

## EDITORIAL

### **China faces shortage of skilled workers**

The fast industrial development has led to shortage of skilled technical manpower in certain regions of China. Shanghai, which has lowest birth rate in China - minus 3.2 per cent – is importing young talents from other parts of China. According to a survey carried out at the end of 2004, workers from other regions already make up a quarter of the Shanghai's total population. Industrial cities on the east coast are now engaged in competing to hire young and skilled workers. Shenzhen recently identified just 53,000 people vying for its 105,000 jobs that require skilled workers and technicians. The shortage has led to sharp increase in the pay of senior workers and technicians being employed by many enterprises in an effort to sustain the productivity. Experienced skilled workers edged into the top 10 most required professionals with monthly salaries exceeding 605 US dollars in the national capital of Beijing. Some enterprises in Shanghai have invited Japanese skilled workers with annual salaries of up to 84,650 US dollars. Other industries in the Yangtze River Delta that mainly includes Shanghai, Zhejiang and Jiangsu provinces are facing the same dilemma. In certain cases technicians are being paid as high as 34,000 US dollars in annual salary, much higher than average government salary.

While the industrialization has made tremendous advancement in eastern China, the current education system has not been able to keep pace in skill training. Of China's 20,000-odd vocational schools, only 200 are aimed at fostering high-level skilled workers and technicians. To make up for the shortage, China has reportedly launched a series of national training programs to train 500,000 new technicians. At the enterprises level also, adequate efforts have not been made as they spend only 0.2 per cent of net profit on training of employees as compared to 3% spending envisaged in the state policy. In developed economies, skilled workers and technicians account for more than 35 per cent of their total workforces, where as in China currently it is only 5 per cent. A sample survey conducted in 40 cities showed that technicians and senior technicians account for only 4 percent of the total skilled workers, while enterprises need 14 percent. Industrial development in China is likely to place increased pressure on Chinese government and enterprises to train more skilled workers and senior technicians to meet the market demand and sustain the productivity in the coming years.

## **NEWS**

### **New law to improve civil servant system**

Chinese top legislature April 27 approved the country's first Civil Servant Law to improve its civil servant system by defining officials' rights and responsibilities. Chinese officials will have more rights to protect their personal interests while taking more responsibility for their behavior. Absorbing a lot from the current related regulations, the law covers such areas as the duties, posts and ranks, recruitment, assessment, salaries, training, punishments and related issues concerning public servants. The law stipulates that all public servants should be recruited through just, open and fair examinations. At present, there are still some officials who become civil servants through directly engaging or transferring from civilian organizations.

There were about 6.37 million civil servants and about more than 30 million personnel working in public-funded organizations across the country by the end of 2003.

Source: People's Daily Online, April 28, 2005

### **China issues first 10 technical guidelines for exports**

The Chinese Ministry of Commerce released the first 10 technical guidelines for exports on May 10. Each guideline offers information on the technical regulations, standards, and evaluation process in the destination market. The guidelines deal with products ranging from honey, eel, leather and fur products, textiles and down-padded anorak, to aluminum section, air-conditioner, electric tools, computers and accessories, packaging for exports to EU.

Source: People's Daily Online, May 10, 2005

### **Chinese smokers burn three more cigarettes than world average**

Largest population makes China the top cigarette consumer country in the world. A recent survey carried out by China Horizon Research shows Chinese smokers burn 15.8 cigarettes per day, which is three more than the world average 13. In China the number of male smokers is much larger.

Source: CRI news; People's Daily Online, May 10, 2005

### **China is Australia's 2nd largest export market**

According to the Australian Bureau of Statistics, China's imports from Australia reached AUD 8.8 billion over the 9 months by March this fiscal year, becoming Australia's second largest export market after Japan. Australian exports to Japan reached 17.6 billion AUD during the same period.

Source: People's Daily Online, May 10, 2005

### **China is the 4th largest importer of US agro-products**

The US Department of Agriculture reported 5.5 billion USD of export of agro-products to China, 9 percent of the total export of US farm produces, in 2004. China has thus become 4th largest buyer of the US agro-products. China's imports of farm products doubled between 2002 and 2004.

Source: People's Daily Online, May 10, 2005

## **Foreign investment Jan-April, 2005**

China contracted an FDI of US\$17.5 billion from January to April 2005, up 2.24 per cent compared with the previous year. The contracted foreign investment to China in this period, an indicator of future trends, stood at US\$50.2 billion, reflecting a year-on-year increase of more than 8 per cent. China attracted an actual FDI of over US\$ 60.6 billion.

Source: China daily, May 13, 2005

## **Q1 automotive imports down 44%**

China's imports of automobiles and parts in the first quarter dropped 44.4 percent from a year earlier in the latest sign of slumping demand growth, the Financial News said on Monday. Automotive imports in the first quarter totaled US\$22.75 billion. China eliminated quotas on automobile imports from Jan. 1 in line with its World Trade Organization obligations, but car sales growth has slowed dramatically after nearly doubling in 2003.

Growth in car sales in China slowed to just 15 percent last year after almost doubling in 2003, partly because the government made car loans harder to get. China's automobile exports rose 41.2 percent to US\$21 billion in the first quarter, the figures showed.

Source: Shenzhen Daily May 10, 2005

## **Investment in steel sector drops sharply in Q1**

Fixed asset investment in China's steel sector, the biggest in the world, tumbled in the first quarter of this year as a result of the State's macro economic controls. The steel sector's fixed asset investment stood at 33.22 billion yuan (US\$4.01 billion) in the first quarter, down 278 million yuan (US\$33.57 million) or 1.4 per cent from the same period of last year, according to statistics from the China Iron and Steel Association. This is in sharp contrast to the staggering growth of 106.4 per cent in fixed asset investment in the steel sector in the first quarter of last year. The steel sector was one of the most overheated industrial sectors in China last year, along with aluminium and cement, boosted by high steel prices and fat profits.

Production costs of domestic steel makers will grow by some 15 per cent this year from last year, due to price increases of iron ore, coal and power. The world's three main mining groups - BHP Billiton, Rio Tinto and Companhia Vale do Rio Doce - have raised prices of their iron ore by 71.5 per cent for this year, which will increase the costs of Chinese steel firms by some 13 billion yuan (US\$1.57 billion).

Source: China Daily; People's Daily Online, April 28, 2005

## **Foreign funded firms bigger winner of China's trade surplus**

57 percent of China's total exports in 2004 were from foreign funded businesses, which hold resources of core technologies, brands and global marketing network. Li Deshui, head of the National Bureau of Statistics, warned that Chinese enterprises are not equipped with core technologies and intellectual property rights. More than 95 percent, 80 percent, 70 percent and 90 percent of patents in sectors of pharmaceuticals, chip making, digital controlled machine tools and textile machinery, and the autos are foreign patents. DVD producers have found their business nearly profitless after they pay for patent use.

Source: People's Daily Online, April 30, 2005

## **Airbus to create new engineering center in China**

Airbus said on April 30 that it would set up its fourth biggest engineering center in Beijing to do aircraft design work for its super long-range passenger plane A350. This center, which will be home to about 200 engineers, would be the second largest of its kind outside Europe after its engineering center set up in the United States. Many Chinese airlines have signed contracts with Airbus industry to buy aircraft for them.

Source: Xinhua; People's Daily Online, April 30, 2005

## **Lenovo, IBM acquisition deal completed**

China's computer giant Lenovo and the US behemoth IBM announced in Beijing on May 01, that Lenovo has completed the acquisition of the PC unit of IBM, marking the birth of the third largest PC enterprise in the world. "It's a historic event for Lenovo, which marks the start of a new era of the global PC industry," said Yang Yuanqing, chairman of the Lenovo Group. The products will be launched in the name of the new Lenovo in weeks. After the acquisition deal, Lenovo's PC business is expected to have an annual income of 13 billion US dollars with an annual sale of about 14 million PCs.

