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EU companies take dimmer view of China's growth > **p18**

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**Movie time**  
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# WEEKEND CHINA DAILY

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## EDUCATION



Minister Sarah Taylor at the Canadian Embassy met Canadian studies experts at the 16th Biennial Conference of the Association for Canadian Studies held last Month in Shanghai. WANG RU / CHINA DAILY

## Canadian Studies in China get diversified

By **WANG RU** in Beijing  
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The 16th Biennial Conference of the Association for Canadian Studies in China was held at Shanghai International Studies University.

About 98 scholars and experts in Canadian studies from 51 different universities, colleges, and research institutes as well as some business sectors nationwide attended the conference.

The submitted conference papers covered the subjects associated with Canada including education, welfare, aboriginal people, the Quebec issue, English/French literature, the Arctic issue, ecological protection, economy and trade, judicial system, Canadian multiculturalism and bilingualism, Canadian early history and urbanization.

Confucius Institutes in Canada, China-Canada relations, Canada-US relations, Canadian foreign aid and investment. All these subjects fall into four categories and were discussed during nine panels. Scholars and experts explored their research by applying social science, natural science, humanity as well as anthropological approaches.



... Canadian studies in China are increasingly looking to strategic relationships between Canada and China...

**Qian Hao**, director of the Center for Canadian Studies at Shanghai International Studies University

"Besides the traditional fields such as culture and history, the Canadian studies in China are increasingly looking to strategic relationships between Canada and China, including anti-terrorism, extradition of fugitives and the Arctic issues where the two countries are working closer," said Qian Hao, director of the Center for Canadian Studies at Shanghai International Studies University.

China has become Canada's second largest trading partner after the US.

There are 1.5 million Chinese immigrants in Canada. The two countries have granted each other 10-year visas.

Canada and China designated 2015-2016 as the Year of People-to-People and Cultural Exchanges in November 2014, during Canadian Prime Minister Stephen Harper's formal visit to China.

Minister Sarah Taylor at Canadian Embassy in Beijing attended the conference and praised of the association in its contribution to the Canadian Studies programs in China.

Taylor gave her special thanks to the scholars and experts for their excellent job in promoting the understanding between Chinese and Canadian peoples.

The minister claimed that Canadian government will always be in support of Canadian studies in China and hopes to get more Canadian students to China to improve people to people diplomacy.

Fifteen young scholars have been bestowed the title "Winner of Excellent Thesis" in Canadian studies field at both PhD and MA levels.

The conference was first held at Sichuan International Studies University in 1984.

## ARTS

### Keeping artistic traditions

By **MAYA LIU** in Vancouver  
For China Daily

The opening ceremony of the week-long *Harmony: Chinese Painting and Calligraphy Exhibition* was held at Vancouver's Chinese Cultural Centre Museum on June 6.

Nearly 100 guests, including some famous names in local circles of Chinese brush painting and calligraphy, attended. Harry Yu, president of the Richmond Chinese Calligraphy and Painting Club, and William Chen, former president and a current committee member of the club were among some of the established Chinese-Canadian artists who brought their masterpieces to the exhibition.

Some of Vancouver's prominent political and cultural figures, such as Burnaby North MLA Richard Lee and renowned sinologist Jan Walls, were also at the occasion to support traditional Chinese fine arts.

A total of 66 artworks contributed by more than 40 artists were put on display at the exhibition, ranging from Chinese calligraphy, ink

landscape paintings, still lifes and oils. The calligraphy explores various artistic styles, including oracle-bone script, clerical, regular, running and cursive scripts.

The Harmony exhibition is presented by the Richmond Chinese Calligraphy & Painting Club, a resident art group founded in 1979.

The club has nurtured a younger generation. "The club is now collaborating with the Richmond Public Library to hold regular Chinese calligraphy and painting classes for the residents," Harry Yu told China Daily.

"Young children are able to learn about cultures quickly, and the process of cultural transmission is indeed beneficial for them — once they start to learn painting and calligraphy, they will eventually read more about Chinese traditional culture too," Yu said.

"A lot of the young Chinese Canadians who grew up here may know little about Chinese traditional arts, and I believe this exhibition can serve as a great opportunity for them to learn about their cultural roots and traditions," William Chen said.

## In the news

### CHINA Solemn chore

More than 100 morticians have gathered in Jianli county to prepare victims of the Eastern Star ship disaster for cremation or burial.  
> **p3**

### HONG KONG Not ready yet

Crowdfunding platforms may be all the rage in the West but Hong Kong has yet to offer local hopefuls an attractive option. > **p6**

### BUSINESS Goal paring

The People's Bank of China has lowered its full-year GDP growth forecast to 7 percent from 7.1 percent. > **p18**



## TRADE

### Hong Kong boosted for business

By **LINA** in Toronto  
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The largest-ever Hong Kong promotion in Canada wrapped up on Tuesday in Toronto. More than 1,500 business people from across Canada took part in the event known as "Think Asia, Think Hong Kong", which was organized by the Hong Kong Trade Development Council (HKTDC) in Toronto.

"We're here because we believe that our strong and longstanding connections in business and culture offer the promise of a far more rewarding future for our two economies and the companies that drive them," said C.Y. Leung, chief executive of the Hong Kong Special Administrative Region, at the opening symposium.

Leung was leading a delegation of more than 100 high-profile business leaders and government officials, including 27 from the Chinese mainland.

According to Leung, about 300,000 Canadian passport holders live and work in Hong Kong. The Canadian Chamber of Commerce in Hong Kong is the largest Canadian business organization outside of Canada, and among the largest and most active international chambers in Hong Kong and the entire Asia-Pacific region.

"I'm also pleased to note that Canada's investment in Hong Kong is substantial, totaling CAD \$5.1 billion at the end of 2013," Leung added.

"We are working diligently to help companies from Canada, Hong Kong and the Chinese mainland to explore business opportunities using the Hong Kong platform," said Vincent Lo, chairman-designate of the HKTDC. "Hong Kong has a long tradition of international trade, combined with the understanding



C.Y. Leung, chief executive of the Hong Kong Special Administrative Region of China, delivers the keynote speech at the opening of the "Think Asia, Think Hong Kong" symposium held on Monday in Toronto. LINA / CHINA DAILY

of different cultures and business practices from East and West."

Lo highlighted the developments in Asia, namely the "One Belt, One Road" initiative in China and the huge population of consumers in the 10 ASEAN nations.

"The Chinese mainland is committed to market-driven growth, and no-one knows the mainland markets better than we do in Hong Kong," Lo said.

During the gathering, Ed Fast, Canada's minister of international trade, and Margaret Fong, executive director of the HKTDC, signed an arrangement on mutual cooperation to facilitate collaboration in promotion of commercial activities in areas of mutual interest.

"Canada and Hong Kong have a long-standing partnership, strengthened by our people-to-people ties," said Fast. "Hong Kong is an important hub for Canadian exports of goods and services to Asia, and this trade promotion arrangement will help our companies work together to take advantage of the rapid

growth in the Asia-Pacific region."

"Think Asia, think Hong Kong," Fast added. "When you think North America, think Canada."

"We are pleased to conclude this arrangement with Canada," said Fong. "Based on an already robust trade relationship between Canada and Hong Kong, this arrangement further promotes business opportunities in financial services, logistics, food, technology and intellectual property."

Fong also encouraged Canadian companies from all sectors to take full advantage of the business-matching activities and major international trade fairs and exhibitions organized by the HKTDC to connect with new partners in Hong Kong and to access the fast-growing markets on the Chinese mainland and across Asia.

Sector-specific sessions at the event featured almost 30 expert speakers sharing their insights on such topics as selling to China and throughout Asia, Chinese outward investment, Hong Kong as a gateway and RMB internationalization.

## BUSINESS

### Canadian company inks \$10 million deal to power clean-energy buses in China

By **WANG RU** in Beijing

Ballard Power Systems Inc, a fuel cell producer from Canada, signed supply agreements on Monday with two Chinese companies to provide fuel cell power products and technology solutions to support the planned deployment of an initial 33 fuel cell-powered buses in two Chinese cities.

The deal has an estimated value of \$10 million.

Ballard will collaborate with the two Chinese companies, Nantong Zehe New Energy Technology Co Ltd, and Guangdong Synergy Hydrogen Power Technology Co Ltd, to provide

fuel cells to electric buses manufactures in Jiangsu province and Yunfu in Guangdong province.

The municipal governments in the cities of Yunfu and Rugao plan to have fuel cell bus fleets operating in revenue service in 2016.

The agreement was signed at a ceremony held on Monday at the Canadian Embassy in Beijing and attended by Guy Saint-Jacques, Canada's ambassador to China.

Randy MacEwen, Ballard president and CEO, said "We continue to see strong growth opportunities in China's mass transit market where

fuel cells are increasingly being discussed as the next generation of clean propulsion. This demand is being driven by China's growing need for clean urban mass transit and air quality policies."

Ma Jinhua, Member of Rugao Municipal Standing Committee of CPC said, "It is important that we deal with experienced, market-leading companies in order to ensure successful delivery with the most advanced technology. This is one reason that Ballard Power Systems is the right choice for a program of such importance."

The size and rapid growth of China's economy has resulted in considerably larger carbon dioxide emissions than other nations. In 2013, for example, China's carbon dioxide emissions from fossil fuels accounted for 29 percent of the global total, compared to 15 percent from the United States.

As a result of air quality issues, a new energy program was launched in 2011, involving 48 Chinese cities with an objective of expanding public transit while also reducing the number of vehicles in cities.

One of the program's specific goals is to deploy more than 1,000 clean energy buses in each of the participating cities, taking advantage of

government subsidies to facilitate this expansion.

The Canadian hydrogen and fuel cell sector enjoys strong domestic and international recognition for producing cutting-edge, clean energy solutions that have profound effects on energy use across a variety of industry sectors — passenger vehicles and buses, stationary and backup power, and materials handling.

Clean energy policy-makers and experts from Canada and China, as well as industry representatives, joined a conversation during the signing ceremony, exchanging their ideas based on the cooperation of clean technology between the two countries.

Former Counselor of the State Council and Secretary-General of Ministry of Science & Technology of China, Shi Dinghuan, now president of Chinese Renewable Energy Society, hosted the conversation.

Dai Yande, deputy director of the Energy Research Institute of the National Development and Reform Commission, joined in the conversation, stating that China must keep its eye on energy efficiency and support the development of renewable technology.

Céline Bak, the Global Practice Lead and chair of the Sustainable Technology Private Sector Advisory Board for Canada's Department of Foreign Affairs, Trade and Development, outlined Canada's progress and challenges on sustainable energy.

"As China is the largest and still growing energy market in Asia, it has placed a priority on clean energy to support its ongoing efforts to grow, diversify its energy mix, and help address environmental and climate change impacts," said Saint-Jacques, the Canadian ambassador.



Randy MacEwen, Ballard president and CEO, signs supply agreements with Chinese companies on Monday in Beijing. WANG RU / CHINA DAILY



## 2 ACROSS AMERICAS

## E-COMMERCE



**Jack Ma**, Alibaba chairman and founder, gives remarks at the Waldorf Astoria in New York on Tuesday before members of The Economic Club of New York. Ma spoke of the importance of taking Alibaba's business global. AMY HE / CHINA DAILY

## Jack Ma speaks in New York

By **AMY HE** in New York  
amyhe@chinadailyusa.com

Alibaba's Jack Ma said that the future of the e-commerce giant is to go global, opening up its platform to enable more US small businesses to sell directly to China's middle-class consumers.

The company's chairman and founder said that Alibaba's goal is "not only to sell more things", but to globalize the infrastructure of e-commerce.

"Why did Internet e-commerce grow so much faster in China than in the USA?" he said on Tuesday. "Because the infrastructure of commerce in China was bad. Unlike here, where you have all the (physical) shops: Wal-Mart, K-Mart, everything, everywhere. But in China, we have nothing, nowhere. So e-commerce in the US is just a dessert; it's

complementary to the main business. But in China, it's the main course."

Ma made his remarks about the company's future before an audience of about 1,000 members of The Economic Club of New York at the Waldorf Astoria New York. He was introduced by William Dudley, chairman of The Economic Club and president and CEO of the Federal Reserve Bank of New York.

Ma, who founded his company in 1999 out of his apartment in Hangzhou, said that Alibaba is on target to sell \$1 trillion worth of goods within the next five years. Alibaba's gross merchandise volume for the year through March 2015 was about \$393 billion, an increase of 46 percent over the previous year.

He emphasized that small businesses in the US were the path to growth for the

**\$1 trillion**

worth of goods Alibaba aims to sell within the next five years.

company, luring them towards China's middle class, which today is almost as big as America's entire population, and in a decade will grow to half a billion people.

"The demand for good products, good service, is so powerful, so strong," he said, adding that only 2 percent of Alibaba's business is conducted outside of China and he hopes it will grow to 40 percent.

Ma said that Alibaba can help another 10 million businesses through its e-commerce platform. "We will empower them, give them the traffic, give them the payment system, give them the logistics, so that they can do business

anywhere, easily," he said.

The company wants to provide customers 72-hour shipping for those purchasing from outside of China and 24-hour delivery for those within the country.

China, he said, has been focused on exporting for the last 20 years, but should now focus on importing and making more purchases.

"China should learn to buy. Chinese should spend money. China should buy a lot of things," he said.

According to company figures, cross-border transactions by Chinese online shoppers grew 10-fold between 2010 and 2014, from \$2 billion to \$20 billion. There are about 331 million Chinese online shoppers in China, and e-commerce is expected to account for more than 20 percent of Chinese consumption by decade's end.

## REPORT

## Study offers new window on China

By **HUA SHENGDU**  
in Washington

The International Finance Forum (IFF) launched a new report that contains insights from 20 of China's top policy-makers on Tuesday in Washington.

The report unveils the mindsets of Chinese leaders as China's economy faces new challenges.

The IFF China Report 2015, published by IFF in cooperation with London-based Central Banking, was released at Johns Hopkins School of Advanced International Studies. IFF is a nonprofit independent international think tank based in Beijing.

"This is an extremely useful

report, focusing primarily on reform in finance and trade," said Nicholas Lardy, senior fellow at the Peterson Institute of International Economics.

Though the report has constraints, "it does a good job bringing us up to date on the plans and expectations of the reform architects in China," Lardy said.

One significant feature of this report is that many top Chinese leaders were quoted. These leaders include Commerce Minister Gao Hucheng, Finance Minister Lou Jiwei, Deputy Finance Minister Zhu Guangyao, People's Bank of China Governor Zhou Xiaochuan, and many more.

"I was really struck as I was reading it how accessible the information is," said

Dan Wright, former executive director for US-China Strategic Economic Dialogue at the US Treasury.

Wright said the report had a sense of directness to it, which is very useful for people outside China in understanding the country's leaders.

Two of the lead authors of the report, Geng Xiao, director of the IFF Institute and vice-president for China of Fung Global Institute, and Yan Wang, deputy director of the IFF Institute and former senior economist at the World Bank, attended the event to explain its highlights.

Wang said one significant change they found is that compared to 35 years ago, Chinese policy makers now have more

concern for "quality of growth."

"It is now something on every leader's mind," she said.

Wang also found through writing the report that China's proposal for the Asian Infrastructure Investment Bank (AIIB) shows its commitment to a "new multilateralism", and that the international community should welcome this institution.

Another finding of the report is that exports are no longer a driver of GDP growth in China, which Wang believes has profound implications for the structural reform of China's growth model.

*Liu Jingyang in Washington contributed to this story.*

## INVESTMENT

## Aoxing gets OK to make narcotic pain reliever

By **NIU YUE** in New York

Five years after listing its shares on the New York Stock Exchange, Aoxing Pharmaceutical Co Inc visited the NYSE again, its CEO announcing that it had been granted a license to produce a narcotic pain reliever in China.

Aoxing announced on Monday that it had received approval from the China Food and Drug Administration (CFDA) to make tilidine hydrochloride tablets.

"This is a significant milestone achievement in the business development of Aoxing Pharma," CEO Yue Zhenjiang said at the NYSE on Tuesday. "Tilidine is less addictive and works well on relieving pain. What's more, it's the first time it's being produced in China."

**30 percent**  
increase in demand for narcotic medicines in China annually

In a statement on Monday, Yue said that "this approval is the culmination of 12 years of research, development and regulatory activities. Our entry into the market will be a significant breakthrough in China's fight to treat pain. Our Tilidine HCL tablets offer a convenient medium for delivery of this drug."

He said that a report published by the World Health Organization in 1985 made him realize the great potential of the pain-relief market in China.

According to a 2000 WHO survey, the amount of per

capita narcotic consumption in China was less than 1% of that in North America, because Chinese people hadn't realized that relieving pain could improve both their physical and mental health, and research and production are forbidden without approval.

Aoxing, established in Shijiazhuang in 2000, acquired permission in 2002 to enter the narcotics market in China. Other Aoxing drugs, like an oxycodone tablet and naloxone sublingual tablet have already completed clinical trials, and the company expects them to be licensed in China in the next year or two.

Yue said that the current government has raised pain-management treatment to the level of a human right. A new policy on guaranteeing

treatment for patients suffering from pain while strictly prohibiting the abuse of controlled substances has been introduced recently.

With an increase in reimbursement from the new medical insurance and the new Rural Medical Cooperative System, as well as the significant improvement of people's living standards, "the demand for narcotic medicines in China will be increasing over 30 percent yearly", Yue said.

Aoxing has 137 products, many of them best-selling pain-relievers.

Shares of Aoxing, which trades under the symbol AXN, closed at \$2.67, down 11 cents, in NYSE trading on Tuesday.

*Hong Xiao in New York contributed to this story.*

## TRADE

## China and US take fresh views on TPP and AIIB

By **CHEN WEIHUA**  
in Washington  
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China is adopting a more welcoming attitude for the Trans-Pacific Partnership (TPP), a US-led free-trade agreement now being negotiated by 12 countries.

Zhang Jianping, director of the department of international economic cooperation at the Institute for International Economic Research of the National Development and Reform Commission, said China's attitude is clear.

"That is we are very happy to see those TPP members can make consensus, because we think TPP will be a possible approach for promoting Asia-Pacific economic integration," Zhang said at a seminar on Tuesday at the Center for Strategic and International Studies (CSIS) in Washington.

His words came at a time when the Obama administration is trying to pressure the House of Representatives to pass the fast-track Trade Promotion Authority (TPA) needed to negotiate TPP and other free-trade agreements.

The bill cleared the Senate on May 21, but in the House, Obama still is lobbying his own Democratic Party's Congress members.

The US and Japan are still haggling over the opening of the auto and agricultural markets under TPP, while Malaysia and Vietnam face some major hurdles in the negotiations.

Kathy Santillo, regional managing director of the US-ASEAN Business Council, said on Tuesday that there is no crystal ball as to whether the TPP can meet the deadline.



**Zhang Jianping**, director at NDRC Institute for International Economic Research

The Obama administration hopes to make TPP his major presidential legacy.

While saying that TPP might be a possible approach to the Free Trade Area of the Asia Pacific (FTAAP), Zhang noted that countries such as China and Indonesia may not feel so comfortable with TPP.

TPP's high standards and strict regulations to some extent may surpass the development stage for some developing economies in the region, according to Zhang.

"That's why now we are making efforts to promote RCEP (Regional Comprehensive Economic Partnership)," he said, adding that developing economies may prefer the RCEP track.

Zhang believes the third possible track to FTAAP will be for TPP and RCEP to work together into a new template.

China actively promoted a roadmap for the FTAAP when it hosted the APEC summit last November.

Matthew Goodman, senior adviser for Asian economics at CSIS, said there are some narrow questions, such as how to get the Republic of Korea, the Philippines and others to express interest in TPP.

"The big question is how do we get China and Indonesia on board?" he said. "How do we move from that to an FTAAP?"

Admitting that China needs to reform and open up further to meet the TPP's high

standards, Zhang said China is making a lot of efforts to promote and create a regional trade network.

China is now the world's largest exporter, the second-largest economy and a global manufacturing hub. Just in the past few months, China concluded free-trade agreements respectively with Australia and South Korea.

Zhang indicated that China also has been discussing free-trade agreements with countries such as Sri Lanka, Israel and those former Soviet republics, largely under China's Road and Belt Initiative, originally known as One Road and One Belt for economic integration.

He said China is facing a critical period of economic transition after demographic dividends end five or 10 years from now, adding that the new driving force will come through innovation, reform and opening up.

He praised some European nations for making a smart choice to join the Asia Infrastructure Investment Bank (AIIB). He said that given that China is a member of the World Bank and the Asian Development Bank, he hoped in the future that Japan and the US can be members of AIIB.

The US has widely been seen as trying to block the AIIB by lobbying its key allies not to join the China-initiated bank. But Kurt Tong, principal deputy assistant secretary of the Bureau of Economic and Business Affairs at the US State Department, disagreed on Tuesday.

"The United States is excited about this prospect," he said. "We are not angry; we are not mad, churlish or surly about it."

## TRAVEL



**Javier Montes** (center), under-secretary for tourism of Chile, meets with Panso Ho (left), founder of the Global Tourism Economy Research Center, in Santiago, Chile to discuss efforts to attract Chinese tourists. PROVIDED TO CHINA DAILY

## Chile wants Chinese tourists

By **ANDREA DENG**  
in Santiago, Chile  
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Chile may become a tourism destination for wealthy Chinese visitors if bilateral industry ties can be further developed, diplomats and tourism officials said.

Chile is one of the furthest countries away from China and the round-trip air fare would remain as high as \$3,000 no matter which flight route Chinese tourists take, said Liu Rutao, economic and commerce adviser with China's Embassy in Chile. That automatically sets a high bar for the financial status of the people who could afford the trip.

Liu also noted that the unique characteristics of Chile's extremely diversified natural landscape — thanks, in part, to the country's distinctive geographic span of a wide range of latitudes — makes Chile a desirable destination for people looking for adventure and exploring nature,

beyond just shopping and sightseeing.

"These kinds of experiences are exactly what the wealthy and more demanding Chinese tourists are looking for," Liu said.

Liu shared his analysis with a 30-member delegation currently visiting Pacific Alliance countries on June 5. The delegates, led by the Global Tourism Economy Research Centre (GTERC), are Chinese business leaders from a wide range of industries, mainly tourism.

Since the economic downturn of 2008, a lot of real estate enterprises in China needed to diversify their portfolios and expand into other industries. Tourism became a sound business choice for many of them, said Wang Ping, chairwoman of the China Chamber of Tourism and a member of the delegation.

Some hotel conglomerates in China are already benefiting tremendously from the growing tourism economy, according to Winnie Chiu, president and

executive director of Dorsett Hospitality International, who added that Chinese tourists are "high yield customers".

"Chinese outbound tourists spend more than \$200 per day per person and they already exceeded what German tourists spend," Chiu said during the delegates' meeting with Chile's Foreign Investment Committee.

"While Europeans typically spend roughly 50 percent of their traveling expenses on lodging, Chinese tourists spend 12 percent on lodging. That means Chinese tourists not only contribute to hotel occupancy but also to the retail and entertainment sectors."

Martin Pathan, the committee's investment attraction officer, said Chile wants to attract investors in constructing adequate hotels in some of the unique natural landscapes of the country.

Last year Chile received 12,000 Chinese tourists among a total of 3.7 million visitors.



Briefly

BEIJING

Navy conducts drill in the Pacific

Chinese naval aircraft joined a naval fleet for a military drill in the western Pacific Ocean east of the Bashi Channel on Wednesday, a military spokesman for the People's Liberation Army's navy said. The ships and aircraft carried out several exercises that imitated combat conditions in waters south of Taiwan, spokesman Liang Yang said. He stressed the drill was a routine exercise scheduled as part of the navy's annual training plans.

Drug-user falls to his death

A 32-year-old man fell to his death from a residential building in Chaoyang district after using drugs, police reported on Wednesday. Police who received a tip about drug use knocked on the man's apartment door on Tuesday. The man, surnamed Bian, was an anchor for China Central Television, according to media reports. A blood test detected the stimulants Benzedrine and methylamphetamine in his system, police said.

