begin investing in private equity abroad, Reuters reported, citing state media. Its chairman, Dai Xianglong, said the NSSF is currently in the process of selecting managers for its portfolio and establishing a base in Hong Kong. The fund plans to make investments in unlisted foreign firms, especially small- and medium-sized companies. The NSSF currently holds about US\$103 billion in assets, of which 45% is in fixed-income investments, 30% in stocks and 25% in domestic private equity. International investments currently account for just 7% of its total assets.

PBoC: Shanghai should become center for offshore RMB products

Shanghai should become China's hub for pricing renminbi-denominated offshore financial products and services, argued Zhang Jianhua, director of the research department at the People's Bank of China (PBoC), Bloomberg reported. "We should develop Shanghai's foreign-exchange market to match expansion of yuan use overseas," Zhang said at a conference in Shanghai. "We should try to control price setting. Strong growth in an offshore yuan market might influence the currency's onshore price." Zhang was likely referring to a recent expansion in cross-border exchange settlement programs. Most renminbi-denominated offshore financial products are currently set in Hong Kong.

China to limit non-ferrous metals production

Shang Fushan, vice chairman of the China Nonferrous Metals Industry Association, said that China plans to restrict the production of 10 types of non-ferrous metals by 2015, state media reported. The combined annual output for the selected metals will be capped at approximately 41 million tons. The industry association reckons annual "apparent" consumption of aluminum, copper, lead and zinc to reach 43.8 million tons during the same period. Aluminium consumption is predicted to reach 24 million metric tons, copper to be 8.3 million metric tons, lead to reach 5 million metric tons, and zinc to be 6.5 million metric tons.

State think tank: No reason for rapid yuan rise

The State Information Center, a government think tank, argued that there is no reason for a sharp rise in the value of the renminbi, the Dow Jones Newswires reported, citing the China Securities Journal. The think tank also argued that the current trial program of settling cross-border exchange using the yuan should be expanded to internationalize the currency, but that the government should monitor movements in the currency's value to prevent an influx of speculative ("hot") money. The yuan was effectively de-pegged from the US dollar on June 19, but appreciation over the past month has been slow. The People's Bank of China (PBoC) recently announced plans to publish the value of the yuan against a basket of currencies.

China buys \$5.3b in Japanese bonds in June

China purchased US\$5.3 billion worth of Japanese bonds in June as it sought to diversify its US dollar-dominated foreign reserves holdings, Bloomberg reported. It was the sixth consecutive month of net purchases of Japanese debt, though the level of purchasing was lower than in May, when Beijing spent US\$8.6 billion on Japanese bonds. However, yen-denominated bonds still make up a relatively small proportion of China's US\$2.45 trillion foreign-exchange reserves. China's efforts at diversifying its holdings out of US Treasury debt and European bonds have been stymied by a lack of options. The volatility of the yen has limited its attractiveness as a reserve currency, but it now represents an opportunity to offset the risk of a sharp depreciation of the US dollar.

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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)	\$

PLEASE RETURN COMPLETED FORM TO ACBC NT GPO BOX 2769, Darwin NT 0801
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

Responsibility for electoral comment is accepted by Daryl Guppy, 22 Hibernia Crescent, Brinkin NT.