Source: People's Daily Online, May 01, 2005

## **China posts continuing trade surplus (Jan-April, 2005)**

China achieved trade surplus of 21.17 billion US dollars in the first four months this year. Exports surged an annualized 34 percent to 218.05 billion dollars, while imports rose 13.3 percent to 196.87 billion dollars. European Union remained China's biggest trading partner with a bilateral trade of 65.2 billion dollars from January to April, followed by the United States and Japan with trade volume at 61.28 billion dollars and 57.54 billion dollars respectively. Guangdong, Jiangsu and Shanghai remained the country's top three exporters. Also in the first four months, import of coal hit 7.37 million tons and iron ore 87.49 million tons, registering a respective growth of 49.6 percent and 28 percent. In the January-April period, exports of machinery and electronic products reached 119.7 billion dollars, a year-on-year increase of 34 percent. Exports of clothes and related accessories also rose 15.6 percent to 19.27 billion dollars.

Source: www.chinaview.cn May 14, 2005

## **China's foreign trade volume expected to exceed \$1.3 trillion**

According to a Report of the Ministry of Commerce of China, it is estimated that the total volume of foreign trade this year is expected to exceed 1.3 trillion US dollars, a year-on-year increase of 15 percent. Among the total increase, the export yields 682 billion US dollars, up 15 percent from last year, and the import takes up 651 billion US dollars, up 16 percent.

Source: People's Daily Online, April 29, 2005

## **Import/export of Pan-Pearl River Delta exceeds \$100 billion in Q1**

The pan-Pearl-River (Zhujiang River) Delta kept a growth momentum in the first quarter of this year after achieving a 27.5 percent growth rate in import/export throughout last year. Customs statistics showed that the nine inland provinces and autonomous region in this area--Fujian, Jiangxi, Hunan, Guangdong, Guangxi, Hainan, Sichuan, Guizhou and Yunnan--registered a total import/export value up to 101.51 billion US dollars during the first quarter, an increase of 14.2 percent over the same period of the previous year and taking up 34.4 percent of the national total. Of them, export was 56.44 billion dollars, up 22.2

percent, and import 45.07 billion dollars, up 5.7 percent. The import/export value of the eight provinces and autonomous region other than Guangdong was 18.41 billion dollars, up 13.8 percent.

Source: People's Daily Online, May 19, 2005

### **China vows to limit textile exports**

Chinese Premier Wen Jiabao told the troika of EU foreign ministers on Wednesday that China understands the concerns of the EU on the textile issue. He pledged China will take further economic measures to prevent the excessive growth of China's textile and garment exports. The trade row between China and the EU has caused great concern among China's top leaders after the EU launched an investigation into Chinese textile imports in nine categories of clothing that could lead to an imposition of curbs. Wen Jiabao called upon joint efforts with the EU to settle the textile disputes, emphasizing the importance of "long-term" and "strategic" partnership. Last year, bilateral trade volume reached 177.3 billion US dollars, 74 times that of 30 years ago. The EU has surpassed the United States to become China's largest trade partner.

Source: www.chinaview.cn May 13, 2005

### **US, EU restriction on China's textile exports unfair: commerce minister**

Chinese Minister of Commerce Bo Xilai said on May 18 at the 2005 Fortune Global Forum that it was unfair that the United States and the European Union had blamed China for the fast growth of Chinese textile exports to their markets and had either imposed or intended to impose restrictions on Chinese products. Bo said that some developed countries had failed to abide by stipulations, which partly contributed to the short-term rapid growth of China's textile exports. China said that developed countries should not take a "double standard" on international trade, which means they would ask the whole world to open market to their own competitive industries while keeping their own markets closed in any fields where they have no competitive edge, he said.

On April 6, the European Union also issued outlines of special trade protection measures against China's export of textile products, intending to restrict sales of 12 categories of Chinese textiles to the EU market. On May 13, US Secretary of Commerce Carlos Gutierrez announced that the US government has decided to re-impose quotas on Chinese-made cotton trousers, cotton knit shirts and underwear.

Source: Xinhua; People's Daily Online, May 18, 2005

### **France imports more Chinese clothes**

According to the latest figures of the French custom quoted by the French Institute of Mode (IFM), French imports of clothes made in China increased by 40 percent in volume and by 30 percent in value during the first two months of 2005, compared with the same period last year. The growth of imports from China is a little less important than in other European countries, for France imports some how less Chinese goods than other countries. French imports of clothes were as high as 6.8 billion euros in 2004 (1.1 billion from China), in comparison with 6.7 billion euros in 2003.

Source: Xinhua; People's Daily Online, April 26, 2005

### **EU closer to launch formal consultations with China on textiles**

The European Union (EU) made a further step on Monday to launch formal consultations with China on a surge in exports of T-shirts and flax yarn. The EU's Textile Committee, approved a proposal to evoke

urgency procedure against the imports of these two categories of Chinese textile products. There are seven other categories of textile imports from China currently under EU's investigation.

Source: Xinhua; People's Daily Online, May 24, 2005

### **China to build 18% of world's ships**

China's shipbuilding will exceed ten million tons this year, which will account for 18 percent of the world market, compared with 15 percent last year. China's total ship building output was the third in the world last year.

Source: CRI May 3, 2005

### **ZTE to provide services to Nepal**

China's ZTE Corporation has pledged to provide mobile data services to Nepal Telecom, a press release of ZTE said on Tuesday. ZTE will provide, for the first time, 10,000 lines of GPRS data services, offering customers continuous high-speed wireless connection to the Internet. Under the contract, ZTE, now the largest telecommunications equipment supplier for Nepal, will also supply 1 million lines of GSM equipment to build a state-of-the-art network able to cover the Kathmandu Valley following the dismantling and relocation of all the existing base transceiver stations in the valley, the release said.

Source: Xinhua News Agency April 26, 2005

### **China places order for 60 Boeing 787 Dreamliners**

Six Chinese airline companies including Air China, China Eastern Airlines have placed order for 60 Boeing 787 Dreamliners with Boeing. Boeing 787 Dreamliner uses 20 percent less fuel than today's comparable airplanes and provide customers with up to 45 percent more cargo revenue capacity. It flies as fast as the fastest wide-body aircraft.

Source: People's Daily Online, May 12, 2005

### **China Southern to buy 45 Boeings at US\$3bn**

China Southern Airlines and its unit Xiamen Airlines said they have agreed to buy 45 Boeing planes (12 of Boeing's 737-700 aircraft and 33 of 737-800s) in a deal worth up to US\$3 billion, as demand for air travel in China booms. Fifteen of the 737-800s will be bought by China Southern's subsidiary, Xiamen Airlines, with the planes to be delivered between 2006 and 2008. In April 2005, Airbus concluded a deal with China Eastern Airlines and Shenzhen Airlines for 10 A319/A320 planes, while China Southern completed an agreement on its purchase of five A380 superjumbos.

Source: CD/agencies; People's Daily Online, May 12, 2005

### **China imposes anti-dumping tariff on imported neoprene**

On May 11, China's Ministry of Commerce released its final decision after anti-dumping investigation into the imported neoprene originating in Japan, the United States and the European Union. The Ministry of Commerce decided to levy anti-dumping tariff ranging from 2 percent to 151 percent on such neoprene with a time limit of five years.

Source: CD/agencies; People's Daily Online, May 11, 2005

## **China bans iron and steel processing**

According to the Ministry of Commerce, China will start to ban iron and steel processing trade on May 19. The measure means that processors in China will be prohibited from making goods for overseas clients with imported iron ore, pig iron, steel scraps, billets or ingots provided by overseas clients. The iron and steel processing trade in China is now free from tariffs and value-added taxes on material imports and finished product exports. From May 19th, China will also ban rare earth and phosphorite processing trade.