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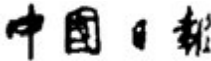
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EASTERN STAR DISASTER



Morticians bow to containers holding the bodies of victims who died in the *Eastern Star* cruise accident at a funeral parlor in Jianli county, Hubei province, on Tuesday. CHEN ZHUO / FOR CHINA DAILY

Morticians volunteer for somber task

By ZHANG YI in Beijing and LIU KUN in Wuhan

More than 100 morticians have gathered in Jianli county, Hubei province, to complete the somber task of preparing the bodies of the 434 *Eastern Star* victims for cremation or return to their families.

Zhang Wei, who manages a funeral parlor in Hankou and arrived with 15 morticians, said they would provide special care.

"It is the mortician's job to let every deceased depart with dignity," said Zhang, who has 30 years of experience.

"I exhorted every co-worker to move and clean the bodies with extra care. I asked all of them to put their heart and

soul into every procedure in their work."

The cruise ship with 456 people aboard capsized in stormy weather on the Yangtze River on June 1 in the country's worst shipping disaster in 70 years. Only 14 people survived and eight remain missing.

Experienced personnel from several cities — including Tianjin, Guangzhou and Wuhan — gathered in Jianli to ensure that the remains are handled with dignity and respect.

Chen Pin, a mortician from Wuhan who volunteered to help, said she and four other colleagues were extremely saddened when they cleaned the body of a 3-year-old girl, the youngest victim of the disaster.

"I felt truly sorry for the victims, and most of them were elderly people who are supposed to have had a nice trip."

Chen Pin, a mortician from Wuhan

"I burst into tears when I dealt with the body. When I placed the girl on a workbench, I could hardly control the shaking of my hands. I felt truly sorry for the victims, and most of them were elderly people who are supposed to have had a nice trip," Chen said.

"It's hot in Jianli, and the job is not easy," she added. "We usually started work at 5 am and worked until 10 pm. It

took two or three hours to prepare each body. On a couple of nights, we worked till midnight."

DNA samples from the bodies have been collected and more than 100 victims had been identified as of Tuesday morning.

Contact the writers through zhang\_yi@chinadaily.com.cn



Getting a head start

Graduates have their picture taken before posing for a group photo at Central China Normal University in Wuhan, Hubei province, on Wednesday. The university used a panoramic 10-million-pixel digital camera to take a group photo of its 4,500 new graduates. The photo is believed to be the largest of its kind ever taken at a Chinese university.

LI ZIYUN / FOR CHINA DAILY

INTERNET

Electronic ID to boost online security

By ZHANG YAN

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China plans to make use of electronic identification in a bid to protect private information and curb Internet fraud, according to the Third Research Institute of the Ministry of Public Security.

The country is conducting research into a system of online ID with support from the Ministry of Science and Technology, the National Development and Reform Commission and the Ministry of Public Security.

The eID, an electronic tool to recognize users' IDs on the Internet, will be submitted to the National Population

Database for careful checks before being issued to members of the public.

Technology will be used to ensure that data kept in the eID cannot be read, copied or tampered with, said the institute.

"The eID technology, which could effectively check the validity of people's online IDs, will be conducive to protecting their privacy and the safety of their property when they are using social media or e-commerce platforms," said a senior official from the institute who declined to reveal his name.

In recent years, the number of cases involving private information disclosure,

online hacker attacks, commercial fraud and fake information has risen sharply, posing serious threats to e-commerce trading and individual security.

"Due to the lack of a system to recognize people's online IDs, most netizens are using their names and ID numbers or personal information to identify themselves, which makes them vulnerable," said Yan Zeming, director of the eID research and development department at the institute.

The eID could be embedded in various kinds of chips and smart cards, including social security cards, residence permit cards, bank

cards or mobile SIM cards, Yan said. It will be recognized by card readers or smartphones.

"People who hold the eID can swipe a card for access to a ministry's database and verify their online ID rather than offering their private information to different websites," Yan said.

"Considering there are more than 600 million Chinese Internet users, it's more than necessary to invest in this infrastructure to protect privacy and eliminate online hacking or fraud," said Dai Peng, director of the Criminal Investigation College at the People's Public Security University of China.

60-member team to look into disaster

State Administration of Work Safety chief leads investigation into capsizing

By CHINA DAILY

323 items

The State Council, China's Cabinet, has assembled a 60-member team to investigate last week's cruise ship capsizing to find the cause of the country's worst maritime disaster in seven decades.

More than 200 documents with more than 500,000 characters have been created based on interviews with surviving crew members, witnesses, those who designed and modified the ship, travel agencies and local transportation and maritime authorities.

The team, led by the head of the State Administration of Work Safety, includes senior officials from the ministries of transport, industry and information technology, public security, civil affairs and water resources. It also includes senior officials from the China Meteorological Administration, Hubei province and Chongqing, and experts on law and meteorology.

The work safety administration said the probe is continuing with interviews, analysis of ship and weather conditions, and collection evidence. The statement said that video footage and other evidence has been collected from the ship, and that weather radar and other data are being analyzed.

"The reason behind the

that belonged to passengers on the *Eastern Star* can be claimed at the funeral home in Jianli, Hubei province.

sinking is very complicated and has to be determined after scientific identification and necessary simulating experiments," the administration said in a statement.

Xinhua News Agency said that 323 items that belonged to passengers — including jewelry, purses, toys and suitcases — can be claimed at the funeral home in Jianli, Hubei province. Staff members have labeled all the items based on information from tickets and identity cards.

The China Insurance Regulatory Commission has also started claim settlement work.

A total of 340 insurance policies are expected to pay out a total of 92.52 million yuan (\$14.9 million). The capsized ship's company is expected to collect 15.7 million yuan, of which 10 million has already been paid.

Travel agencies will claim 12 million yuan, while the policies of 396 passengers will pay out 61.69 million yuan.

The remainder will go to crew members or their families.

CROSS-STRAITS

Taiwan election candidate's comments made on US trip rebuked

By HE NA

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A senior official from the State Council Taiwan Affairs Office reiterated its opposition to Taiwan independence on Wednesday.

The response came in the light of comments made recently by Tsai Ing-wen, the chairwoman of Taiwan's opposition Democratic Progressive Party during her trip to the United States.

Tsai completed a 12-day trip

to the US on Tuesday, during which the DPP candidate for Taiwan's 2016 leadership elections met with US government officials, lawmakers and scholars.

In an opinion piece published in *The Wall Street Journal* on June 2, Tsai wrote that "a more consistent and sustainable relationship with China will be a core goal of my administration," but she didn't refer to the "1992 Consensus", Xinhua News Agency reported.

Ma Xiaoguang, spokesman for the State Council Taiwan Affairs Office, said: "The DPP chief has talked a lot on the cross-Straits relationship during her visit to the US, but failed to make clear the core issue."

The cross-Straits relationship is not a nation-to-nation relationship, and the DPP needs to give a clear answer on the relationship, Ma said.

"Our stance on the DPP is consistent and clear," Ma added. "There is no way forward

for a secessionist stance. The Chinese mainland is firmly opposed to 'Taiwan independence' activities in any form by any person on international occasions.

"Adherence to the '1992 Consensus' between the Chinese mainland and Taiwan is the basis of peaceful development of cross-Straits relations," said Ma. "The core lies in the recognition from the two parties that the Chinese mainland and Taiwan belong to one China."

In 1992, the mainland's Association for Relations Across the Taiwan Straits and Taiwan's Straits Exchange Foundation reached a common understanding that both sides of the Taiwan Straits adhere to the One-China Principle.

At its regular news conference on Friday, the Ministry of Foreign Affairs also reiterated that the Chinese mainland holds a consistent and clear position on the Taiwan Question.

Hong Lei, spokesman for the ministry, said, "We hope that the US will abide by the one-China policy and the three joint communiques between China and the US, and stay firmly against 'Taiwan independence', refrain from sending any wrong signals to 'Taiwan independence' forces, and make tangible efforts to support the peaceful development of the cross-Straits relations and the steady growth of China-US relations."

## BUSINESS

# Uber more than transportation to some

The popular car service is being used in odd ways as it faces investigation in China, **Fan feifei** reports.

**T**wenty-nine-year-old Momo Zhao of Beijing sat in a car with a driver she did not know. The driver, who worked for the Uber car service network, soon began to proselytize. "Girl, do you believe in Jesus?" said the driver. "Do you know Jesus?"

Gesturing to a wooden cross hanging on the rearview mirror, the Uber driver told Zhao she had landed in "a gospel car." That was not what Zhao expected when she launched the car-calling app moments earlier to summon the Audi A4 she now sat in.

"The driver was like an aunt and more than 60 years old. We chatted for a while and then she began to ask me these questions. I was very surprised."

Zhao's experience is but one example of how people are using Uber, a San Francisco-based technology startup that connects riders with vetted private drivers at a variety of prices.

In China, the car service is no longer exclusively to get would-be passengers from one part of town to the next. People are using it in all sorts of unconventional ways. Hop into a Uber vehicle and a rider may hear a driver push his or her religious beliefs or a realtor attempt to sell them a house.

An employer might use Uber to interview a potential new hire. And of course, sex somehow always manages to enter the picture. There are riders, for instance, who turn to Uber in their quest for sexual partners.

Uber customers are using the service much like China's smash-hit flirting app Momo, with its approximately 180 million users.

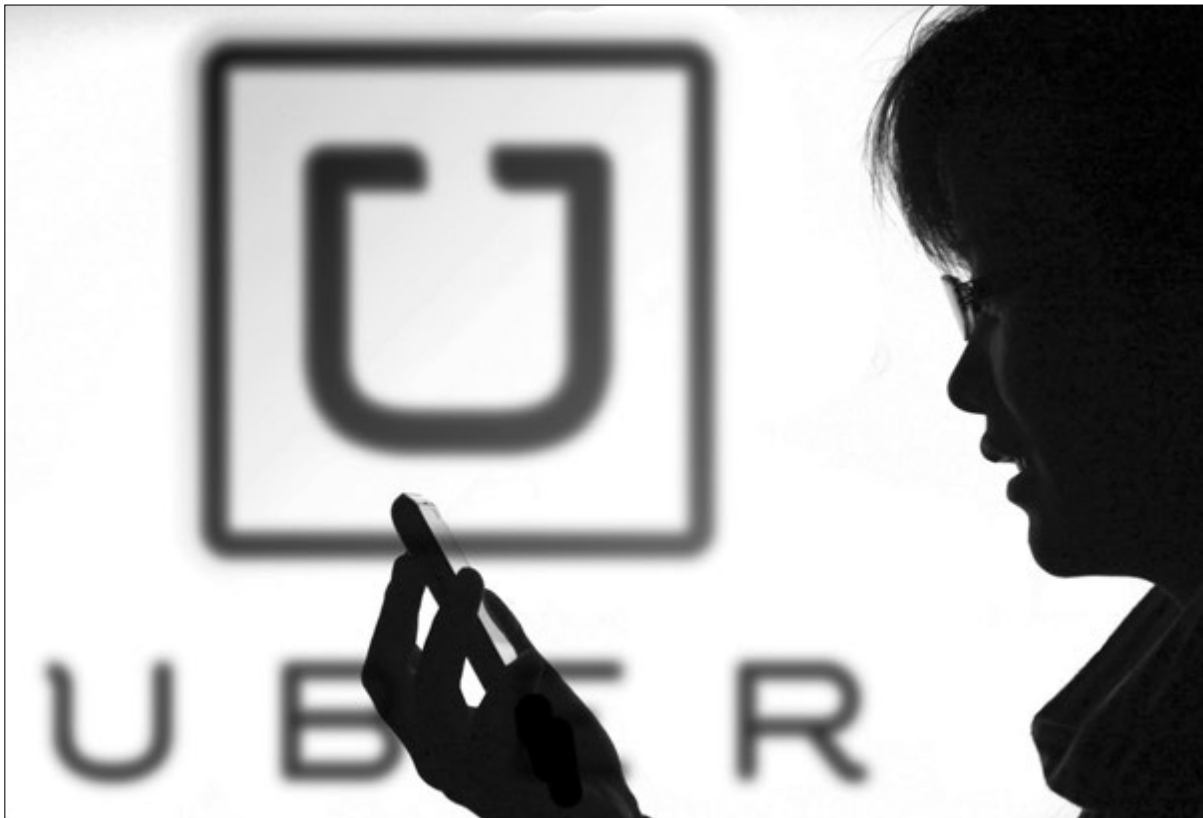
"Mr. Li", who owns two cars, became an Uber driver several months ago, and prefers to remain anonymous. He is the head of an Internet startup in Beijing. At about 12 pm, he drives to Zhongguancun, China's Silicon Valley, to pick up customers, most of whom are technicians working overtime. After he picked up six customers, he hired one of them for his company — as a technical director — following an interview in the car.

He boasts he also picks up beautiful girls at nightclubs on weekends, chatting with them and asking for their numbers.

Meanwhile in Shanghai, well-heeled women are applying to become Uber drivers in hopes of meeting their Mr Right.

This function has challenged app Momo, which allows users to connect with others based on their proximity to each other, the idea being that you can find people who are in the same pub, club and party.

Real estate companies have not been left behind in the Uber revolution. They also make use of Uber to sell houses. According to a report



Uber, a car service developed in San Francisco, is used in all sorts of unconventional ways in China, such as finding a date and buying a house. PROVIDED TO CHINA DAILY

## Company offers three levels of service to attract Chinese customers in tough market

Uber currently operates in about 300 cities in 57 countries. It entered the Chinese market in February 2014, and now operates in nine cities on the Chinese mainland: Beijing, Shanghai, Guangzhou, Chengdu, Chongqing, Hangzhou, Tianjin, Shenzhen and Wuhan.

In China, Uber offers multiple choices for customers. People's Uber, which was launched last October, is a nonprofit ride-sharing

service that pairs car owners with passengers. The only money exchanged is what the passenger pays the driver to cover the costs of the ride.

In addition to People's Uber, Uber offers other service levels. UberBlack gets a rider a premium car, such as the Audi A6, and UberX is for medium-level vehicles such as a Volkswagen Passat. These last two are provided by Uber, which has

signed a cooperation contract with leasing companies.

Without discounts, hiring an Uber car would cost considerably more than a regular taxi, but it is more comfortable. Its prices fluctuate with demand, especially during the rush hour in the central urban area.

To become an Uber driver in China is not difficult. The applicants need to own a local car license and a car that costs more than

100,000 yuan (\$16,119) and that has been used less than five years. He or she needs to watch an online instructional video and pass an exam.

Uber has grown fast in China, but it has stiff competition. Its two Chinese rivals, Kuaidi Dache and Didi Dache, merged into one company that has about a 90 percent share of the market.

— FAN FEIFEI

from Urban Express, a Hangzhou-based daily, a girl named "oyasumi" from Hangzhou, the capital city of Zhejiang province, bought a new house after talking with an Uber driver. She said on her WeChat, the online messaging application, that one morning she took a People's

Uber to go to work and then learned the driver was a senior manager of a real estate company. She happened to be looking to buy a house and the driver recommended a house and even gave her a big discount.

The report said this matter might be linked to Zhejiang-based Greentown, a property developer, which arranged for 52 of its senior manag-

ers to participate in a three-day Uber driving program to sell properties to people using the car service.

China is not alone in the unconventional use of Uber. In the United States, Uber is used as well for commercial, business and social contacts. In Silicon Valley, for instance, Uber provides a service that connects potential investors with entrepreneurs. When a would-be businessperson calls a car, a Google Ventures representative will be in the car. The driver, who is also the potential investor, will allow seven minutes for the "passenger" to make a pitch, and then spend seven minutes giving the person feedback.

Finally, the individual who just made the pitch will be driven home free of charge.

"As a startup, Uber's rapid expansion and huge amount of financing excite the nerves of entrepreneurs and investors endlessly," said Xu Kangming, a transportation expert. "Uber is a typical example of the 'sharing economy', which is booming around the world."

Xu added that based on his observation, the reason Uber can generate different kinds of services lies in putting users' experience first.

"Uber doesn't call itself a car-summoning company, but a technology company," Xu said.

Yu Shan, who became an Uber driver in Beijing three weeks ago, told China Daily: "Uber has powerful incentives for drivers compared with other car-calling providers. The driver can be awarded two to three times the money than he or she actually earned during peak hours. They can be awarded 7,000 yuan (\$1,128) at a time after having finished 70 deals each week."

He added: "I learned that drivers use Uber for different purposes, such as hiring employees and making friends, but the number is few. In my view, customers mainly choose Uber because its service is less expensive and it solves transpor-

tation problems."

Song Chunmei, 54, a doctor working at the central hospital in Yuncheng, Shanxi province, said it is acceptable that people use Uber for social contact purposes.

"If the customer does have a need to buy a house or to find a new job, and the Uber driver can offer them such opportunities, indeed, why not?"

She added that the activity is on a voluntary basis, providing much convenience and saving time and money for customers.

However, Uber's development in China isn't undisputed. In April and May, local authorities investigated Uber's Guangzhou and Chengdu offices, which were under suspicion of illegal operations, namely organizing private cars that did not possess the proper operating qualifications to be engaged in business activities.

On Jan 8, China's Ministry of Transport announced that every cab-hailing app company should abide by transportation market rules and ban private cars from operating on their platform, even though the ministry saw a "positive role" for apps that work with licensed operators in serving different transportation markets. But Uber's operation was not impacted much by the new regulations in China.

Uber's safety issue also has been of concern and its services have been banned in some other countries. India's telecom ministry on May 16 ordered network service providers to block car-calling app companies, including Uber and the domestic Ola Cabs.

Last December, an Indian woman accused an Uber driver of rape and then the New Delhi government decreed that Uber and its local competitors were forbidden to do business.

However, the prohibition were not effectively implemented, and these companies have continued to operate as usual, even launching a kind of new service, UberAuto, to call motorized rickshaws, a popular vehicle among the middle class in India.

Uber's service has once been warned or halted in the United Kingdom, South Korea, Spain and the Netherlands.

Zhang Rui, an economics professor and member of the China Marketing Association, said Uber's expansion in China and the whole world reflected the contradiction and conflict between Internet technology and traditional regulations, innovation and supervision. As for Uber, he said the government should make changes and focus on "how to regulate it".

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## INVESTMENT

# Maryland governor signs investment, education deals in China

By LI JING

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Maryland Governor Larry Hogan's first official visit to China concluded with an array of education and business agreements.

Joined by a delegation of Maryland business executives and higher education leaders, Hogan witnessed a ceremony consisting of eight signings with Chinese companies and educational institutions on June 2 in Beijing.

Among the partnerships, two iconic Maryland companies — Marriott International and global design firm RTKL — inked agreements with Chinese partners and continued to expand their global reach in the market. Two emerging Chinese companies — Shanghai Tongji Biological Product Co and Ankang Shimao Biotechnology Co — announced plans to set up United States operations in Maryland's International Incubator at the University of Maryland, College Park.

"Today's ceremony is just a symbol. But our trip here showed there's no relationship that could be possibly more important to us than our relationship with China," Hogan said.

He added: "We think the potential collaborations and opportunities for Chinese investors and companies in Maryland and for Maryland companies to do business in China are great. Innovation and entrepreneurship are what we are really focused on. We know we share some of the goal of encouraging more innovation and more entrepreneurship with China."

Hogan continued that he met on June 1 with Vice-Premier Liu Yandong and talked about how to encourage innovation and entrepreneurship and cultivate talents.

Maryland ranks in the top five among the 50 US states in the US Chamber of Commerce's 2014 State New Economy Index, including No 1 in the categories of innovation and entrepreneurship.

Hogan arrived in Beijing on June



Larry Hogan, Maryland Governor

1, after his visit to South Korea, the first stop of his three-nation tour in Asia in an effort to deliver the message that "Maryland is open for business" to one of the fastest-growing economic regions in the world.

Maryland has long maintained a strong presence in China, becoming the first US state in 1996 to open a trade and investment office in the nation — the Maryland China Center.

Hogan said China is already Maryland's second-largest trading partner and, "We'd like to make it No 1 in the near future."

China was Maryland's third-largest

export market in 2014, with \$714 million in Maryland goods shipped to the country, according to the Business and Economic Development Department.

But the trade relationship with China is lopsided, with the export of \$3.1 billion to the state last year. Like many states, Maryland is trying to court foreign businesses and investment to help grow its economy.

Life science and biotechnology are the major draws for Chinese investments, given that Maryland is home to one of the five largest biotechnology industry clusters in the world and is the site of the US Food and Drug Administration and National Institutes of Health, as well as The Johns Hopkins Hospital, a world leader.

"We are pleased to welcome two new Chinese companies to the Maryland International Incubator and help them connect with new opportunities in Maryland," said Hogan.

Kai Duh, director of the Maryland International Incubator, said, "These two Chinese companies plan to hire

students and engage in joint research projects with faculty members as an important component of their foreign direct investment. They bring with them internship and research opportunities for the university community in addition to the economic impacts on our great Maryland economy."

Wallace D. Loh, president of the University of Maryland, College Park, where the incubator is located, said the reason the Chinese companies have to come is that they also hope to open an office in the US some day and the starting point is to establish a small research operation as the first step.

"It is not just research with some students and professionals, but also to establish business connections to the US market," said Zhao Kuishan, president of Ankang Shimao Biotechnology Co, which is specialized in biotech anti-riot material. The company invested \$1.5 million in the project in Maryland, which is also its first foray into the US.

Wang Yunhua, president of Shanghai Tongji Biological Product Co, said his company invested \$3 million in the first phase of project and planned to add more as it entered the US market via the gateway of Maryland.

When asked about the security of the state and the recent unrest in Baltimore, Wang said he believed the state is very safe for investment as it is geographically very close to Washington, DC.

In addition to the business partnerships, the University of Maryland, Baltimore, signed an agreement with the Affiliated Hospitals of Qingdao University to explore scholarly and leadership exchange programs and also work together on a healthcare leadership-training program. The University of Maryland, College Park, signed academic partnerships with Beijing Municipal Education Commission and the Beijing University of Technology.

Hogan left China for Japan on June 3, the last stop of his 12-day trade mission to Asia.

## THE NOMADS' WAY



Kazakh eagle trainers prepare for a hunting trip with their eagles. PROVIDED TO CHINA DAILY

# HUNTING FOXES WITH EAGLES

A commonplace event in the kazakh communities in Xinjiang

By ERIK NILSSON in Ili, Xinjiang  
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**T**he eagle explodes into the fox, talons first, harpooning the canine's back.

There's the punch of impact, wallops of wings, then the crackling of the fox's spine.

The predator-vs-predator death match is over.

The prey lost.

The raptor has delivered its payload — two sets of barbed death-traps, jeering from its feet that clench into the fox's neck and its tail's base. The eagle then wrenches the canine's legs to scrunch its backbone backward into a U-shape.

Death from above is part of life on the ground in the Ili Kazak autonomous prefecture.

This is a commonplace event in the ethnically Kazakh swathes of the Xinjiang autonomous region, where nomads have hunted with golden eagles since time immemorial.

Techniques remain essentially unaltered.

Still, such scenes remind one of why many modern fighter jets and projectiles are named after eagles.

These real raptor rockets' launchpads are horseback nomads' forearms.

The bird-of-prey warheads blast off herders' leather gloves, whooshing over snowcaps, honing trajectories like homing missiles, zeroing in on one target.

Yet their precision is often less than surgical. Foxes lash frantic jaws at attackers.

It's hunter against hunter.

Then, the horseback herders gallop in to not only defend their "sons" (the eagles) but also to protect the precious pelts from being gashed in the tussles.

They tug the hysterical canines from the raptors' clutches to slaughter them as quickly and mercifully as possible.

Eagles eat the meat. Herders wear the hides.

Hasan Wormanbek's 4-year-old grandson's cap is fashioned from a fox's previous eagle caught.

Ili's Kazakh nomads don't eat or wear rabbits, since it's not halal, the 76-year-old explains. They feed them to the birds.

Rabbits are faster than foxes. Or wolves.

Two eagles working together can slay a wolf, Wormanbek says.

Wolves are up to six times heavier than golden eagles. And they also thrash and gnash when clutched.

"Hunting with eagles is a science," says Wormanbek, a *burkitshi* (Kazakh for a person who hunts with eagles).

"You must follow nature."

He has raised four birds of prey since 1976, when his father passed the tradition down to him. He has since taught his son.

"Eagles and trainers form bonds," Wormanbek says.

"My eagle flies around me when I'm herding on the grassland. He always comes back."

Owning golden eagles is illegal, but ethnic Kazakhs are exempt. The hunting tradition has been sustained for all of recorded history and remains entrenched in their cultural identity.

They must register each captive bird with the government.

They don't breed them. Rather, they hunt the eagles they in turn hunt with.

Xinjiang's Kazakh nomads most often take eaglets from nests.

"I know every nest on the mountain," Wormanbek says.

That's how he got his current raptor.



ERIK NILSSON / CHINA DAILY

**“The fun isn't in the killing but in watching the birds diving, tackling and wrestling prey.”**

Hasan Wormanbek

Otherwise, nomads bait them with meat and nab them with nets. Or they find eagles gobbling carrion and wait until the birds overindulge. Bloated raptors are too sluggish to escape after excessive gluttony.

Golden eagles gulp about 2 kilograms of meat a day.

"Some herdsman don't want to raise them because it's expensive," Wormanbek says.

Meat means money in nomadic communities, where livestock is the primary currency.

The birds molt from May to September and need more nutrition to grow thicker and longer feathers in autumn.

Wormanbek's current eagle is nearly a year old. The birds live 11 years on average.

That said, elderly eagles are typically set free to live out their last days in the wild. It's like retirement.

Incompetent predators are laid off early.

"Some are born hunters. Others just steal their prey," Wormanbek says.

His yearling hasn't yet had the chance to prove itself.

The season for hunting with eagles starts in September, when snow makes tracks conspicuous.

"The fun isn't in the killing but in watching the birds diving, tackling and wrestling prey."

There are more than 100 *burkitshi* in Sarkuobu village.

"Some of the old-timers have died. But even more youth are taking up the tradition," Wormanbek says.

It's a rare example of an ancient custom that's flourishing, rather than evaporating, in contemporary times.

Tourism helps rejuvenate *burkitshi*, he says, but remains an anemically nascent industry in Zhaosu county.

Wormanbek joins a team of eagle hunters during the county's Heavenly Horse International Tourism Festival to display the tradition for tourists.

They perform for free.

About 8,000 visitors attended last year. There isn't much else to Zhaosu's tourism beyond the festival — yet. The concept of it as an industry only arrived two years ago.

"Tourists like larger eagles. But they often aren't the best hunters," Wormanbek says.

"Bigger isn't better. The grander-seeming birds are often clumsier."

But Zhaosu's tiny tourism industry is far from the main motivator.

"Some people in their 80s do it to stay healthy ... It's a true sport. It's like going to the gym for me. I'm old but in great shape."

Most local *burkitshi* head for the mountains before sunrise and return around 10 to tend to their livestock.

Wormanbek says coaching relies on rewards without punishments.

"Fear training doesn't work," he says.

"You have to be kind to them."

He says birds won't eat from trainers' hands at first.

"You must build trust," he says.

Nomads initially skewer meat on sticks and patiently wait until the birds' hunger overcomes their apprehensions — until their stomachs trump their brains.

It's a battle for the mind.

"Gradually, they'll feel comfortable eating from your hand," Wormanbek says.

The process takes about a month.

"At first you must raise your arm about a meter above your head and it'll perch on your falconry glove," he said.

The birds later learn to respond to calls.

Eagles also join household dinners during the training.

"He's a family member, too," Wormanbek says.

To train eagles to perch on people's arms on horseback, Ili's *Kazakh burkitshi* place them on a swinging rope to learn balance. They awake

the raptors if they doze off during these rock-a-bye-birdie sessions.

Nomads prop up the arms upon which they carry the birds on horseback with a Y-shaped crutch.

Kills drills come after intimacy is established with the *burkitshi*.

Wormanbek explains this while stroking the cloth fox decoy he sewed to drag behind horses with a noose of meat dangling from its mouth for eagles to practice plunging on.

The irony of his gentle petting of the teddy-like animal, with button eyes and a real foxtail (provided by his previous eagle), while describing how the gaming birds kill them, seems lost on him.

As he strokes the cuddly creature, he describes how an eagle's blinders are its detonation device.

"The eagle is constantly on high alert without its mask. It's exhausting for the bird," Wormanbek says.

Once it's off, it immediately scans for predators and prey.

Before a hunt, nomads whet the birds' appetites with a chunk of meat from which the blood is washed until it's white.

"It wants blood," Wormanbek says.

Catching an animal satiates its hunting instinct inflamed by the pallid meat, he says.

Wormanbek says training eagles in turn physically and mentally trains the *burkitshi*.

"Eagles are smart and tough but also sensitive," Wormanbek says.

"They're disappointed if they don't catch anything. When they feel like this, you should pet and hug them and offer soothing words. They don't like anything gruff."

Wormanbek says he was brusque until he became a *burkitshi*.

"Once I started training eagles, they in turn, trained me," Wormanbek says.

"They taught me patience and serenity."

Cui Jia contributed to this story.



From left: The landscape of Zhaosu grassland and Tianshan Mountain. PHOTOS PROVIDED TO CHINA DAILY



## 6 HONG KONG

FINANCE

## Not in with the crowd

Crowdfunding platforms may be all the rage in the West but Hong Kong has yet to offer an attractive playing field for local hopefuls.

Luo Weiteng reports.

There is certainly strength in numbers.

As the newest growth driver in the global crowdfunding industry, equity crowdfunding volume ballooned to \$1.1 billion last year — an eye-popping 182 percent jump from 2013 and marking a banner year of growth.

But despite the hype, the past few years have seen Hong Kong newcomers struggle to fit into the global equity crowdfunding scene — which embodies a new way for startups to finance their growth — with the rollout of a handful of platforms.

At least four local equity crowdfunding websites are known to be operating amid the burgeoning local crowdfunding scene, but official figures are unavailable.

Having struggled to survive and thrive for two to three years, Fund2.Me and Colony88, two of the four headline-making local equity crowdfunding sites, ended up having to close down.

Regular reward-based crowdfunding, the variety made popular by global crowdfunding sites Kickstarter and Indiegogo, has made its mark as a fundraising channel for charitable causes, creative projects, and consumer-oriented technology products.

By contrast, equity crowdfunding offers investors a piece of the company and hopefully a return on their investment.

Appedu (Holding) Ltd, an e-learning platform for students to link up with tutors for one-on-one instant online classes, was among the first batch of startups in the territory to turn to equity crowdfunding for sourcing capital.

However, its campaign to find shareholders on Fund2.Me turned out to be a failure, with the company only managing to raise 10 percent of its targeted \$1.5 million.

#### Shaky footing

Appedu founder Timothy Yu Yau-him decided against another attempt at an equity campaign, choosing rather to fall back on the traditional fundraising channel of angel investors.

Yu pointed out that equity crowdfunding, a feasible route to capital though it may be for other startups, has proved to be a less than sensible choice for software-oriented newcomers like Appedu.

While selling off company shares to investors under equity crowdfunding, the startups also give out some of their directorship positions. Yet, the nature of crowdfunding is such that investors usually come in large numbers with relatively tiny investment size, which means startups have to report to a crowd of shareholders and it can really amount to a lot of work, said Yu.

What startups would prefer, said Yu, is a handful of shareholders who invest in tidy sums, which is something that traditional fundraising channels rather than equity crowdfunding can offer.

Still, it may be too early to argue over how well equity crowdfunding could work for the city's young firms.

"So far, crowdfunding is a new thing in Hong Kong, not to mention equity crowdfunding, which seems an even more distant proposition for the territory," observed Jackie Lam, director of Bigcolors.

Once among the aforementioned attention-grabbing equity crowdfunding platforms in Hong Kong, Bigcolors has adjusted its business model since its 2013 launch, repositioning itself as a startup fund.

Lam said this is not because Bigcolors is bearish on the city's outlook for equity crowdfunding. It is just that the resources at hand make Bigcolors more suited to becoming a startup fund.

The high-flying world of investment

will certainly embrace the exciting projection from crowdfunding advisory firm Massolution that equity crowdfunding may grow at a compound annual rate of 114 percent over the next few years.

Yet, Hong Kong appears ill-equipped to jump on the bandwagon.

"Without a handful of successful startups, a bunch of professional angel investors with exit (strategy) experience, venture capitals with a clear vision and track record, and a culture that encourages and praises people who choose to explore a path on their own, currently I cannot see market opportunities in the city for equity crowdfunding," said angel investor Kyle Lam Ching-hao, CEO of Big Bloom Investment.

Lam believes the local startup ecosystem is not mature enough for equity crowdfunding to catch on in the city, where investors are unfamiliar with startups and generally conservative, and would rather put money into more stable investment like stocks and property.

Also, compared with foreign equity crowdfunding platforms like the US-based AngelList, what local sites lack are syndicates, or professional investors forming a mini fund with a track record for people to conduct due diligence.

"The big picture is that it is hard for local sites to work, even if they are on the same competency level as, or even better than, their foreign counterparts," Lam said.

The local legal environment stands as another hurdle, with not many investors getting admission tickets to the game.

Under Hong Kong's regulatory framework, only professional investors with at least \$1 million to chip in can participate in campaigns for equity crowdfunding.

Moreover, such sites need to be accredited after meeting a long list of criteria, and must also be licensed by the Securities and Futures Commission (SFC).

And the hard fact is there are no specific regulations or guidelines on equity crowdfunding adopted by the SFC that lawyers can refer to, said Simon Deane, partner for finance and insolvency at Hong Kong's oldest and largest independent commercial law firm, Deacons.

Deane recalled that several clients, including one from the Chinese mainland, wanting to launch crowdfunding platforms in Hong Kong came to him for legal advice.

All of them, who could hardly believe that starting a crowdfunding platform in global business hub Hong Kong could be so difficult and the procedure so unclear, ended up being scared away by the stringent regulations, said Deane.

"We don't think the SFC has granted approval to a collective investment scheme involving crowdfunding yet," he said.



US-based platforms such as Kickstarter (left) and Indiegogo have popularized the reward-based variety of crowdfunding. PHOTO PROVIDED TO CHINA DAILY

#### Rules to follow

Although rules around equity crowdfunding are still being hammered out across the globe, the game was or is being made possible in many countries including the US and UK, and even the Chinese mainland.

The US Congress promulgated in 2012 the "Jumpstart Our Business Startups Act" to allow small enterprises to raise funds from general investors, while the amendment rules relating to equity crowdfunding in the UK came into force last year, allowing companies to raise funds from retail investors.

And on the mainland, at this year's National People's Congress annual meeting in March, the central government proposed the legalizing and regulating of equity crowdfunding.

Helen Fok ka-man, counsel at the global law firm Clifford Chance, told China Daily it may be more appropriate to regulate equity crowdfunding using the existing regulatory framework, rather than creating new ones.

As an alternative to equity crowdfunding, what the government can consider to encourage startups is to relax the relevant licensing restrictions and allow licensed venture-capital fund managers to market investments opportunities in startups to certain

high net-worth or sophisticated investors, noted Fok. In her view, there is no real shortage of capital available for investment, whereas very often the problem is the lack of expert intermediation between sources of capital, and the huge variety of potential startups.

The gloomy landscape has made the founders of some local sites feel that crowdfunding in the city is mainly confined to public welfare and creative projects.

Yet, Jackie Lam from Bigcolors believes equity crowdfunding is a need-to-have for Hong Kong, even though it really needs some "fine tuning" along the way, setting clear guidelines for interested parties, promoting investment education and creating an environment conducive to startups.

As a world-renowned financial center, Hong Kong has what it takes to spark a boom for equity crowdfunding, Lam noted. "Otherwise, promising companies lacking financial income streams may vote with their feet and migrate to Silicon Valley, Singapore or some other community that provides necessary tools for startups to be financed and thrive," she said.

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## Seeds of success

By LUO WEITENG  
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While seed money may remain a headache for many entrepreneurs in Hong Kong, there is no dearth of runaway successes among the city's crowdfunding community.

Ambi Labs is a Hong Kong-based startup whose flagship product is Ambi Climate, a connected device that automatically controls one's home air conditioner. It secured \$115,000 over one-and-a-half months last year through online funding from 749 backers, in Hong Kong and from abroad.

Julian Lee Shang-hsin, co-founder and CEO of Ambi Labs, thanked funders on the popular US-based crowdfunding website Kickstarter for helping them reach almost five times their target funding goal of \$25,000.

But it had not been smooth sailing at first. Lee's fundraising campaign had a bumpy start as it barely made 34 percent of its targeted \$40,000 at close on Singapore-based crowdfunding website Crowdfunder. But it bounced back on its second attempt, this time on Kickstarter.

Hardware startups like Ambi Labs require a lot of upfront investment. Crowdfunding therefore is a great way to pre-sell products while continuing development and production.

The concept for crowdfunding is simple — supporters chip in to help get a cash-starved project off the ground, with the promise of incentives.

But crowdfunding is not a cakewalk and young firms cannot expect that as long as their projects are promising, all they need do is post the details online and wait for the money to pour into their accounts, cautioned Lee.

Lee said their triumph was hard-won, as they shelled out \$5,000 on the first promotional video clip for Crowdfunder, and as much as \$10,000 for the one on Kickstarter.

Lee believes crowdfunding is more than a fundraising channel. It also marries innovation and public engagement.

Hence the obvious importance of revising the projects or products based on feedback from backers to make them feel involved and intrinsically rewarded, Lee said.

But Lee's is not the only success story scripted by crowdfunding sites like Kickstarter.

According to US research firm Massolution, the global crowdfunding industry expanded by 167 percent last year to raise \$16.2 billion. In 2015, the industry is set to more than double once again, as it appears poised to raise \$34.4 billion.

The exponential growth in 2014 was due in part to the rise of Asia as the second-biggest crowdfunding region, where volumes grew by 320 percent to \$3.4 billion raised.

Yet, it may be too soon

to rejoice at the astounding growth, as in comparison to Europe and North America, crowdfunding in Asia still appears to have a long way to go and even industry insiders do not know when it is really going to take off.

After looking at a set of Asia-based crowdfunding sites, Lee placed Ambi's bet the second time around on Kickstarter, a globally positioned platform. The general concept of crowdfunding, he feels, has yet to take shape in Asia, where a supportive community of likeminded individuals keen on the idea of crowdfunding and willing to reach into their pockets has yet to be set up.

That was also the reason why Ambi Labs did not take local crowdfunding platforms into serious consideration.

Global platforms including Kickstarter and Indiegogo certainly cannot have the field all to themselves. Projects without strong global appeal will very likely be shut out on the popular global crowdfunding sites. And some global platforms like Kickstarter have not opened the door to foreign startups, noted Timothy Yu Yau-him, founder of online tutoring startup Appedu.

"Only US passport holders are eligible to raise funds on Kickstarter, which means we have to bring in a US partner if we want to launch a crowdfunding campaign on it," said Yu.

His startup finally decided to kick off its equity campaign at the local equity crowdfunding site Fund2.Me, which was somehow in tune with the nature of Appedu as a local-oriented startup.

However, the problem is that when it comes to crowdfunding, what spring to people's minds are very often some global big names, making it quite hard for Asia-based sites to make a difference, said Jackie Lam, director of local equity crowdfunding website Bigcolors.

Lee noted a possible way forward for Asia-based crowdfunding sites could be establishing a regional presence with a focus on multiple markets.

Most global crowdfunding giants usually zero in on English-speaking markets in the Western hemisphere despite the fact that the Asian market as a whole has long stood as a lucrative and tempting option, said Lee, who believes this is where Asia-based crowdfunding platforms could come in.

Foreign crowdfunding sites may need time to fight their way into the culturally and linguistically diverse Asian market, which gives Asia-based crowdfunding sites some first-mover advantages, he added.

For Hong Kong, the crowdfunding story so far is all about investment education before delving into how to polish one's brand as a regional crowdfunding hub, said Lam.



# SHANGHAI

## POLICY

# Shanghai to attract foreign experts

Work and visa restrictions are loosened to allow more expats to settle in the city and offer their talents and expertise

By YURAN in Shanghai  
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Attracting creative talents from abroad to form an innovative friendly atmosphere in Shanghai is the main focus of a newly released proposal to transform the city into a global technological innovation center. The proposal puts forth 22 measures.

Beneficial policies including providing permanent residential permits for high-level overseas passport holders and giving subsidies to high-tech professionals have been carried out to open Shanghai's door wider to the world.

"Shanghai will be the pioneer to have a breakthrough in implementing more open and effective policies to recruit more talents from abroad and offer them with a more convenient life here," said Zhou Haiyang, director of Shanghai Municipal Human Resources and Social Security Bureau. Zhou added that the detailed rules and conditions of the measures on how to attract talents from all over the world would be released within this year.

The high-level talents who have permanent jobs in Shanghai will get the privilege of obtaining the foreign expert permit within two to five years (previously seven years) and



Shanghai Green Valley Pharmaceutical Co Ltd that relies on its research team will be benefited with the looser policy on foreign talent recruitment by attracting more experts from abroad. PROVIDED TO CHINA DAILY

will see loosened restrictions on age from 60 to 70 years old. The requirement for technology and innovation talents will be lowered to have a more comprehensive system of permanent residential permit, with a valid period of up to 10 years (previously five years), according to the detailed measures issued in early June.

The looser policy to welcome more high-tech expats to work and settle down in the city will directly affect those companies relying on recruitments of foreign talents.

"It is great news for our company, to hire foreign or overseas-returned experts regularly, which will help us focus on learning the advanced technology from the Western countries and creating our own medical products for patients," said Lyu Songtao, chairman of Shanghai Green Valley Pharmaceutical Co Ltd, which has its research team of mostly overseas returnees.

The city will also loosen employment policies for overseas candidates and give international students the chance

to work in the expanded China (Shanghai) Pilot Free Trade Zone as a trial.

"With the rise of international universities such as New York University Shanghai, more international students are willing to work in Shanghai," said Xiao Lin, director of Shanghai Municipal People's Government Development Research Center.

New York University Shanghai recruited its first 300 students with half of them being international students. The current number of

international students at the school is in the hundreds but is expected to peak at 1,000 by 2020. According to the Shanghai Municipal Education Commission, there were more than 53,800 international students studying in Shanghai in 2013, 30 percent more than in 2010.

"I chose NYU Shanghai as I wanted to get away from my own country and explore a totally different culture to challenge myself before turning 18. I learned how to be a leader and communicate with people from different cultural backgrounds here," said Haider Ali, a freshman from Pakistan who spent one year studying in Germany before applying to NYU Shanghai.

It used to be impossible for newly graduated foreign students to work in China. According to the regulations of the Bureau of Exit and Entry Administration of the Ministry of Public Security, foreigners with at least two years of work experience aged between 24 and 60 are able to apply for a work permit in China.

"I am looking forward to graduate in three years and found my own company here in Shanghai, which seems to be a more friendly city for foreign students to start up businesses offering greater support," said Ali.

## EDUCATION

# International school curriculum promotes volunteerism among Shanghai studnets

By WANG HONGYI in Shanghai  
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The increasingly popular international curriculum in Shanghai's schools is expected to encourage more students to participate in social services and volunteer work, which has long been lacking in the country's education system.

Last year, Shanghai education authorities announced the implementation of an international curriculum on a trial basis at 21 high schools — 11 public and 10 private. The schools offer 18 levels of international courses, such as A-level (General Certificate of Education Advanced Level), AP (Advanced Placement) and IBDP (International Baccalaureate Diploma Program).

Officials said the introduction

of international curriculum would help diversify the school syllabus, meeting the various needs of students, but also help further education reform and improve the city's education level.

"One part of the international curriculum is the requirement of students' participation in social service projects. It's an important factor for overseas colleges to evaluate a student's social responsibility awareness and commitment to society, but these are often ignored by Chinese schools," said Li Xia, a staff member with the Canada-based social enterprise Me To We.

Me To We offers socially conscious and environmentally friendly products and life-changing experiences to young people. Its public service platform We365 encourages students to take daily positive

actions to make themselves, community, and the world better. It helps students build their social portfolios for school and work resumes, and watch their impact grow by tracking their volunteer hours.

Me To We recently announced the launch of the AP/We365 comprehensive service program by working with the American College Board, a non-profit organization working to expand access to higher education.

Each year, the College Board helps more than 7 million students prepare for a successful transition to college through programs and services in college readiness and college success — including the SAT and the Advanced Placement Program.

The public service projects

will benefit more Chinese students as the international curriculum becomes more popular in the country, said Annie Zhang, head of Me To We China.

"It's not just a charity work. These public service programs help us discover our potential and ability to change ourselves and the world," said Wu Ji, an 11th-grade student from Shanghai World Foreign Language Middle School. He participated in some service projects in Hebei and Fujian provinces organized by We365, helping local people.

"It's a big progress for We365 to be covered into AP program. I think meaningful volunteer work and charity programs will have more significant impact on a person than the knowledge learned from textbooks," he said.

On the Chinese mainland, the concept of volunteerism and charity has long been absent from the education system where academic performance often takes top priority. The situation has begun to change in recent years as the country's education authorities have said the volunteer work should be integrated into school education, and students' social service record should work as a reference for entering colleges.

"I'd like to encourage my son to participate in more volunteer work. I think it will help children to see more and learn more, not just limited to textbooks. These service projects help young people increase their problem-solving abilities, and keep being connected to the society," said Zhong Dandan, a mother of a high school student.

## VIEW

# College students should take stock

By LIYANG in Beijing  
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Thirty-one percent of college students open stock market accounts and 26 percent of them invest more than 50,000 yuan (\$8,300), according to a survey by Xinhua News Agency, which also found that many of those students view the market as gambling.

In the past two months, the stock market in China has skyrocketed from below 2,000 to more than 5,000 points. College students are surely among the new investors.

According to Xinhua, those college students think China's stock market is a risky gamble, but believe the government will control the risks even if there are obvious bubbles.

Some of those students stare at their smartphone screens during classes to follow the changes in the market. And while they have the right to invest in the market with the approval of their parents, the

focus should be on their studies, their main job on campus.

Since late last year, the government has advocated that college students create their own business and become self-employed, an attempt to ease the job market pressure brought by the economic slowdown. The education authority even allows students to suspend their education to start their own business.

The "new normal" (slower and sustainable growth) of the Chinese economy has a direct influence on the mentality of the students. Given the exorbitant housing prices and the difficulty in finding a job, it is natural that their attention is diverted from classes to the speculative opportunities in the stock market.

Instead of excessively emphasizing the importance of innovation and self-made business heroes to the nation, the authority needs to first of all reform the higher education system to produce the graduates needed for the transforming economy

in the country.

After the financial crisis happened in 2008, there was a strong voice urging the country to learn from Germany and focus on the research and development of manufacturing sectors. At that time, the authority called for producing more engineers and technicians.

Yet, the success of some e-commerce giants in China after 2008 makes the Internet an inspiration for the authority while looking for solutions to upgrade the country's huge manufacturing industries. The Internet talents are more likely to create their own business, as the government advocates, than technicians or engineers.

It is worrisome that the Internet bubble in China makes many young people equate creating one's business with opening an online shop.

They do not see how the legendary businessmen of the Silicon Valley achieved their success, and the solid technological foundation of Germany's

Industry 4.0 strategy.

Besides, the job-hunting and employment process for working as civil servants or in State-owned enterprises need to be more transparent and fair. If the government wants to turn China into an innovative country, the authority needs to create an environment that makes the students more focused on learning knowledge than making money.