On April 1, China removed a 13-per cent tax rebate for steel billet and ingot exports. China also slashed the tax rebate for exports of some steel products to 11 per cent from 13 per cent on May 1. Analysts said the latest measure is mainly designed to plug the loophole created by the removal of the tax rebate on steel billet and ingot exports. "The iron and steel processing trade ban is the government's attempt to further control steel demand, from both domestic and overseas markets, to prevent a resurgence of overheating investment in China's steel sector and excessive steel production," said Zhou Xizeng, an analyst with CITIC Securities Co Ltd. China exported 5.19 million tons of steel products in the first quarter of this year, up 219 per cent from a year ago. China's steel billet exports also surged, up 971 per cent year-on-year to 2.86 million tons during the same period.

Source: China Daily; MOFCOM, May 12,2005

## **ASEAN emerges as fourth largest trade partner of China**

ASEAN has emerged as China's fourth largest trade partner with trade volume between the two sides reaching 27.5 billion US dollars in the first quarter of this year, up 25 percent year-on-year. In 2004, trade volume between China and ASEAN reached a record high of 105.9 billion US dollars, up 35 percent over the previous year, realizing the target of exceeding 100 billion US dollars one year ahead of the plan set by the two sides. Presently, the construction of the China-ASEAN Free Trade Area has entered a substantial stage and more than 7,000 commodities will witness sharp reductions of tariff as of July 1 this year.

Source: Xinhua; People's Daily Online, May 05, 2005

## **China-made buses go abroad**

In Mach, 'Yutong Bus' signed a largest bus export contract in the history of the Chinese bus industry with Cuba for the supply of 400 buses worth 240 million. Yutong aims to become a top ten bus manufacturer by 2008. This indicates that Chinese bus manufacturers have reached international standards in terms of quality.

Source: Chinanews.cn April 29, 2005

## **Transport attracts soaring foreign investment**

Overseas investment in the advanced transport market has exceeded domestic investment in the sector for the first time, the Ministry of Communications announced yesterday. Of 47 new projects approved by the ministry last year, overseas investment accounted for 51 percent of the total registered capital. In 2004, 88 overseas funded projects were approved by the ministry, an increase of 44 percent on the previous year and a result of huge road construction projects and an opening passenger transport market

that has bred opportunities for overseas investors. China plans to build an 85,000-kilometer expressway network within the coming 30 years to serve rapid economic growth.

Source: China Daily April 26, 2005

### **China to become big sugar importer**

Growing consumption and restricted production caused by the limited area of sugarcane and beet growth will turn China into the world's leading sugar importer by 2008, a leading Chinese company said. Li Ming, general manager of the cereals and oils arm of China Cereals, Oils Import and Export Company, said the average annual domestic sugar consumption would grow no less than 5 percent in the years to come, and that domestic production would not keep pace.

The sugar output for the 2003-2004 season was 10.02 million tons in China, but demand was 11 million tons, said Li, who predicted domestic sugar consumption would exceed 13.36 million tons by 2008. Sugar supply fell behind demand last year by 1.3 million tons. The country's quota for sugar import in the past year was 1.95 million tons, with a tariff of 15 percent.

Source: Xinhua; People's Daily Online, May 06, 2005

### **Q1 car sales down 7.7 percent**

China's largest automakers rode a 73 percent jump in car sales in March from February, but first-quarter sales slid 7.7 percent from a year earlier as the world's third-largest vehicle market kept up its growth slowdown. The carmakers in March sold 2.5 percent more passenger vehicles, including non-sedans, than a year earlier, the China Association of Automobile Manufacturers said on Thursday. In the first quarter, sales hit 574,300 units, a fall of almost 8 percent off a high base last year, the industry body said.

Source: Shenzhen Daily April 8, 2005

### **New strategy to develop the central region**

A new strategy to develop China's central region was discussed at a high profile forum in Henan Province on April 28, following in the footsteps of endeavors to develop its vast western region and rejuvenate its northeast industrial base. 2005 is the first year during which specific planning will be made for the new strategy," said Liu Yingjie, an official from the State Council's Policy Research Office. Approximately 200 officials, strategists and academicians attended to confer on the strategy for the region, home to about 360 million people and comprising the provinces of Shanxi, Anhui, Henan, Jiangxi, Hubei and Hunan. Covering 1.02 million sq km, 10.7 percent of China's total area, the region produces 23 percent of its GDP. China's major grain producer, the region has lagged behind the country's economic boom of recent years, not only with a widening gap between it and the economically developed eastern coastal areas, but also when compared to the western region.

Source: Xinhua News Agency April 30, 2005

### **Per-capita GDP of China's 5 autonomous regions tops 1,000 US dollars**

The GDP in China's five autonomous regions of Inner Mongolia, Ningxia, Guangxi, Tibet, and Xinjiang totaled 890.4 billion yuan (about 107 billion US dollars) in 2004, with an averaged per-capita GDP of 8,988 yuan (about 1,083 US dollars), according to the State Ethnic Affairs Commission. It is the first time that the average per-capita GDP has surpassed 1,000 US dollars in these regions. The GDP in these regions

recorded growth of 7.7 percent, 8.3 percent, 8.8 percent, 10.4 percent, 12.4 percent and 13.8 percent, respectively between 1999 and 2004.

Source: Xinhua; People's Daily Online, May 23, 2005

### **China invests more than US\$100 billion for 60 projects in western areas**

China has invested 102.8 billion US dollars for 60 major construction projects in its western areas during the past five years, said the State Ethnic Affairs Commission on May 20. An official with the commission said that since China began to develop the western areas, the central government has increased investment in these areas, especially in ethnic autonomous regions. Meanwhile, a group of major projects, including the construction of the Qinghai-Tibet railway, west-to-east gas and power transmission projects, hydropower plants and trunk roads, have also been launched to boost the development of western areas. The foreign trade volume in these areas reached 20.9 billion US dollars last year, 1.75 times that of 1999.

Source: Xinhua; People's Daily Online, May 20, 2005

### **Port development booming in China**

China has witnessed fast port development and has 1,430 ports with a total handling capacity of 4.17 billion tons, said Minister of Communications Zhang Chunxian at the 24th World Port Conference, which opened Monday in Shanghai. The minister urged Chinese and foreign investors to take part in the country's port development as China is to expand its total port handling capacity to 6.1 billion tons by the year 2010. The Chinese government has paid much attention to port development and has worked out a series of strategies and plans to develop ports in the Yangtze Delta in the east, the Pearl River Delta in the south and the Bohai Bay rim in the north, said the minister.

Currently China has eight 100-million-tonnage ports, accounting for half of the world's ten largest ports. China is now one of the most dynamic and potential global shipping markets. In 2004, the shipping capacity of containers in China's ports stood at 616 million standardizing boxes, ranking the world's top. Among the total shipment, highway transports yielded 84 percent. It is estimated that the national highway and waterway freight volume will hit 14.9 billion tons by 2005, with the ports' volume of freight traffic expected to reach 4.6 billion tons and ports' volume of container traffic 750 million standardizing boxes, maintaining a good momentum of rapid growth.

Source: Xinhua; People's Daily Online, May 24, 2005

### **China's mobile users exceeded 349 million**

The latest statistics released by China's Ministry of Information Industry on Tuesday show that, by the end of March, China's total number of phone subscribers had already broken 674 million, of which mobile users exceed 349 million, with a diffusion rate of 25.9 percent. Among all phone subscribers, over 325 million are fixed-line telephone subscribers, increasing 12.962 million compared to the end of the previous year, with a diffusion rate of 24.9 percent.

Source: Chinanews.cn April 29, 2005

### **Iron and steel sector awaits new policy**

China is planning to transform its iron and steel industry and the central government will soon introduce a new industry policy to regulate the fast-expanding sector. The executive meeting of the State Council chaired by Premier Wen Jiabao on Wednesday gave the go-ahead to the long-awaited China iron and

steel industry development policy. The industry policy, a guideline for the long-term development of China's iron and steel industry, aims to increase the concentration of steel production by the large State-owned steel makers such as Baosteel and to boost the industrial upgrading of the steel sector through new technologies and management and production efficiency.