The widening income gap in Chinese society is also an important issue aggravating young people's longing for quick success. When they cannot see clearly a predictable future of climbing social ladders through their own efforts, they will grab every opportunity for quick success, which is to a large extent defined by the possession and accumulation of material wealth and power.

The tax system and power supervision in China are far from the requirements of effectively adjusting national wealth distribution to avoid power abuses. Living in such

an environment, it is very difficult for young people to develop rational views on the responsibilities and social obligations behind money and power.

The speculators' gain from the abnormal sharp rise of housing prices and stock market poses a sharp contrast to low wages of honest workers. This is a direct reflection of the distortion of Chinese economy, and in these circumstances, few people would believe in diligence and intelligence.

The Chinese stock market and the financial sectors, because of their immaturity and loopholes, have not effectively fulfilled their duties of supporting the development of real economy, but become a hotbed for people dreaming of reaping without plowing.

It is good for the young people to know macro-economy and the operation of financial sectors through investing in a healthy stock market. But an ill market only transforms them from a learner to a gambler.

## LIFE

# Competition draws many to Shanghai

By LIXUEQING in Shanghai  
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Competitors hoping for glory in the fifth annual Shanghai City Orienteering Challenge combed the city for clues on June 6. People sprinted through city streets and landmarks, climbed walls and even practiced Kung Fu as part of the competition.

Nearly 11,000 people participated in the competition, including 100 individuals from abroad. They formed teams of five people and competed along 24 routes of different themes, such as arts and culture, sports, ecology and cool styling.

To finish the game, the competitors had to find out all the coordinates on their routes. Instructions to the next coordinate were sent to their smartphones only after their team fulfilled the task on the previous one. The team that used the least amount of time on each route won.

"It's a very hot day, but it was so much fun," said Donald Forst from Chicago, adding that running on a sunny day with the temperature hitting 30 degrees Celsius was a great challenge.

His team "Shanghai hikers" finished the No 17 route in 3 hours and 3 minutes. It covered a length of about 30 kilometers with eight coordinates, some of which are even new to the Chinese. Each coordinate was about 1 to 3 kilometers from a metro station. Forst ran and walked over 11 kilometers. After the fourth coordinate, he felt dehydrated.

The No 17 route was specially designed for foreigners. Each of the 60 teams signed up for it had at least one member from places other than the Chinese mainland.

Traditional Chinese elements, such as lantern riddle-solving and paper crane folding were included. That was where Forst, the fastest runner in his team, ran into problem.

At Shanghai Circus World — the fifth coordinate — his team was required to fold five paper cranes, one crane for each member.

"The most difficult part was the paper folding, of course. It's beyond my skills," he said.

Orienteering originated from military training in Sweden in the late 19th Century. It requires the competitors to navigate in the wilderness with a map and a compass.

The orienteering challenge, which allowed the competitors to take public transport



**Even Shanghai natives couldn't possibly say they know every corner of the city. The competition gives them a chance to explore the city."**

Xu Chao, the organizer of the competition

and turn to their smartphones for help, was easier to finish but difficult to win.

The reliability of navigating smartphone applications and competitor's ability to use them well was instrumental. Forst's team got off the subway two stops earlier. This cost them four extra minutes to wait for the next train.

Backups ready at home were indispensable, too. At the third coordinate, the team was required to upload to WeChat Moments — a popular Chinese social networking platform — a photo of one member practicing Kung Fu. The team can't get proceed until the photo receives 10 likes.

The winning team of No 17 route was "We love hiking", which finished the competition in 2 hours and 27 minutes. It was less than 3 minutes faster than the runner-up team "We run slowly and slowly". They got stuck at the paper crane, too, but were able to win by running faster than others, said Felipe Leefu Huang Lin of Brazil.

The annual city orienteering competition was initiated in Shanghai in 2011. There was only one route that year. Seventy teams and 350 people participated.

"People tend to stick to certain areas. Even Shanghai natives couldn't possibly say they know every corner of the city. The competition gives them a chance to explore the city," said Xu Chao, the organizer of the competition.

Most of the competitors fall into the age group of 20 to 40, he said. "They want to have more exercise but couldn't find proper venues or don't know which exercises suit them. City orienteering, whose doorsill is low, gets them outdoors and enjoy sports with others."



Participants get ready for the fifth annual Shanghai City Orienteering Challenge. PHOTOS PROVIDED TO CHINA DAILY



## HEALTH

# More Chinese seek medical treatment abroad

People willing to pay more cite better medical facilities and services among the reasons they engage in medical tourism

By WANG YING in Shanghai  
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After spending about two months in California receiving medical treatment and recovering, 64-year-old Wu Ming finally bounced back to health, something he had lost for two years.

Wu started to feel physical discomfort in 2012, but an examination in a local hospital in Shanghai showed nothing abnormal. It wasn't until September 2013 that he was diagnosed with late-stage prostate cancer.

Learning that traditional treatment would do little to the disease, Wu turned to Shanghai-based MEGA Healthcare in September 2014, and two months later received a particle therapy treatment in the US.

Founded in March 2013, MEGA Healthcare helps people receive medical treatment overseas. Across China, the number of such agencies is nearly 30.

Wu is but one of an increasing number of Chinese willing to pay more for overseas healthcare and treatment. The number of people going abroad for medical treatment has doubled to 40 million in six years since 2006, and in 2013, their total spending reached \$438.6 billion, contributing 14 percent of the global tourism industry, according to Xinhuanet.com, citing a survey released by the Stanford Research Institute.

Chinese visits to South Korea for medical treatment soared nearly 17 times to 79,481 in five years from 2009 to 2014, the Chinese version of South Korean AJU Business Daily reported.

Chinese patients spent a total of 140.3 billion won (\$126.6 million) of South Korea in 2014, ranking the first of all foreign patients, followed by those from Russia, the US and the United Arab Emirates.

## A growing trend

Take South Korea for example, Chinese people are a major force in the medical tourism business.



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**The feeling of getting a one-on-one health service is so good, and the doctor patiently asked many questions and provided quite a few advice for a healthy diet.”**

Chen Jiaye, a 36-year-old who spent around 20,000 yuan for a physical examination in Los Angeles last year

Wang Ting has taken vaccines every year since 2010 in Hong Kong to prevent cervical cancer.

“I learned this vaccine will be most effective if it is taken at age 26, but it is only available in Hong Kong or Taiwan in China,” said the 31-year-old magazine editor.

“I arranged a membership medical examination for my father in April in Japan. I think the service from professional doctors is worth the high cost,” said 32-year-old Tian Yuxin.

Tian herself also plans to have a physical exam in Japan in August.

So far, there is no official statistics indicating how many Chinese people go overseas for healthcare service, but it's true that quite a few foreign medical facilities are extending their business to the Chinese market.

Chen Jiaye and her family went to the US for a one-month visiting tour last year, and she spent around 20,000 yuan

(\$3,227) for a physical examination in Los Angeles.

“The feeling of getting a one-on-one health service is so good, and the doctor patiently asked many questions and provided quite a few advice for a healthy diet,” said 36-year-old Chen, who is considering doing regular health checks abroad in the future.

## Demand for better treatment

At least 3,000 people went to the US for medical reasons from Shanghai Customs alone in 2013, according to Fan Tailai, general manager of MEGA Healthcare.

“The actual number should be more than that. As new visas are valid for 10 years, people can go on a medical tour even if their visas are for pure travel or visiting reasons,” Fan said.

Average cost for getting medical treatment in the US is about \$150,000, and most of the Chinese patients come from major cities such as Beijing and

Shanghai.

“There are only three or four agencies offering similar services when we established the company in China, and we had only several customers (who went to the US for treatment) in the first year,” said Guo Liang, executive director and co-founder of MEGA Healthcare.

The doctor-turned-entrepreneur said he and his family members had similar terrible experience in crowded Chinese hospitals as many other Chinese people.

“My experience of being a doctor let me understand their high pressure of seeing dozens of patients every day, but at the same time, I also see a rising demand for a better treatment environment for patients,” said Guo.

This is the reason why he and his partners decided to open such a medical service agency for Chinese people.

## Big difference overseas

“I used to think every

hospital is the same — noisy, crowded, and you have to take off your pants in front of everybody in the room when you are given an injection,” said Cai Qiang, founder and president of Beijing Saint Lucia Hospital Management Consulting Co.

“But when I moved to Australia, I saw a completely different scene in the hospital — the building looked like a star hotel, and there were special rooms for the doctor and the patient to use when taking an examination. When my wife gave birth to our baby, the doctor even prepared a camera for us,” Cai said.

Cai said he was shocked by the stark contrast and decided to go back to China in 2009 to help Chinese people receive overseas medical treatment.

In 2011, Saint Lucia became the nation's first provider of overseas medical care, and it is now the largest in this area with nearly 1,000 clients receiving either a long-distance medical consultation or medical

treatment overseas.

In 2014, Saint Lucia received more than 10 million yuan investment from Sequoia Capital, an American venture capital firm located in Menlo Park, California.

Now more and more Chinese people realize there is an alternative solution to get cured, and the industry is recognized as high potential.

“Although this is a niche market, I believe it will grow rapidly in the coming years,” said Guo.

Cai Jiangnan, director of center for healthcare management and policy with China Europe International Business School (CEIBS), said well-moneyed professionals or entrepreneurs go for overseas healthcare services for three reasons — better medical environment and service, state-of-art technology and the latest medicine that is not yet available in China.

Yu Ran in Shanghai contributed to the story.

# Physicians to receive hospital shares as payment

By WANG HONGYI and WANG YING  
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Shanghai International Medical Center recently announced a new system that will allow experienced physicians to offer their skills for shares in the hospital, the latest move by the city to test medical reform and meet growing diversified medical needs.

“The new mode, which has already been very common in developed countries, is still fresh in China,” said Zhang Chengyu, president of the medical center. “Under the new mode, physicians will become shareholders, and our center will provide a wider development platform for physicians' career path development and economic achievements.”

The medical center, a private hospital, officially opened in March 2014, is located in the Pudong International Medical Zone, one of the city's two medical zones where private and joint-venture hospitals offer high-end medical and healthcare services.

The medical center is seen as an experimental plot for the city to deepen its medical reform through exploring more innovative ways in operation and management that differ from most traditional public hospitals.

For example, the center

now is testing the city's reform scheme allowing physicians to practice medicine in more than one medical facility. So far, more than 100 top doctors from the city's leading public hospitals have been working at Shanghai International Medical Center, which provides a comfortable environment and better service for patients that are absent from traditional hospitals.

It has always been a headache for most Chinese patients to see a doctor in Chinese public hospitals that are often crowded every day. Patients have to wait for several hours to see a doctor but the communication with the doctor is brief. For patients who want to see top doctors, they have to make an appointment far in advance, some even up to half a year.

“The medical service time for each patient in our center is at least 20 minutes, which allows patients to have more communication with doctors. This is very hard to achieve in most public hospitals,” Zhang said.

The center recently introduced a new service to narrow patient's waiting time for surgery. Patients can send their medical treatment records and related test reports to the center via Internet, and they can book a surgical operation as soon as they meet surgery requirements.

In recent years, China's authorities have begun to encourage more social capital



The Shanghai Proton and Heavy Ion Center received 1,454 on the spot enquiries from May 11 to May 21, and handled 3,445 telephone enquiries. PROVIDED TO CHINA DAILY

to enter into medical service sectors that expand and enrich medical resources and help meet diversified demand.

According to officials, patients with special medical demands willing to pay higher costs flow into the high-end medical service market, while traditional public hospitals work to meet residents' basic medical needs.

“The high-end medical service should act as complement to the existing medical system, for higher end income social

groups,” said Gao Jiechun, president of Hospital Management Institute, Fudan University.

So far, Shanghai has a number of private and joint-venture hospitals and clinics offering high-end medical services. Previously, German healthcare operator and medical product provider Artemed Group also announced that it would set up a hospital in the China (Shanghai) Pilot Free Trade Zone.

According to the research data from Shanghai Development and Reform Commission,

the high-end medical service market size will reach 16.5 to 18.5 billion yuan.

Officials said the supply of high-end medical service is still lagging, and do not fully meet needs.

In addition to encourage private and joint-venture hospitals to meet growing high-end medical demand, Shanghai is also actively promoting the progress of cutting-edge technology in medical treatment.

Earlier in May, the Shanghai Proton and Heavy Ion Center

**“The medical service time for each patient in our center is at least 20 minutes, which allows patients to have more communication with doctors. This is very hard to achieve in most public hospitals.”**

Zhang Chengyu, president of Shanghai International Medical Center

(SPHIC), also known as the Proton and Heavy Ion Center of Fudan University Shanghai Cancer Center (FUSCC), which offers particle therapy to cancer patients, announced its launch in the city. As the state-of-art technology to deal with tumors, it uses particle therapy to treat cancerous cells by firing beams of protons or heavy ions. This technology is available in very few countries, such as Germany and Japan.

By the end of 2014, there were a total of 123,193 patients

around the world who accepted proton or heavy-ion therapy treatments.

According to the center, a single course of particle therapy is priced at 278,000 yuan per person. The center has received several thousands of on-site and telephone enquiries in the first 11 days until May 21.

“As of May 20, we received 12 patients, aged between 23 and 68,” said Iyu Lilang, vice-president of the Shanghai Proton and Heavy Ion Center.

“Different from most Chinese medical centers, we will establish a long-term treatment relationship with our clients even after they finish their treatments,” said Iyu.

She added that the center will track the conditions of their patients for as long as five years to evaluate their recovery and treatment effects, as well as carry out future research and build development records.

The center is expected to accept 1,000 patients per year after its first three years of trial operation.

“There will be great demand for such high-end medical services in the future. And the development of high-end medical service cannot live without the government's guidance and policy, social capital investment as well as the development of doctor, facilities and service,” said Gao.



HISTORY

# Jewish war refugees remembered

Thousands of Jews fled Europe and landed in Shanghai during World War II, and survivors and others gathered this month to recall events of the historic, painful era

By **LI XUEQING** in Shanghai  
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Searching for their own names eagerly on a huge bronze wall, Jews from different parts of the world gathered in Shanghai Jewish Refugees Museum last week to commemorate the 70th anniversary of the survival of Jewish refugees in Shanghai during World War II.

During the war, the Shanghai Jewish Refugees Museum was then the Ohel Moshe Synagogue, where Jews socialized with each other. During that time, at least 18,000 Jews took refuge in Shanghai to escape from Nazi persecution. Most of them survived and went on to settle in other countries after the war, including the US, Canada, Israel and Australia.

As another part of the commemoration, a three-day conference that began on June 1 was held in Shanghai University of International Business and Economics. Holocaust scholars joined people who lived through the period in Shanghai, sharing stories that are not commonly known.

"The timing of this event is very important and special," said Patricia E. Salkin, dean and professor of law at Touro Law Center, who co-hosted the conference. "If they have been alive till now, those European Jewish refugees would be at least at their 70s. We are losing time to hear personally from the eye witnesses."

## Hard to become a refugee

"We are very lucky survivors," said Evelyn Pike Rubin, an 85-year-old author and lecturer who lives in Jericho, New York. "In Shanghai, difficult as it was, we didn't have to go through the unbelievable horrors of concentration camps."

Rubin boarded a ship in Naples, Italy, with her parents in February 1939 and landed in Shanghai a month later. According to her, it was not a preferred destination. But after their attempts of getting an American visa failed, Shanghai, the only place then that required no entry document, became their only option.

Her mother had felt the urge to leave Germany after Hitler assumed power in 1933 when anti-Semitic policies began in Germany; but her father, a World War I German veteran and an optimist, thought otherwise.

"He said, 'I don't think so. I fought for this country. This mad man (Hitler) isn't going to last.'"

Whether to leave or not was a struggle that every Jewish family had gone through, even after 1938 when anti-Semitism further exacerbated, said Steve Hochstadt, professor of history at Illinois College in Jacksonville, Illinois. He is a Holocaust expert and descendant of Viennese Jews who fled to Shanghai.

In March 1938, Germany



Neighborhood in Hongkou district where European Jews lived during World War II. GAO ERQIANG / CHINA DAILY



Ho Manli in front of the plaque dedicated to her father Ho Feng Shan in Shanghai Jewish Refugees Museum. PHOTOS BY LI XUEQING / CHINA DAILY



Photocopy of Evelyn Pike Rubin's pass (left) to get out of the designated area to attend school. Movement was strictly controlled by the occupying Japanese. And a photocopy of her mother's passport (right) with the red "J" indicating she's a Jew.

annexed Austria, known as "Anschluss". Then the Kristallnacht, or the Night of Broken Glass, broke out on November 9, 1938. Through the next day, synagogues were burned in Germany and Austria, window glass shattered. Thousands of Jews were sent to concentration camps.

"However, it was hard to become a refugee," said Hochstadt.

To leave, Jews had to submit proof of emigration, such as an entry visa, an affidavit or a ship ticket to other countries and go through tedious procedures before the Gestapo.

They queued up in front of consulates, trying to squeeze into other countries' immigration quotas, which were far from enough.

And their money and valuables had been taken away. This made it more difficult for them to book the expensive first class tickets of Italian, Japanese and other shipping liners, which required them to buy round-trip tickets, Hochstadt said.

The sea route from ports in Italy to Shanghai was a common course taken by the refugees before Italy declared war against the Allies on June 10, 1940. After that, the only route that remained open was to traverse Siberia to Northeast China by train.

Among people who extended their help, there was Ho Feng Shan, who was honored "Righteous among the Nations" posthumously by Israel in 2000 for "his humanitarian courage" in the rescue of Austrian Jews.

Ho was the consul-general of China in Vienna from 1938 to 1940. He issued thousands of visas with Shanghai as the end destination. Though the Chinese nationalist government then lost control of Shanghai to the Japanese in 1937, the city's port remained open to all visitors.

With the Shanghai visa, Austrian Jews were released from concentration camps. They were also able to get transit visas or temporary visas to other destinations. The majority of them finally landed in the US, Britain, Palestine, Cuba and the Philippines, said Ho Manli, daughter of Ho Feng Shan and a trained journalist. She's been uncovering this story for more than a decade.

The exact number of visas issued under Ho Feng Shan's watch is hard to find out today. "The best we can determine now is thousands, based on the serial numbers of some still existing visas and surviving documentation," said Ho Manli. "The consulate issued an average of 400 to 500 visas a month to Jewish refugees starting in 1938 through 1939."

Words spread about Shanghai from Austria to Germany, which led many German Jews to Shanghai, including Rubin and her family.



**“We are very lucky survivors. In Shanghai, difficult as it was, we didn't have to go through the unbelievable horrors of concentration camps.”**

Evelyn Pike Rubin, who fled Germany with her parents in 1939 and took refuge in Shanghai

## From "Little Vienna" to ghetto

European Jews poured in to Shanghai in 1938 and 1939. Some of them were able to bring silver dishes and furniture, many came with a bag and little fortune.

The local Jewish community of approximately 6,000 people came to help the newcomers to establish their new life in the city whose economy had been largely damaged by the war. Baghdadi Jews came in the 1840s for business opportunities. Then Russian Jews arrived at the turn of 20th century to escape persecution. They organized relief work in collaboration with international organizations and helped the refugees get jobs and language training.

Five group homes were set up to provide shelter to those newcomers or the homeless. Communal kitchens provided meager meals to the refugees.

Those who still could afford high rents settled down in the former French Concession. But most of the refugees found their new homes in Hongkou district, where rents and food prices were considerably lower. Despite all the difficulties, businesses were opened. New restaurants, cafés and bars popped up in Hongkou, gaining the place the reputation of "Little Vienna".

Rubin's mother managed to bring her fine china, linens and laces and gave them to the thrift shop of the Baghdadi Jews in Shanghai. With

the money, she established a small business and bought a small apartment in the former French Concession. One year later, her grandmother, who had been reluctant to leave Germany, joined them.

Their situation aggravated after the Japanese attacked Pearl Harbor on December 7, 1941. In 1943, a "Designated Area for Stateless Refugees", or the "ghetto" as Rubin calls it, was set up in Shanghai. The Japanese ordered all the stateless refugees who had arrived after 1937 to move into an area of less than 2.5 square kilometers in Hongkou with few exceptions.

Strict curfew was enforced. Any refugee who wanted to go out to see the doctor or earn a living needed to get a pass. There they were subjected to the humiliation of Kano Ghoya, the Japanese officer who notoriously called himself "King of the Jews". Ghoya had a reputation of slapping people's faces and rejecting a pass simply because he was in a mood.

Some were hit especially hard for leaving their homes and businesses again. By early 1944, 5,000 to 6,000 people had to depend on the communal kitchens to survive, which provided only one hot meal and 255 grams of bread a day, David Kranzler wrote in his book *Japanese, Nazis & Jews: the Jewish Refugee Community of Shanghai, 1938-1945*.

Rubin's father died in 1941 at the age of 43. Her grandmother died two years later. Her mother's business was down the drain. They moved into a slum house in the designated area to share with 10 people.

The designated area was officially abolished on September 3, 1945. Former refugees revisited Hongkou, including the American graphic artist Peter Max. He came in 2012 to look for his Chinese nanny who introduced him to drawing when he was a little boy in the ghetto.

Michael Blumenthal, the Secretary of the Treasury under President Jimmy Carter, has come back to Shanghai eight times. He fled with his family from Germany in 1939 and spent eight years here. During the most difficult time, he had to quit school and did a number of jobs including working for a chemical lab.

China has been part of his life, he told China Daily in 2011.

ARTS

# Jewish refugees make for musical love story

By **ZHANG KUN** in Shanghai  
zhangkun@chinadaily.com.cn

A new musical will tell the stories of Jewish refugees' experience in Shanghai during World War II.

It is a story of friendship and unspoken love between a young Jewish engineer and a local college girl who acts as a volunteer to help orientate the refugees. According to the playwright Rong Guangrun, it was inspired by a true story.

"There was a Jewish engineer who worked at a munitions factory owned by a businessman from Zhejiang province," Rong said at the press conference announcing the launch of the musical.

The factory he worked at was forced to produce

munitions for the Japanese after they occupied the city. The engineer finds a way to sabotage production, aided by the volunteer, who was later killed along with the businessman by the Japanese military.

*Jews in Shanghai* will premiere at Shanghai Culture Square on Sept 3, the day China will celebrate the 70th anniversary of the end of the war.

The performance will be given in English and Chinese. Israel's Shahar Yishay, who postponed his wedding to work in China, and Shanghai actress Pan Qi will play the two leads.

The production company did much of its casting in Israel.

"We saw so many great talents. Some had lots of experience working in musicals," said Xu Jun, the director.

In the interests of verisimilitude, Eliana Perlman, wife of the consul-general of Israel in Shanghai, served as a consultant for the play.

"The story about Jewish people in Shanghai is a unique one. It's not just about survival, but also friendship between the two people. The bond between the two of us has never been broken," Perlman said.

The Museum of Jewish Refugees in Shanghai also provided historical photographs and documents.

The press conference took place on the old wharf along the Huangpu River, and a replica bridge, partially

destroyed, was built in the background.

"Many years ago, more than 20,000 Jewish refugees landed in Shanghai from right here and started their new life in their adopted country," said Chen Jian, director of the museum.

"In Shanghai, they have left lots of landmark buildings that are still standing today. Jewish businessmen have worked together with the Chinese to help build the skyline on the Bund, an important part of the city's heritage."

Their stories have been told many times on stage and in literature, he said. The latest musical, with a budget of more than 10 million yuan (\$1.61 million), is by far the largest production to date.

## If you go

**Address:** 7:30 pm, Sept 3-6, Shanghai Culture Square, 597 Fuxing Road Middle, Shanghai  
**Telephone:** 021-6472-6000

Fei Yuanhong, artistic director of Shanghai Culture Square, said the musical is on such a heavyweight subject that it is like China's equivalent of *Les Misérables*.

"The play has attracted lots of interest among the international theater community," he said.



Shahar Yishay and Pan Qi will star in the musical *Jews in Shanghai*. PROVIDED TO CHINA DAILY



## CHARITY

# Following in his footsteps to a better way to give

Chinese companies may adopt the charity template of Toms Shoes in their quest to be socially responsible, **Fan Feifei** reports.

The successful “One for One” business model pioneered by Toms Shoes is a perfect marriage of business and charity that could serve as a blueprint for Chinese enterprises as they embrace corporate social responsibility.

Thirty-eight-year-old Blake Mycoskie, the founder of Toms Shoes, told China Daily that the biggest difference between Toms and other business institutions is, “We started the business because of our giving, while some businesses have a business then do giving.”

Mycoskie never imagined he would one day become a shoe salesman. Born in Arlington, Texas, he launched his first business, a student laundry service, at the age of 19. The business soon became popular on surrounding school campuses, and then he dropped out of school and founded four other companies.

However, he recalled the inspiration to launch a company that makes shoes stemmed from one of his experiences traveling around Argentina.

“About nine years ago, I was traveling on a vacation in South America, and I saw there were many children in the streets ... not wearing shoes. I later learned that many of these children were not allowed to go to school because shoes were a requirement for the school uniform.”

While there, he met some women from a volunteer organization that provided shoes for children in need. He joined their team to distribute shoes, traveling from village to village.

“(I witnessed) the intense pockets of poverty just outside the bustling capital,” he wrote in his book *Start Something That Matters* published in 2011. “I knew somewhere in the back of my mind that poor children around the world often went barefoot, but now, for the first time, I saw the real effects of being shoeless: the blisters, the sores, the infections.”

The traditional approach for a charity or foundation is to raise money or get donations, and give them to the kids, but Mycoskie worried if they didn’t get the right donation, the children would not get the shoes they needed.

That’s where the idea for Toms was born. He got a local supplier to make an adaptation of the alpargata, a light, canvas shoe that many Argentines, rich and poor, wear, and returned to the United States and founded Shoes for Better Tomorrows in 2006. Toms takes its name from the first three letters ‘tom’ and the ‘s’ in ‘tomorrows’.

“My idea was to create a business



Blake Mycoskie, the founder of Toms Shoes (fourth from the left) and Jen Loong, head of Toms China brand marketing (fifth from the left) with participants in the “One Day Without Shoes” campaign, kicked off their shoes and went barefoot, while climbing the Great Wall in May. PROVIDED TO CHINA DAILY

“My idea was to create a business for the purpose of helping children get shoes. So we created a for-profit company, not a charity.”

Blake Mycoskie, founder of Toms Shoes

for the purpose of helping children get shoes. So we created a for-profit company, not a charity, but every time we sold a pair of shoes, we would donate a pair of shoes to the children, one for one,” he said, adding that initially he just wanted to give 250 pairs of shoes, but the idea was incredibly successful.

The for-profit company currently earns an estimated \$250 million in annual revenues, and has extended its product range to include eyewear, providing essential eyecare for each pair of eyewear sold.

Mycoskie’s philanthropy and business model earned him the 2009 Award of Corporate Excellence from then US Secretary of State Hillary Clinton.

The company has donated more than 38 million pairs of shoes to people in need in many parts of the world, not only in Argentina, but also in Africa and Asia. The shoes are sold globally in more than 1,000 stores.

“The idea of Toms was just an idea. I had no experience in making shoes and charity.” It was a very small, simple idea to help one village of children, he said, emphasizing, “Everyone should continue to focus on the importance of ideas, because a simple idea will create a big difference in the world.”

He added: “What I learned from Toms in the past nine years is the idea of ‘giving’ can also be really good for business and there is nothing wrong with that.”

Toms entered the Chinese market in 2014, launching stores in Beijing, Shanghai, Guangzhou, Shenzhen, Nanjing, Suzhou, Hangzhou, Shenyang and Qingdao. It plans to open new stores in other Chinese cities. The company still donates a new pair of shoes for every pair of shoes sold.

Toms also has worked with five charity organizations in China, including Youchange China Social Entrepreneur Foundation, Heifer China, World Vision, Save the Children and Rural Education Action Project. It expects to donate about 600,000 shoes by the end of 2015 in China.

In 2008, Toms launched its “One Day Without Shoes” campaign, in which the company pledged to donate a pair of shoes for every photo of barefeet tagged on Instagram, no purchase needed. In May, the campaign was introduced to China for the first time.

Hundreds of thousands of supporters in China joined. Some kicked off their shoes and went barefoot, climbing the Great Wall. Participants posted their barefoot pictures and

videos using social media like Sina Weibo and WeChat.

“Our business is based on not just giving shoes to children once, but continuing giving to them. The biggest thing the shoes do is to help give them self-esteem, so the children believe in themselves,” Mycoskie said.

Duan Defeng, CEO of Recende, a consulting company researching corporate social responsibility, which also works with charity groups and foundations to promote the development of public welfare, told China Daily: “It is very difficult to find an enterprise in China totally like Toms. Chinese enterprises simply stick to the traditional idea of doing charity work — donation, but not in combination with their main businesses, which is the biggest distinction.”

Duan added that most Chinese enterprises that have done well in corporate social responsibility often have a history of about 15 to 20 years. They first earned a lot of revenue and then concerned themselves with charity, while Toms established the one-for-one business model from the very start.

“The ‘One for One’ idea has a natural advantage, namely, integrating charity into buying behavior. People feel it’s very convenient when they donate money. But I think Toms’ success lies in the products — its shoes, which are really very comfortable,” Duan said.

Tao Chuanjin, a professor at the School of Social Development and Public Policy at Beijing Normal University, said: “It is a global trend to introduce charity into business institutions, which is also the social responsibility an enterprise needs to undertake. However, a key point is whether the enterprises keep their promises, acting with integrity and remaining transparent.”

Tao added Chinese people sometimes doubt whether the donations reach the hands of those in need. Trust is of great importance, so what enterprises should do is to be honest and open, such as disclosing their financial reports to the public and allowing the public to see what they are doing to dispel their doubts.

“Toms is favored in China first because of its fashionable style, but not the ‘One for One’ idea,” said Jen Loong, marketing director of Toms in China.

Chu Ying, a researcher with Tsinghua University’s NGO Research Center, said the idea of combining charity and business has become the mainstream model in the world.

“The combination of charity and business, as a new charity model, could mobilize more social resources at a large scale. Meanwhile it is beneficial for enterprises to control the cost.”

Chu added China’s charity work is still in a primitive state — being comprised of just donations. Although some enterprises have attempted to copy Toms’ business model, it still takes a long time, almost 20 years, to realize the perfect combination of business and charity.

In collaboration with China Foundation for Poverty Alleviation, 361°, a sneaker maker in China, initiated the first “consumption-based” charity program in China in 2013.

For each pair of designated shoes purchased by the consumer, children in impoverished regions receive a pair of sports shoes specially designed and produced by the company, which is donated in the name of consumers. Over 60,000 children have been provided shoes.

“This is a good trial and also the development path for China’s philanthropy in the future,” Chu added.

Contact the writer at fanfeifei@chinadaily.com.cn

## BUSINESS

## CEO: Digitization, globalization favor China

By HU HAIYAN  
huhaiyan@chinadaily.com.cn

Pierre Nanterme said China’s slowing economic growth gives him no cause for concern, and he sees it as being extremely well placed compared with other countries.

“Yes, China’s GDP growth has been slowing, but I am confident that it will recover,” said Nanterme, chairman and chief executive of the global management consulting, technology services and outsourcing company Accenture.

“The country will maintain its momentum if the technology transformation is successful. The main thing is that growth is made sustainable, and this is exactly what is happening in China.”

Nanterme, 56, was in China recently on a three day visit, during which he met several high-level Chinese government officials, and said he sensed confidence about the country’s prospects, too.

“They have big plans in mind, and I detected no nervousness in any of them. When I look at what is important for a country to become strong, you need strong government, capital investment, good education, advanced science and technology, leading companies and investment for the future, especially in the digital

area. I see all of these things coming together in China.”

Nanterme said he expects China to play a bigger role in the world thanks to digitization and globalization of Chinese companies and their move from manufacturing to more value-added services.

“There are many new drivers for China’s future growth. When talking about the drivers, clearly all the leaders that I met always refer to Internet Plus and going more digital. This is all about achieving more sustainable growth through using technology, moving up the value chain and delivering more value-added products and services, as well globalizing big Chinese companies.

“I think China can do better if it continues deploying digital infrastructure. I have seen the quality of 4G, and it is amazing. If you want to become a digital country you need to continue to improve digital infrastructure. You need that vision.”

Chinese small and medium-sized companies need to do more to adapt to the digital world, he said.

“Putting in information technology infrastructure is well and good, but by itself that is not enough. You need more companies, and not just big ones, to adopt it. There is no doubt that in China big companies are going digital. Yet compared with

Western countries, SMEs in China still lag behind in digitalization.”

Implementing the Internet of Things, or advanced connectivity of devices, is another way of making the growth of manufacturing in China more sustainable, he said.

“China needs to move to the next generation of productivity. The advantage the country has enjoyed with the low cost of its labor cannot last long, and it is not enough for it to maintain its competitive edge in the long run.”

China is increasingly important in Accenture’s operations, he said. It employs 10,000 people in the country and has a presence in Beijing, Chengdu, Dalian, Guangzhou, Hong Kong, Shanghai, Shenzhen and Taipei.

“In China we have doubled the size of our business in the past five years, and our success is based largely on clients’ investments, especially in new technology and sciences,” Nanterme said.

Nanterme represents Accenture in a number of external venues. Since 2011 he has served on various task forces for the B20 Summit, which comprises top business leaders from the G20 countries who inform and advise the G20 on key global issues from a business perspective.

He is a member of the World Economic Forum’s International Busi-

ness Council and chairs its IT Governors Steering Committee.

He also serves on the steering board of the European Commission’s European Cloud Partnership and is a member of the Wall Street Journal’s CEO Council.

Despite the demands of his current role, he said, he always tries to strike a balance between work and other parts of his life.

“The work-life balance is something extraordinary. It is a question of organization. Once I am back home I switch to my private life. I focus on my wife and daughter. Some leaders work 24 hours a day, seven days a week. That’s not for me.”

Accenture, which employs 323,000 people worldwide, and which was floated on the New York Stock Exchange in 2001, has a current market capitalization of about \$60 billion. Accenture serves more than three-quarters of the Fortune Global 500 and 89 of the Fortune Global 100. All of its top 100 clients have been clients for at least five years and 95 have been clients for at least 10 years, the company said.

Nanterme said he regards Chinese businesspeople as highly enterprising and compares them favorably with their Western counterparts.

“China is about the long term, and the rest of the world is more about



## BIO

PIERRE NANTERME  
Chairman and CEO of Accenture

Age: 56

Education:  
1981: Master of Science in management, Ecole Supérieure des Sciences économiques et Commerciales, Paris

Career:  
1993-2005: Senior roles in Accenture’s Financial Services operating group  
2005-07: Accenture’s country managing director for France  
2007-11: Group chief executive of

Accenture’s Financial Services operating group

2011: Appointed CEO of Accenture

2013: Appointed chairman and CEO of Accenture

Favorite film:  
Plein Soleil (*Purple Noon*), directed by René Clément, starring Alain Delon

Favorite book:  
*Biographies of Churchill and Talleyrand*

Favorite music:  
Blues, especially Buddy Guy

the short term. If you look at the US way of thinking, it’s to do with the short term ... about now, and what to do in the next hour.

“In all the talk about smart cities, Chinese are asking what is next, what needs to be done for sustainable growth. Elsewhere it is more about

the status quo. In China the talk is about what needs to be done to be more successful. It is about how to be competitive tomorrow. That is very much the Chinese mentality: innovation, looking to grow, aggression — in the good sense of the word — and the desire to get ahead.”



People

# Benjamin Von Wong: shoots sweet life

Photographer's photos of ordinary people dressed as superheroes have thrilled audiences

By NIU YUE  
in New York

There's more to photographer Benjamin Von Wong than meets the eye.

"As we get older, we stop dreaming, we stop believing that anything is possible because we've seen too much of what isn't," he wrote on his blog. "And that is why I wanted to photograph ordinary people as superheroes—so that they could see themselves as they had once dreamed."

His photos of ordinary people dressed as superheroes poised on the edge of skyscrapers went viral online and the Canadian-born Chinese photographer became famous among shutterbugs for making the impossible possible.

Born in 1986 in Toronto, Wong grew up in a relaxed atmosphere with his Malaysia Chinese parents and sister.

Before starting his career as a professional photographer in 2012, Wong graduated from McGill University majoring in mine engineering in 2008 and was offered a job as an engineer at a gold mining company in Nevada, where he did the "changeless work" for four years.

Then he came up with the idea of quitting to refocus his career on full-time photography.

"I just felt like I truly needed to do something I was passionate about," said Wong.

When he first told his parents, who had never stopped him from doing anything,

about this idea, his father, also an engineer, said that it needed serious consideration.

Making up his mind, Wong quit his mining job in 2012, telling his parents he needed to prepare for the MBA entrance exam.

Having only a point-and-shoot camera he had picked up in a Nevada Wal-Mart in 2007, Wong started by spending several hours a day sitting at the computer studying the work of the masters.

Seizing any opportunity to connect with people, see new places and push the envelope when it came to his work, Wong made steady progress. "Nobody can shoot a great photo starting out, including me," said Wong.

After gaining success, Wong returns to his roots by sharing techniques and behind-the-scenes videos on his blog and YouTube. He soon gained a loyal fan base on the Internet.

"It's really thanks to other photographers sharing that I've learned and grown," said Wong.

Rejecting the common wisdom that a professional photographer should work with a professional crew, Wong works as a one-man show, using Facebook to invite either volunteers or freelancers to work as his partners job to job.

"I have to say that my entire career has been built on Facebook," Wong said. "That's how everything started, just sharing things online and reaching out, and then connecting with real people."

The Montreal-based



Fire angel, shot by Benjamin Von Wong for Huawei in 2015. PROVIDED TO CHINA DAILY

photographer, who has always been a believer in hard work over talent, has only been home 11 days this year. His shooting schedule takes him throughout the US, South Asia, Europe and other regions.

Compared to other professionals, Wong said, "I have the advantage of being able to travel a lot, to meet different people. It's always different and always exciting."

Wong never imagined the popularity he would gain through the Internet when he quit his mining job.

"People asked me what is the best way to become a photographer. I'm not sure but I believe that when you have an idea or a dream, you just have

to go out there and make it happen," said Wong.

Best known for its epic photography combining the elements he loves, from pyrotechnics and black lights to paraplegic athletes and Game of Thrones fans, most of Wong's photos are grandiose and imaginative.

"Being a photographer gives me endless opportunities to see the beauty of the world, that is where I get my ideas and inspiration," he said.

"I definitely do have a preference for things that are fantastical, futuristic, or that make a person dream, something that's a little bit larger than life. But the inspiration actually comes from the people that I surround myself

**"To be a creative, means that sometimes, you need to take risks."**

Benjamin Von Wong

with, regardless of whether that's a client or a talent or a location that I just happen upon. Because that's what I do: I travel and I meet people, constantly. And then from there these shots are born," Wong explained.

"Through his creative hyper-realistic artwork, he



A photo in the collection of Real Life Super Heroes, shot by Benjamin Von Wong in 2015. PROVIDED TO CHINA DAILY



Benjamin Von Wong (left), Canadian-Chinese photographer. PHOTO BY GGUN RATNONTANAT

shows how he takes risks, how he is open to the wealth of opportunities in the world, and how when he has an idea or dream, he just goes out and makes it happen. He's an inspiration to us," said a statement from Huawei, the Chinese information and communications technology company that just selected Wong

as a spokesman for its new cell phone commercials.

"To be a creative, means that sometimes, you need to take risks," Wong says in the commercial. "I'm young, I can do whatever I want, and that is a pretty sweet feeling."

Hong Xiao in New York contributed to this story.

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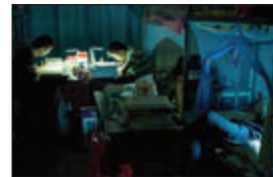
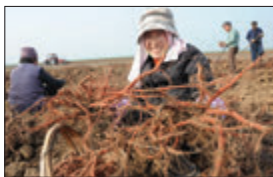
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# News in review

Friday, June 5 to Thursday, June 11



## Friday June 5

### Overseas real estate investment hits record

Chinese companies invested a record \$7.5 billion in the overseas commercial and residential real estate market in the first quarter of this year. The global real estate service company JLL also reported that transactions in 2015 are expected to hit \$20 billion.

Last year, Chinese investors spent a record \$17 billion on overseas real estate in the commercial and residential sectors — an increase of 21.4 percent compared to 2013. That year

that Chinese companies spent more on overseas commercial real estate than on the domestic market.

While the domestic sector for commercial and residential property slowed last year, overseas investment by Chinese companies reached 52 percent of all real estate transactions, according to JLL.

As for the first quarter, JLL did not provide a breakdown of commercial and residential data or global hot spots.

### Most Chinese youth OK with premarital sex: survey

More than 60 percent of Chinese young people approve of premarital sex, according to a survey released by Shanghai Normal University.

Sponsored by China's Ministry of Education, the survey collected 9,569 responses from persons aged 14 to 35 in 10 cities, including Beijing,

Shanghai, Xi'an and Wuhan.

When asked about their feelings regarding premarital sex, 17.7 percent of respondents said they fully accepted it, 22.6 percent were not bothered by it, and 21.2 percent had an ambiguous attitude. Only 15.7 percent were strongly against the behavior.

## Monday June 8

### 1 in 3 public places in Beijing violate smoking ban

One in three public venues inspected by the Beijing Health Inspection Institute had violated the city's tough indoor smoking ban in its first week.

Among 2,406 public places that were inspected, nearly 700 were given warnings and were ordered to take prompt corrective action, according to the Beijing Health Inspection Institute.

Restaurants had the highest rate of violations. Around 60 percent of the inspected diners had not enforced the smoking ban.

Entertainment venues and hotels also top the list of institutions that have problems with curtailing indoor smoking.

Fifteen hospitals in Beijing, including Tiantan Hospital, Xuanwu Hospital and other major medical institutions, have also received warnings. An official with the Beijing Health Inspection Institute said those hospitals failed to post standard anti-smoking signs and set up hotlines for the public to report any violations. (Photo 1)

### Another economic fugitive returned to China

Another suspect from China's "100 most wanted economic fugitives" list was repatriated on Monday, the People's Procuratorate of Beijing announced.

Sun Xin, 46, and a former cashier of the Beijing municipal bureau of press, is suspected of embezzlement while at the bureau. He allegedly transferred money to his own company and used some of it to play the futures and stock

market.

He fled to Southeast Asia in October 2008. The municipal police learned that Sun was hiding in Cambodia in May and worked with the Cambodia public security department to locate him.

Interpol's National Central Bureau of China released a list of 100 persons wanted worldwide in April, including 77 men and 23 women allegedly involved in corruption.

## Tuesday June 9

### e-IDs issued to fight personal info leaks

China's Ministry of Public Security has issued its first batch of e-IDs backed by an independent, Internet-based identity recognition system for citizens, as the country moves to fight personal information leaks, the Shanghai-based Xinmin Evening News reported.

The new system has passed security assessments by state authorities. In theory, the e-ID encryption cannot be

deciphered by hackers. Citizens can use their e-IDs for online registrations and transactions, without the need to present their personal information.

The same e-ID can be used for various sites and applications. Pilot application of e-IDs is also being carried out in other fields, including e-commerce, social services, online law services, Internet finance, logistics and transport.

### Traditional Chinese medicine hit by lower prices

Tumbling prices have hit the traditional Chinese medicine industry because of oversupply, poor planning and increased competition.

According to China's biggest traditional medicine trading website, zyctd.com, the cost of 11 products from a basket of 200 dropped during the week between May 25 and May 31. The wholesale price of a further 183 items remained static, while only six increased.

The major problem facing the traditional Chinese medicine industry is oversupply.

"Medicinal herb growers planted more after the boom period when prices went up," Liu Zhanglin, deputy director of China Chamber of Commerce for Import and Export of Medicine and Health Products, said. "So now there is an oversupply, even though the market is growing."

Small farmers also stockpiled valuable herbs when wholesale prices were high, hoping to get even more for their products. Eventually, they were forced to flood the market or suffer substantial losses. (Photo 2)



A model made by 3-D printing of the shared hip bone of 12-week-old conjoined twin girls after surgery that separated them at the Children's Hospital of Fudan University in Shanghai on June 9. The hospital pioneered the use of 3-D printing technology in the surgery, sending data to a 3-D printing company to rebuild the anatomical structure of the conjoined body parts. PHOTO BY YIN LIQIN/FOR CHINADAILY

## Wednesday June 10

### Villagers satisfied with their life: Survey

Most elderly people who live in villages are satisfied with their lives, even though they are far from their children, struggle to obtain healthcare and services for the aged and are still working on family farms or in other endeavors, a survey found.

The report released by researchers at Shanghai

University of Finance and Economics found that 81.3 percent of elderly people were satisfied with their current state of life and 86.5 percent were happy with their relationships with their children.

The report was based on a survey in 2014 of 10,421 elderly residents of 731 villages across the country

### Cities seek to clean up their polluted rivers

Many Chinese cities have begun tackling water pollution, buoyed by government cleanup goals and public support for ridding their communities of black, smelly rivers and ponds. But significant work remains, environmental experts say.

Guangzhou, Guangdong province, for example, has 135 severely polluted rivers, accounting for 58.7 percent of the city's total, while 18 cities in Henan province have 34 black and smelly rivers, more than half of their total.

Serious urban river pollution

has drawn attention from the central government. The Action Plan for Prevention and Control of Water Pollution, a pioneering national road map for cleaner waters released on April 16, has set detailed goals for these rivers.

By the end of the year, cities are expected to complete inspections of all polluted rivers, and by 2017, there should be no floating garbage and no illegal sewage discharge. By 2020, all pollution problems should be resolved. (Photo 3)

## Thursday June 11

### China raises the risk of MERS

The risk of Middle East Respiratory Syndrome (MERS) contracted abroad has "significantly risen" in China, a Chinese health official said.

Mao Qun'an, spokesman for the National Health and Family Planning Commission (NHFP), said that the estimate is based on China's close exchanges with the Republic of Korea (ROK) and the Middle East, and the commission has called for high alert and scientific

prevention of the disease.

Zhong Nanshan, a renowned respiratory expert, said a massive outbreak of MERS in China was unlikely given a lack of evidence on sustained human-to-human transmission of the virus.

Mao said the first confirmed MERS patient in China, a man from the ROK, tested positive for the virus in Guangdong on May 29 and is in stable condition as he slowly recovers.

### Greenhouse emissions may peak early: Report

China's greenhouse gas emissions could peak over five years earlier than expected, which will contribute to the effort of curbing global warming, according to a report by two institutes at the London School of Economics.

Analyzing trends in the key emitting sectors, researchers concluded that China's greenhouse gas emissions are unlikely to peak as late as 2030, the upper limit set by the Chinese government last year, and are much more likely to peak by 2025, or

even earlier, the report stated.

The researchers also say that if China's greenhouse gas emissions peak by 2025, they would reach between 12.5 and 14 billion tons of carbon dioxide equivalent.

China's transformation has profound implications for the global economy, and "greatly increases the prospects for keeping global greenhouse gas emissions within relatively safe limits," according to the report. (Photo 4)

## NUMBERS

# \$38.5

billion

The amount of direct investment by China in the US last year.

# 9.42

million

The number of Chinese high school graduates, slightly less than the population of Sweden, who took the national college entrance examination, known as Gaokao. (Photo 5)

## Quotes



The whole world should cooperate on food security, as it is a global issue."

Wang Yang, Chinese Vice-Premier



The move is part of the campaign of advancing the rule of law."