Source: China Daily April 25, 2005

### **Iron ore imports face license, price ceiling**

China is considering capping iron ore import prices in a new attempt to limit surging imports of the raw material and its run-away spot prices, shipping sources said on Wednesday. The sources said the Chinese government would apply iron ore import license system to cargoes arriving in China after May 1, instead of applying the system on sales contracts signed after the date. It has become difficult to put the price ceiling into reality. Some Indian iron ore cargoes sailing to China might face problems because of the import licensing system.

Source: China Daily April 22, 2005

### **China to strictly control investment in steel sector**

China has to "rigidly control" the growth of fixed assets investment in its iron and steel industry so as to avoid excessive expansion of the sector, said top policy-makers in Beijing on Wednesday. China considers that investment in fixed assets in the industry is already "rather great" at the moment.

Source: Xinhua News Agency April 21, 2005

### **Fourth mill of Baoshan steel launched**

Baoshan Iron and Steel Co Ltd's fourth 1,800mm cold-rolling mill officially started operations yesterday, but analysts say this will not impact the auto market in the next five months. The cold-rolling mill has three production lines churning out sheets for car makers, electrical appliances and ships. Once this mill is fully operational, China will be less dependent on imported quality auto sheets. The production capacity of the auto sheets line in full operation will reach 1.9 million tons, but spokespersons for Baosteel Group, the parent company of Baoshan Iron and Steel Co Ltd, did not reveal when they will realize full operation of the production line. Currently, more than 40 per cent of auto sheets are imported.

Source: China Daily; People's Daily Online , April 28, 2005

### **Office created to oversee energy security**

China has created a powerful new agency to oversee the country's energy security amid booming demand for power and surging oil imports. The State Energy Office would supervise China's State-owned oil companies and a newly created strategic petroleum reserve.

Source: Shenzhen Daily

### **China to cut 93% agricultural tax this year**

The national revenue from agricultural tax will be reduced from 23.2 billion yuan in 2004 to around 1.5 billion yuan this year, a decrease of 93 percent, a person in charge from the State Administration of Taxation said on May 23. Expanded area of zero agricultural tax and continuously implemented tax exemption policy are main reasons for the tax reduction this year. Up to now, altogether 27 provinces, autonomous regions and cities in China have scrapped or decided to scrap agricultural tax. The reduced

agricultural and husbandry tax indicates much lighter burdens for farmers nationwide. Among the 24 regions who still pay agricultural specialty tax, all the revenue came from that on tobacco.

Source: People's Daily Online, May 24, 2005

### **Xinjiang to build new desert highway**

Xinjiang Uygur Autonomous Region plans to launch construction of the second desert highway running through the Taklimakan Desert in May this year. The highway will extend from the southern part of Xinjiang to Hotan with a length of 425 kilometers. Xinjiang's first desert highway, 522 kilometers long, was opened to traffic in 1995. It is the world's longest desert highway.

Source: People's Daily Online, May 03, 2005

### **China's air traffic turnover jumped to the world's 3rd**

The latest statistics of the International Civil Aviation Organization showed that the traffic turnover of Chinese airlines in 2004 moved up to the third from the 5th in the world following the US and Germany, as a result of an amazing 36 percent rise over the previous year. If the record of HK and Macao is added into the turnover log of 24.076 billion ton/kilometers, China will be ranked the 2nd in the world, second only to the US. In 2004, the transportation turnover of Chinese airliners on international routes increased by 41 percent, pushing the place in the world up to the 10th from the 12th. Both cargo freight and passenger turnover take the 3rd place in the world which stood at the 6th and 5th in 2003.

Source: People's Daily Online, May 20, 2005

### **China hikes interest rate of US dollar, HK dollar deposits**

The People's Bank of China announced on May 19 that it would raise the deposit interest rate of US dollar and HK dollar as of May 20. According to the central bank, the upper limit of the interest rate for one-year US dollar deposits will increase by 0.25 percentage points to 1.125 percent. It also announced a 0.1875 percentage point hike in the upper limit of the interest rate of one-year HK dollar deposits, raising it to 1 percent.

Source: Xinhua; People's Daily Online, May 20, 2005

### **New anti-corruption regulation sparks debate**

The Municipal Government of Nanjing, capital of Jiangsu Province, issued a regulation in May requiring officials to report their extramarital affairs, with a belief that the stipulation could curb corruption. The new anti-corruption method has sparked wide debate in China. According to Marriage Law revision expert panel statistics, 95 percent of China's convicted corrupt officials had mistresses. In south China's economic-booming cities of Shenzhen, Guangzhou and Zhuhai, all the officials involved in the 102 corruption cases investigated in 1999 had mistresses.

Source: Xinhua; People's Daily Online, May 20, 2005

### **EU opens information office in central China**

An information office of the European Union (EU) has been opened in Changsha, capital of central China's Hunan Province on My 09, 2005. This is the first and the only branch of the European Information Center (EIC) on the Chinese mainland. The EU is the Hunan's biggest trading partner, with 850 million US dollars trade last year.

Source: People's Daily Online, May 10, 2005

### **Income gap between the poor and other groups widens**

Currently, poverty incidence has dropped to three percent, but the number of absolute poor is still large. At the end of 2004, there were still 26.10 million people in rural areas whose clothing and food problems have yet to be solved. The gap of the upper limit of income between the poverty-stricken population and ordinary farmers widened from 1:2.54 in 1992 to 1: 4.39 in 2004.

Source: People's Daily Online, May 19, 2005

### **Bank of China to recruit more senior staff from worldwide**

Bank of China (BOC) will soon go public, announced Sunday that it will recruit internationally to fill 25 high-level positions. Positions include 12 departmental heads at the BOC Headquarters and leaders of two provincial-level branches. It is the second time for BOC to recruit worldwide for senior personnel. Last year, it hired a number of senior managing staffs, including heads of provincial branches of Gansu and Hainan provinces and Hong Kong. It is a part of reform process in Banking sector in China.

Source: Xinhua; People's Daily Online, May 23, 2005

### **Taiwanese Opposition leaders visit China**

In April/May, China played host to two high level visits from across the Taiwan Straits: Kuomintang leader Lien Chan and leader of the People First Party, James Soong. These were the first such visits by Taiwanese leaders to the Mainland in the half century since in last about 55 years. The visits have been greeted with enthusiasm in the Mainland and heralded as the first step towards easing cross-strait tensions. China has announced a host of confidence building measures during the course of the visits including the lifting of import tariffs from certain categories of Taiwanese fruits and vegetables as well allowing tourists from the mainland to travel to Taiwan. However, the reactions of Chen Shui Bian, President of Taiwan (ROC) and the leader of Taiwan's ruling party, the Democratic Progressive Party, to these two visits and parleys, remain at best ambiguous. Although Mr. Chen may be forced into softening his pro-independence stance due to pressure from the United States, until he endorses any of the recent peace moves, his reaction lacks any real bite.

### **Fortune Global Forum**

Beijing played host to the three-day FORTUNE Global forum this month. More than 800 participants - CEOs, chairpersons and presidents of Global 500 firms and domestic enterprises; top government officials; and scholars – gathered together to brainstorm on various issues. The theme of the forum was, "China and the new Asian century". The forum also included a plenary session on India for the first time in its history to discuss India's emergence as an economic powerhouse. The panel discussion on 'India: the other emerging powerhouse' was led by the CEO, president, and managing director of Infosys Technologies Ltd, Nandan Nilekani, and CEO and president of Cognizant Technology Solutions Corp, Lakshmi Narayanan. Other panelists included chairman of Americas region for Mckinsey & Company, Michael Patsalos-Fox, president and editor-in-chief, New Delhi Television Ltd (NDTV), Dr Prannoy Roy and David Kirkpatrick, senior editor for internet and technology. Chinese President Hu Jintao delivered a keynote address at the forum. This was the third time that FORTUNE Magazine held its forum in China, after Shanghai in 1999 and Hong Kong in 2001.

## **L&T Opens office in Beijing**

Consolidating its commitment to China, Indian engineering and construction heavyweight, Larson and Tubro opened an office in Beijing in May, the company's second office in Mainland China. According to L & T chairman and managing director A M Naik, with the inauguration of the Beijing office, the first phase of L & T's China strategy is complete. In second phase, the company will position of 4-5 key sourcing personnel in the country. L & T will look to source raw materials, machinery and electrical components from China. The third phase of the company's China's strategy, which is still at the conceptualization stage, will involve setting up manufacturing bases in the Mainland.

## **Beijing-Dhaka -Kunming flight**

China launched its first direct flight to Bangladesh in May, 2005. China Eastern Airlines will now operate three weekly flights from Beijing to Kunming via Dhaka.

## **China removes tariff on export of textile products**

Developments in the textiles sector dominated the headlines in May. First China announced on May 20, that it would increase export tariffs from June 1 by up to 400 percent on 74 categories of textile products including trousers, T-shirts and underwear. These measures followed in the wake of a massive increase in the export of certain Chinese textile products to the EU and US post MFA (multi fibre agreement). The US and EU were thus considering imposing certain safeguard quotas on Chinese textile products. However when both countries went ahead and re-imposed quotas on certain categories of textile products, despite China's gesture of raising tariffs, the Chinese government in turn scrapped the new tariffs, just one week after their announcement. According to the Federation of Indian Export Organizations the Chinese textile controversy will benefit Indian textile exports to the Us and EU.

## STATISTICS

### Rolled steel price drops in Q1

Following are the statistics of steel production in China during Q1:

Rolled steel -82.53 million tons, up 22.39 percent

Rolled steel consumption- 83.31 million tons, a net rise of 11.01 percent.

Crude steel- 77.79 million tons of, an increase of 25.2 percent year on year

Pig iron - 72.57 million tons, an increase of 27.32

China's steel output amounted to 220 million tons in 2003 and this year it is projected to climb to 350 million tons, the association notes.

Source: Xinhua News Agency May 8, 2005

### Main indicators of foreign trade and economy (2005/01-01)

Unit: US\$100,000,000

Indicators	Jan.-Jan.	
	Absolute Value	Absolute Value
<b>1,Foreign Trade</b>		
□ Imports & Exports	950.2	33.0
□□ Exports	507.6	42.1
□□ Imports	442.6	23.9
□□ Trade Surplus (Deficit)	64.9	-
<b>2,FDI</b>		
□ Number of Approved Projects	3563	22.3
□ Contractual Value	128.4	27.7
□ Actual Use of Foreign Investment	41.0	10.7
<b>3,Overseas Economic Cooperation</b>		
□ Turnover	16.4	-
□ Contractual Value	22.2	-
Overseas Labor at the end of a month	50.9	-
<b>4,Overseas Investment</b>	5.7	-
<b>5,Tax Revenue on Imports &amp; Exports</b>		
□ Customs Tariff		
□□ Duty		
□□ Import linkage tax		
□ Export Rebates	194.6	-

Source: Network Center of MOFCOM

## **EXHIBITIONS/EVENTS**

### **4th China International Handicrafts Exposition!**

23rd- 26th Sep, 2005

Venue: Xiamen, China

### **International Textile & Apparel Brand Fair**

September 21-23, 2005

Venue: China World Trade Center, Beijing, China

Exhibits: Garment, Textile, etc.

Tel: 0086-10-87789108, 67739208

Fax: 0086-10-67739269

E-mail: [maying@ccct.org.cn](mailto:maying@ccct.org.cn), [wangyinan@ccct.org.cn](mailto:wangyinan@ccct.org.cn)

### **12th Asian Retailers Convention and Exhibition**

Place: Beijing

September 6 to 10.

### **China Glassware & Glasscraft Beijing 2005**

Venue: Exhibition Hall of China World Trade Center, Beijing

July 8-11, 2005

Contact: Ms Shao Hong, Ms Fan Rong

Address: F10, Pan Jia Yuan Mansion, Panjiayuannanli No.12, Beijing, P.R.China

Post Code: 100021

Tel: 86-10-67749362/67732713

Fax: 86-10-67705379

E-mail: [zlb@cccla.org.cn](mailto:zlb@cccla.org.cn)

### **China Hi-Tech Fair (CHTF)**

Date : Oct. 12 - 17

Venue: Shenzhen

Contact Person : Lisa Chen, Jane Yu, Maggie Mai

F/17-18, Renmin Building, 6002 Shennan Road, Shenzhen China; Postcode: 518034

Phone:755-83916553/83916552; Fax: 755-83923337

E-mail: [forum@chtf.com](mailto:forum@chtf.com)

Website: [www.chtf.com](http://www.chtf.com)

### **7th Shanghai International Industry Fair**

Date: November 04,2005

Website: [www.sif-expo.com](http://www.sif-expo.com) Email: [sif@itpc.com.cn](mailto:sif@itpc.com.cn)

### **China International Jewellery Fair-2005**

China International Exhibition Centre, Beijing

Date: Nov.10-14, 2005

Contact: Exhibition Department, Gemmological Association of China,

PC: 100013; Tel: 8610-84287922; Fax: 8610-84273841

Email: gacshow@vip.sina.com

**July 2-4, 2005:** The 4th China Shanghai International Automotive Parts and Related Products Exhibition, Shanghai Everbright Convention Center

**August 5-14, 2005 :** The 4th China Changchun International Automobile Fair, Changchun International Convention & Exhibition Center

**August 12-14, 2005:** The 2005 China Special-Purpose Vehicle, Parts & Related Products Exhibition, Beijing Exhibition Hall

**August 26-September 4, 2005:** The 8th Harbin International Automobile Exhibition, Harbin International Convention & Exhibition Center

September 14-18, 2005: The 9 th Shenzhen International Automobile Exhibition, Shenzhen Convention & Exhibition Center

**September 29-30, 2005:** Int'l Conference: The Challenge of HR Management in China's Auto Sector, Organized by State Council Development and Research Center (DRC) and CBU

**November 9-11, 2005:** The 5th China International Tire & Rubber Technology Exhibition, Shanghai International Exhibition Center

**November 22-28, 2005:** The 3rd China (Guangzhou) International Automobile Exhibition, Guangzhou International Convention & Exhibition Center

**November 23-25, 2005:** Automechanika China, China International Trade Fair for Automotive Parts, Equipment and Service Suppliers, China International Exhibition Center, Beijing

**December 6-9, 2005:** Auto Parts Shanghai 2005 and Auto Manufacturing Shanghai 2005, The 2005 Shanghai International Automotive Parts & Related Products Exhibition and 2005 Shanghai International Automobile Manufacturing Equipment Exhibition, Shanghai International Exhibition Center

Source: CBU-AutoEnews, Vol. 6, No. 16, May 19, 2005

## **Energy China Expo 2005**

Date 15-17 November, 2005

Venue: China international Exhibition centre, beijing

Tel: 86-10-62095531; 62366831; 62366171; Fax: 86-10- 62062016

Email: salcs@energychinaexpo.com

Website: [www.energychinaexpo.com](http://www.energychinaexpo.com)

## **TRADE QUERIES**

### **Export: Plastic Machinery**

Zhejiang tianfeng plastics machinery factory

Contract Person: connie

Address: Xinhe road, Aojiang town, Pingyang country Wenzhou city

Post code: 325401; E-mail: connie8110@yahoo.com.cn

Mobile Phone: 008613868330386; Telephone: 86-577-63628261

FAX: 86-577-23816361

### **Export-Trailer axles and parts**

Contact: Mr. Lee Xiufu

Qingte Group Co, Ltd., 25 Buqi Road, Chengyang, Qingdao, China.