Sun JunGong, spokesman for the Supreme People's Court, on new litigation policy



The owner of a private company delivered 660,000 yuan (\$107,000) in 1-yuan coins to buy an SUV at a car dealership in Shenyang, Northeast China's Liaoning province. PHOTO BY YANG DAHA/ FOR CHINADAILY



# HONG KONG GETS A BOOST



## Hong Kong boost — TORONTO

Guests chat at the opening of the "Think Asia, Think Hong Kong" symposium held on Monday in Toronto. From right: Greater China CEO of Standard Chartered Bank (Hong Kong) Limited Benjamin Hung; Senator Victor Oh; Canada's Minister of International Trade Ed Fast; Chairman-designate of Hong Kong Trade Development Council Vincent H.S. Lo; Chief Executive of the Hong Kong SAR Government C.Y. Leung; Ambassador of the Embassy of China in Canada Luo Zhaohui; Secretary for Commerce and Economic Development of Hong Kong Gregory So Kam-leung. NA LI / CHINA DAILY



## Bright future —TORONTO

C.Y. Leung, chief executive of the Hong Kong SAR Government, speaking at the "Think Asia, Think Hong Kong" symposium, said that the strong and longstanding connections between Hong Kong and Canada, in business and in culture, offer the promise of a far more rewarding future for the two economies and the companies that drive them. NA LI / CHINA DAILY



## Home field advantage — TORONTO

Vincent Lo, chairman of the Hong Kong Trade Development Council, said Hong Kong's strategic position gives it a natural advantage as a springboard for companies entering the Asian market. NA LI / CHINA DAILY



## Two-way street — TORONTO

Ed Fast, Canada's minister of international trade, said the Canada-Hong Kong partnership is a two-way street relationship, with Hong Kong among the most important partners Canada has. NA LI / CHINA DAILY



## Mutual cooperation — TORONTO

Ed Fast and Margaret Fong, executive director of the Hong Kong Trade Development Council, sign an agreement to promote increased bilateral commercial activity between Hong Kong and Canada. NA LI / CHINA DAILY



## Panel speaker — TORONTO

James Thompson, chairman and founder of Crown Worldwide Group, speaks at a panel discussion during "Think Asia, Think Hong Kong" at the opening symposium held on June 8 in Toronto. NA LI / CHINA DAILY



## Interested party — TORONTO

A professional service adviser from HKTDC speaks with a visitor interested in expanding business into Asia. NA LI / CHINA DAILY



Guests gather at an event celebrating the partnership between MoneyGram, a leading global money transfer and payment services company, and Postal Savings Bank of China (PSBC) to provide money transfer services in China, on June 4 in Markham. With the addition of PSBC to MoneyGram's agent network and money transfer services to mainland locations, services are now available at over 20,000 locations in China. [LI NA / CHINA DAILY](#)



Jack Tsui (fourth from right), president of Peak Garden Developments Inc., presents a cheque of \$ 8,000 to Judy San (to Tsui's left), president of Fu Hui Education Foundation (FHEF), at a press conference hosted by FHEF on June 10 in Richmond Hill. Founded in 2004, FHEF has assisted more than 4,000 Liangshan orphans especially girls enter into senior high school and University.



Mao Haiyuan (third from right), president of Opearl Developments, joins guests from the Canadian and Chinese governments at a launch of the SAIL project, one of the outcomes of the Sino-Canada bilateral trade relationship on June 6 in Markham. LI NA / CHINA DAILY



Liu Bing (back in white shirt), creator of the Global Chinese Cheongsam Image Giant Scroll, is joined by guests and organizers to kick off the scroll's photo shoot in Canada on June 9 in Markham. The event, presented by the Tianjin Federation of Returned Overseas Chinese, Nankai Alumni Association of Toronto and CNTV, will recruit 560 Chinese women to show the beauty of cheongsam from June 10 to 29. [LI NA / CHINA DAILY](#)

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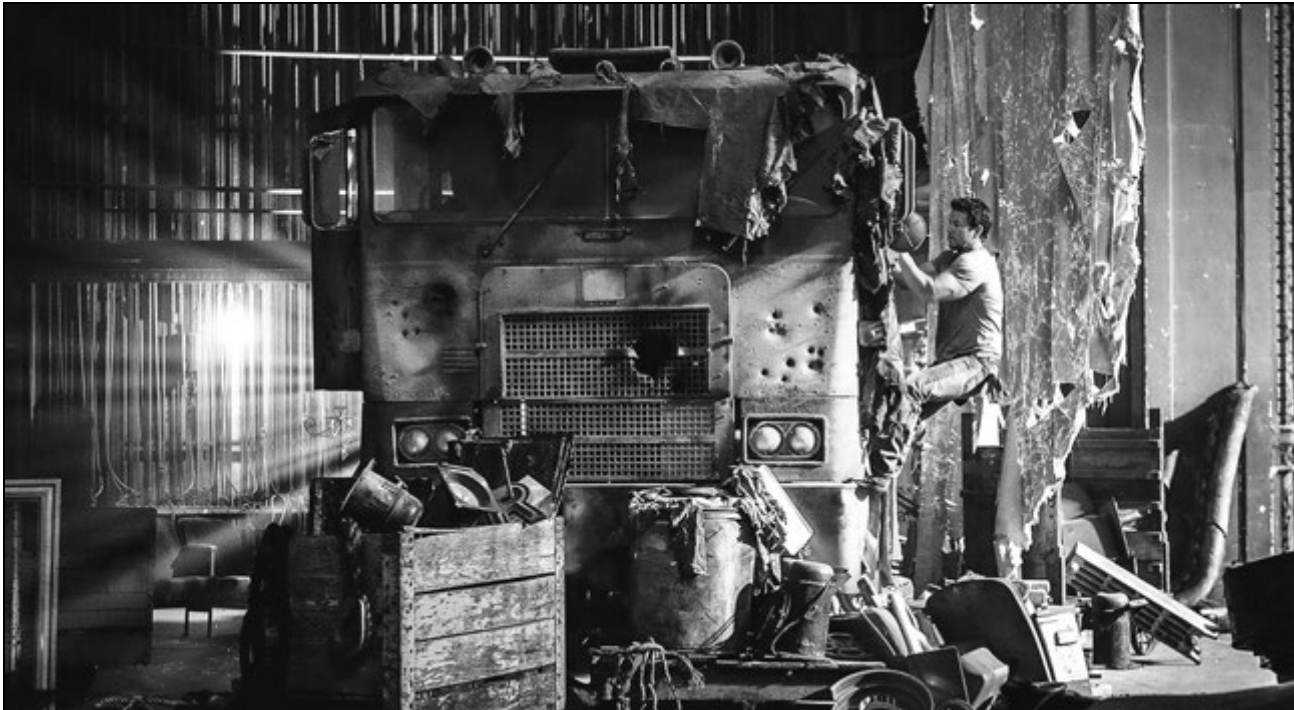
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CHINESE MARKET



# Hollywood's second chance

After struggling in the US box office, many films become surprise hits in China, but can the trend continue? Xu Fan reports.

As China become the knight in shining armor to save Hollywood flops?

That question, posed by a recent article in business magazine Forbes, is raising eyebrows from blockbuster enthusiasts and industry insiders in the world's second-largest cinema market.

In a story headlined "Can China save Disney's Tomorrowland?" Forbes suggests the Middle Kingdom has become a second-chance "haven" for big-budget Hollywood productions that have struggled in their own markets.

The article even predicts the sci-fi movie *Tomorrowland* may be saved by the Chinese market, although this is beginning to seem unlikely.

Despite the film's major stars, George Clooney and Brittany Robertson and director Brad Bird flying to Shanghai to build up hype ahead of the Chinese mainland premiere, the movie only grossed a soft 15.7 million yuan (\$2.5 million) on the first day of release on May 26.

Compared to the 220 million yuan taken by Marvel's superhero flick *Avengers: Age of Ultron*, and 88 million yuan



**Top:** Mark Wahlberg plays Cade Yeager in *Transformers: Age of Extinction*. The winner of the worst picture at the 35th Golden Raspberry Awards achieved great success in China. **Above:** Hollywood's sci-fi movie *Tomorrowland* premiered in China on May 26. It was hoped that the Chinese market would save the struggling film. PHOTOS PROVIDED TO CHINA DAILY

taken by Japanese animation *Stand by Me Doraemon*, the \$190 million *Tomorrowland* is regarded as receiving a "so-so" reception by Chinese industry insiders.

With an average score of only 6 out of 10 on several major movie-review websites, the movie, having the same name with a theme land in the Disneyland resort, has been criticized by many moviegoers for looking like "an extended version of an advertisement" to promote the amusement park.

Although China may fail to rescue *Tomorrowland*, the massive Chinese market, which sold 830 million tickets in more than 5,100 cinemas nationwide to gross a record box office of 29.6 billion yuan last year, has been known to

save other big-budget Hollywood movies that had poor receptions in the North American and European markets.

The first Hollywood movie to be "saved" by the Chinese market is widely recognized as the sci-fi film *Pacific Rim*.

The movie suffered a 52-percent box office slump in North America in its second week in July 2013. Surprisingly, it had something of a "miracle" comeback in China, dominating the box office for three weeks and grossing 600 million yuan, making China the film's largest overseas market.

The 2014 sci-fi blockbuster *Transformers: Age of Extinction*, or *Transformers 4* also enjoyed success in the Chinese market. Although it was given the worst picture award at the

35th Golden Raspberry Awards, the negative feedback did not stop it from becoming the second highest-grossing film in the history of Chinese cinema, making nearly 2 billion yuan.

Many Chinese movie fans complain that the "upside-down" success of these films is because they only get a limited choice of good foreign movies. This is because China only allows 34 foreign titles to have a cinematic release each year. Critics predict the trend of Hollywood flops finding a second life in China may be short-lived.

"China's movie market is expanding too fast. The major moviegoers in third- and fourth-tier cities don't really care if the movie tells a good story. They will take out their

wallets just to admire the visual effects and spectacular scenarios," says Zuo Heng, deputy director of cinema studies at China Film Archives.

He adds that the skepticism over the popularity of foreign box office bombs will "wake up" some moviegoers and raise their appetite for good stories.

"After a round of fierce debate, people start to realize they can have better choices," he says.

China Daily film critic Raymond Zhou likens the current phenomenon to the boom of the 1980s, when most Chinese only trusted foreign household appliance brands. Zhou also predicts the number of "undiscriminating" audiences will shrink in the years to come, when they grow tired of commercial titles with mediocre plots.

Cultural differences can also go some way in explaining the phenomenon.

"Science fiction movies are a hit genre in North America. Take *Transformers 4* as an example, many American fans are familiar with the original version and are familiar with the robots through comic books, the TV show and movies. They find it difficult to tolerate their beloved characters and classic plots in a new movie," says Er Ku, a Beijing-based film critic.

"But for the developing Chinese market, which is lacking a mature franchise, people are happy just to see their animated childhood favorites on the big screen, regardless if it's a good adaptation or not."

Contact the writer at [xufan@chinadaily.com.cn](mailto:xufan@chinadaily.com.cn)

NEW RELEASE

## Director makes martial arts debut

By XU FAN

A well-known name in Western film circles, Chinese director Chen Kaige has now shot a martial arts movie for the first time in his 30-year filmmaking career.

Chen shot to fame with the 1985 drama *Yellow Earth*. As one of the country's most influential directors, Chen earned an international reputation in the early 1990s, when his movie *Farewell My Concubine* won the Golden Palm Award at the Cannes Film Festival in 1993. It won a Golden Globe for best foreign film a year later.

The veteran director has now turned his attention to *wuxia*, a genre of martial arts films. *Wuxia* films were some of the earliest Chinese films to attract the attention of Western moviegoers but in recent years the genre has been in decline.

Only five of the 618 films released last year were martial arts tales, according to the 2014 China Film Industry Report.

Chen's upcoming *wuxia* comedy drama, *Monk Comes Down the Mountain*, will hit mainland theaters on July 3, with more than 200 cinemas releasing the title in the IMAX 3-D version.

Set in the turbulent period in the Republic of China (1912-49), the story, based on the namesake best-selling *wuxia* novel, features an adventure journey of a young Taoist monk, who is forced to leave his secluded temple to avoid a famine.

Chen believes a movie should be an "interesting" product and not only focus on money. Chen says his latest film, which took 213 days to shoot with more than 1,000 crew members, is the most "arduous" work he has ever made.

"Every day (on sets) was like a practice for me. It has been tough, but very exciting," the 63-year-old director says.

Rumors reported by Chinese media suggested that

the multiple-award winning filmmaker was admitted to hospital last year after working too hard.

In the trailers of the film, the major rules of Taoist discipline, such as vegetarianism and abstinence, appear to be broken by the protagonist, played by Chinese actor Wang Baoqiang.

Wang is familiar to Chinese viewers for his trademark "silly" smile in a series of comedy blockbusters, but he is in fact a real kung fu practitioner. Wang started learning martial arts skills at 6 years old and became a disciple at Shaolin Temple at age 8. He shot to fame in the entertainment industry for playing the role of an immigrant worker in Feng Xiaogang's *A World Without Thieves* in 2004.

Chen was criticized for coarse special effects in his 2005 fantasy epic *The Promise*. That film is now regarded as a turning point for Chen to transform from an art-house director to a commercial comedy filmmaker.

Chen Hong, producer and the director's wife, says they have hired Animal Logic, an Australian animation and visual effects studio (*The Great Gatsby*, *The Matrix*), to design the picturesque scenarios.

The big-budget film also delights fans with an all-star cast, including Hong Kong superstar Aaron Kwok, Taiwan veteran actor Chang Cheng, Taiwan supermodel-turned actress Lin Chi-ling and the Asian Film Awards' best actor winner Wang Xueqi.

The story already has a solid fan base. The book behind the movie was first published in 2007 and has a score of 7.5 out of 10 from more than 2,300 readers on Douban.com, one of China's largest online review platforms.

Most reviews sing praises of the first half for the "innovative narrative" but criticize the second half as "a failure" for the unravelling storyline.



Chen Kaige and Taiwan actress Lin Chi-ling speak at a promotional event for the upcoming martial arts comedy *Monk Comes Down the Mountain*. JIANG DONG / CHINA DAILY



Hong Kong actor Tony Leung poses with his wife Carina Lau after receiving the distinction of Officer of the Order of Arts and Letters at the French Residence in Hong Kong on Monday. AFP

AWARD

## Hong Kong actor Tony Leung receives French arts honor

By ASSOCIATED PRESS in Hong Kong

To his long list of accolades, Hong Kong actor Tony Leung is adding one with French flavor.

France's consul general made the 52-year-old actor an Officer of the Order of Arts and Letters at a ceremony on Monday attended by Leung's wife, Carina Lau, and his friends including director Wong Kar-wai.

Consul General Arnaud Barthelemy praised Leung for his achievements in acting and thanked him for bringing together the cultures of France and Hong Kong.

Leung said he wanted to share the honor because he didn't make his films alone. "I think this honor should be shared with all those who have worked with me in films for the last 30 years," Leung said.

Tony Leung Chiu-wai is con-

sidered one of Hong Kong's finest actors, especially in his collaborations with Wong such as *Ashes of Time*, *Chungking Express* and *In the Mood for Love*. That role won him a best actor award at the Cannes Film Festival.

Their last film, the kung fu epic *The Grandmaster*, was a critical and commercial success.

France made Wong a Commander of the Order of Arts and Letters in 2013.

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## EDITORIALS

## Military visit to US can help build trust

**T**he visit of China's Central Military Commission Vice-Chairman Fan Changlong to the United States sends an unmistakable signal to the outside world that Beijing and Washington are keen on bolstering the current good momentum in bilateral military exchanges.

Fan's visit is also proof of the fact that despite twists and turns in bilateral ties the two countries have learned to defuse tensions at an early stage. He is the highest-ranking officer who has ever visited the US since China's leadership transition in 2012.

His visit has come at a delicate time as China-US relations are facing tensions in the South China Sea.

Washington has heightened its pressure on Beijing over China's island building in the South China Sea. It even sent a spy plane to monitor the work and vowed to continue doing so, a move Beijing deems as dangerous because it could lead to strategic misjudgment and even conflict.

Under such circumstances, the two sides obviously need a high-profile visit for in-depth discussions on their strategic intentions as well as issues of mutual concern.

Fan's itinerary includes visits to three US military bases and talks with high-level US officials, including a meeting with US Secretary of Defense Ashton Carter on Thursday, which demonstrates the resolve of the two militaries to deepen mutual trust and build up a cordial atmosphere for bilateral ties at large.

Upon his arrival in San Diego, California on Monday, Fan made a stop at the aircraft carrier *USS Ronald Reagan*. Considering that the nuclear-powered carrier is due to replace the *USS George Washington* at the US naval base in Yokosuka, Japan, the arrangement can be viewed as an effort by the two militaries to reduce strategic mutual distrust.

Yet despite the fact the two countries' bilateral military exchanges have been improving rapidly since 2012, there is no denying that mutual suspicion also runs deep. This is especially the case after Washington implemented its "pivot to Asia" strategy in recent years.

Washington needs to clarify that its military maneuvers in the Asia-Pacific are not aimed at trying to contain China. It should also recognize China's legitimate concerns over its territorial integrity in the South China Sea. For the positive momentum in bilateral military ties to continue, these are just some of the necessary steps Washington needs to take.

## Caring for the elderly

**A** recent report published by Shanghai University of Finance and Economics indicates that 54.6 percent of the elderly in China's rural areas still engage in occupational work and more than 60 percent live alone at home, with young people pursuing a better life in cities.

Such a large proportion of "left-behind" elderly in rural areas poses a severe challenge to the country, which must address its ageing society and create conditions to help senior people live their lives in dignity.

According to some analyses, the consumption potential from China's elderly population will grow from 4 trillion yuan (\$644.8 billion) in 2014 to 106 trillion yuan by 2050. However, there are only 26 beds for every 1,000 senior people at nursing homes offering special care to senior citizens nationwide. Such a wide gap means there is huge pressure on the country's existing care facilities for the elderly but also enormous potential for the provision of care services for senior citizens.

Except for medical care that is basically accessible to the elderly, other indicators for the ageing society in China fail to reach expected standards. To tap the economic potential of the "gray society", both the visible and invisible hands of the market should be better used. The government should continue increasing its fiscal inputs or subsidies for nursing homes for the elderly, as well as a multi-level and diversified system of services for the aged. At the same time, private companies should be encouraged to enter the market on a commercial basis.

To live in dignity, senior people need not just sufficient material conditions, but also a rich spiritual world, including being integrated with the rest of the society. This highlights the need for joint efforts from both individuals and society to achieve this.

The above is a *People's Daily* article published on Wednesday.

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## OPINION LINE

## G7's statement reflects its bias on China's maritime disputes

**At their recent summit, the G7 members** issued a statement strongly opposing "any unilateral actions that seek to change the status quo, such as large-scale land reclamation" in the South China Sea and East China Sea. Comments:

China agrees with the G7 that freedom of navigation should be protected in the South China Sea. Besides, who is doing "large-scale land reclamation" there? It is Vietnam and the Philippines that have done and continue doing these things on islands they have stolen from China.

Shen Dingli, a professor on international studies at Pudan University, June 10

There is less understanding between Japan and the European members of the G7 than we might imagine. In terms of interests, the European countries might not share Japan's view; in terms of values, how could Japan that refuses to admit its own aggressive past be accepted by a community of democracies? After all, the G7 is an organization of all its members, not just Japan.

Shi Huaze, an associate professor in international relations at Beijing Foreign Studies University, June 9

The G7 summit has no right to discuss South China Sea issues. There are two main issues concern-

ing the region: first, the territorial disputes between China and various claimants of the islands, reefs and associated waters in the region, which is solely the concern of China and the claimants; second, freedom of navigation, which is a matter of discussion between China and the Association of Southeast Asian Nations. Whatever statement the G7 makes, the South China Sea is none of its business.

Yang Xigu, a researcher at the China Institute of International Studies, June 10

In 2014, the G7 expressed concern over the South China Sea and East China Sea issues. This year it has strengthened its wording to "strongly oppose". China has responded firmly by expressing its protest, but more actions are needed, such as expressing China's attitude via bilateral diplomatic means, and requiring it to offer an explanation for the statement. Sometimes strong measures are needed to prevent it from taking similar actions again.

haiwainet.com, June 10

## Punish all involved in discipline official's murder

**Fan Jiadong, a Party discipline official** at Qing'an, Northeast China's Heilongjiang province, died in hospital after he was attacked in the street by a group of masked men. The attack happened after he went to Beijing to report the corruption of local officials, who say they have made no progress in discovering the identity of the attackers. Comments:

There is yet no solid evidence, but it is an essential clue that Fan reported local officials' corruption before being attacked. Will the local police, who themselves might be involved in the corruption, investigate his death properly? It is necessary for higher level police to intervene so as to ensure a fair investigation. The higher authorities also need to accelerate a disciplinary investigation into the corruption, so that local officials get their deserved punishments if they are found to be corrupt.

Southern Metropolis Daily, June 10

We live in the Internet age but the leading officials of Qing'an seem to be still living in the Stone

Age. Even though all media outlets nationwide rushed to this northeastern county, the local officials still claim they know nothing about the incident and behave as bandits.

Beijing News, June 10

There are police cameras on almost every street, so there is no excuse for the local police to say they do not know who attacked Fan. Not only his attackers should be punished, any police officers that are trying to protect them also deserve punishing. And the local officials, if found to be corrupt, should be taken to court.

people.com.cn, June 10

## Officials pass the buck for boy's death

**The local government** said that the death of a 13-year-old boy in Xinyang, Central China's Henan province, who went missing six months ago and reportedly died of severe malnutrition and tuberculosis in April, was 70 percent his own fault. The remaining blame, it said, should be divided equally between the orphanage that was supposed to care for him and his parents. Comments:

His guardians and any other parties concerned are responsible for the death of the 13-year-old juvenile with mental health problems, or in legal terms, a person without, or with limited, capacity for civil conduct. With regards to the boy's physical condition, those local departments that failed to fulfill their duty of care should be held accountable on charges of dereliction of duty. The responsibility distribution announced does not match what the previous investigation said.

Beijing News, June 10

The teenager who starved to death was by no means responsible for his own death. Given such a brutal fact, the so-called responsibility division is appalling because it reveals the authorities' attempt to avoid or reduce their obligation to pay compensation. It is thus not a matter of the lack of law-related knowledge but of ethics.

rednet.cn, June 10

To deal with the aftermath of a scandal in which the local government was involved, sincere efforts should be made to amend the government's credibility in accordance with relevant laws. Sadly, the released compensation plan is far from satisfactory and may even bring another crisis to the local authorities. The biggest challenge of all will be faced by the local court if the boy's parents refuse the money and resort to judicial remedy.

Beijing Times, June 10

## HOT WORDS

### Migrant *gaokao* students

高考移民 (gāokǎo yímin)

Before the *gaokao* (national college entrance examination) this year, the admission and examination center in North China's Inner Mongolia autonomous region received many reports that several officials in neighboring Hebei province had

sent their children to the region to sit the examination because it sets a lower score for college admission than Hebei. The admission and examination center then stopped hundreds of ineligible Hebei students from sitting the exam.

Migrant *gaokao* students refer to students who seek to sit the exam in regions that enjoy the favorable admission policies. According to the Inner Mongolia education authorities, since the end of 2014 they have prevented 1,465 ineligible migrant students from sitting the national college entrance

examination, with hundreds of them from Hebei.

In China, college admission is closely related to a student's *hukou* (residence registration). Applicants should only take the national college entrance examination in their registered place of residence. The migrant students' hoping to sit the exam in more favorable locations exposes loopholes in both the *hukou* system and the education system. It demonstrates the distribution of higher education resources is far from being fair nationwide.



The opinions expressed on this page do not necessarily reflect those of China Daily Canada.

“ They kidnap and abduct women when they take areas so they have - I don't want to call it a fresh supply - but they have new girls.”