Phone: 86-532-6675356; Fax: 86-532-6675357

Postcode: 266109

E-Mail: lixiufu100@126.com; website:www.qt-group.com and www.qdyuek.com

### **Export- Emerald**

Name of Company:LEONARDO JIMENEZ ORTEGON

Fax: 571-5429208; E-mail: leojimenezortegon@yahoo.com

Contact person: LEONARDO JIMENEZ

### **Export- Selenium**

Name of Company:PANAK CO. LTD., ( CANADA).

Fax☐ 1-372-641-4239; E-mail: panak@stv.ee

Contact person: Mr. John Chaikin

### **Export- Seaweeds**

Company: GPB INSTA MARKETING

Add:WARD I MINGLANILLA

Tel: 63-32-2734378 ; Cell phone: 63-9195936906

Contact person: MELITD P. BACLAY

### **Import-Chemical products**

Products required: Soda Ash, Borax,  
HEZE SUCCESS CHEMICAL CO.☐LTD☐

Tel: 86-530-5631621, 6661231; Fax: 86-530-5634648

Website: www.hzcg.com; E-mail:chenggong@hzcg.com

### **Import: ferrosilicon, ferromanganese, ferrosilicon fume.and so on**

Company: Qingdao Xiediantie Investment and Development CO.,LTD.

Address: Code33 Jiangxi Road Qingdao City Shandong Province ,China

Contact: Miss Angel Elizabeth

Phone: 86 532 5835592; Fax: 86 532 5831663

E-MAIL: sucefortune@yahoo.com.cn

### **Export- Magnetic Filter [Machinery or appliances]**

<http://www.auto15.com>

Company name: Zhejiang Xinchang Shuaidi Magnetic Machina-oil Filter Factory

Contract Person: Mr. Chen, Address: No.6 Hubin North Road Chengdong Chengguan

Post code: 312500; E-mail: auto15@mail.sxptt.zj.cn ;

Mobile Phone: 0086-013567518877; Telephone: 0086-013567518877; FAX: 0086-575-6120669

### **Export- plastic aluminum complex pipes and fittings, PP-R pipes and fittings**

Company: SIWEI INDUSTRIAL Co., Ltd

Chayong Industrial Area, Beijiao Town, Shunde District, Foshan City, Guangdong, China  
TEL: 0086-0757-26666788; FAX: 0086-0757-26667088  
E-mail: info@sdsiwei.com; website: www.sdsiwei.com

### **Export- Yuhuan Tong Yuan Tools Factory [Machinery or appliances]**

Export: hydraulic tools, crimping tools, and cable cutters  
Company name: Yuhuan Tong Yuan Tools Factory, Zhejiang  
Address: HUAN CEN, Chumen Industrial zone, yuhuan zhejiang china  
Post code: 317605; E-mail: QZLTOOLS@163.COM  
HTTP://WWW.QZLTOOLS.COM  
Mobile Phone: 013967686718; Telephone: 013967686718  
FAX: 0086-576-7411372

### **Export- Machine tools**

China machine tool depot, No. 1860 Hongqiao Road, Shanghai, China  
Tel 0086-519-81131113; Fax 0086-519-8125702  
Email: info@cncm.net.cn; Website: www.cncm.net.cn

### **Export- Lifting Machinery (Manufacturer and Exporter)**

Products: electric chain hoist, chain block, lever block, snatch block, trolley, lifting clamp, hand winch, shackle, etc.  
Changshu Seagull Crane and Hoist Machinery Co. Ltd.  
Tel: 86-512-52631785; Fax: 86-512-52637785  
Website: www.cn-seagull.com www.cn-seagull.cn; Email: szhaiou@public1.sz.js.cn

### **Export-Tape extruding & stretching machine [Machinery or appliances]**

Company: zhejiang tianfeng plastics machinery factory  
Contract Person: connie; xinhe road aojiang town pingyang country wenzhou city zhejiang province china  
Post code: 325401; E-mail: connie8110@yahoo.com.cn  
Mobile Phone: 008613868330386; Telephone: 86-577-63628261  
FAX: 86-0577-23816361

### **Export- Furniture Manufacturer and Exporter**

Wenzhou Titan International Trading Co. Ltd.  
Add: 16F, Custom Building, Liming middle Rd, Wenzhou, Zhejiang, China  
Tel: 86-577-28816805 ; Fax: 86-577-28816809 ; mobile phone 86-13567799101  
Contact person: Coodin Zhang  
Website: www.china-titan.com; E-mail: zhangrongli2003@hotmail.com  
Coodin@china-titan.com

### **Export- Medical equipment Manufacturer and Exporter**

Shanghai Dochem Industries Co., Ltd.  
Tel: 86-21-32270170, 32275170; Fax: 86-21-62766590  
E-Mail: dochem@sh163.net; Web site: www.dochem-medical.com  
www.thermometer-china.com; www.china-anatomical.com

## Export- Crystal Manufacturer

Crystal manufacturer looking for international buyers and qualified distributors

Contact person: Albert Yang, Sales Manager

Telephone: 86-755-83175102; Contact fax number: 86-755-83317247

Mailbox: albertyang@genda.cn; Website: www.genda.cn

Address: 6/F, Antong Building, Xia Meilin, Futian District, Shenzhen, Guangdong, China

## Shanghai Sunni Electronic Technology Co., Ltd.

Manufacturers of semiconductor wafers and triacs.

*Seek product distributors in India*

Contact: Bing Zhao, Ph.D.

Shanghai Sunni Electronic Technology Co. Ltd.

Shanghai, China

E-mail: bingzhao00@yahoo.ca, bingzhao00@sina.com

Phone: 86-21-64852852 Ext 358

Fax: 86-21-64957232

No	Address	<u>Area of interest</u>
1	Mr. Eddy Lo Director, Harry Marine Products Import Export Co, G/F, 223 Wing Lok Street Sheung Wan, Hong Kong Tel: (852) 2815 5872; Fax: (852) 2854 2954 Website: www.harryseafood.com.hk E-mail: eddy@nest1964.com	<u>Import</u> dried sea food - dried bombay duck, ribbon fish, shark, kooney, prawns, cat fish, mackrel etc
2	Ms. Sally Lam Ten Cate Permess Ltd Hong Kong Tel: (852) 2280 4670; Fax: (852) 2295 3073 E-mail: sallylam@netvigator.com	Setting up an office in India for garment accessories
3	Mr. T H Poon Director, Tat & Co Ltd Rm 401, 4/F, Lam's Building 6-10 Kau U Fong, Central, Hong Kong Tel: (852) 2851 6918; Fax: (852) 2851 6971 E-mail: bobopoon@hknet.com	<u>Import</u> (1) Dried Sharkfish in any size (blacktir, Hammerhead, Thresher, White Fins) (2) Dried fishmaws in any size Eel fishmaws, Kote- Male/Female fishmaws, Cat fishmaws and any other fishmaws (3) Dried Sea Cucumber, Dried Sea Dragon and all kinds of dried seafood
4	Mr. Leung Tung /Ms. Lorraine Wong Wang Yip Shark's Fin Ltd G/F, 122 Des Voeux Road West, Hong Kong	<u>Import</u> Blue Sharks' fins, Oil sharks' fins, Kola sharks' fins, Mako sharks' fins, dogfish fins, hammer fins frozen or

	Tel: (852) 2540 8679; Fax: (852) 2559 9924 E-mail: wangyip1@netvigator.com	dried, dried fish maws, dried sea cucumber, abalone etc
5	Mr. Ashley Hong Kong E-mail: ashleypun@biznetvigator.com	Setting up a private limited company in India for (1) importing goods from overseas (2) selling products to local market (3) hiring storage for goods
6	Ms. Winnie Law Manager, Law Man Tung Trading Co Ltd G/F 9 Bonham Strand West, Sheung Wan Hong Kong Tel: (852) 2542 3011; Fax: (852) 2541 0214 E-mail: lmtcoltd@netvigator.com	<u>Import</u> All kinds of Dried Seafood
7	Mr. Steven Cheng Ausino Enterprises Limited 11/F, Leader Commercial Building 54-56 Hillwood Road, Tsimshatsui, Kowloon Hong Kong Tel: (852) 2377 2515; Fax: (852) 2366 3765 / 2721 5021; E-mail: ausino@euroasia.biz.com.hk	<u>Import</u> Frozen Sea Food as well as Dried Sea Food
8	Mr. Sunil Sourcing Concept 38 Tai Yuen Street, 5A Tai Yuen Court, Wanchai, Hong Kong Tel: (852) 6181 4565; Fax: (852) 2891 6466 E-mail: csk@netvigator.com	<u>Import</u> Brand Name Pens
9	Mr. Michael Zhiwei Luo Wen Wei Po, Guangzhou, China Tel: 86-20-83191427; Fax: 86-20-83390466 Website: www.wenweipo.com E-mail: mkzwl@hotmail.com	Looking for a Joint Venture partner to market small goods - import, warehousing and retail/wholesale trade of small goods like shoes, electric appliances, airconditioners, pillows, tools, utencils, electronic products and stationery items etc.
10	Mr. Franky Lam General Manager Hon Kee (Leather) enterprise Co Ltd R 22, 12/F Block A, Wah Luen Ind. Centre	<u>Import</u> Fabric for footwear and leather goods

	<p>15-21, Wong Chuk Yeunf St, Fotan, Hong Kong Tel: (852) 2699 6018;Fax: (852) 2693 2966 Website: www.honkee.com; E-mail: info@honkee.com</p>	
11	<p>Mr. Peter Tryst Intenational Ltd. Room 603, 113 Argyle Street Mong Kok, Kowloon, Hong Kong Tel: (852) 3118 1900;Fax: (852)3118 1911 E-mail: chinaccheng@yahoo.com.hk</p>	<p><u>Import</u> Dried Sharks' fins, dried prawns, frozen ribbon fish &amp; frozen mackerel</p>
12	<p>Mr. David Wong Dickson Trading Company Room 1302, 13/F, Cameron Commercial Centre, 468 Hennessy Road Causeway Bay, Hong Kong Tel: (852) 28921311; Fax: (852) 28932056 E-mail: dicksontrading@hutchcity.com</p>	<p><u>Import</u> Tinplate steel sheets/coils - primary &amp; secondary quality</p>
13	<p>Ms. Charlene Lai Deltamac (HK) Co., Ltd. 10/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon Tel: (852) 2787 8733;Fax: (852) 2398 1744+ E-mail: charlene.lai@deltamac.com.hk</p>	<p><u>Import</u> Textiles like fabric, home furnishings and Handicraft</p>
14	<p>Mr. Ken Chan Onmillion Industrial Ltd Rm 3503-6 Singga Comm Centre 144-151 Connaught Road West Hong Kong Tel: (852) 2547 3100;Fax: (852) 2858 2585 Website: www.onmillion.com.hk E-mail: kin@onmillion.com.hk</p>	<p><u>Import</u> zinc borate</p>
15	<p>Ms. Bianca Lam / Mr. W T Wong Purchaser / Purchasing Manager</p>	<p><u>Import</u> Diamonds</p>

	<p>Hovon Watch &amp; Jewellery Co., Ltd.</p> <p>Tel: (852) 2993 6932 / 6968</p> <p>Fax: (852) 2993 5032 / 5068</p> <p>E-mail: bianca@hovon.com / wtwong@hovon.com</p>	
16	<p>Mr. Deen</p> <p>Obc Exports</p> <p>Unit 1108, 11/F Mohan's Bldg., 14-16 Hankow Road, Tsim Sha Tsui, Kowloon, Hongkong.</p> <p>Tel: (852) 2722v0768;Fax: (852) 2723 1704</p> <p>E-mail: obc@netvigator.com</p>	<p><u>Import</u></p> <p>iron ore</p>
17	<p>Ms. Shirley Ng</p> <p>Sales &amp; Mktg Manager</p> <p>Tenson Medicare Company Limited</p> <p>Rm 513, Block B, Sheung Shui Plaza 3 Ka fu Close, Sheung Shui, N T, Hong Kong</p> <p>Tel: (852) 2671 7090;Fax: (852) 2783 8577</p> <p>E-mail: general@tensonmedi.com.hk</p>	<p><u>Import</u></p> <p>(1) Disposable Petri-dish (Estimated Qty 10415000 per 3 years) (2) Disposable Pre-sterilized Transport Medium culture Tube Swab Set (Estimated Qty 668000 sets per 3 years) (3) cotton ball, cotton roll, sterilization paper bag and adhesive surgical tape</p>
18	<p>Mr. Peter Nelson</p> <p>Maintex Corporation, Maintex Fabrics Ltd</p> <p>26-28 Gilman's Bazaar, 3/F, Central Hong Kong</p> <p>Tel: (852) 2545 9630;Fax: (852) 2815 1847</p> <p>E-mail: maintex@netvigator.com</p>	<p><u>Import</u></p> <p>Fabric for garments</p>
19	<p>Mr. Samson Lee</p> <p>Manager - Channel Development</p> <p>Stratecom Company Limited</p> <p>Unit 1707, 17/F Westlands Centre 20 Westlands Road, Quarry Bay Hong Kong</p> <p>Tel: (852) 2295 6811 (direct) / 2295 6288</p> <p>Fax: (852) 2295 6100</p> <p>E-mail: samsonlee@stratcom.com.hk</p>	<p><u>Import</u></p> <p>cotton yarn</p> <p><u>Export</u></p> <p><i>Home Appliances like Steam iron, sandwich maker, toaster, microwave oven, LCD, TV, Hair dryer, audios and video, rice cooker, mixer juicer, electric kettle and coffee maker</i></p>
20	<p>Ms. Amy Kam</p> <p>Unichem Enterprises Co Ltd</p>	<p><u>Export</u></p> <p>PVC artificial leather</p>

	9/F Wai Hing Building,148 Prince Edward Road West,Kowloon, Hong Kong Tel: (852) 2380 0366;Fax: (852) 2397 3513 E-mail: plastics@unichem-ent.com / tinsgrp@unichem-ent.com	
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Source: CGI, Hong Kong

## TENDERS

### **Design, supply, delivery of hardware and software and provision of other related services**

Reference No. : PT/0449/2004 (A8913132004)

Closing Date : 20 June 2005 (12:00 noon Hong Kong time)

Design, supply, delivery of hardware and software and provision of other related services for the land supply information system and core planning data hub for the Planning Department within 16 months from the date of contract award.

### **Supply of terbutaline sulphate preparations**

Reference No. : PT/0214/2005 (A4110202005)

Closing Date : 17 June 2005 (12:00 noon Hong Kong time)

Supply of terbutaline sulphate preparations to the Hospital Authority and the Department of Health as a 24-month contract commencing 10 October 2005.

### **Supply of 3 400 000 azathioprine tablets**

Reference No. : PT/0216/2005 (A4110222005)

Closing Date : 16 June 2005 (12:00 noon Hong Kong time)

Supply of 3 400 000 azathioprine tablets to the Hospital Authority and the Department of Health as a 24-month contract commencing 19 October 2005.

### **Supply of 12 000 vials of ganciclovir for injection**

Reference No. : PT/0217/2005 (A4110232005)

Closing Date : 22 June 2005 (12:00 noon Hong Kong time)

Supply of 12 000 vials of ganciclovir for injection to the Hospital Authority and the Department of Health as a 24-month contract commencing 11 October 2005.

Should the manufacturers, agents and distributors wish to participate in the above tenders, please contact Ms. Cherie Li at Tel No. (852) 2231 5300, Fax No. (852) 2807 2764, Email: hktender@gld.gov.hk.

Tender information is also available at <http://www.gld.gov.hk> & <http://www.ets.com.hk>.