Zainab Bangura, a UN envoy on sexual violence, told reporters after visiting Iraq. She said that young girls are routinely abducted by Islamic State fighters in Iraq and Syria and then sold in slave markets “for as little as a pack of cigarettes”.

WANG YIWEI

# US has forced itself into strategic dilemma

Has the relationship between China and the United States reached “a tipping point”? This question has become important at a time when the US seems to encourage some of China's neighbors to challenge Beijing's legitimate interests in the South China Sea.

Addressing Japan's upper house of parliament on June 3, Philippine President Benigno Aquino III audaciously, and wrongly, likened China to Nazi Germany citing the South China Sea disputes in an obvious attempt to invite Japan and the US to meddle in the region.

On June 1, US President Barack Obama did concede that “it may be that some of their (China's) claims are legitimate”, but he still urged China to stop construction work on its own islands and islets. Of course, Obama turned a blind eye to the fact that the Philippines and Vietnam have already built outposts on the reefs they illegally occupy in the South China Sea.

US Defense Secretary Ashton Carter said at the Shangri-La Dialogue in Singapore that his country was “deeply concerned” over China's land reclamation and the fear of further militarization of the islands. Even Japan, which has nothing to do with disputes in the South China Sea, is trying to meddle in the waters by raising the issue at the just concluded G7 summit in Bavaria, Germany.

History tells us that major powers should take emergen-

cies seriously, properly manage their differences and control crises, otherwise they could end up being towed by small countries toward military confrontations, similar to the ones that led to World War I.

Such being the case, the “new type of major power relationship” between China and the US, an idea propounded by President Xi Jinping in 2013 on the principle of non-confrontation, mutual respect and win-win cooperation, could also be undermined by Washington's Asian allies like Manila.

The US-led alliances played a vital role in maintaining Washington's global hegemony as well as regional stability. The US-Japan alliance, which put an end to Japan's militarism and ensured the country's peaceful development in the postwar years, is a case in point.

To avoid the Thucydides' trap, or the inevitable clash between a rising power and an existing one, China is not supposed to challenge the US' postwar leadership without giving it a second thought. But the US should not seek to contain the rise of China either by ignoring Japan's right-wing tendency in a bid to maintain its global dominance.

What essentially is going wrong in the fading US hegemony is its exclusiveness. By seeing China as a latent threat and a mighty challenger, the US has forced itself into a strategic dilemma — Washington thinks it will either damage its credibility by not helping its allies or have to directly confront Beijing to defend them.

To some extent, Washington's increasing unfriendly gestures, like flying its military planes over the South China Sea and the arrest of some Chinese scholars on allegations of espionage last month, reflect its rising concern over Beijing, which has become more confident of participating in world affairs. The launching of the “Belt and Road Initiative” and the establishment of the Asian Infrastructure Investment Bank, for instance, have made the US' efforts to restrain China rather futile.

In this sense, the so-called tipping point does not indicate any substantial change in either country's strategic strength. Instead, it shows the US' attempts to maintain its hegemony is greatly hampering bilateral exchanges.

Therefore, the tipping-point theory, even if not true, is a wake-up call to China and the US both to properly handle their ties amid diplomatic tensions; it is a confusing overstatement as well.

Washington must realize that Beijing will not recklessly challenge its leadership. It must also realize that it cannot contain Beijing either because of the massive potential of their bilateral relations. China-US relations will not reach a tipping point should the two sides heed lessons from history and shelve their disputes in the light of long-term interests.

The author is director of the Center for European Union Studies at Renmin University of China and a senior fellow of Charhar Institute.

ZHU QIWEN

# Slowdown price worth paying for sustainable future

It is true that the Chinese economy is slowing in a way that might be making its economic transformation towards steady but sustainable growth more painful than expected.

However, the difficulty in advancing reforms does not negate the necessity of them.

Looming deflation pressures and declining trade have definitely troubled the world's second-largest economy as it struggles to pursue quality and innovation-led growth. China's consumer price index, a main gauge of inflation, grew 1.2 percent year-on-year in May, adding to concerns that downward pricing pressures may discourage consumption and investment to further hurt growth. After registering a 74-percent increase in 2014, the weakest annual expansion in 24 years, China's gross domestic product growth in the first quarter of the year further eased to 7 percent.

Meanwhile, the latest statistics show, in the first five months of this year, the country's exports increased by only 0.8 percent while imports dropped by 17.2 percent year-on-year, with the volume of foreign trade down 7.8 percent.

Compared to previous years when the Chinese economy was soaring by double-digit growth on the back of breakneck investment and rapid growth in exports, the country's contribution to the global trade growth this year will be understandably much more limited.

But oversimplifying the correlation between the current decline in emerging markets' exports and China's ongoing economic slowdown as a sort of causation underestimates the complexity of the global recovery.

First of all, a careful reading of the growth prospect of the world economy is a prerequisite for serious assessment of the global trade situation.

Recognizing that “the economic recovery from the global financial and economic crisis that broke out in 2008 has been unusu-

... if China's economic growth becomes more sustainable in coming years, there is really no need to exaggerate the current price we have to pay.

ally weak,” the Organization for Economic Cooperation and Development recently slashed its forecast for global growth to 3.1 percent this year, down from the 4.0 percent increase it projected in March.

If the growth of global trade, including emerging market countries' exports, has anything to do with the performance of the global economy, then one should not turn a blind eye to this OECD report that slashed its outlook for the United States, the world's largest economy, from 3.1 to 2 percent this year while lowering its forecast for China by two-tenths of a percentage point from 7.0 to 6.8 percent. It is not difficult to calculate which one will put a bigger short-term drag on the world economy and global trade growth.

Second, when examining the cause and consequences of the decline of emerging markets' exports, one must not ignore the sharp decline in commodity prices in the second half of last year.

The combination of lower prices of commodities and oil and the strong US dollar have played a key role in depressing the value of exports from emerging market countries that have suffered depreciation against the greenback, so there is little reason to list China as the major source of concern.

Third, when evaluating China's role to the global recovery, one should look at not only the short-term pain but also the long-term gain that the country's economic restructuring will bring about for itself and the world.

Actually, China bought more bulk commodities of crude oil and grain in the first five months, but imports of iron ore and coal shrank, with prices of major goods down. Imports of oil increased 4 percent year on year to 134 million tones, but iron ore lost 1.1 percent to 378 million tones, data showed.

Such changes might be early signs that the Chinese economy is shifting away from its dependence on investment toward consumption-led growth. And if China's economic growth becomes more sustainable in coming years, there is really no need to exaggerate the current price we have to pay.

The author is a senior writer with China Daily. zhuqiwen@chinadaily.com.cn

MICHAEL CLAUSS

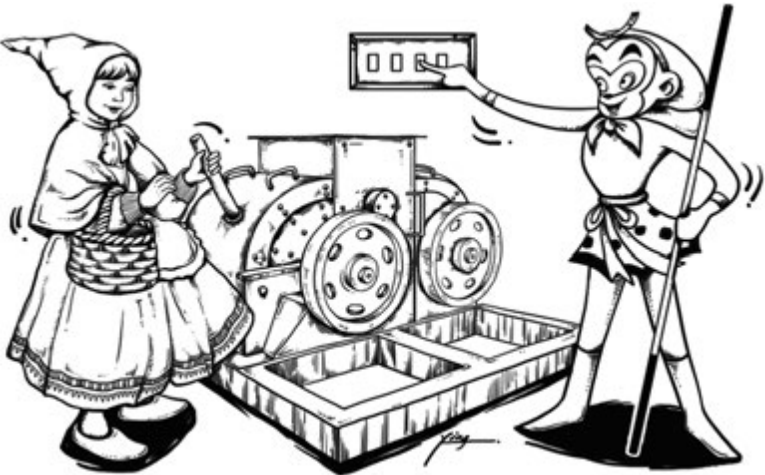
# Work together for cooperative world order

The fall of the Berlin Wall and the end of the Cold War in 1990 ushered in a huge new wave of globalization. Looking back after 25 years, we can now see that this development produced a number of clear winners. China is definitely among them: It started off with a GDP the size of Belgium. Now its economy is three times the size of Germany's. Germany also gained enormously. It gained freedom, peace and security and it seized new economic opportunities, not least in China. Our trade with China is twice the size of China's trade with Russia and several times the size of China's trade with any other European country.

When the world looks at China and Germany, there are parallels that are striking. The world sees two behemoths of manufacturing, of huge exports, two countries with a hard-working population, a strong emphasis on educational merit, and two cultures that value saving for the future and long-term planning over a “buy now, pay later” mentality.

There is no doubt that the global order is changing dramatically and that particularly China plays a crucial part in this process. Both Germany and China have enormous gains to defend in this changing world order. In the coming years, we should seize opportunities to create a new quality in our relations.

One of the main challenges is to make sure that all responsible nations are embedded in one world order and do not drift away into their separate universes. With this in mind, Germany supports fixing institutions lagging behind political and economic realities (IMF, UN Security Council) and takes an open and constructive approach towards new institutions and initiatives. Our decision to join the AIIB as the most important non-Asian member was driven by this motivation. Other initiatives worth exploring for deeper cooperation are, the SCO, the BRICS Bank or the Belt and Road Initiative. Germany is willing to work with China to advance an inclusive architecture that spans Europe and Asia. It will be important to build this architecture with Russia, not around or without it. The Organization for Security and Cooperation in Europe should also play an important part. It is the only relevant organization that includes North America, Europe and Asia.



WANG XIAOYING / CHINA DAILY

Stronger services sectors and stronger internal consumption will be important to create a better balance in our economies. However, both Germany and China must maintain a leading edge in manufacturing to maintain prosperity, not least to generate sufficient resources for social justice. Germany has been working on the next industrial revolution, named “Industry 4.0”, “marrying” manufacturing to the digital world. It will bring systemic change to our economy and society. “Industry 4.0” is also a key component in China's “Made in China 2025” plan. No other countries than Germany and China are better matched economically, technologically, mentally and even politically to cooperate in this field.

However, there are still important areas where China and the West do not see eye to eye. The best way to overcome distrust and misconceptions is giving as many people as possible the opportunity to go and see the reality

in our countries. Growing numbers of Chinese travelling to Germany are a hopeful sign. However, there are signs of a beginning stagnation when we look at traffic from Western countries to China.

We urgently need to increase the flow of people in both directions. One important bottleneck are visa procedures on both sides. Concrete improvements in the process are important - and real: Most Europeans have shortened application procedures, also Germany. What we need even more is a different mindset - on both sides: We must recognize that Europe and China are no security threat to each other and have no issues with illegal immigration. This is a rare opportunity for enhanced exchange and cooperation in our increasingly volatile world. It should not be squandered.

The author is German Ambassador to China.

STEPHEN P. GROFF

# New economic corridors catalyst for connectivity

Twenty-five years ago, Yunnan province was one of China's most isolated and impoverished regions, due to its inland location and mountainous terrain. Its roads were poor, its communication infrastructure was underdeveloped, and trade with southern neighbors was negligible.

Today Yunnan's capital, Kunming—the grand city of “merchants and artisans” described by Marco Polo—is reclaiming its position as a major regional trade hub. Commerce is once again thriving, and people are prospering like never before.

Improved connectivity has been a cornerstone of Yunnan's transformation. The narrow trails traveled by 13th century traders have given way to modern expressways that are driving trade. As recently as 1990 it was virtually impossible to ship goods overland from Yunnan to nearby Thailand, necessitating a six-week journey, via Hong Kong, to reach Bangkok. Today it takes just two days, and overland trade between Yunnan and its neighbors is booming.

Yunnan has played a pivotal role in the Greater Mekong Subregion (GMS). Since 1992 the six GMS nations sharing the Mekong River – Cambodia, China (specifically Yunnan province and Guangxi Zhuang autonomous region), Laos, Myanmar, Thailand, and Vietnam – have pursued a program of economic cooperation and improved connectivity to foster greater prosperity to the subregion.

Under this program, two modern expressways – one

stretching from Kunming through Laos and on to Bangkok, and the other from Kunming to Hanoi – have been developed, forming the backbone of the GMS north-south economic corridor, a key building block in an Asia-wide tapestry of trade routes that are propelling the region's economic growth.

The challenge now facing GMS countries is cutting the red tape. One-stop customs and harmonized quarantine administration need to be introduced at all borders to ensure goods, people and vehicles can move freely. Logistics need to be improved, and GMS nations must create a better business environment that encourages the private sector to more actively invest in trade and industry.

Progress is already being made on these fronts. Today Mekong nations are planning the next quantum leap forward – a new era where goods and people will easily crisscross borders, and where a new communication superhighway network will give rise to thriving e-commerce between GMS nations. If GMS countries continue to make meaningful strides on these fronts, their progress over the next quarter century should be every bit as impressive as the last.

Perhaps the most important legacy of the GMS economic corridors is the role they have played in transforming the lives of people living along them. Since the completion of the Kunming-to-Bangkok route, for example—a modern highway cutting through a previously isolated corner of Laos—communities all along the corridor

have been reaping enormous benefits. The old road was narrow and virtually impassable during the rainy season. The new all-weather road provides a crucial lifeline, giving families in the 76 villages along the route better access to life-saving health services and better jobs. It is making it easier for children to get to school, improving enrolment and retention rates.

Tourist visits are also skyrocketing, providing a new source of income and a much better of standard of living for people in countless villages. All along the road, families once bound to a life of poverty due to their isolation can now tap new opportunities. Earnings for families along the corridor are now 50 percent higher than other households' earnings, enabling many families to finally escape the poverty trap.

Just as the ancient Silk Road promoted interchange and better understanding between Chinese, Southeast Asian, central Asian and Western civilizations, so too can new economic corridors serve as a catalyst for greater connectivity between nations, and stronger bonds between their peoples. Through better cooperation, connectivity and mutual understanding, the GMS program—in tandem with other initiatives in central and south Asia—can help pave the way for a new age of prosperity, innovation and progress.

The author is the Asian Development Bank's vice-president for East Asia, Southeast Asia and the Pacific.



# BUSINESS

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## OVERVIEW

# PBOC pares economic growth goal

Policy boost expected to become evident during third quarter

By CHEN JIA  
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The People's Bank of China has lowered its full-year GDP growth forecast to 7 percent from the previous estimate of 7.1 percent issued in December as first-half economic momentum turned out to be weaker than expected.

"But we have reason to expect some modest recovery in sequential growth in the second half," said the updated mid-year report by the central bank.

The PBOC also slashed its forecast for consumer price inflation to 1.4 percent from 2.2 percent previously. And it cut a number of other key forecasts:

- Exports: To 2.5 percent growth from 6.9 percent previously.
- Imports: To a 4.2 percent contraction from growth of 5.1 percent.
- Fixed-asset investment: To a rise of 12.6 percent from 12.8 percent previously.
- Retail sales: To growth of 10.7 percent from 12.2 percent.

Overall economic conditions are worsening because of a faster-than-expected slowdown of exports and real estate investment, with the lowest indicators since the global financial crisis in 2008, Ma Jun, the central bank's chief economist, wrote in the report.

"Recently, the nonperforming loan ratio has been rising and commercial banks have become more cautious about lending, especially to producers of coal, steel, construction materials and companies involved in export-oriented manufacturing and real estate," Ma said.

The PBOC did, however, forecast that the positive

effects of already-announced policies will become evident starting in the third quarter.

Recoveries in the United States and European economies are likely to support China's export rebound. In addition, the rise of housing prices since April will accelerate property investment, according to the report.

Major economic figures for May are scheduled to be released by the National Bureau of Statistics on Thursday, and analysts' consensus is for some slight improvement.

Credit ratings agency Moody's Investors Service Inc released a report on Wednesday, saying that the number of companies in China in financial distress will rise as slower domestic economic growth and the government's reform agenda, intended to allow markets to play a "decisive" role, expose overstretched balance sheets in the corporate sector.

"But policy easing and government support will prevent rising corporate distress from escalating to a level that would cause systemic risk to the onshore and offshore markets," it said.

It added: "Room is also available for a further loosening of monetary policy should macroeconomic conditions continue to deteriorate, given that real lending rates and the reserve requirement ratio remain high."

Compared with other emerging markets, China has a more stable economic foundation, so the expected move by the US Federal Reserve to raise interest rates will have merely a limited impact on the country's financial system, the PBOC report said.

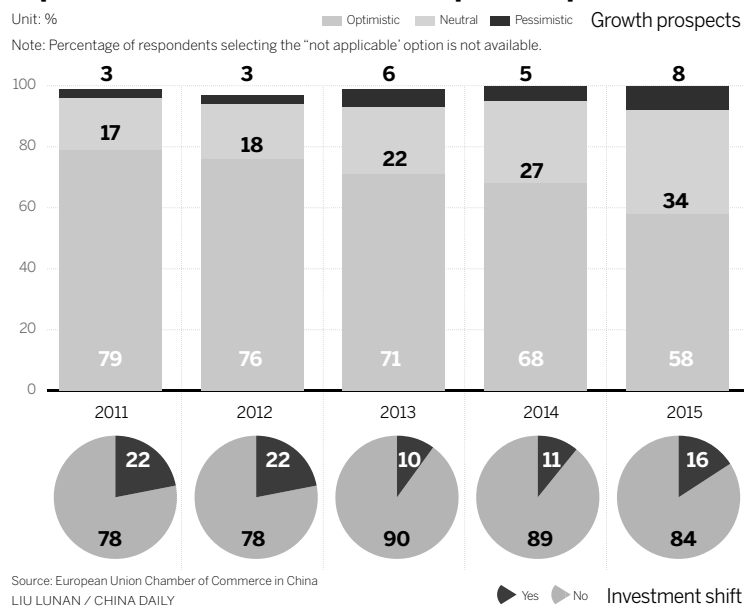
However, capital outflows and currency depreciation in other emerging economies may cut China's exports, it said.



Ma Jun, chief economist at the People's Bank of China

## INVESTMENT

### Impact of economic slowdown on European companies in China



## EU firms take dimmer view

By LI XIANG  
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Optimism about growth and profitability in China among companies from the European Union has dropped to a record low, with an increasing number planning to cut jobs in the nation, a survey by the European Union Chamber of Commerce in China showed on Wednesday.

The survey found that 39 percent of EU-based companies — a record high — plan to cut costs in China this year, mostly by layoffs, compared with just 24 percent last year.

Nearly one-quarter of the companies are pessimistic about their profitability prospects in China, according to the survey. A majority (58 percent) of the respondents remained optimistic about growth outlook, but that figure still represented a 10-percentage-point drop from last year, and it was the lowest since 2011.

EU companies in industrial goods and services are the least optimistic and hardest-hit by the economic slowdown. Companies in the professional services and consumer goods/services segments have a brighter outlook.

One-third of EU-based businesses said they will put investment and expansion in China on hold.

China's position in the rankings as a target for investment has also declined.

The proportion of EU companies that ranked China as the top investment target, or even put it among the top three, shrank to 59 percent in all, a 9-percentage-point drop from last year.

Rising labor costs, which did not even make the list of top 10 business challenges in China last year, was ranked second this year. The economic slowdown in China was ranked the top business challenge in the survey.

### 59 percent

of EU companies rank China as a top investment destination

"Companies are laying people off and engaging in cost reduction plans to make them slimmer and better able to tackle the difficult business environment," said Jorg Wuttke, president of the chamber.

Wuttke said that while EU companies are diversifying their investment to other markets, they remain committed to China as there is "no second China" in sight that could compare in terms of market scale and potential.

The survey was jointly conducted by the chamber and German consulting firm Roland Berger Strategy Consultants GmbH in February and March. They surveyed 541 EU companies.

About 60 percent of the respondents were small and

medium-sized companies with fewer than 250 employees. The rest were large multinational corporations.

Weak sentiment among European investors sparked worries that their plans to scale back may put even more downward pressure on the Chinese economy, which is growing at the slowest rate in the past two decades.

Watson Liu, a senior partner at Roland Berger, said that the negative impact of European companies' job cuts might not be as serious as assumed, because the survey did not reflect some new investment trends taking place in the country.

"European companies may be scaling back investment on some traditional labor-intensive sectors, but they are boosting investment in new emerging sectors such as the advanced and intelligent manufacturing segment, especially after China announced the strategy of 'Made in China 2025' to upgrade the domestic manufacturing sector," Liu said.

The survey showed increasing demand by EU firms for greater market access, effective implementation of reforms and the rule of law and better protection of intellectual property rights.

Internet issues such as slow speeds and access restrictions were cited in the survey as impediments to productivity, data exchange, research and innovation of EU companies.

## SURVEY

# More anti-graft steps needed to regain trust

By WU YIYAO in Shanghai  
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Though Chinese companies have strengthened their anti-fraud and anti-corruption policies after the nationwide anti-graft campaign started in 2013, they still need to do a lot more to regain their employees' trust, a new report said on Wednesday.

The study, conducted by global consultancy firm Ernst & Young, highlighted the need for companies to plug the loopholes in policy enactment and enforcement. EY said its findings are based on responses from 1,508 companies across Asia, including 250 from the Chinese mainland.

It found that companies now have a much higher perception about compliance than before, with the need for stricter rules to curb unethical behavior like fraud and corruption. In China, about 66 percent of respondents said their companies had been influenced by the ongoing anti-graft campaign.

The anti-graft actions have prompted enterprises, be they multinationals, public companies or private sector ones, to rethink their anti-bribery and anti-corruption strategies, including extending training and using more proactive tools to prevent unethical behavior, said Emmanuel Vignal, leader of China operations with fraud investigation & dispute services at EY.

Fraud and corruption prevention is no longer just a legal and compliance issue, but something that affects recruitment, talent retention and business continuity, said Vignal.

Employees have attached more importance to their employers' righteousness, as

more than two-thirds of the respondents from the Chinese mainland said their willingness to work may be reduced if the employers are involved in bribery and corruption.

Sisley Wong, a 36-year-old marketing officer with a food company in Shanghai, said: "It is clear that the anti-graft campaign will be a long one, and the checks, both internal and external, may expand to every sector. We have seen cases in which employees were sacked after businesses saw their performance and reputation nosediving due to corruption. So working for a company that is not clean enough is actually quite risky."

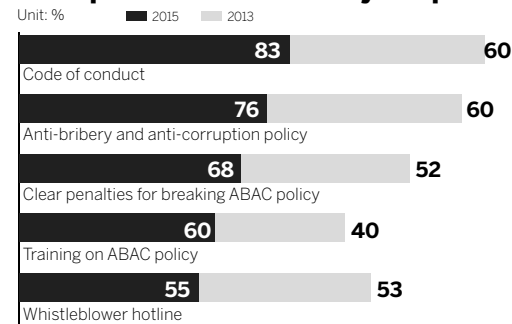
Enforcement of policies, however, needs to be much stronger as many respondents felt that due to the slow economic growth, decision-makers at some companies may resort to bribery and other unethical measures to boost business.

About 48 percent of respondents in the Chinese mainland said some of their colleagues who carried out unethical practices had been promoted, instead of being punished. Nearly half of the respondents said that their companies' existing anti-bribery and anti-corruption policies are not up to the mark.

Whistleblowers also had concerns over insufficient legal protection and lack of confidentiality when considering reporting unethical behavior to regulators, and some enterprises even do not have an internal whistleblower hotline to handle the issues.

EY's research found that the number of respondents who were prepared to use such a hotline had decreased significantly from 81 percent in 2013 to 52 percent in 2015.

### Fraud prevention initiatives by companies



Source: Ernst & Young

LIU LUNAN / CHINA DAILY

## MARKETS

# MSCI defers decision on inclusion of A shares in global benchmark

By XIE YU in Hong Kong  
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Global index compiler MSCI Inc said on Wednesday that it had delayed including the Chinese A shares in its benchmark index as there were still some issues over market access, but said that it was working with the nation's capital market regulator to address the issue.

MSCI and the China Securities Regulatory Commission will form a working group to tackle the remaining accessibility issues and the index provider will include the A shares in the MSCI Emerging Mar-

kets Index as soon as the issues are resolved, which may happen "outside the regular schedule" of its annual market classification review, it said in a statement on Wednesday.

The yuan-denominated A-share market, the second-largest equity market by capitalization (following the United States market) and the most actively traded cash equity market globally, had missed its first opportunity in 2014 to join the MSCI Emerging Market Index, after it was picked for an annual review. The index is tracked by roughly \$1.7 trillion of funds globally, according to Bloomberg data.

The decisions following the two reviews more or less followed similar patterns. Concerns still exist over market tradability, referring to specific issues including quota allocation process, capital mobility restrictions and beneficial ownership of investments, according to the press release.

However, analysts said the wording of the MSCI statement indicated global investors have recognized the substantial progress regarding China's equity market opening-up. Given that some of them even have made attempts to embrace the mar-

"An increasing number of overseas funds have considered including A shares in their portfolios."

Steve Yang, A-share strategist at UBS Securities LLC

ket, the inclusion may happen as early as the fourth quarter, market sources said.

"Our expectation is that the Shenzhen-Hong Kong Stock Connect scheme could be unveiled in the near future and could be up and running in the fourth quarter. If our expectations prevail, a key prerequisite for A-share inclusion to global indexes will be fulfilled, and could open a special review by the MSCI," Goldman Sachs Group Inc strategist Kinger Lau and his team wrote in a note on Wednesday.

Steve Yang, an A-share strategist with Swiss financial services firm UBS Securities LLC,

said: "Although A shares have yet to meet MSCI's and FTSE's emerging markets classification standards, an increasing number of overseas funds have considered including A shares in their portfolios."

MSCI's rival FTSE announced the creation of two transitional emerging market indexes that included A shares in late May, which aims to facilitate the potential inclusion of A shares to FTSE's standard global indexes.

The benchmark Shanghai Composite Index slid 0.15 percent to 5,106.04 points on Wednesday after the news.

"Blue chips in sectors

including finance, information technology, and energy are the direct beneficiaries, based on the experiences of other markets like South Korea. But the impact on liquidity will be limited in the short term, whether or not the A shares are included in the MSCI benchmark," said Zhu Zhenxin, an analyst with Minsheng Securities Co Ltd.

The initial inclusion will see A shares taking up less than 1 percent of the Emerging Market Index, and may introduce about \$2 billion funds, below 1 percent of the daily turnover on China's equity market nowadays.



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Talking business

# Mobilizing idle hands during a downturn

By LI XIANG

Car-hailing apps are popular in China these days for one obvious reason: they offer daily commuters private car service as an alternative to the crowded public transport system and the taxi service that is often in shortage.

But there is another appealing aspect of it: mobilizing the idle hands in society during the economic downturn.

Zheng is a driver I recently met while I took a ride home using the car-hailing service. When I asked him how the driving business had been and why he was doing it, he sighed a bit and said: "I am doing this as a part-time job. My own business has gone bad."

Zheng, 39, is a steel wholesaler. He migrated to Beijing 20 years ago from a small village in Sichuan province to start his own business.

He made some money during the years when the property market boomed.

Now his business has come to a complete standstill because of the tough government regulations on new construction projects and the declining property market value, which have led to a significant drop in steel demand.

Although the driving job did not pay as much as he expected, Zheng appeared to be satisfied. He said he could make about 8,000 yuan (\$1,300) per month and if he is willing to work longer hours on both weekdays and weekends, he can make up to about 12,000 yuan.

"You know, this is much better than sitting at home and doing nothing. My son is going to college this year, so the extra money really helps make life easier," he said.

After talking with Zheng, I began to conduct similar surveys on other drivers whenever I used the private

car-hailing service. And I found Zheng was not alone.

Drivers I have talked to, ranging from a furniture store owner, dealer of construction equipment and even waste recycler, are mostly self-employed small business owners. They are in the private driving business for the same reason: their own business is not doing well and they drive to make some extra money to cover daily expenses.

Didi Kuaidi, China's largest taxi-hailing app provider by market share, claimed that it has 400,000 drivers for its private car services and the number will exceed 1 million by the end of the year.

In mega cities like Beijing with 21 million residents and some 5 million cars, the number paints a promising future for the car-hailing business.

The popularity and success of companies such as Didi Kuaidi and Uber - its rival from the United

States - are examples of the fact that innovation and information technology deserve appreciation as they mobilize the existing resources - both cars and manpower - in the most effective and low-cost way.

But then I began to wonder how long such popularity could last. Car-hailing service companies are burning cash to attract clients and to stay ahead of their rivals. It is doubtful whether such practices are sustainable in the long run, as the market incentives would vanish if the companies stop subsidizing both drivers and users.

The rosy prospect has also been shadowed by the issue of legality of car-hailing apps, especially private cars. Transport authorities in Beijing have reiterated that private cars offering unlicensed taxi ride violate regulations.

The governments appear to be hesitant on embracing the new service as it challenges not only the

existing public transportation regulations but also the traditional taxi business which is mostly controlled by State-owned enterprises.

Nonetheless, people's enthusiasm remains strong. Drivers like Zheng are still willing to take the job despite the regulation risks.

Some of my friends have even given up the idea of buying a car because the private car service saves them from parking troubles and the high expenses of car maintenance and insurance.

The bright part is that Shanghai is likely to become the first Chinese city to legalize the car-hailing apps as it is already working with the companies to include their services in a government-sponsored taxi-booking platform. Hopes are that it could lead to a breakthrough nationwide.

Contact the writer at  
lixiang@chinadaily.com.cn

Quotes of the day



Some of the nations along the routes of the 'Belt and Road

Initiative' lack stable power supplies, while at the same time, they have abundant hydropower resources. The Silk Road Fund strongly supports the development of clean-energy projects."

Ding Guorong, deputy manager of the Silk Road Fund, which is designed to finance China's proposed "Belt and Road Initiative"



As the bull run continues in Shanghai and Shenzhen, it is important to consider whether the proceeds are being invested in business development. This will be a key factor in deciding whether the economy maintains stable growth in the second half of the year."

Zuo Xiaolei, chief economist of China Galaxy Securities



The Shanghai government has formed an initial plan for a new

round of financial reforms, which will create better linkage between the free trade area and the city's financial community. The reforms will focus, particularly, on development of the city's capital markets."

Tu Shaoguang, vice-mayor of Shanghai



China's future economy will be a successful combination of traditional business values and digital capabilities. All businesses will have to embrace the electronic age, which will be dominated by big data and cloud computing."

Zhang Yong, CEO of Alibaba Group Holding Ltd



SOURCE: 163.COM

What's news



GOVERNMENTS AND POLICIES

## NDRC approves \$2.7b in aviation projects

The National Development and Reform Commission has approved four new airports, and an experimental aviation project, worth a total investment of 16.84 billion yuan (\$2.71 billion), according to an announcement posted on its website. The airport projects are in Shache and Ruojiang, in Xinjiang Uygur autonomous region, Wudalianchi in Heilongjiang province, and Haikou in Hainan province. The experimental project is at the China Academy of Civil Aviation Science and Technology in Beijing.

## Development fund for New Area in Guizhou

A development fund focusing on the urbanization of Gui'an New Area, in Guizhou province, has been approved by the National Development and Reform Commission. The area is an emerging economic zone located between the cities of Guiyang and Anshun. The fund will be able to raise capital through private placement from institutional investors including enterprises, banks, social security funds and insurance companies.



COMPANIES AND MARKETS

## FDG completes initial phase of battery plant

FDG Electric Vehicles Ltd, the Hong Kong-based electric car maker, has completed the first phase of a 4.6 billion yuan (\$750,000) lithium ion battery production base in Tianjin, believed to be the largest of its type in the Chinese mainland. The company will also invest 4.7 billion yuan in a new energy-vehicle project, it said.

## CVC, China Merchants to bid for Kumpport stake

CVC Capital Partners and China



## Flexible laptops

Models pose with the flexible YOGA range of Lenovo laptops during their launch in Bengaluru, India, on Tuesday. Lenovo launched two models, the YOGA 300 and YOGA 500 in India that day. MANJUNATH KIRAN / AFP

Merchants Holdings International Co are believed to be competing to buy a stake in Turkey's container terminal Kumpport, according to industry sources. Oman's finance ministry, which owns the stake, is in talks with bidders over a sale of about 36 percent of the entire port facility which could value the sale at about \$1.1 billion, said the sources, who added an agreement could be signed by the end of the month. None of the parties involved offered comment.

## Shanshui Cement says finances under scrutiny

China Shanshui Cement Group Ltd said some banks have halted offering it new loans, and suppliers are demanding immediate repayment, after a court put one of its main shareholders into receivership. Some joint venture partners have also said they wanted to review their relationship with the company,

Shanshui Cement said in a statement in Hong Kong.

## 49 firms facing bond repayment problems

China Datang Corp and Baoding Tianwei Yingli New Energy Resources Co are among 49 Chinese companies facing potential difficulties with \$12 billion in bond payments this year. The number of publicly traded firms based in China with net losses, falling revenue, and net debt more than 150 percent of equity, jumped to 49 by Dec 31 from 38 a year earlier, according to fresh Bloomberg data. Tianwei Yingli, with notes due in October, is among the riskiest borrowers, according to China International Capital Corp.

## Brazilian exports morn crude oil to China

Brazil's oil exports to China increased threefold in the first five

months of this year, making Beijing the largest consumer of Brazilian crude, said daily newspaper Folha de Sao Paulo on Tuesday. It said Brazil exported 5.4 million metric tons of oil to China from January to May, accounting for 35 percent of Brazil's total oil exports in the same period, twice as much as its exports to the United States.



AROUND THE WORLD

## Sawada reverses Japan park's performance

Light shows and pirate rides have helped pull a bankrupt theme park on Japan's western island of Kyushu back to profitability, said Hideo Sawada, also the founder of H.I.S. Co, Japan's largest listed travel agent. Five years after buying Huis

Ten Bosch, a replica Dutch village that had bled money for more than a decade, Sawada said he had improved attendance enough that it now accounts for almost half of the profit at H.I.S.

## Foundem claims Google is 'feigning ignorance'

A price-comparison website that helped trigger a European Union antitrust complaint against Google Inc has accused the search-engine of deliberately feigning ignorance about what's at stake in the case. Foundem, one of the first companies to complain to the EU about Google, said the search engine's blog response to an April 15 statement of objections misleadingly referred to "a ton of competition" from services such as Amazon.com Inc and eBay Inc.

## Italy's Banca Popolare prepares for mergers

Banca Popolare di Milano Searl, Italy's oldest cooperative bank led by Chief Executive Officer Giuseppe Castagna, has confirmed the hiring of Citigroup Inc and Lazar Ltd to advise on potential mergers as it converts to a joint stock company. "The move is a sign that the process of consolidation is getting underway," said Giovanni Razzoli, an analyst at Equita Sim SpA who has a buy recommendation on the stock.

## Panasonic to buy Bayer diabetes devices arm

Bayer AG has agreed to sell its diabetes devices business to Panasonic Healthcare Co, a joint venture backed by buyout firm KKR & Co, for 1 billion euros (\$1.15 billion). The business makes blood-glucose monitoring systems and lancet devices for people with diabetes, the German firm said in a statement on Tuesday. Chief Executive Officer Marijn Dekkers is selling peripheral units as he focuses on more lucrative life-sciences businesses. In addition to the diabetes sale, the company plans to list its plastics unit on the stock market.

CHINA DAILY - XINHUA - REUTERS - BLOOMBERG

OVERVIEW

# Goldman's Blankfein expects US economy to grow 3%

By CHEN JIA

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Economic growth in the United States will see a slight recovery to 3 percent this year, compared with 2.4 percent last year, the top official of a leading US brokerage said on Wednesday.

Though the deleveraging in the US consumption and financial sector after the economic crisis took longer than expected, the lower unemployment rate suggests that the worst might have passed, said Lloyd Blankfein, chairman and CEO of Goldman Sachs, at an event in Tsinghua University.

"I am optimistic about the future economy," he said, adding that there would be some complaints about the government's policies during the upcoming presidential elections.

Responding to queries on the Beijing-led Asian Infrastructure Investment Bank, Blankfein said it was important for China to expand its role in the global governance system.

The new lender, which is focused on financing infrastructure construction in Asia, has 57 prospective founding members, with the US being the notable absentee.

"I think the US made a mistake,

and it should be more open to the idea," said Blankfein. "Also we should welcome the changes in the voting rights in global organizations such as the IMF."

China's movement into the upper reaches may be the top line of economic power in the world. Though it is the reality, it does not mean that it is all about benefiting China. Instead it means responsibilities and capabilities in a manner that China can jointly underwrite the global economic order, according to Blankfein.

He stressed that the global governance structure of the post-World War II order needs to be readjusted



Companies should take advantage of the investment treaty and use it to make tangible contributions..."

Lloyd Blankfein, chairman and CEO of Goldman Sachs

based on the economic power changes.

Qian Yingyi, director of the School of Economics and Management at Tsinghua University, said that both China and the US need more communication at various levels, especially driven by dialogue between top leaders, to further enhance cooperation in economic and political aspects.

The Bilateral Investment Treaty, an agreement between the two countries that seeks to open industries for bilateral direct investment, will be a crucial step in bolstering Sino-US relationship, according to Qian.

"Companies should take advantage of the investment treaty and use it to make tangible contributions for closer cooperation between the two nations," said Blankfein.

However in the short term, it may not be that easy to reach a consensus, he said.

For the US, some industries that are not so successful may lose in the competition with Chinese companies, and it will result in unemployment.

At the same time, the opening-up can also help enrich the US markets with more supplies of manufactured products, and thereby help reduce US inflation, he said.



## 20 IN DEPTH

## HISTORY

## THE GREAT ESCAPE

The dramatic story of how Chinese guerillas rescued Donald Kerr, a young US pilot shot down over wartime Hong Kong, will soon be released as a movie. **Zhao Xu** met with Kerr's son to hear about his father's dangerous journey home.

For Dave Kerr, the discovery of two nails in the wall of a small kiln, or "charcoal cave", in the mountains of Hong Kong was a revelation.

"A charcoal cave is where wood is burned to make charcoal. Only one being used to hide someone would need a blanket as a door," the North Carolina native said. "My father wrote about the blanket in his memoir and although he did not mention the nails specifically, I can think of no other way to hold the blanket over the door except to use nails.

"Finally, there's the proof — proof that my father once spent some of the most memorable days of his entire life in this place, inside this small, round room with fire-glazed walls."

On Feb 11, 1944, Kerr's father Lieutenant Donald W. Kerr, took off from an airbase in Guilin in South China in his single-engine P-40 fighter plane.

It was 10 months before the end of World War II, and Japan still controlled a large part of China and the Pacific region.

Kerr, who had been sent to China after the bombing of Pearl Harbor in December 1941, was a member of the US Army's 14th Air Force, partly formed from the remnants of the legendary "Flying Tigers" squadron.

His mission was to bomb Hong Kong's Kai-Tak Airport, which had become a Japanese airbase after the city fell on Dec 25, 1941.

"The Allies sent 32 planes, including 20 fighters and 12 bombers," said Liu Shen, a documentary director-cum-amateur historian who has spent more than two decades unearthing the lesser-known wartime history of Hong Kong and the surrounding area.

"It was the fighter pilot's job to protect the bombers. Lt. Kerr had just shot down a Japanese fighter plane when his plane was hit by incendiary bullets and caught fire."

#### His memoir

With no other choice, Kerr parachuted. As he later wrote in his memoir, "pictures flashed through my mind like that of a drowning man."

The memoir, which has never been published, is believed to have been written in the days immediately following Kerr's rescue. It was first brought to his son's attention in 1982, five years after Kerr's death at age 62.

"Rather than falling to the ground in Kai-Tak to 'a circle of angry J-boys', my father landed in the mountains to the north of the airport because he steered his 'chute away from Kai-Tak, aided by a southern wind,'" Dave Kerr said, quoting the memoir.

"However, as he jumped, he was struck by the tail of his own plane, which broke his shoulder. In addition to this were the severe burns he suffered on one leg and on his face in the very short time that he was in the burning plane.

"People who visit Hong Kong today might think it would be very easy to hide in the dense forests in the mountains, but at that time all the trees and bushes had been cleared for firewood. The land was very barren and there were very few places to hide," he said. "When my father landed, he realized that he didn't know which way to run. He also knew a lot of Japanese soldiers were looking for him because he could see them."

That's when the US pilot met his first savior, a small boy who looked up "from under a man-sized, store-fresh hat" and gestured for Kerr to follow him.

That desperate dash for life is powerfully evoked by one of the true-adventure cartoons



US pilot Lieutenant Donald Kerr with his rescuers at the East River Column headquarters in Tuyang, Guangdong province. PHOTOS PROVIDED TO CHINA DAILY



A file photo of US pilots and a P40 fighter plane bearing the shark-face logo of the Flying Tigers. The aircraft was the same type that Donald Kerr flew to bomb a Japanese air base in Hong Kong in 1944.

Kerr drew, depicting how the boy "pattered along on his rubber-soled shoes with no apparent effort" under the hot sun, followed by Kerr who "stumbled and staggered", "puffing like a freight train".

That event forms a crucial part of Liu Shen's documentary, *Take Me Home*, the first to tell the story, which took eight months to make and will have its premier in Beijing in August.

Liu is familiar with every verifiable detail of Kerr's escape.

"After hiding the pilot in a foxhole left by the British, the boy, a member of the local guerilla organization East River Column, went to a local's home, where he chanced upon a fellow guerilla member, a lady called Li Zhaozhua," Liu said. "Li went to Kerr's hiding place that same night."

Kerr's memoir describes Li as "a smart girl" who was "no country lass".

"I saw a Chinese girl dressed in a tattered lot of rags and carrying a pole over her shoulder, with faggots of twigs standing from each end," he wrote. "She whispered 'friend, friend' in English, put down her burden and moved my careful camouflage aside. She crawled in, replaced the branches and began to talk."

Li Zhaozhua died in 1999, at age 75, nearly 10 years before the search for his father's

“As usual, my gun was ready—and just as usual, I was desperately hoping that I wouldn’t have to use it.”

Donald Kerr, US pilot

“... Neither dad nor I knew how to reach our destinations... the people of China came forward to help.”

Dave Kerr, son of Donald Kerr

rescuers led Dave Kerr to Li's son, Jiang Shan.

"Born in Malaysia as a second-generation Chinese immigrant, my mother returned to her ancestral home in Guangdong province in early 1939, just across a narrow strip of water from Hong Kong. She

was determined to join her native country's fight against the invaders," Jiang, a retired policeman, said.

"She became a member of the East River Column, a guerilla force, led by the Communist Party of China, and was sent to Hong Kong soon after the island's fall in 1941. Her main job was to gather intelligence and raise donations for the army.

#### The silent heroine

"My mother never talked about her meeting with Donald Kerr or the rescue until very late in her life," the 63-year-old said. "She took him to another hiding place and eventually asked two of her colleagues to go there and find him."

One of the men was Deng Bin, the father of Deng Liping. The younger Deng, a successful exporter, provided much-needed financial support for the documentary.

"Neither of them understood English, so they took a hand-drawn map of the area, with a line of English words written at the bottom: 'Come here, sir, I bring you go home now!'" he said, quoting the scribbled message. "For the pilot, that must have been the real turning point. That's why we called our film *Take Me Home*."

However, before going home, Kerr was forced to hide in a variety of places, including a cave at the top of a mountain,



Andy Kerr, a son of US pilot Donald Kerr, is interviewed by the crew of the documentary *Take Me Home* in September 2014 in Pittsburgh at the birthplace of his father. PROVIDED TO CHINA DAILY

where he spent nearly two weeks protected around the clock by five guerrillas, and was told that the Japanese had put his parachute on display in a shop window in central Hong Kong.

In his memoir, Kerr dutifully recorded the "variety of emotions" he felt when he saw some of his pursuers from the hideout. "... fear, hunger, and a crick in my back," he wrote. "As usual, my gun was ready — and just as usual, I was desperately hoping that I wouldn't have to use it."

#### Beginning of the end

The anxiety ended on a starless night in early March, more than 20 days after Kerr jumped from his burning plane.

"He was given a boat ride across a rather secluded bay, from Sai Kung in Hong Kong to Nan'ao on the Chinese mainland," Liu said. "There were two boats, one carrying the pilot, the other loaded with dynamite."

This unusual arrangement didn't go unnoticed, according to Dave Kerr: "My father asked, and was told that they were no match for the Japanese in terms of either speed or gun power. One guerilla told my father, 'If the Japanese try to capture our boat, we'll wait

until both are together, then explode the bomb. Everyone dies'. My father was very humbled that they would take such risks to help him escape."

Shortly after arriving in Nan'ao, Kerr was sent to Tuyang about 10 kilometers away, where the East River Column was headquartered. He stayed there for a few days, before embarking on a 10-day journey to Guilin, escorted by a member of the British Army Aid Group, a paramilitary organization for British and Allied Forces in southern China during WWII founded by an Australian, Lieutenant Colonel Lindsay Ride, after being rescued from a Hong Kong POW camp by Chinese guerrillas.

Kerr arrived at the base in Guilin on March 29, 1944, after extensive travel by train, ship, truck and even bicycle.

"My father only told me the full story once, when I was about 10," Dave Kerr said. "After his death, my mother typed his handwritten memoir and before I got married, at the age of 28, I made my wife promise that we would go to China someday."

He first visited China in 2005 after his company was purchased by a Chinese business, but in 2008, he found himself standing in the East

River Column Memorial Hall in Pingshan, Guangdong province, face to face with his father's cartoons and thank you letter. He recognized the drawings immediately because the family owns several others that depict the escape.

Dave Kerr was also given contact numbers for the East River Column Family Association, of which both Jiang Shan and Deng Liping are members.

He and his family visited Deng Bin, Deng Liping's father. "In the summer of 2009, my then 87-year-old father pointed out the rock cave on the mountaintop to Dave," Deng Liping said.

"Before Dave came, I knew nothing about the rescue, which, frankly, is a shame. That's why I decided to go ahead with the documentary — to pay tribute to our forefathers, to their cooperation and heroism," Deng Liping said.

"What impressed me most during the entire shooting process was how meticulous Dave was with all the details. Every time we were in the mountains of Sai Kung, he pinpointed everything by use of a compass, and refused to believe anything — for example, the specific location of a hiding cave — unless there was concrete evidence.

"Everything about him, including his decisiveness and his strong sense of direction, makes me think of the US lieutenant I never had the opportunity to meet," he said.

#### 'The small boy'

In early 2009, Dave Kerr and his elder brother Andy visited a retirement home in Mongkok, Hong Kong. There, the brothers placed a Flying Tigers insignia in the hands of Li Shi, "the small boy" of their father's memoir.

"Li had had a stroke and couldn't speak. But when he saw my brother Andy, who closely resembles my father, he started to cry," Dave Kerr said. Li died later the same year.

The journey also took Dave Kerr to the cemetery in Guangdong where Li Zhaozhua is buried.

"He has visited twice, the last time was in February," Jiang said. "I gave him a photo of my mother, which he now carries in his pocket. It's a talisman for his family — that's what he said."

Referring to black-and-white photos taken during his father's stay at Tuyang, Dave Kerr said: "Before my father's military stint, he was a commercial photographer, having mastered the tricks of aerial photography. While his flying skills brought him to China in time of war, his experience with a camera made sure the story was recorded in images."

#### Discovery

In December 2009, Dave Kerr visited the "charcoal kiln" for the fourth time, accompanied by his daughter Jeannette, who was on her first trip.

"Up until that moment, I had been 99 percent certain that we had located the correct cave. That's when Jeannette spotted the nails," he said.

Deng Liping witnessed the moment. "They went into the cave and didn't come out until about 30 minutes later," he said.

It was a profound moment for Dave Kerr. "I was in the same place that had given my father such security," he said.

"Looking back, there's a remarkable parallel between my father's escape and my search to find the people who rescued him: Neither dad or I knew how to reach our destinations, but in both cases, the people of China came forward to help."

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