## Supply of Cast Manganese Crossings

Reference No. : 2005-0026  
Closing Date : 17 June 2005 (12:00 noon Hong Kong time)

Should the manufacturers, agents and distributors wish to participate in this tender, please contact Mr. Dominic Kan at Tel No. (852) 2688 1648, Fax No. (852) 2688 0429, Email: [dckkan@kcrc.com](mailto:dckkan@kcrc.com)

Tender information is also available at <http://www.kcrc.com/eng/corporate/business/tender.asp>.

For tender Information in Hong Kong visit:  
<http://www.gld.gov.hk> & <http://www.ets.com.hk>.

### For information on bidding/tender notices in Mainland China, visit the following sites:

<http://my.tdctrade.com/chinabidding/cb2.asp>

[www.chinabidding.com.cn](http://www.chinabidding.com.cn)

<http://www.chinabidding.org/>

## Q&A

### Q: How to set up a cooperative joint venture in China?

**A:** In a cooperative venture, the parties involved may operate as separate legal entities and bear liabilities independently rather than as a single entity. A cooperative venture may also be registered as a limited liability entity resembling an equity joint venture in operation, structure, and status as a Chinese legal entity.

There is no minimum foreign contribution required to initiate a cooperative venture, allowing a foreign company to take part in an enterprise where they preferred to remain a minor shareholder. The contributions made by the investors are not required to be expressed in a monetary value and can include excluded in the equity joint venture process can be contributed such as labor, resources, and services. Profits in a cooperative venture are divided according to the terms of the cooperative venture contract rather than by investment share, allowing a more flexible schedule for return on investment in cases where one investor provides cash while the other party's investment is primarily in kind.

Greater flexibility in the structuring of a cooperative venture is also permissible including the structure of the organization, management, and assets. There is no term for unlimited terms in cooperative ventures, but also no provisions for the term of the duration. The term of the cooperative venture contract may be renewed subject to the consent of the parties involved and approval from the examination and approval authorities. The foreign investor is permitted to withdraw their registered capital or a portion thereof from the cooperative venture during the duration of the cooperative venture contract.

Because of the unique privileges and added features offered to the foreign party in a cooperative venture, trade unions must be allowed to represent the employees in employment matters to protect the interests of the employees.

## Q: How to set up a resident representative office? (Beijing )

**A:**Foreign traders, manufacturers, shipping agents, economic organizations and other groups shall report, according to their nature of the business, to the Ministry of Commerce (Mofcom) or other relevant ministries, committees or bureaus which are authorized for the examination and approval of the setup of resident offices. Proxy authorized by Mofcom will go through the examination and approval procedures for the above-mentioned companies. The business activities of the established institutions can only be in the range of business connection, products introduction, marketing, technology exchange and consulting service and etc. Direct business activities are prohibited.

### Documents Required and Necessary Procedures

(1) Application for setting up the office: The application shall include background of the enterprise, business conditions, purpose of the office to be established, name of the office, person in charge, scope of business, location and operational term. Application shall be signed by the chairman or president of the enterprise together with the enterprise's seal. (original)

(2) A certificate of authorization to the representative accredited to the office issued by the chairman or president of the enterprise. (original)

(3) Copy of certificate of legal operation or copy of certificate of registration provided by the proper authorities of the country or region where the enterprise comes.

(4) Bank reference provided by the bank of the country or region where the enterprise comes: The bank reference, to be signed by the person in charge or business manager of the bank, shall state clearly the enterprise's registered capital and present amount of deposit, as well as the reputation of its flexing capitals after the opening of the account. (original)

(5) Resume of representative accredited to the office. The resume, including both educational and working background, should be detailed, specific and true. Disconnection is not allowed. Two photographs of each representative are required.

(6) Identification paper of the representatives. For representatives of foreign nationality, copy of passport of the country he holds should be submitted. For compatriots from Hong Kong and Macao, copy of certification for his returning to his hometown and permanent resident identification should be submitted. If a domestic personnel is to take the post of representative or chief representative, approval and identification from Beijing Foreign Enterprise Service Corporation (FESCO) are needed.

## EXCHANGE RATES

### RMB

Currency (Unit:100)	Buy		Sell
	check	Cash	
US Dollar	826.41	821.44	828.89
Euro	1037.06	1028.23	1040.18
Japanese Yen	7.6330	7.5756	7.6712

(May 23, 2005)

## **Rupee**

Rs/US\$ 43.46

Rs/Uk pound 79.83

Rs/Euro 54.85

(May 23, 2005)

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## **CII SHANGHAI OFFICE ACTIVITIES**

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### **Shanghai Vice Mayor visits India**

CII Shanghai office organized a visit of an eight-member delegation led by Mr. Yang Xiaodu, Vice Mayor and in charge public health and youth affairs of Shanghai Municipal Government from 15<sup>th</sup> to 19<sup>th</sup> May, 2005. CII arranged a series of meetings for the delegation with public/private hospitals, medical insurance companies and local government health authorities at Delhi and Mumbai to exchange views on management of health services and medical insurance schemes.

### **CII Shanghai office received queries business activities, operations, commercial information from various Indian and Chinese companies and individuals:**

Precision Camshafts Limited, Ambe Global, G.I bags, Track Parts Corporation, Integrated Retail Management Consulting Pvt. Ltd., Micrographics Indial, Mayurakshi Equipments Pvt Ltd, Alliance Group, Uttar Pradesh Steels, Shanghai Sunni Electronic Technology Co. Ltd, C S Direct Events Ltd, Consulate General of India, Shanghai, Paras Laminates Pvt. Ltd, Anand Concast Limited, Raman Board, Business India, Tata Steel, Tata Autocomp Systems Ltd, Indian Kitchen Spices (Zhuhai) Ltd, NCPC Orchid Pharma Co., Ltd, Nipra Industries Pvt. Ltd, Star TV team from Mumbai.

### **Important visitors:**

Suresh P. Prabhu, Member of Parliament

Vijay R. Kirloskar, Kirloskar Electric Co. Ltd

Robert Kharshiing, M.P

R.R. Patil, Deputy Chief Minister of Maharashtra

### **Participation in Kashgar Fair from 10-12 May:**

Indian Embassy and CII jointly set up a booth in the first China Kashgar Central-South Asia Economic Trade and Commodities Fair held from 10-12th May 2005. IBEF posters were displayed and IBEF literature in Chinese was distributed in the exhibition. We played Hindi film songs and IBEF film with Chinese subtitles at our booth. Mr. Vinay Kwatra, Commercial Counselor and Mr. S.K.Misra, CII Shanghai representative addressed a group of Xinjiang businessmen and had meeting with Mr. Chen Ji, Vice Commissioner, Administrative office of Kashgar. There is keenness on the part of people of this region to trade with India. Potential exists in Hindi movies and songs that are very popular in this region. Handicraft of India will have a ready market. Similar products come from Pakistan, which has an advantage of direct road link and longer friendly ties.

### **JM Financial Mutual Fund Delegation from 19-23 May:**

A delegation of 21 members comprising of treasury managers of banks and corporates visited Shanghai and Beijing from 19<sup>th</sup> to 23<sup>rd</sup> May. They were keen to know how China has within such a short span of time has transformed its economy. Had a lunch meeting with Consul General at Shanghai and briefed them on China and its economy.

### **Participation in the 6<sup>th</sup> Western China International Economy & Trade Fair:**

CII Shanghai office set up an Indian Pavilion in the 6th China Western International Economy and Trade Fair organized by Sichuan Provincial People's Government, CCPIT, China People's Association for the Friendship with Foreign Countries, ACFIC, Chinese Supply and Marketing Cooperatives at Chengdu from 25th to 28th May. We had put up the posters of IBEF and also of CII. IBEF literature in Chinese was also distributed. Air India had given a complimentary return ticket to India for lucky draw from amongst the visitors. Literature of Incredible India was also distributed. As part of Indian day, a seminar was held on 'India China Business Cooperation' in which presentations were made by Commercial Counselor, NIIT, Air India, SBI, TCS, L&T, iGate, Ranbaxy and CII.

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